in action in Southeast Asia; to the Committee on Foreign Affairs.

402. Also, memorial of the Legislature of the State of Indiana, relative to an accounting of Americans missing in action; to the Committee on Foreign Affairs.

403. Also, memorial of the Legislature of the Commonwealth of Virginia, relative to U.S. sovereignty and jurisdiction over the Panama Canal; to the Committee on Foreign Affairs.

404. Also, memorial of the Legislature of the State of Washington, relative to the International Point Roberts Board; to the Committee on Foreign Affairs.

405. Also, memorial of the Legislature of the State of California relative to parking regulations promulgated by the U.S. Environmental Protection Agency; to the Committee on Interstate and Foreign Commerce.

406. Also, memorial of the House of Representatives of the Commonwealth of Massachusetts, relative to protection for the Massachusetts fishing industry; to the Committee on Merchant Marine and Fisheries.

407. Also, memorial of the Legislature of the State of Washington, relative to fisheries resources; to the Committee on Merchant Marine and Fisheries.

408. Also, memorial of the Legislature of the State of Oklahoma, relative to the U.S. Army Corps of Engineers lakeshore management plan; to the Committee on Public Works.

409. Also, memorial of the Legislature of the State of Washington, relative to the construction of a new bridge between Clarkston, Wash., and Lewiston, Idaho; to the Committee on Public Works.

410. Also, memorial of the House of Representatives of the State of Oklahoma, relative to tax exemptions of religious institutions; to the Committee on Ways and Means.

SENATE—*Monday, April 1, 1974*

The Senate met at 12 o'clock noon and was called to order by Hon. J. BENNETT JOHNSTON, JR., a Senator from the State of Louisiana.

PRAYER

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

Eternal Father, in this holy season may the spirit of the self-giving Saviour search our hearts, restore our souls, and redeem us from the lower life of sin to the higher life of love. Give us strength and wisdom for the tasks of each day. Help us amid our work not to forget the meaning and discipline of these searching days, but by self-denial, prayer, and meditation to prepare our hearts for deeper penitence and a better life. And may the peace of God which passeth all understanding keep our hearts and minds in Christ Jesus our Lord. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

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

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., April 1, 1974.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. J. BENNETT JOHNSTON, JR., a Senator from the State of Louisiana, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

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

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Friday, March 29, 1974, be dispensed with.

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

COMMITTEE MEETINGS DURING SENATE SESSION

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

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

MESSAGES FROM THE PRESIDENT

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

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore (Mr. JOHNSTON) 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.)

INDIAN SELF-DETERMINATION AND EDUCATION ASSISTANCE ACT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 733, S. 1017.

The ACTING PRESIDENT pro tempore. The bill will be stated by title.

The assistant legislative clerk read as follows:

S. 1017 to promote maximum Indian participation in the government and education of the Indian people; to provide for the full participation of Indian tribes in certain programs and services conducted by the Federal Government for Indians and to encourage the development of the human resources of the Indian people; to establish and carry out a national Indian education program; to encourage the establishment of local Indian school control; to train professionals in Indian education; to establish an Indian youth intern program; and for other purposes.

The ACTING PRESIDENT pro tempore. 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 this Act may be cited as the "Indian Self-Determination and Education Assistance Act".

CONGRESSIONAL FINDINGS

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

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

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

(b) The Congress further finds that—

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

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

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

DECLARATION OF POLICY

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

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

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

DEFINITIONS

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

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

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

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

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

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

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

TITLE I—THE INDIAN SELF-DETERMINATION ACT

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

CONTRACTS BY THE SECRETARY OF THE INTERIOR

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

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

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

CONTRACTS BY THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE

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

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

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

GRANTS TO INDIAN TRIBAL ORGANIZATIONS

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

DETAIL OF PERSONNEL

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

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

(b) The Act of August 5, 1964 (68 Stat. 674), as amended, is further amended by adding a new section 8 after section 7 of the Act, as follows:

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

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

ADMINISTRATIVE PROVISIONS

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

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

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

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

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

(f) The contracts authorized under sections 102 and 103 of this Act and grants pursuant to section 104 of this Act may include provisions for the performance of personal services which would otherwise be performed by Federal employees: *Provided,* That the

Secretary shall not make any contract which would impair his ability to discharge his trust responsibilities to any Indian tribe or individuals.

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

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

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

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

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

(4) Within 10 months from the date of enactment of this Act, the Secretary of the Interior and the Secretary of Health, Education, and Welfare shall promulgate rules and regulations to implement the provisions of this title.

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

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

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

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

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

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

TITLE II—THE INDIAN EDUCATION ASSISTANCE ACT

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

PART A—EDUCATION OF INDIANS IN PUBLIC SCHOOLS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

PART B—PREPARATION OF PROFESSIONALS IN INDIAN EDUCATION

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

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

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

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

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

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

PART C—SCHOOL CONSTRUCTION

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

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

of this Act, a list of those projects eligible for funding under subsections (a) and (b) of section 14 of the Act of September 23, 1950, as amended.

(c) The Secretary may expend not more than 25 per centum of such funds as may be authorized and appropriated pursuant to this part C on any school eligible to receive funds under Section 6 of the Act of April 16, 1934 (48 Stat. 596), as amended by this Act.

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

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

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

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

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

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

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

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

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

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

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

(h) For the purpose of carrying out the to be appropriated the sum of $35,000,000 for the fiscal year ending June 30, 1974; $35,000,000 for each of the four succeeding fiscal years; and thereafter, such sums as may be necessary, all of such sums to remain available until expended.

PART D—YOUTH INTERN PROGRAM

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

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

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

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

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

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

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

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

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

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

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

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

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

PART E—EDUCATIONAL RESEARCH AND DEVELOPMENT

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

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

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

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

PART F—ADULT, VOCATIONAL, AND EARLY CHILDHOOD EDUCATION

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

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

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

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

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

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

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

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

PART G—GENERAL PROVISIONS

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

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

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

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

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

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

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

SEC. 218. The Secretary is authorized and directed to provide funds, pursuant to this Act; the Act of April 16, 1934 (48 Stat. 569), as amended; or any other authority granted to him to any tribe or tribal organization which controls and manages any previously private school. The Secretary shall transmit annually to the Committees on Interior and Insular Affairs of the United States Senate and House of Representatives a report on the educational assistance program conducted pursuant to this section.

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

Mr. ROBERT C. BYRD. Mr. President, I send an amendment to the desk and ask that it be stated.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The assistant legislative clerk read as follows:

S. 1017

On page 47, line 2, after the word "Section" strike the remainder of the line, and on line 3, strike all through and including the word "by" and insert in lieu thereof "218 of".

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

The amendment to the committee amendment was agreed to.

The committee amendment in the nature of a substitute, as amended was agreed to.

Mr. ABOUREZK. Mr. President, the legislation before us today has some features which I believe are precedent setting. We have been able, particularly in title I of this bill, to adjust the relationship between the Indian tribes of this country, and the bureaucracy which is supposed to serve them. Too often in the past the choice for the Indians has been between doing what the bureaucrats wanted or being denied the service—or even worse, facing the threat of termination.

The provisions of title I shift the power of determining when Indians are ready to assume the management of programs funded for their benefit from the arbitrary whim of a bureaucrat over to the community where it belongs. Continued Federal Government responsibility to provide assistance and properly review the delivery of services is left in the Government agencies for the protection of the programs without arbitrarily conducting the day-to-day decisionmaking that is so important to the community and its leaders if that community is to develop itself and its leadership.

Built into this legislation is the continuation of those programs that the Indian people want, with special emphasis given to the preservation of the "Trust Relationship." Central to the theme of this mechanism is the possibility for the Indian tribe to bring about changes without the fear of termination.

Another important feature of title I is the opportunity for Indian communities to utilize Government personnel when the expertise of those individuals is useful to the community in carrying out of its programs without those Government experts losing their civil service benefits. This provision applies not only to the staffs of the Bureau of Indian Affairs and of the Indian Health Service, but also to personnel of other agencies of the Government. Often the tribe seeking the assistance can find its own members employed in one of the agencies of Government and bring them back without causing those members to give up valuable civil service rights in order to make a contribution to the success of their own tribal program.

The second title of this legislation deals with some important innovations in the field of education. Although the formula in the original part proved to be extremely controversial and difficult to operate as it applied to some States, the proposed innovations stimulated a very intense and useful discussion. Part A as it now appears in this legislation has some desirable features. One of these is the creation of statutory language to guarantee the existence of Indian parent committees with the power to assure Indian input and approval of local programs under the Johnson-O'Malley program. Certainly we in Congress must devise a system to prevent the kinds of misuse of the Johnson-O'Malley funds; that have been pointed out in reports by the General Accounting Office and others. I believe this system of controls will require further study, which part A calls for. However, I have some reservations in asking those same agencies of Government which have not in the past properly managed these funds in the best interest of Indian education now to recommend to us the legislation necessary to assure their responsible management in the future.

I would like to call the attention of the Senate to language in the report of the 1974 Department of the Interior and Related Agencies Appropriation bill in the House of Representatives which directs a study similar to the one proposed in section 5. That language is as follows:

> The Committee directs that both BIA and the Department of Health, Education, and Welfare review the impact-aid program, the Johnson-O'Malley program and the Indian Education Act program and provide recommendations so that all Indian children will have an equal educational opportunity. The Committee also requests the BIA to review and reassess the Johnson-O'Malley distribution formula. The Committee cannot emphasize too strongly that it is deeply interested in the progress of Indian education, but it wants the funds for these programs to be managed with complete fiscal responsibility so there is equity among the children served them.

Although that request was made on June 22, 1973, I understand that the study is just getting under way. I hope we have better luck with our request.

I am very pleased that during the committee deliberation the full committee gave its support for immediate hearings where we can employ outside consultants to come in and assist us in examining some of these difficult issues. I believe there is a wealth of expertise available among Indians who have not only their skills but personal experience with the Indian educational developments.

The committee's endorsement of the subcommittee's proposed outside expertise for assistance in exploring alternatives in developing a program of equity and excellence for the benefit of Indian children is highly satisfactory. With a minimum of immediate cooperation from the departments in providing us with statistical information that they undoubtedly have on hand, I believe we can move ahead immediately in developing a comprehensive legislative program in Indian education.

As subcommittee chairman, I intend, consistent with our congressional responsibility, to move forward with an intensive investigation and hearing process intended to build upon the insights of Indian people, particularly those of the intensely dedicated Indian people who have experienced the process of Indian education and are now determined to correct its failures.

Mr. JACKSON. Mr. President, presently before the Senate is S. 1017, the Indian Self-Determination and Education Assistance Act.

This measure was previously ordered reported to the Senate on February 7, 1974, where it passed on the Consent Calendar on February 8. However, that passage was vacated on February 18 because the distinguished Senator from Massachusetts, Mr. KENNEDY, expressed concern over certain provisions in title II, part A, of the proposed legislation. Subsequent to that time Senator KENNEDY's staff and the staff of the Committee on Interior and Insular Affairs have endeavored to work out compromise language to part A that would address the concerns and reservations raised by Senator KENNEDY and others since this measure was first reported about 2 months ago.

As originally drafted title II, part A, was a major reform of the Johnson-O'Malley Act of 1934. This statute provides the basic authority for financial assistance to local public schools with enrolled Indian students. As originally drafted the purpose of title II, part A, was twofold. Indian tribes and local education agencies were given authority to contract for education of federally recognized Indians who are enrolled in the public schools. In addition, part A contained a formula for the equitable distribution of Federal funds for Indian elementary and secondary education. In brief, the original language in title II, part A, sought to overcome these deficiencies through a formula which the committee, in its judgment, believed would be fair to the respective States and school districts. Unfortunately, the formula became the issue rather than the more important matter of reforming a long-neglected program. The amended version now before the Senate calls for a strengthening of the policies and administrative provisions of the Johnson-O'Malley Act and to provide for a congressional mandated study by the Secretary of the Interior to be completed no later than October 1, 1974. I believe it is significant to note that official tribal leaders representing a substantial portion of the federally recognized Indian population have endorsed the amended language in title II, part A, of S. 1017. I offer communications from such leaders to demonstrate their support.

In addition, the Comptroller General when asked to review the original version of the measure on February 7, responded that the formula of part A was responsive to the shortcomings of the Johnson-O'Malley program. In short the record is clear. The majority of Indians support S. 1017, titles I and II. The self-determination provisions of title I are sorely needed to permit the tribes to remove the stifling effects of paternalism from their reservations and communities, and the education provisions of title II offer new opportunities for Indians to improve and control their own educational programs and services.

I ask unanimous consent to have various communications printed in the RECORD.

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

THE NAVAJO NATION,
Window Rock, Ariz., March 19, 1974.

Hon. HENRY M. JACKSON,
Russell Office Building,
Washington, D.C.

DEAR SENATOR JACKSON: The purpose of this letter is to reaffirm the support of the Navajo Tribe for the principle embodied in S. 1017, with the exceptions noted below. Title I of this bill provides encouragement for the efforts of the Navajo Nation to achieve self-determination.

I am aware that serious questions have been raised about the provisions of Part A of Title II of S. 1017. The Navajo Nation is particularly concerned because we have not been able to determine how the entitlement formula included in Part A would affect Navajo children. Therefore, we support the proposed amendment of Part A (Committee Print No. 1) which would provide new authorization for Federal financing for the education of Indian children through contracts with States and with Indian tribes, but would not establish an arbitrary formula for the allocation of assistance. We approve the requirement that at least 75% of such assistance must go for special or supplemental programs for Indian children. We also approve the strengthening of the requirement for approval of contracts by Indian parent committees.

We have only one remaining problem with the bill. We feel that the definition of tribal organization is too broad. The present definition could include organizations incorporated under State law without tribal sanction. We, therefore, request that Section 4(c) should be amended to read:

"(c) 'tribal organization' means the paramount elected governing body of any Indian tribe;"

The Navajo Nation appreciates the time and hard work which you and your Committee have put in on this bill. We see it as a long step forward in improving the life of reservation Indian people throughout the United States. We are especially impressed with the strong Congressional support which the bill expresses for the establishment of a meaningful Indian self-determination policy which will permit an orderly transition from Federal domination of programs for and services to Indians to effective and meaningful participation by the Indian people in the planning, conduct and administration of these programs and services.

With kind regards,

PETER MACDONALD,
Chairman, Navajo Tribal Council.

[Telegram]

ANCHORAGE, ALASKA,
March 22, 1974.

Senator HENRY JACKSON,
Capitol Hill, D.C.:

The Alaska Federation of Natives, Inc., does concur with the agreement reached in principal by the Interior Committee of the Senate which amends S. 1017, Title 11, Part A. We have had telephone communications with your staff and see no areas of disagreements with the synopsis as presented to us.

ROGER LANG,
President Alaska Federation of Natives.

[TELEGRAM]

Hon. HENRY M. JACKSON,
Chairman, Interior and Insular Affairs Committee, Dirksen Senate Office Building, Washington, D.C.

Support the Jackson-Fannin amendment to part A; title II of S. 1017; urge that the full committee approve this amendment and move the bill through Senate for referral to House of Representatives immediately. A resolution of support for this Jackson-Fannin amendment has heretofore been adopted by the Montant Inter-Tribal Policy Board.

ROLAND KENNERLY,
Chairman of the Montana Inter-Tribal Policy Board.

FRIED, FRANK, HARRIS,
SHRIVER & KAMPELMAN,
Washington, D.C., March 20, 1974.

Re S. 1017.

Hon. HENRY M. JACKSON,
Russell Office Building,
Washington, D.C.

DEAR SENATOR JACKSON: President Dick Wilson of the Oglala Sioux Tribe has asked us to express to you again the support of the Tribe for S. 1017.

Mr. Wilson has noted the questions which have been raised about Part A of Title II of the bill and supports the proposed amendment, Committee Print No. 1. He would, however, prefer it if it were made clear that organizations not endorsed by the duly authorized governing body of a Tribe would not qualify as eligible "tribal organizations."

Sincerely,

S. BOBO DEAN.

FRIED, FRANK, HARRIS,
SHRIVER & KAMPELMAN,
Washington, D.C., March 8, 1974.

Re S. 1017.

Hon. HENRY M. JACKSON,
U.S. Senate,
Russell Building,
Washington, D.C.

DEAR SENATOR JACKSON: The purpose of this letter is to reaffirm the support of the Oglala Sioux Tribe, the Miccosukee Tribe of Indians of Florida, the Metlakatla Indian Community, the Salt River Pima Maricopa Indian Community and the Hualapai Tribe of Arizona for the provisions of Title I of S. 1017.

It would be tragic, indeed, if a controversy over certain provisions of Title II relating to the public schools should prevent passage of Title I which is so essential to reinforce the pledge of the President that Indian tribal self-government shall become increasingly meaningful.

Sincerely,

S. BOBO DEAN.

NATIONAL TRIBAL CHAIRMAN'S ASSOCIATION,
Washington, D.C., March 14, 1974.

Hon. HENRY M. JACKSON,
Chairman, Senate Committee on Interior and Insular Affairs, Washington, D.C.

DEAR SENATOR JACKSON: There is enclosed a copy of Resolution BD-3/74-No. 8 which was adopted by the Board of Directors of the National Tribal Chairmen's Association in its meeting held March 7, 1974. By this resolution, the NTCA Board urges S. 1017, with the proposed Committee staff amendments (Committee Print No. 1, dated March 7, 1974), be passed by the Senate so that it can be referred to the House of Representatives for its consideration of this most important item of legislation.

Sincerely yours,

WILLIAM YOUPEE,
Executive Director.

RESOLUTION

Whereas, The Interior and Insular Affairs Committee of the United States Senate has, through its Subcommittee on Indian Affairs, held lengthy hearings, both during the 92nd and 93rd Congresses on legislation encompassing provisions for contracting of services by Indian Tribes; and

Whereas, In the 93rd Congress, the Interior and Insular Affairs Committee of the United States Senate added to that legislation a title that deals with a subject of utmost im-

portance to Indian people, the Education of Indian people; and

Whereas, The National Tribal Chairmen's Association testified on the legislation in both the 92nd and 93rd Congresses because of its strong support for legislation that will make greater contracting authority available to Indian Tribes and for improved educational opportunities for Indan people; and

Whereas, The Interior and Insular Affairs Committee of the United States Senate has studied the hearing record compiled from the hearings on the legislation, including testimony presented by this organization, and has made proposed Committee Staff amendments (Committee Print No. 1, March 7, 1974), in Title II, Part A, that we believe improve that title; and

Whereas, This legislation will enhance the stability of Indian communities and be of benefit to Indian people.

Now, therefore, be it resolved, That the National Tribal Chairmen's Association Board of Directors go on record urging that S. 1017, with the proposed Committee Staff amendments, be passed by the Senate so that it can be referred to the House of Representatives for its consideration of this most important item of legislation.

[TELEGRAM]

FEDERAL WAY, WASH.,
March 18, 1974.

Senator HENRY M. JACKSON,
Chairman, Committee of Interior and Insular Affairs, Senate Office Building, Washington, D.C.:

The Small Tribes Organization of Western Washington endorses the proposed committee amendment to Title Two, Part A, S1017, the Indian Self Determination and Education Reform Act. We urge you to seek prompt approval by the Full Committee and Senate of this important measure and referral to the House of Representatives for full consideration. S1017 is of vital importance to Indian tribes who desire the right to exercise greater self determination and improve educational opportunities for their members.

JOSEPH E. CLOQUET,
Acting Director.

[TELEGRAM]

SPOKANE, WASH.,
March 20, 1974.

Re amendment to S. 1017.

SENATE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS,
Attention: FORREST GERARD,
U.S. Senate,
Washington, D.C.:

Indian Self Determination and Educational Reform Act Spokane and Kalispel Indian Tribes of Washington and Coeur D'Alene strongly supports S. 1017 but as amended by proposed committee amendment that not more than 25 percent Johnson-O'Malley funds be used for operational expenditures and 75 percent must be designated for special and supplementary Indian education programs. Tribes have observed that until recent years entire funds often used for general operation and none for Indian programs situation has improved with parental and tribal participating committees. Small poor tribes lack ability to force compliance and bill should require it Coeur D'Alene Tribes especially supports proposal for funds to support tribal organization managing previously private school. Tribe is attempting to do that at Desmet Mission and desperately needs such assistance. Tribal resolutions will follow.

ROBERT D. DELLWO,
Attorney.

ST. CROIX TRIBAL COUNCIL,
Webster, Wis., March 15, 1974.

Hon. HENRY M. JACKSON,
Chairman, U.S. Senate, Committee on Interior and Insular Affairs, Washington, D.C.

DEAR SENATOR JACKSON: Thank you for the information, March 11, 1974, regarding the Indian Self-Determination and Educational Reform Act.

Our Council is in agreement with the Committee to amend Part A that would be a further amendment to the Johnson O'Malley Act of 1934.

Sincerely,

EUGENE W. TAYLOR,
St. Croix Tribal Chairman.

CENTRAL TRIBES OF THE SHAWNEE AREA, INC.,
Shawnee, Okla., March 14, 1974.

Senator HENRY M. JACKSON,
Chairman, Committee on Interior and Insular Affairs, Washington, D.C.

DEAR SENATOR JACKSON: Thank you for your letter concerning amendments to S1017, the Indian Self-Determination and Educational Reform Act. I would like to express support for the amendments on behalf of the Citizen Band Potawatomi Tribe of Oklahoma, and the Central Tribes of the Shawnee Area, Inc.

We would ask that the following considerations be used in evaluating and implementing the provisions of this bill:

1. The entity that is selected as a "contractor" under this bill must be a federally recognized tribe. If not, the Indian organization must have the unanimous consent of the tribes affected in the form of formal resolutions of support. All too often the passage of legislation creating programs to assist Indian people spawns a horde of organizations with indefinite service populations and areas, dubious credentials and abilities to deliver, and little support or consent from the elected tribal leadership. These organizations are a threat to what little sovereignty the tribes have left and are responsible for the poor reputation Indian organizations have in performing under contract.

2. The ratio and number of Indian counselors, curriculum aides, and supportive programs required for public schools with Indian students be mandatory for BIA Indian Schools. It would be very poor community relations for the public schools in an Indian area to be required to provide more services under this act than the Indian schools are providing in the same area. The poor effect would also be magnified by the creation of local Indian parental committees who have more input and authority over the public school program than Indians presently have over BIA Schools.

3. Any tribe or Indian organization that is operating a private school must adhere to the requirements for accreditation. The private schools owned and managed by Indians have an obligation to Indian people to provide superior instruction and not just adequate or minimal preparation. Section 223 could result in Indian organizations creating sub-standard schools that do not prepare Indian students for higher education, that do not give students the kind of academic discipline needed to further their education, and that are subject to the political whim of the sponsoring organization.

As the previous three considerations indicate, our primary concern for this bill is that stringent guidelines be established for its implementation. If the monies granted under this bill are administered correctly, the result would be of tremendous benefit to Indian students. If the monies are not administered correctly, they will do more harm than good.

Once again, thank you for the opportunity to comment on this bill.

Yours truly,

JOHN A. BARRETT, Jr.,
Director, Central Tribes of the Shawnee Area, Inc.

MOHAWK TRIBAL COUNCIL,
Akwesasne, N.Y., March 14, 1974.

Senator HENRY M. JACKSON,
Chairman, U.S. Senate,
Committee on Interior and Insular Affairs, Washington, D.C.

DEAR SENATOR: The Mohawk Nation at Akwesansne (St. Regis) in New York State is extremely pleased with the direction of the U.S. Congress in the proposed Indian Self-Determination and Education Reform Act, S. 1017.

We have studied the S. 1017 Act and the re-referral amendments and your committee has the wholehearted endorsement of the Mohawk Nation at Akwesasne (St. Regis).

The Mohawks of the Iroquois Confederacy have for many years attempted recognition of our ability to determine identity, and fulfill our needs and the future for the unborn generations of our people. With this type of legislation, S. 1017, our future and existence as Mohawk people will take direction we so strongly desire.

As Head Chief of the Mohawks at Akwesasne, I have been instructed by our people to support S. 1017 and thank your committee for listening to the voices of Native American people.

Truly yours,

LAWRENCE LAZORE,
Head Chief.

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, D.C., March 20, 1974.

Hon. HENRY M. JACKSON,
Chairman, Committee on Interior and Insular Affairs, U.S. Senate.

DEAR MR. CHAIRMAN: Your Committee has informally requested our comments on S. 1017, as reported by your Committee on February 7, 1974. If enacted, the bill would be cited as the "Indian Self-Determination and Education Reform Act." Specifically our comments are requested on the education funds allocation formula in title II of the bill and on whether the formula will assist in correcting the problems set forth in our May 28, 1970, report to the Congress entitled "Administration of Program for Aid to Public School Education of Indian Children Being Improved, B-161468."

Section 102 directs the Secretary of the Interior, upon request of any Indian tribe, to enter into a contract or contracts with any tribal organization of any such Indian tribe to plan, conduct, and administer programs, or portions thereof, which the Secretary is authorized to administer for the benefit of Indians. The section provides that the Secretary may initially decline to enter into any contract requested by an Indian tribe under certain circumstances. Section 103 contains a similar contracting provision for programs administered by the Secretary of Health, Education, and Welfare.

We noted that sections 102 and 103 do not provide for reassumption of the administration of programs by the respective Secretaries if it is determined that the programs assumed by an Indian tribal organization are being administered in a manner which involves the violation of the rights or endangers the health, safety, or welfare of individuals served by such programs, or of the general public, or that there is gross

negligence or mismanagement in tribal organizations' handling of Federal funds or the operations of the programs. We suggest, therefore, that language similar to the following be included in a new section of the bill.

"In any case when the appropriate Secretary subsequently determines that a program or service assumed by an Indian tribal organization is being accomplished in a manner which involves (1) the violation of the rights or endangers the health, safety, or welfare of individuals served by such program or service, or (2) gross negligence or mismanagement in the handling or use of Federal funds provided to the organization pursuant to this Act, the appropriate Secretary may, under regulations prescribed by him and after providing notice and hearing to such Indian tribal organization, reassume control or operation of such program or service if he determines that the organization has not taken corrective action as prescribed by the appropriate Secretary. The appropriate Secretary may retain control of such program or service until such time as he is satisfied that the violations of rights, endangerment of health, safety, or welfare, or the gross negligence or mismanagement which necessitated the reassumption has been corrected."

Section 106(b) would provide that payments of any grants or under any contracts pursuant to sections 102, 103, or 104 may be made in advance or by way of reimbursement and in such installments and on such conditions as the appropriate Secretary deems necessary to carry out the purposes of the bill. We suggest that the Committee consider revising section 106(b) to provide that such payments be made consistently with applicable Treasury regulations so as to minimize the time elapsing between the date of payment and the disbursement thereof by the State in order to save the Government interest costs. See section 203 of the Intergovernmental Cooperation Act of 1968, Pub. L. 90-577, 82 Stat. 1101, and Treasury Department Circular No. 175, (Third Revision) 1973, 31 CFR 205.

Section 106(f) provides that contracts authorized under sections 102 and 103 and grants pursuant to section 104 may include provisions for the performance of personal services which would otherwise be performed by Federal employees; provided, that *the Secretary shall not make any contract which would impair his ability to discharge his trust responsibilities to any Indian tribe or individual.* (Italic added.) Also, sec. 111 provides that nothing in title I shall be construed as authorizing or requiring the termination of any existing trust responsibility of the United States with respect to the Indian people. We believe that the ramifications of these sections are very broad and might result in serious misunderstandings and problems in the future.

In our audits of Indian affairs activities, we noted that the Federal Government's specific trust responsibilities were not defined clearly in legislation or in administrative regulations and that Bureau of Indian Affairs officials often had difficulty in determining where the trust responsibilities end and the concept of Indian self-determination begins. This situation has led to disagreements between the Bureau and the tribes as to the duties and responsibilities of each party and has resulted in charges that the Bureau has abrogated its trust responsibilities. We noted also that, in the past, Indian tribes that had planned, conducted, and administered Federal Indian programs under existing statutory authority had sometimes made decisions which proved to be unsatisfactory. In several cases, the tribes retroceded the administration of the programs to the Bureau and brought suit against the Secretary for abrogation of the trust responsibility.

The Committee may wish to consider the need for revising section 106(f) to clarify the Federal Government's trust responsibilities to the Indian people and to define the duties and responsibilities of Indian tribes under the self-determination program. The Committee may also wish to consider amending section 111 of the bill to provide that Indian tribes shall bear the responsibility for their actions and decisions in administering Federal Indian programs and to clarify the conditions when, if at all, the Secretary shall be held accountable for such actions and decisions under the trust responsibility concept.

Section 107(a) provides, among other things, that prior to the issuance of rules and regulations, the Secretary of the Interior and the Secretary of Health, Education, and Welfare shall consult with national and regional Indian organizations; present the proposed rules and regulations to the Interior and Insular Affairs Committees of the Senate and House of Representatives; and publish the proposals in the Federal Register for the purpose of receiving comments from interested parties. Section 107(b) provides that prior to revision or amendment of any rules or regulations promulgated pursuant to subsection (a), the respective Secretary or Secretaries shall consult with national and regional Indian organizations and publish proposed revisions in the Federal Register not less than sixty days prior to the effective date of the proposed amendments or revisions in order to receive comments from interested parties. The Committee may wish to consider if proposed revisions or amendments should also be submitted to the respective Interior and Insular Affairs Committees.

The first sentence of section 108 provides that an Indian tribal organization receiving or expending funds pursuant to a contract or grant under this title shall submit a report to the appropriate Secretary. The second sentence provides that the reports and records of the organization with respect to such contract or grant shall be subject to audit by the appropriate Secretary and the Comptroller General. To assure that the goals of the second sentence are achieved and that the appropriate Secretary and the Comptroller General have sufficient authority to review the activities carried out pursuant to this title, we suggest that the second sentence be deleted and that the following new subsections to section 108 be inserted:

"Each recipient of Federal assistance under this Act, pursuant to grants, subgrants, contracts, subcontracts, loans or other arrangements, entered into other than by formal advertising, and which are otherwise authorized by this Act, shall keep such records as the Secretary shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance is given or used, the amount of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

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

Part A of title II of the bill, Education of Indians in Public Schools, would replace the educational programs authorized in the Johnson-O'Malley Act of 1934 (48 Stat. 596), as amended. Section 203(a) provides a formula for the distribution of Federal funds for the education of federally recognized Indian children in the public schools of the States. Section 203(a) also provides that additional funds in an amount not less than 20 percent of the amount determined by the formula shall be provided to the affected school districts for a variety of special programs designed to meet the special needs of Indian pupils in public schools.

In our May 28, 1970, report to the Congress, we pointed out that the Johnson-O'Malley program was based on the concept that education is a responsibility of the State and that Indian children from a reservation are citizens of the State where the reservation is situated and are entitled to the same public education as is provided to other children in that State. We pointed out also that the Johnson-O'Malley program was considered to be a supplemental program in that funds were to be limited to school districts which, after exhausting all other sources of revenue including other Federal aid, are unable to operate schools at adequate State standards.

In our report we stated that we had found that (1) funds had been provided to counties and school districts where needs may not have existed and the funds may not have benefited Indian children from reservations; (2) the Federal Government had paid the full cost of educating Indian children living in Federal dormitories while attending public schools, even though most of the children attending the schools were residents of the State; (3) no reduction had been made for the State aid received by the school districts for educating Indian children participating in the dormitory program; and (4) the distribution of Federal funds to the school districts appeared to have been improper or there was no assurance that the funds had been used for their intended purpose. We recommended that the Secretary of the Interior require the Bureau of Indian Affairs to furnish program funds on the basis of demonstrated financial need, encourage State and local participation in the cost of educating Indian children who live in Federal dormitories, and implement additional methods of supervision and control over the distribution and use of funds by the school districts.

We believe that the formula provided for in section 203(e) of the bill will assist in correcting some of the problems set forth in our report and result in a more equitable distribution of Federal Indian education funds to those States and school districts with the greatest needs. In our opinion, however, section 203(a) will not insure that the additional funds provided for special programs designed to meet the special needs of Indian pupils are used for the purposes intended. Therefore, the Committee may wish to consider revising section 203(a) to provide that States and school districts receiving funds for special education programs under this section shall report annually to the Secretary of the Interior on the uses made of such funds and on how the actual use of the funds compares with the planned use of the funds set forth in the education plan approved by the Secretary. This report will assist the Secretary in implementing our recommendation, *infra.*, that he be required to perform periodic program evaluations.

Sec. 203(c) would require the Secretary to enter into a contract with the State education agency of any State the public education of which is affected by a contract or contracts pursuant to section 202, regardless of who the contractor or contractors may be, to provide the professional and support staff and administrative services necessary to

assist local school districts affected by such contract or contracts in implementing the purposes of title II. We suggest that the Committee consider revising this provision so as to authorize rather than require such contracts because some contractors under this title may be competent and qualified and, therefore, would not need technical assistance from the State education agencies.

Sec. 212(7) would provide that, in establishing and carrying out the Indian youth intern program, the Secretary shall take such action as may be necessary to assure that there shall be one supervisor for each twenty Indian youth interns during their period of employment. The section does not, however, set forth the purpose or duties of a supervisor or indicate by whom the supervisor is to be employed. The Committee may wish to consider revising section 212(7) to clarify these matters.

We noted that title II of the bill contains no provisions to require the recipients of Federal funds to maintain adequate records or to authorize the Secretary of the Interior and the Comptroller General, or their duly authorized representatives, to have access for the purposes of audit and examination to any relevant books, documents, papers, and records of the recipients of Federal funds. We suggest, therefore, that language similar to that suggested with respect to section 108 be included in title II.

We noted also that the bill does not specifically provide for an evaluation of the program by the Secretaries of the Interior and Health, Education, and Welfare. It is our view that program evaluation is a fundamental part of effective program administration and that the responsibility for evaluations should rest initially upon the responsible agencies. In line with this concept, we believe the Congress should attempt to specify the kinds of information and tests which will enable it to better assess how well programs are working and whether alternative approaches may offer greater promise. We will be happy to work with the Committee in developing specific language if you wish.

We are also providing our comments on the bill to the Chairman of the House Interior and Insular Affairs Committee.

Sincerely yours,

———————,
Deputy Comptroller General of the United States.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 93–762), explaining the purposes of the measure.

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

EXCERPT

I. PURPOSE

Tribal sovereignty, the power of self-government, was first recognized in concept by the United States Supreme Court in *Worcester* v. *Georgia* (6 Pet. 515, 519 (1832)). In commenting on that decision a noted legal scholar has remarked:

"From the earliest years of the Republic, the Indian tribes have been recognized as 'distinct, independent, political communities' and as such, qualified to exercise powers of self-government, not by virtue of any delegation of powers from the Federal government, but rather by reason of their original Tribal sovereignty. Thus treaties and statutes of Congress have been looked to by the Courts as limitations upon original tribal powers, or, at most, evidences of recognition of such powers, rather than as the direct source of tribal powers." (Cohen, *Federal Indian Law*, quoting from *Worcester* v. *Georgia*.)

The extent to which these semi-independent government entities are able to function depends upon the degree to which the constitutionally derived plenary power of Congress is exercised. Two recent congressional acts exemplify both the recognition of an inherent tribal sovereignty and the limitation upon it. The Indian Reorganization Act of June 18, 1934 (48 Stat. 984) provided a framework for tribal self-government and development within the Federal system. Title II of the Indian Bill of Rights of 1968 (82 Stat. 77) acknowledged the existence of tribal self-governing power under the plenary power of Congress by establishing procedures for its exercise.

In addition, the Supreme Court of the State of Arizona has observed that:

"The whole course of judicial decision on the nature of Indian tribal powers is marked by adherence to three fundamental principles: (1) An Indian tribe possesses, in the first instance, all the powers of any sovereign state. (2) Congress renders the tribe subject to the legislative power of the United States and, in substance, terminates the external powers of sovereignty of the tribe, i.e., its powers of local self-government. (3) These powers are subject to qualification by treaties and by express legislation of Congress, but, save as thus expressly qualified, full powers of internal sovereignty are vested in the Indian tribes and in their duly constituted organs of government. (*Begay* v. *Miller*, 70 Ariz. 380, 222 P. 2d 624, 627 (1950) quoting from Cohen *Federal Indian Law*, p. 123.)

S. 1017 is in essence an effort to provide tribes with the means to implement tribal self-governing power by providing finances and procedures to achieve progressive development of tribal resources and institutions.

The purpose of S. 1017 is to implement a policy of self-determination whereby Indian tribes are given a greater measure of control over the programs and services provided to them by the Federal government. The legislation also proposes a major reform in Federal financial aid to public school districts which educate Indian children, and authorizes new programs and resources designed to improve educational opportunities for Indian youth and adults.

II. NEED

In recent years there has been a dramatic shift in Federal Indian policy with respect to the delivery of programs and services formerly administered by the Bureau of Indian Affairs and the Indian Health Service.

To accomplish this the Administration relies on a combination of four basic Acts: through the use of the "Buy Indian" Act of 1910 (36 Stat. 861) competitive bidding of contracts with Indian tribes can be waived; where the contracts relate directly to educational services for Indian children in public schools, authority is found in the Johnson-O'Malley Act of 1934 (48 Stat. 596), as amended; while other services are contracted for through the Snyder Act of 1921 (42 Stat. 208). Where Federal employees are involved in the operation of contracts, the Department of the Interior resurrected an 1834 Act (4 Stat. 737) to authorize tribal supervision over the Federal employees. This curious mixture of broad interpretation and unrelated statutes represented an attempt by the Department to improve the quality of education and other services and to promote greater self-determination for Indian tribes. The difficulties in straining statutory language beyond its original intent creates numerous administrative and management problems which this legislation is designed to correct.

Illustrative of these problems is the inability of the Federal government to exempt tribal contracts from Federal Procurement Regulations and to authorize payments in advance of tribal performance on such contracts. While the aforementioned statutes have provided some necessary tools to permit Federal agencies to contract with tribal groups, a more flexible authority is needed in order to give substance and credibility to the concept of Indian self-determination.

S. 1017 is designed to alleviate these problems by providing direct statutory authority for contracting of Federal programs by Indian tribes. In addition, the bill proposes a response to widespread discontent with the administration of the Johnson-O'Malley Act (48 Stat. 596), as amended, which has been the basic legislation providing financial assistance to local public schools with enrolled Indian students since 1934. The changing character of public school finance in the past 40 years and the difficulty the Bureau of Indian Affairs has had in promulgating regulations which are fair to all states have presented severe problems. In addition, the desires of the Indian people to have more involvement in, and control of, Indian education must be considered.

III. MAJOR PROVISIONS

Congressional Findings

This states that the Congress, after a careful review of the United States' historical and legal responsibility to the Indian people found that the prolonged Federal domination of Indian service programs has served to retard rather than enhance the progress of Indian people and their communities by depriving Indians of the full opportunity to develop leadership skills crucial to the realization of self-government, and it has denied to the Indian people an effective voice in the planning and implementing of programs for the benefit of Indians which are responsive to the needs of the Indian community. Indian people will never surrender their desire to control their relationships both among themselves and with non-Indian governments, organizations and persons.

The Congress also found that true self-determination is dependent upon an educational process which will insure the development of qualified people to fulfill meaningful leadership roles and that present Federal education programs have not effected the desired level of educational achievement or created the diverse opportunities and personal satisfaction which education can and should provide.

Declaration of Policy

As a result of these findings the Declaration of Policy states a commitment to the maintenance of the Federal government's unique and continuing relationship with and responsibility to the Indian people through establishment of a meaningful Indian self-determination policy which will permit an orderly transition from Federal domination of programs for and services to Indians to an effective and meaningful participation of the Indian people in the planning, conduct and administration of these services. To accomplish this the Congress declares that a major national goal of the United States shall be to provide the quantity and quality of educational services and opportunities which will permit Indian children and adults to compete and excel in the life areas of their choice, and to achieve the measure of self-determination essential to their social and economic well-being.

Title I—The Indian Self-Determination Act

Sections 102 and 103 provide the basic authority for the Secretaries of the Interior and Health, Education and Welfare to enter into contracts with tribal organizations. As originally drafted, the bill authorized the two Secretaries to enter into such contracts in their discretion. However, the language has been revised to direct the appropriate Secretary to enter into a contract or contracts upon the request of a tribe or tribal organization. The section provides a procedure by which the Secretary may decline to enter into a contract. This change would facilitate tribal contracting while, at the same time, establishing a rational procedure

whereby the Secretary may decline to enter into proposed contracts when approval would not be in the public interest.

Finally, sections 102 and 103 contain a provision (subsection (c)) which requires any tribe requesting a contract to obtain adequate liability insurance to protect the public against torts committed by tribal employees. These subsections provide further that the insurance carrier may not raise a tribe's immunity from suit as a defense to any claim which is within the limits of the policy.

Section 104 authorizes the Secretaries of the Interior and Health, Education and Welfare to make grants to tribal organizations to facilitate and implement contracting under Sections 102 and 103. Specifically, the Committee envisions that such grants would be used (1) to undertake orderly planning for the takeover of the more complex Federally-operated programs; (2) to train Indians to assume managerial and technical positions once the tribe has assumed control and management of Federal programs, and (3) to finance a thorough evaluation of performance following a reasonable period of time in which a former Federally-controlled program has been administered by a tribe under contract.

An amendment to the Intergovernmental Personnel Act of 1970 (84 Stat. 1909) is proposed in section 105 which would bring "tribal governments" within the definition of "local governments" for purposes of that Act. Civil service personnel could be assigned to tribal organizations, pursuant to the Intergovernmental Personnel Act, in the fulfillment of self-determination contracts. These assignments could be made for a period of two years and may be extended for an additional two years with no loss of benefits to the Federal personnel. In addition, tribal government employees could be assigned to Federal agencies to acquire management experience necessary for the contracts.

Section 106 would exempt tribal contracts from Federal Procurement regulations which have served as obstacles to such contracting in the past; provide for advance payments to tribal contractors for startup purposes; permit the appropriate Secretary to amend or revise a contract upon the request of a tribal contractor; provide an Indian tribe the right to request retrocession of the Secretary for any contract entered into pursuant to this Act; permit tribal contractors to use appropriate Federal facilities and equipment in the fulfillment of such contracts; and, finally, provides that tribal contracts may include a provision for personal services so long as the trust responsibility of the Federal government is not impaired.

Section 108 requires the contracting tribal group to maintain adequate records, and subjects such records to audit by the appropriate Secretary and Comptroller General of the United States. The Committee considers this provision essential to the self-determination process if participating tribes are to be held accountable for their actions.

Section 110 preserves the tribes' existing immunity from suit.

Title II—The Indian Education Assistance Act

Indian children, depending on circumstances beyond their control, are enrolled in a variety of institutions. For example, more than 87,000 Indian students attend public schools on or near Indian lands, while 53,700 attend Federal schools operated by the Bureau of Indian Affairs or by Indian school boards who contract directly with the Bureau of Indian Affairs for the operation of former Federal schools.

This bill affects primarily only those Indian children who are enrolled in public schools and whose educational needs are currently supported in part through contracts, entered into pursuant to the Act of April 16, 1934 (48 Stat. 596), as amended (known as the Johnson-O'Malley Act) between tribal organizations or state departments of education and the Bureau of Indian Affairs. The Committee emphasizes that Part A is intended neither to enlarge nor restrict the current Indian population now eligible for services under that Act. This bill does not concern Federal or Federally-contracted schools.

The purpose of Title II, Part A is to strengthen policy and administrative provisions in the Johnson-O'Malley Act, and to provide for a Congressionally-mandated study of that Act by the Secretary of the Interior. Such study is to be transmitted to the appropriate committees of Congress not later than October 1, 1974, and shall include specific legislative recommendations designed to further improve the programs authorized under the Johnson-O'Malley Act.

Specifically, the Johnson-O'Malley Act is further amended to provide for the following:

Criteria governing the contracts entered into between the Secretary of the Interior and prospective contractors to assure that the educational needs of the Indian students who are to be beneficiaries of such contract are met;

Criteria for establishment of parental committees to insure that funds expended in public school districts are in accordance with programs and plans which have been developed by the Indian community;

Financial support to public school districts for enrolled Indian children, who reside in Bureau of Indian Affairs boarding facilities; and

A specific authorization for appropriation of $65 million for each of the fiscal years 1975 and 1976. Such funds to be utilized for the education of Indians pursuant to the Johnson-O'Malley Act.

Consistent with the Committee's desire to develop more rational and equitable policies and procedures to govern the Johnson-O'Malley program, section 203 authorizes a Congressionally-mandated study of that program by the Secretary of the Interior. The Secretary is directed to submit a report of the study to the Committees on Interior and Insular Affairs of the United States Senate and House of Representatives.

In this connection, the Committee fully expects, and S. 1017 requires, the Secretary to undertake a thorough analysis of the factors which will determine the future allocation of Federal funds for the special or supplemental educational programs of Indian students and current operating expenditures. Additionally, the Secretary is required to discuss the John-O'Malley Act in relation to four other statutes which provide Federal financial resources for the educational support of Indian children enrolled in public schools.

The Secretary's report is to include detailed legislative recommendations for the reform of the Johnson-O'Malley program and for a program to assist the development and administration of Indian-controlled community colleges.

Part C authorizes Federal assistance in the construction of school facilities which serve Federally-recognized Indian children on or near reservations or lands held in trust. The bill provides for the expenditure of $35 million on an annual basis. Seventy-five percent of the amount appropriated will be spent on those public schools whose construction needs have been approved under P.L. 815. The allocation of funds will be based on the priorities established by the Commissioner of Education. In terms of procedure, the Secretary of HEW will make available to the Department of the Interior, on a periodic basis, the priority listing of approved projects under Sections 14(a) and (b) of P.L. 815 from which the Secretary of the Interior shall disburse funds made available under this Act. The remaining 25 percent shall be spent, at the discretion of the Secretary of the Interior for other school construction projects which he deems worthy. Among such schools could be former mission schools now administered by Indian tribes.

A final major provision (section 218) authorizes the Secretary to provide financial support to former private schools which are operated by Indian tribes.

IV. COMMITTEE RECOMMENDATIONS

The Committee on Interior and Insular Affairs unanimously recommends that S. 1017, as amended, be enacted by the Senate.

V. LEGISLATIVE HISTORY

Indian self-determination, in concept, as official policy was proposed through President Nixon's Message to Congress on American Indians on July 8, 1970. The message contained a central theme of "self-determination without termination." This new policy was offered as an alternative to the philosophy embodied in H. Con. Res. 108 of 1953, which stated that Federal policy was to terminate Federal responsibilities and services to Indian tribes as promptly as possible.

Under this newly proposed policy, Indians were to be afforded broad latitude in control and operation of programs administered by the Bureau of Indian Affairs and the Indian Health Service. Three proposals in the President's legislative package were specifically designed to implement the Indian self-determination policy, as follows:

(1) Require the Secretaries of the Interior and Health, Education and Welfare to transfer to Indian tribes, at their request, control and operation of Bureau of Indian Affairs and Indian Health Service programs and services;

(2) Permit Indians to contract with the Bureau of Indian Affairs for the administration of Johnson-O'Malley (JOM) education funds, and to authorize the detail of commissioned personnel of the Public Health Service to Indian tribal organizations which assume the control and management of Indian Health Service programs; and

(3) Provide for continued fringe benefits (such as compensation for injury, retirement, life insurance and health benefits) to Federal civil service employees who transfer to Indian tribal organizations to perform the services they formerly performed as government employees.

During the latter part of 1970 and early 1971, Administration officials met with tribal leaders at ten regional conferences. While the Indian leaders did not reject the concept of self-determination at these conferences, they raised pertinent questions and concerns with respect to the three bills designed to implement the proposed self-determination policy. Basically, apprehension centered on the bill which authorized tribal groups to unilaterally take over the programs and functions presently administered by the Bureau of Indian Affairs and the Indian Health Service.

No action was taken in the 91st Congress with respect to these three measures.

Similar legislation was transmitted to the 92nd Congress. In response to the Indian community's rejection of the Administration's proposals to implement the concept of self-determination, Senator Jackson and Senator Gordon Allot introduced S. 3157 as an alternative.

S. 3157 authorized the Secretaries of the Interior and Health, Education and Welfare, upon the requests of Indian tribes, to enter into contracts with tribal organizations to permit such organizations to plan, conduct, and administer projects under a number of Federal Indian service programs which are within the jurisdiction of the respective Departments. In addition, the proposed measure authorized financial grants to Indian

tribal organizations for planning, training, evaluation and other activities designed to enable such organizations to enter into self-determination contracts.

S. 3157 also permitted the assignment of personnel—including commissioned officers of the Public Health Service—from the two Departments to assist tribal organizations with the contracts or grants. Finally, certain Federal contracting requirements, which have in the past, proven to be particularly onerous to Indians could be waived by the respective Secretaries.

During hearings on S. 3157 and the Administration proposals, spokesmen for the major Indian organizations expressed a preference for S. 3157.

S. 3157 was approved by the Senate on August 2, 1973. The House failed to consider S. 3157.

Senator Jackson and Senator Abourezk introduced S. 1017, the "Indian Self-Determination and Education Reform Act" this Congress on February 26, 1973. Title I of this measure contains the essence of S. 3157. Title II is aimed at up-grading educational opportunities for Indian children enrolled in public school districts by providing financial assistance to such districts. Title II also establishes several new programs to serve Indian children and adults.

During the hearings on June 1 and 4, 1973, on S. 1017 and similar proposals, the Indian witnesses generally supported S. 1017. Several constructive suggestions were made by the Indian witnesses and those were incorporated in the bill approved by the Committee.

On January 28, 1974, the bill was unanimously ordered reported to the floor of the Senate (Report No. 93-682, February 7, 1974) where it was passed February 8, 1974 on the consent calendar. On February 18, the passage was vacated and the bill was returned to the Senate calendar. On March 7, 1974, the bill was sent back to Committee at the request of Senator Jackson, Chairman of the Committee. On March 20 the Committee considered the bill and unanimously ordered it reported back to the Senate with an amendment in the nature of a substitute. This amendment contains a major redraft of title II, Part A (for a discussion of Part A as originally reported by the committee see pages 23 through 26 in Report No. 93-682) and a number of technical amendments.

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

The title was amended, so as to read: "A bill to promote maximum Indian participation in the government and education of the Indian people; to provide for the full participation of Indian tribes in programs and services conducted by the Federal Government for Indians and to encourage the development of the human resources of the Indian people; to establish a program of assistance to upgrade Indian education; to support the right of Indian citizens to control their own educational activities; to train professionals in Indian education; to establish an Indian youth intern program; and for other purposes."

Mr. GRIFFIN. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER OF BUSINESS

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

WHAT'S RIGHT WITH THE FEDERAL GOVERNMENT: IMPROVEMENT IN CIVIL RIGHTS

Mr. PROXMIRE. Mr. President, this is the third in a series of speeches I am making in the Senate on the subject of "What's Right With the Federal Government."

In recent times we have seen great despair in the country over the actions of the Federal Government. Both the President and Congress are held in low esteem. The credibility of many Government actions and activities are at stake. The faith people have in our institutions is at a low ebb. There are a great many reasons for this including many which are entirely valid.

But at the very time when our institutions are under fire—and rightly so—we should not overlook some of the constructive actions which our society and our Government has taken in recent years. While there is much to be criticized and despaired about, we should nevertheless not despair. There is no need to throw in the towel on America.

The fact that those at the highest levels of our Government could engage in acts which have resulted in indictments or convictions of crime, and be caught and made to pay for their transgressions, indicates that the system still works and still functions. In most societies those who hold power in the Cabinet, at the highest levels of the executive branch, or as the No. 2 man of the Government, could commit these kinds of transgressions and remain immune from indictment or conviction.

So while we should greatly regret what has happened, we have some considerable reason to be proud of the vitality of our institutions—the press, the judiciary, some executive officials, a number of individual Members of Congress—which were willing to ferret out and bring to the bar of justice those who abused their power.

SOCIETY'S CHOICES

There are two kinds of societies—those which through democratic processes allow criticisms to be made and hence progress to come about, albeit sometimes very slowly and with great difficulty, and those societies which are unwilling or unable to face their most difficult problems and engage in suppression and injustice to preserve ignoble institutions.

This is clear in the area of civil rights and race relations. A society can choose the course of apartheid, as in South Africa, or repression, as in Rhodesia, or it can choose through slow but democratic and constructive means to change things for the better. With all of our weaknesses and our failures, the latter is the course the United States has chosen to take.

In trying, today, to point out what is right about the Federal Government, I do not intend to be over-optimistic or Pollyannaish about the American racial problems and racial difficulties. Vast problems remain. I intend to tell it as it is. But telling it as it is still means that one can take some cheer from our progress.

PROBLEMS WE MUST FACE

To put things in perspective, let me first of all state some of the intense problems in the area of racial equality and human justice this country still faces.

Unemployment in the United States for nonwhites, for the last 15 years or so, has been twice that of the unemployment rate for whites.

Underemployment in black and Puerto Rican neighborhoods in New York in the mid-1960s was as high as almost 30 percent.

While unemployment for teenagers, both black and white, has been especially high, about 15 percent for all teenagers, it is about double this general rate for black teenagers.

In 1971, the median family income for whites was $10,672 in the United States, but it was only $6,440 for nonwhites.

And we all know that in the upper level jobs in government, in business, in universities, in trade unions, and in the professions, blacks and other minority groups are still very unequally represented.

On the issue of poverty and welfare we also face a still startling and unfair situation. As of 1971—when we last had good figures—32 percent of blacks were below the low income level or poverty line while only 8 percent of whites were living in poverty. Then only 4 percent of the white population received public assistance but 25 percent of the minority population received such aid.

I cite these facts and these figures because I do not want to underestimate the problems minorities in the United States face nor to give the appearance that I believe that our progress has been so great that if we just don't talk about them all these problems will go away. They will not.

PROGRESS HAS BEEN MADE IN RECENT YEARS

Nevertheless, some amazing progress has been made in recent years. When I came to the U.S. Senate in 1957, blacks in many parts of the United States were still denied the right to register and vote.

In 1957, blacks still had to sit in the back of the bus, could not eat in most public restaurants, could not stay in most major hotels, and had no access to most public facilities—parks, playgrounds, swimming pools, and other institutions paid for with their taxes.

They were still extensively educated in separate and very unequal schools. It was rare to find more than a token number of blacks in major colleges and universities, on college football or basketball teams, or in government or the military and then only in menial positions.

Since 1957, some very major and extensive legislation has been passed to protect the rights of blacks and other minority groups under the 14th and 15th amendments to the Consitution of the United States.

First, the voting rights amendments in 1957, 1960, and 1964 attempted to enforce voting rights through judicial means. That was only partially successful. According to the testimony of Attorney General Katzenbach before the House Judiciary Committee in 1965, between 1958 and 1964 the number of

blacks registered to vote in Alabama went up from 5.2 percent to 19.4 percent. In other words, the proportion increased almost four-fold in those 6 years. But that compared with a registration of 69.2 percent of the eligible white.

In Mississippi under those laws, the percent of blacks registered to vote rose from 4.4 to 6.4 percent while 80.5 percent of whites were registered.

And for Louisiana the figure rose from 31.7 percent in 1956 to 31.8 percent in January 1965, while the white percentage remained slightly over 80 percent.

The reason for this was that the judicial method was essentially too slow, it often functioned after the fact, and only those who could afford to use it or who had the courage to use it could do so. Further, it was often effective only for one or a small number of people at a time.

But in 1965 Congress passed a law which had first been introduced 5 years before by Senator Douglas of Illinois and Senator JAVITS of New York to send Federal Registrars or administrative officials into those areas of the South where black voting was low.

This "administrative" action worked. By 1970 the percentage of Negroes of voting age who were registered to vote in the five so-called Deep South States of Alabama, Georgia, Louisiana, Mississippi, and South Carolina had risen from 29 to 52 percent, according to the Congressional Research Service of the Library of Congress publication "Civil Rights Legislation in the 91st Congress," (p. 5).

In November 1972, according to the Census Bureau (U.S. Department of Commerce, "Population Characteristics," "Voting and Registration in the Election of November 1972," table 4, pp. 32–33), 65 percent of blacks in Southern metropolitan areas were registered—compared with 70.7 percent of whites, and about 50 percent of blacks in the South actually voted. The figures for black registration in the South were only marginally below black registration in the United States as a whole.

That is a success story and is something which every American who worked and fought for the right of minority groups to vote can be proud.

SCHOOL DESEGREGATION

On the school desegregation front there is a much improved but still difficult picture. As Mr. Vernon E. Jordan, Jr., wrote in the New York Times in January 1974:

> Despite impressive gains in integration over the last five years, the over-all national picture is marked by racial isolation.

The South has been the area of greatest improvement. Twenty years ago fewer than 1 percent of black students in the South attended schools in which there were a majority of white students. Under the "all deliberate speed" decision of the Supreme Court in 1954—which was not very deliberate and not very speedy—the figure rose to 18 percent in 1968 in the South.

In the 1972–73 school year, the latest for which figures are available, some 46 percent of all black schoolchildren in the South were attending majority white schools.

Put the other way around, 21 percent of black children in the South were still in all black schools, but that figure was down from 77 percent in 1968 and 99 percent in the mid-1950's.

In the North, however, change has slowed down and the 1972–73 situation is almost exactly what it was in 1968. In both years about 28 percent of black students were in integrated or white majority schools, while 43 percent were in all-black schools. And in some of the largest cities of the country the situation in 1972–73 was what it was in the South two decades before. The figures of black children in majority black schools was 98 percent in Chicago, 92 percent in Los Angeles, and 84 percent in Detroit in that year.

And the major reason for this, of course, is that housing is still segregated in metropolitan areas of the North. There is still a "white noose" around the all-black central cities.

And this situation, unfortunately, continues under the aegis of the States because zoning is a function of the State police power and zoning is one of the primary causes of this situation. The other major causes are the past practices of the FHA where for decades FHA included a restrictive covenant in its deeds and mortgage documents and the FHA supported "redlining" by the banks and savings and real estate institutions which made housing loans.

Nevertheless, there has been a major change in school desegregation since 1954 and the greatest change for the better has come in the South.

BLACK ELECTED OFFICIALS

There is one other area I want to mention where major and visible improvement has been made, namely in the election of black officials to public office.

The National Roster of Black Elected Officials—volume III—published in May of 1973 shows some 2,621 black elected officials in public office in 44 States and the District of Columbia. This is an increase of 121 percent since the roster was first published in 1969.

I submit that that is an astonishing statistic: An increase in the last 5 years of 121 percent in black elected officials. We talk about Congress being criticized by the public, and there are many grounds on which to criticize all of us, but here is an example of immense progress as a result of congressional enactment which has been overlooked.

Of this total, some 1,179 or 45 percent are black elected officials in the South.

Our colleague, Senator EDWARD BROOKE is the first black man ever to be elected and reelected to the Senate of the United States by popular vote. And his service here has been one of great distinction, high honor, and fine stewardship.

In the House there are now 16 black Members, a significant increase over previous years when the total was 2 or 3.

And 238 blacks hold seats in the legislatures of 41 States and black elected county officials increased by 20 percent in 1973 over 1972 to a total of 211.

The number of black mayors in the major cities of the United States is an area where there has been great change in recent years. Los Angeles, Newark, Cleveland, Gary, and a host of others have elected blacks to be their chief executives.

This situation, while greatly improved and one of which we can be proud in particular, still leaves much to be desired. The 2,627 black elected officials still represents only five-tenths of 1 percent—.005—of all the 521,760 elected officials in the country. Nevertheless, there have been some spectacular gains in which we can all take pride.

I also should point to the fact that in the great entertainment areas of this country, on television and certainly in sports blacks have made enormous progress. Only a few years ago those who are my age remember lily white baseball teams, football teams, and basketball teams. Now we see the superlative athletes that blacks have become, and in many sports they have done extraordinarily well. They have made all of us very proud. A black man is now likely to break the home run record of the great Babe Ruth in baseball.

I am also reminded that a few years ago that when I went to plants and factories in my State to shake hands early in the morning, which was my practice, there would not be a single black. Now, I find a large population of blacks, estimated at 20 percent in the Milwaukee area, which is just about the proportion for Wisconsin, in plants where 10 years ago they did not have a single black man working.

It becomes evident that progress is something that once again we can be proud of. Congresses of the United States, Democratic and Republican, in the last few years have helped greatly. With all the criticism we should recognize this along with other progress that has been made.

SUMMARY

Certainly, in the areas of voting, school desegregation, free access to public facilities, the number of elected officials, and the absence of overt public segregation and prejudice, great strides have been made since the Supreme Court decision of 1954 and the Civil Rights Acts of 1957, 1960, 1964, 1965, and 1970.

Our society is headed in the right direction and we are committed to making the 14th and 15th amendments to the Constitution a functioning reality.

This is not to diminish or downgrade what needs to be done. In the area of jobs, income, poverty, health, education, credit and business practices, and especially in housing, much needs to be done and the work is clearly cut out for us.

Nevertheless, after a century in which the goals and aspirations guaranteed under the 14th and 15th amendments were not only not carried out but actively opposed through official actions by goverment at every level, there has been a dramatic change over the last 20 years and especially in the last 10 years.

I, therefore, think it is fair to point with some sense of achievement to the gains in civil and human rights over the last 2 decades, and especially since I

came to the Senate in 1957, as a part of the constructive and progressive and, at times, redeeming actions of our Government.

WAIVER OF CALL OF THE CALENDAR UNDER RULE VIII

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the call of the calendar under rule VIII be waived.

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

ORDER OF BUSINESS

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

(The remarks Senator ROTH made at this point on the introduction of S. 3278, to amend the Economic Stabilization Act and Senate Joint Resolution 201 to establish a National Commission on Inflation, are printed in the RECORD under Statements on Introduced Bills and Joint Resolutions.)

MESSAGE FROM THE HOUSE—ENROLLED BILLS AND JOINT RESOLUTION SIGNED

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution:

H.R. 12341. An act to authorize sale of a former Foreign Service consulate building in Venice to Wake Forest University;

H.R. 12465. An act to amend the Foreign Building Act, 1926, to authorize additional appropriations for the fiscal year 1975; and

H.J. Res. 941. Joint resolution making an urgent supplemental appropriation for the fiscal year ending June 30, 1974, for the Veterans Administration, and for other purposes.

The enrolled bills and joint resolution were subsequently signed by the Acting President pro tempore (Mr. JOHNSTON).

TRANSACTION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business for not to extend beyond the hour of 1 p.m., with statements therein limited to 5 minutes.

Mr. ROTH. Mr. President, I suggest the absence of a quorum.

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

The second assistant legislative clerk proceeded to call the roll.

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

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

Mr. GRIFFIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

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

MODIFICATION OF TRADE AGREEMENT CONCESSIONS ON CERTAIN BALL BEARINGS

A communication from the President of the United States transmitting, pursuant to law, a report of the Tariff Commission on its investigation on ball bearings with integral shafts, and parts thereof (with accompanying papers). Referred to the Committee on Finance.

PROPOSED LEGISLATION BY THE DEPARTMENT OF AGRICULTURE

A letter from the Under Secretary of Agriculture transmitting a draft of proposed legislation to amend subsection 203(h) of the Agriculture Marketing Act of 1946 (with accompanying papers). Referred to the Committee on Agriculture and Forestry.

EXCESS CURRENCIES IN FOREIGN COUNTRIES

A letter from the Assistant Secretary of Defense certifying, pursuant to law, that no use was made of funds appropriated to make payments under contracts for any program, project, or activity in a foreign country during the period July—December 31, 1973, in any foreign country where excess foreign currencies in the country involved were held by the Treasury Department. Referred to the Committee on Appropriations.

REPORT OF PROCUREMENT BY THE DEPARTMENT OF DEFENSE

A letter from the Assistant Secretary of Defense transmitting, pursuant to law, a report of Department of Defense procurement from small and other business firms for July 1973—November 1973 (with an accompanying report). Referred to the Committee on Banking, Housing and Urban Affairs.

PROPOSED LEGISLATION BY THE SECRETARY OF COMMERCE

A letter from the Secretary of Commerce transmitting a draft of proposed legislation to further amend and extend the authority for regulation of exports (with accompanying papers). Referred to the Committee on Banking, Housing and Urban Affairs.

REPORT OF THE FOREIGN-TRADE ZONES BOARD

A letter from the Secretary of Commerce transmitting, pursuant to law, the Annual Report of the Foreign-Trade Zones Board for the fiscal year ended June 30, 1973 (with an accompanying report). Referred to the Committee on Finance.

REPORT OF THE COMMISSIONER OF EDUCATION ON NATIONAL UNIFORM STANDARDS

A letter from the Commissioner of Education transmitting, pursuant to law, a report on the national uniform standards suggested by the National Commission on the Financing of Postsecondary Education (with an accompanying report). Referred to the Committee on Labor and Public Welfare.

IMPACT OF ENERGY SHORTAGES

A letter from the Secretary of Labor transmitting, pursuant to law, a report on the impact of energy shortages, including fuel rationing, upon manpower needs (with an accompanying report). Referred to the Committee on Labor and Public Welfare.

PROPOSED LEGISLATION BY THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

A letter from the Secretary of Health, Education, and Welfare transmitting a draft of proposed legislation to transfer to the Secretary of Health, Education, and Welfare research and evaluation authority contained in the Economic Opportunity Act of 1964 (with accompanying papers). Referred to the Committee on Labor and Public Welfare.

REPORT OF THE ENVIRONMENTAL PROTECTION AGENCY

A letter from the Administrator of the Environmental Protection Agency transmitting, pursuant to law, the annual report on Resource Recovery and Source Reduction (with an accompanying report). Referred to the Committee on Public Works.

REPORT OF THE DEPARTMENT OF LABOR

A letter from the Secretary of Labor transmitting, pursuant to law, a report on the performance of the Department of Labor and its affiliated State employment service agencies in providing job counseling, training, and placement services for veterans since January 24, 1973, (with an accompanying report). Referred to the Committee on Veterans' Affairs.

PRESENTATION OF PETITION

By Mr. PASTORE (for himself and Mr. PELL):

A resolution of the House of Representatives of the State of Rhode Island and Providence Plantations. Referred to the Committee on the Judiciary:

"HOUSE RESOLUTION 74–H7462

Resolved, that the house of representatives of the state of Rhode Island and Providence Plantations memorializes congress to act favorably on legislation establishing a two hundred mile coastal limit for resource management; and be it further

Resolved, That the secretary of state be and he hereby is authorized and directed to transmit a duly certified copy of this resolution to the Rhode Island delegation in congress.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

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

H.R. 11385. An act to amend the Public Health Service Act to revise the programs of health services research and to extend the program of assistance for medical libraries (Rept. No. 93–764).

By Mr. McGEE, from the Committee on Post Office and Civil Service, with amendments:

S. 411. A bill to amend title 39, United States Code, relating to the Postal Service, and for other purposes (Rept. No. 93–765).

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. ROTH:

S.J. Res. 201. A joint resolution to establish the National Commission on Inflation. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. ROTH:

S. 3278. A bill to extend and amend the Economic Stabilization Act of 1970 to insure an orderly transition from mandatory economic controls and to provide for congressional oversight of the decontrol process. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. CRANSTON:

S. 3279. A bill for the relief of Jesus Cortez Pineda. Referred to the Commitee on the Judiciary.

By Mr. KENNEDY (for himself, Mr. WILLIAMS, Mr. EAGLETON, Mr. HUGHES, and Mr. PELL):

S. 3280. A bill to amend the Public Health Service Act to revise and extend programs of health delivery and health revenue sharing, and for other purposes. Referred to the Committee on Labor and Public Welfare.

By Mr. CURTIS:

S. 3281. A bill to repeal section 2 of the Emergency Highway Energy Conservation Act requiring the States to establish certain speed limits not in excess of 55 miles per hour on their public highways during the current fuel shortage. Referred to the Committee on Public Works.

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

S. 3282. A bill to amend and extend the authority for regulation of exports. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. INOUYE:

S. 3283. A bill to amend chapter 67 of title 10, United States Code, to grant eligibility for retired pay to certain reservists who did not perform active duty before August 16, 1945, and for other purposes. Referred to the Committee on Armed Services.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. ROTH:

S. 3278. A bill to extend and amend the Economic Stabilization Act of 1970 to insure an orderly transition from mandatory economic controls and to provide for congressional oversight of the decontrol process; and

S.J. Res. 201. A joint resolution to establish the National Commission on Inflation. Referred to the Committee on Banking, Housing and Urban Affairs.

Mr. ROTH. Mr. President, the soaring rate of inflation is the single most important question facing the Members of Congress today. The rising cost of living is causing at least, if not more concern than Watergate, the energy crisis, or crime in the streets. It is a problem that shows signs not only of continuing, but of increasing rapidly in the coming months. The Wholesale Price Index has been increasing at an annual rate of over 25 percent, and these increases are beginning to work their way through the economy to the consumer.

Food prices are going to continue to rise, with predictions that bakery products and bread could rise at an annual rate of 20 percent, and dairy products at a 10-percent annual rate.

The purchasing power of the dollar has steadily eroded over the past year, and real weekly earnings of production workers have been declining.

Interest rates remain high, and the prime rate has jumped from 9 to 9.5 percent in a matter of weeks.

Energy prices will continue to climb, with predictions from the Council of Economic Advisers that energy price increases will add 3 percentage points to the Consumer Price Index this year.

The Chairman of the Board of Governors of the Federal Reserve, Arthur Burns, predicted on February 21 a "double-digit" inflation rate and stated that "inflation cannot be halted this year."

And the conference board announced March 26 that their index of consumer confidence fell during the first 2 months of the year to an all-time low.

Mr. President, for these reasons I am deeply concerned with the actions taken by the Senate Banking Committee on March 26 to refuse to consider an extension of the Economic Stabilization Act.

I am also concerned and disappointed that the President has refused to speak out loudly for a sound anti-inflation policy.

I am a firm believer in a free market economy and the faster we can return to an economy free of artificial restraints the better off we will be.

But we are now experiencing a period of shortages which could be exploited and result in extreme hardships.

The Cost of Living Council was moving rapidly to decontrol most of the economy, and the President had requested from the Congress the authority to extend the life of the Cost of Living Council and to control a few segments of the economy, including health services.

I agree that it is inequitable and discriminatory to single out one sector of the economy for mandatory controls. But, I do believe that if the Congress is to convince the American people, and the world, that we are serious about controlling inflation, we must provide the President with standby controls authority. Additionally, I believe that the Congress should have a say in any controls program.

Toward that end, I am today introducing a bill to extend and amend the Economic Stabilization Act to insure an orderly transition from mandatory economic controls and to provide for congressional disapproval of any reimposition of controls.

An extension of the President's authority, coupled with the safeguard of a congressional review, would allow the administration to continue to extract the economy from mandatory controls in an orderly manner, but still allow the Federal Government to guard against any flagrant abuses of our anti-inflation goals.

This legislation does not require mandatory controls, it merely provides both the President and the Congress the discretion to impose controls on any sector of the economy which is obviously abusing the fight against inflation.

The President and the Congress would both take care to ascertain that any reimposition of controls would not impair production, cause shortages, or encourage exports of products in short supply.

The Congress cannot simply throw up its hands and walk away from the problem of inflation. A refusal to take some action would in effect be an admittance that the Federal Government has declared itself defenseless against inflation.

The last time the administration signalled to the American people that the economic controls program had come to an end—when the phase 2 controls were replaced with the voluntary phase 3 controls—the inflation rate began to climb, the stock market began a decline that has not yet abated, and the hopes of the American people were dealt a severe blow.

We must show the American people that we are serious about arresting the rate of inflation. Congress must take the initiative in the fight against inflation if the American people's confidence in the Congress is going to grow.

Administration "sources" have already begun to say that the Congress is unwilling to do anything to combat inflation. And, I must admit, after the action of the Senate Banking Committee, that I have to agree with the statement of the chairman of the House Banking Committee that the chances for an extension of controls are "dim, if not dead."

Mr. President, Congress must make it clear that we mean business. We should at the very least instruct the President to "talk tough" to prevent runaway prices. If the Congress is not willing to extend the Economic Stabilization Act, then we must at least provide the President with a vehicle to talk tough from. We must, in the words of Arthur Burns, provide some degree of vigilance to prevent abuses of economic power.

For this reason, I am also introducing a joint resolution to establish a National Commission on Inflation.

The commission will not only enhance the President's jawboning ability, but it will promote voluntary wage and price restraints, insure that a sustained period of inflationary wage and price increases does not occur upon the termination of mandatory control authority, and promote the level of confidence in the Nation's ability to control inflation.

The commission would have the authority to conduct public hearings to provide for public scrutiny of inflationary problems in various industries, and it could report to the President, the Congress, and the public on any actions that would substantially contribute to inflationary pressures.

If we do not provide the President with standby controls authority, the very least we should do is to make sure that the clout of public opinion is the "stick in the closest" to be used against inflation.

The commission would also study the causes, consequences, and remedies of inflation. The Director of the Cost of Living Council, John Dunlop, has said that "we just don't know how to control inflation." This commission would develop and recommend policies and procedures to control inflation, to increase industrial capacity and to increase productivity.

The Congress cannot give up the fight against inflation. Congressional inaction would further erode consumer confidence and jeopardize the commendable wage restraints that organized labor has practiced this past year. Certainly, we cannot in good conscience ask labor's cooperation in wage settlements, ask business to hold down prices and, in general, call for sacrifices on the part of every citizen if we are going to turn our backs on inflation.

I am greatly concerned about the middle- and lower-income wage earners. These people have no leeway to absorb

inflationary price increases. I have received scores of letters from my constituents, as I am sure all of my distinguished colleagues have, expressing their concern and fear of inflation. Many of my constituents write that "Watergate pales in comparison" to the dangers of inflation.

The fight against inflation is an enormous one and one which will require the cooperation of individuals, business, labor, and Government. We here in the Congress cannot turn our backs on inflation if we wish to enlist the support of the American people in the fight.

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

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

S. 3278

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Economic Stabilization Act Amendments of 1974".

SEC. 2. Section 202 of the Economic Stabilization Act of 1970 is amended to read as follows:

"§ 202. Findings

"(a) In view of the present international and domestic economic situation and in order to provide for the orderly transition from the economic stabilization program in effect prior to May 1, 1974, and in particular the policy of gradual, selective sector-by-sector decontrol thereunder, and to continue to provide for stabilizing prices, wages, and salaries, reducing inflation, improving the Nation's competitive position in world trade, promoting full employment, and protecting the purchasing power of the dollar, it is necessary to—

"(1) monitor compliance with commitments made by firms in connection with sector-by-sector decontrol actions;

"(2) review the programs and activities of Federal departments and agencies and the private sector which may have adverse effects on supply and cause increases in prices and make recommendations for changes to increase supply and restrain prices;

"(3) review industrial capacity, demand, and supply in various sectors of the economy, working with the industrial groups concerned and appropriate governmental agencies to encourage price restraint;

"(4) work with labor and management in the various sectors of the economy having special economic problems, as well as with appropriate Government agencies, to improve the structure of collective bargaining and the performance of those sectors in restraining prices;

"(5) improve wage and price data bases for the various sectors of the economy to improve collective bargaining and encourage price restraint;

"(6) conduct public hearings when appropriate to provide for public scrutiny of inflationary problems in various sectors of the economy;

"(7) focus attention on the need to increase productivity in both the public and private sectors of the economy; and

"(8) monitor the economy as a whole by requiring, as appropriate, reports on wages, productivity, prices, sales, profits, imports, and exports.

"(b) To further promote voluntary wage and price restraints and to insure that a sustained period of inflationary wage and price increases does not occur in the transition from the economic stabilization program in effect prior to May 1, 1974, to a completely decontrolled economy, it is necessary to provide the President with the authority to impose economic controls on any sector of the economy, subject to congressional disapproval."

SEC. 3. Section 203 of the Economic Stabilization Act of 1970 is amended by adding at the end thereof the following new subsection:

"(k) (1) After April 30, 1974, the President may issue an order or regulation under this title to stabilize prices, wages, and salaries in any sector of the economy only (A) upon a determination that such sector has contributed to severe increases in inflation, and (B) in accordance with the procedures established in this subsection. Such an order or regulation shall take effect upon the expiration of the first period of 15 calendar days of continuous session of the Congress after the date on which the President transmits to the Congress a message setting forth the proposed order or regulation, together with the reasons therefor (or at such later date as may be provided for in the order or regulation), unless between the date of transmittal and the expiration of such period, either House of Congress passes a resolution stating in substance that such House does not favor such order or regulation.

"(2) For the purpose of paragraph (1)—

"(A) continuity of session is broken only by an adjournment of Congress sine die; and

"(B) the days on which either House is not in session because of an adjournment of more than 3 days to a day certain are excluded in the computation of the 15-day period.

"(3) In the consideration of any resolution under this subsection, the Congress should take into account, among other factors, whether the proposed order or regulation would—

"(A) seriously impair production in a manner which would create shortages or economic distortions;

"(B) stimulate foreign demand and encourage excessive exports of scarce commodities; or

"(C) not effectively moderate the rate of inflation."

SEC. 4. Section 218 of the Stabilization Act of 1970 is amended by striking out "1974" each place it appears and inserting in lieu thereof "1975".

SEC. 5. For the purpose of administering and enforcing the Emergency Petroleum Allocation Act of 1973, nothing in this Act alters the provisions of the Economic Stabilization Act of 1970 which were incorporated by reference in the Emergency Petroleum Allocation Act of 1973.

S.J. RES. 201

Whereas it is the policy of the United States to reduce the rate of inflation, improve the Nation's competitive position in world trade, promote full employment, protect the purchasing power of the dollar, and encourage expansion of the Nation's industrial capacity;

Whereas the persistence of inflationary pressures has not been effectively moderated by the existence of mandatory economic controls; and

Whereas there is a national need, in the absence of mandatory economic controls, to promote voluntary wage and price restraints and to insure that a sustained period of inflationary wage and price increases does not occur upon the termination of mandatory economic controls; Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

ESTABLISHMENT

SECTION 1. There is hereby established the National Commission on Inflation (hereinafter referred to as the "Commission").

MEMBERSHIP

SEC. 2. (a) The Commission shall consist of the Secretary of the Treasury, who shall be the Chairman of the Commission, the Chairman of the Council of Economic Advisers, the Chairman of the Board of Governors of the Federal Reserve System, and ten public members to be appointed by the President as follows:

(1) two from among persons who represent business and industry;

(2) two from among persons who represent labor;

(3) two from among persons who represent agriculture;

(4) two from among persons who represent State and local governments;

(5) two from among persons who represent consumer interests.

(b) Any vacancy in the Commission shall not affect its powers but shall be filled in the same manner in which the original appointment was made.

DUTIES

Sec. 3. (a) The Commission shall—

(1) develop and recommend to the President and the Congress policies, mechanisms and procedures to achieve and maintain stability of prices and costs in a growing economy;

(2) promote the consistency of price and wage policies with fiscal, monetary, international and other economic policies of the United States;

(3) provide information to the public, agriculture, industry, labor, and State and local governments concerning the need for controlling inflation and encourage and promote voluntary action to that end;

(4) review the programs and activities of Federal departments and agencies and the private sector which may have adverse effects on supply and cause increases in prices and make recommendations for changes to increase supply and restrain prices;

(5) review industrial capacity, demand, and supply in various sectors of the economy, working with the industrial groups concerned and appropriate governmental agencies to encourage price restraint;

(6) work with labor and management in the various sectors of the economy having special economic problems, as well as with appropriate Government agencies, to improve the structure of collective bargaining and the performance of those sectors in restraining wages and prices;

(7) improve wage and price data bases for the various sectors of the economy to improve collective bargaining and encourage wage and price restraint;

(8) focus attention on the need to increase productivity in both the public and private sectors of the economy; and

(9) monitor the economy as a whole, by requiring, as appropriate, reports on wages, productivity, prices, sales, profits, imports, and exports.

(b) To further promote voluntary wage and price restraints and to promote the level of consumer and international confidence in the Nation's ability to moderate the rate of inflation, the Commission shall—

(1) conduct public hearings when appropriate to provide for public scrutiny of inflationary problems in various sectors of the economy;

(2) report to the President, the Congress, and the public, when appropriate, of any decisions, actions, or price and wage increases which the Commission determines would substantially contribute to inflationary pressures in the economy; and

(3) transmit to the President and the Congress an interim report not later than September 1, 1974, and a final report not later than March 1, 1975 on its findings and recommendations. Sixty days after the submission of its final report, the Commission will cease to exist.

POWERS

SEC. 4. (a) Subject to such rules and regulations as may be adopted by the Commission, the Commission shall have the power to—

(1) hold such hearings, sit and act at such times and places, administer such oaths, and require by subpoena or otherwise the attendance and testimony of such witnesses and the production of such books, records and other documents as the Commission may deem advisable;

(2) appoint and fix the compensation of an executive director and such additional staff personnel as the Commission may deem necessary, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, but at rates not in excess of the maximum rate for GS–18 of the General Schedule under section 5332 of such title; and

(3) procure temporary and intermittent services to the same extent as is authorized by 3109 of title 5, United States Code, but at rates not to exceed $100 a day for individuals.

(b) In the case of contumacy or refusal to obey a subpoena issued under subsection (a) (1) by an person who resides, is found, or transacts business within the jurisdiction of any district court of the United States, the district court, at the request of the Commissioner, shall have jurisdiction to issue such a person an order requiring such person to appear before the Commission or a committee or member thereof, there to produce evidence if so ordered, or then to give testimony touching the matter under inquiry. Any failure of any such person to obey any such order of the court may be punished by the court as a contempt thereof.

(c) In exercising its duties, the Commission—

(1) may consult with such representatives of industry, labor, agriculture, consumer, State and local governments, and other groups, organizations, and individuals as it deems advisable to insure the participation of such interested parties;

(2) shall to the extent possible, use the services, facilities, and information (including statistical information) of such other Government agencies as the President may direct as well as of private agencies and professional experts in order that duplication of effort and expense may be avoided;

(3) shall hold regional and industry-wide conferences to formulate ideas and programs for the fulfillment of the objectives set forth in section 3; and

(4) may establish subcommittees to provide advice concerning special considerations that tend to contribute to inflation in any particular sector or industry in the economy.

COMPENSATION

SEC. 5. A member of the Commission who is not otherwise an officer or employee of the United States shall be entitled to receive $125 per diem when engaged in the actual performance of duties vested in the Commission, plus reimbursement for travel, subsistence, and other necessary expenses incurred in the performance of such duties.

AUTHORIZATION OF APPROPRIATIONS

SEC. 6. There are authorized to be appropriated such sums, not to exceed $1,500,000, as are necessary to carry out the provisions of this joint resolution.

By Mr. KENNEDY (for himself, Mr. WILLIAMS, Mr. EAGLETON, Mr. HUGHES, and Mr. PELL):

S. 3280. A bill to amend the Public Health Service Act to revise and extend programs of health delivery and health revenue sharing, and for other purposes. Referred to the Committee on Labor and Public Welfare.

HEALTH SERVICES ACT OF 1974

Mr. KENNEDY. Mr. President, it is a pleasure for me to introduce today the Health Services Act of 1974. This bill proposes to extend several important health services programs which are set to expire June 30, 1974. The bill extends and makes major modifications in four health programs. These four programs are:

First. Neighborhood health centers, section 314(a) of the Public Health Service Act.

Second. Migrant health services, section 310 of the Public Health Services Act.

Third. Community mental health centers, Public Law 88–164, as amended, and

Fourth. Formula grants for State and local public health services, section 314 (d) of the Public Health Service Act.

The bill has two titles. The first provides for the proposed improvements in the first three of these by authorizing the establishment of Community Health Centers, Migrant Health Centers, and Community Mental Health Centers. The second title authorizes the appropriation of funds for health revenue-sharing grants to the States.

Planning, development and operating grants may be made to community health centers, migrant health centers, and community mental health centers by the Secretary of HEW, with the approval of the appropriate local planning agency. The sums authorized to be appropriated for grants for fiscal years 1975 through 1979 total $1,755,500,000.

Community health centers will be established to serve medically underserved populations. They will provide all essential services—including: physician services, emergency medical services, diagnostic laboratory and radiologic services, preventive health services, transportation services, and outreach services—and some supplemental services. In addition, they will offer referrals to other providers for all supplemental services which are not provided directly.

The bill provides for planning grants to assist in meeting the costs of evaluating the need for a center and developing a plan for providing services through such a center. An applicant may receive up to three development grants which may be used to meet the costs of developing essential and supplemental services. In addition, development grants are available for construction, expansion and remodeling of facilities to be used to house center activities.

Operating grants are available to applicants who have begun offering services. If the applicant has not developed all of the required services, it may receive this type of support for three years. However, for those which make every effort to develop such services but are unable to do so within 3 years, the Secretary may make grants for up to an additional 3 years. Each operating grant is equal to the difference between the applicant's projected reasonable operating costs and the funds which it has available or may reasonably be expected to collect from all other available sources. As a condition to receiving operating grants, each center must make every effort to collect for services reimbursable under medicare, medicaid, and private insurance programs. A schedule of fees and a corresponding schedule of discounts must be submitted to the Secretary for his approval and once approved, must be applied to the provision of services.

Each center must establish a governing board composed of individuals a majority of whom are being served by the center and who represent those being served. Centers are required to comply with other conditions relating to the quality of care provided, including the establishment of utilization and peer review systems and utilization of PSRO review activities.

A National Advisory Council on Community Health Centers is established to advise and consult with the Secretary of HEW regarding organization, operation, and funding of centers. Technical assistance in management and operation will be available to centers from the Secretary.

A similar structure is established in the bill to govern the planning, development, and operation of migrant health centers. Migrant health centers will serve agricultural migratory and seasonal workers and their families. In addition to essential services, migrant health centers must provide environmental health services and accident prevention services.

Grants may also be made to applicants which provide services in areas not served by migrant health centers but for which such services are needed for planning, development and provision of essential, supplemental and other services or development of arrangements for the provision of such services. A National Advisory Council on Migrant Health Centers is established to revise the program. A separate authorization is established for grants to provide hospital services to migrants and seasonal workers and their families.

Community mental health centers will provide comprehensive mental health services, including services to individuals who are inpatients or outpatients of a health service facility, day care and partial hospitalization services, emergency services, followup services to individuals who have been discharged from a mental health facility, consultation and education services, assistance to courts and other public agencies in screening individuals who are being considered for referral to a mental health facility, and detoxification and referral services regarding alcohol and drug abuse, alcoholism and drug dependence. In addition, each center must provide specialized services programs—including programs for the mental health of children and the elderly, for prevention and treatment of alcoholism and alcohol abuse, drug addiction and abuse, and for community residence and halfway house services for individuals discharged from a mental health facility—unless the Secretary determines that the center is unable to provide such services or there is no need for such services. The grant structure and conditions for re-

ceipt of support follows that for community health centers.

Mr. President, the Senate Health Subcommittee will conduct hearings on this bill and related measures on May 1 and 2, 1974, in room 4232 of the Dirksen Office Building at 10 a.m. Persons interested in testifying before the subcommittee should contact Mr. Lee Goldman, subcommittee staff director.

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

S. 3282. A bill to amend and extend the authority for regulation of exports. Referred to the Committee on Banking, Housing and Urban Affairs.

EXPORT ADMINISTRATION ACT

Mr. SPARKMAN. Mr. President, I introduce for myself, the senior Senator from Texas (Mr. TOWER) and the junior Senator from Illinois (Mr. STEVENSON), by request, a bill to amend and extend the authority for regulation of exports.

The proposals contained in this bill have been sent to us by the administration. I ask unanimous consent that the letter of transmittal with enclosures from the Secretary of Commerce to the Vice President be included in the RECORD following my remarks.

Under present law the Export Administrative Act of 1969 will expire on June 30, 1974. The bill which we introduce today proposes, among other things, to extend that act until June 30, 1977. The Export Administrative Act is under the legislative jurisdiction of the Committee on Banking, Housing and Urban Affairs, and we are introducing these administration proposals in order that they may have a proper forum before our committee.

The junior Senator from Illinois (Mr. STEVENSON) is the chairman of the committee's Subcommittee on International Finance. That subcommittee will be dealing with this legislation. The subcommittee chairman has already planned hearings on the matters concerned in the bill we are introducing. These hearings will be held during April and May.

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

THE SECRETARY OF COMMERCE,
Washington, D.C., March 26, 1974.

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

DEAR MR. PRESIDENT: Enclosed are six copies of a draft bill "to amend and extend the authority for regulation of exports," together with a statement of purpose and need in support thereof and a section-by-section analysis.

We have been advised by the Office of Management and Budget that there would be no objection to the submission of our draft bill to the Congress and further that enactment of this legislation would be in accord with the program of the President.

Sincerely,

FREDERICK B. DENT,
Secretary of Commerce.

Enclosures.

STATEMENT OF PURPOSE AND NEED

The Export Administration Act of 1969, as amended, will expire on June 30, 1974, unless extended. Among other things, this Act authorizes the President to curtail or prohibit exports from the United States of any articles, materials or supplies, including technical data, under the circumstances specified in Section 3(2) of the Act; *i.e.*, short domestic supply, foreign policy reasons or national security grounds.

Continuing authority to administer export controls is needed to carry out national objectives under all three of these statutory policy purposes. First, we still need to control exports of commodities and technical data in the interest of U.S. national security. Although over the past few years we have experienced a detente with Eastern Europe and the People's Republic of China, we still cannot allow these countries uncontrolled access to our strategically oriented products and technology. Second, it is still in the interest of both national security and U.S. foreign policy to maintain strict embargoes on trade with North Vietnam, North Korea and Cuba. Moreover, the foreign policy authority under the Act is used to control exports of paramilitary items to the Middle East and to implement U.N. Security Council Resolutions concerning trade with Southern Rhodesia, South Africa and the Portuguese African territories.

Finally, the development of world wide commodity shortages during the past year has made it necessary for the United States to curtail exports of certain commodities in the interest of preserving domestic supplies. Export controls are currently in effect on ferrous scrap, petroleum and certain petroleum products. A broad range of other commodities are currently in a very tight international demand/supply situation, and international shortages of these or other commodities can reasonably be expected to persist in greater or lesser degree for the foreseeable future. Although export controls must be viewed as a measure of last resort, it is essential that we retain the authority to impose them when absolutely necessary to deal with critical short supply problems.

Having concluded that the authority contained in this Act should be extended, we have also considered the need for certain amendments designed to equip us to deal more readily with the current domestic and international trade situation. Statutory authority such as this, which was initially enacted twenty-five years ago, needs to be updated periodically to reflect the changes in the world and in our nation. With this in mind, the draft legislation contemplates several amendments which, for the sake of clarity, are discussed below in chronological order, as they appear in the Bill:

Retaliatory Authority.—The declaration of policy contained in Section 3 paragraph (2) of the Act (which, as mentioned earlier, currently lists "short supply," foreign policy and national security as the three justifications for imposing export controls) would be amended to add a fourth purpose. This new purpose would be retaliation against a nation or group of nations unreasonably denying the United States access to a particular commodity. Obviously, this retaliatory authority would be discretionary and would not be invoked as long as there appeared to be a preferable alternative. It should also be recognized that such a measure would only be effective to the extent that the nation or group of nations against which such measures might be imposed were unable to satisfy their needs for the embargoed (or restricted) commodity from sources of supply other than the United States. However, it is considered desirable to have this authority in the Act to serve notice to all nations that the United States is able and willing to retaliate in kind against those who would unreasonably deny us access to their resources.

It may be argued that the authority to impose export controls to retaliate against a nation is implicitly contained in the existing authority to impose export controls on foreign policy grounds. Export controls imposed to carry out international obligations of the United States are clearly imposed on foreign policy grounds pursuant to Section 3(2)(B) of the Act. Export controls imposed unilaterally are also subject to foreign policy considerations, but these are not so much foreign policy actions as economic counter measures. Accordingly, we believe that the authority to impose export controls unilaterally in retaliation for unreasonable actions by a nation or group of nations which may not be subject to sanctions under international agreements should be expressly authorized by Congress, rather than inferred from the foreign policy purpose in the Act.

International Cooperation.—The declaration of policy in Section 3 paragraph (3) of the Act would be amended by adding to the two existing declarations regarding cooperation with other free world countries in administering export controls on national security grounds, a third declaration regarding international cooperation in dealing with world shortages. This new declaration would express the sense of Congress that, whenever feasible, international solutions to problems of world shortages are preferable to unilateral actions.

As noted previously, we have entered 1974 with tight domestic supply in a broad range of commodities. These difficulties are influenced in large measure by the extraordinary energy situation. The rest of the world is also experiencing similar—and in some cases worse—shortages.

There are those who would yield to short-run expediency and advocate total embargoes on U. S. exports of these commodities. To do so would be to reject the entire concept of economic growth through world trade, painstakingly developed over the past three decades under the auspices of the GATT. By this amendment, Congress would reaffirm the United States commitment to seek international solutions whenever possible for problems of world shortages, as they arise, recognizing that suppliers and consumers all benefit when there is an orderly and equitable flow of world resources.

Export Fees or License Auctions.—The export control authority in Section 4, Subsection (b), paragraph 1, of the Act would be amended by adding a provision expressly authorizing the President to use an export fee or an auction system in regulating exports of commodities in short supply. The present authority in the Act does not specify the method by which licenses to export a commodity in short supply may be issued. In fact, different methods have been used over the years, because experience has taught us that the best method of administering short supply controls will vary from commodity to commodity and, for the same commodity, will depend on the particular situation prevailing at a given point in time. For this reason, Congress has wisely left the President with complete discretion to select whatever method may be fair and appropriate in each case. To date, the Department has never used an export fee or an auction system as a method of allocating licenses under the short supply authority. However, both appear reasonable methods of controlling exports, since they provide all exporters concerned with an equal opportunity to obtain licenses and could serve to prevent windfall profits which some exporters might enjoy in some circumstances under a licensing system based on a prior export history.

Again, a compelling argument could be made that the discretion presently contained

in the Act is sufficiently broad to permit resort to a fee or auction system without amendment. However, we believe it prudent to seek express statutory authority, if only to permit full consideration of the implications in this context of Article 1, Section 9, Clause 5 of the Constitution of the United States, which holds that "No tax or Duty shall be paid on Articles exported from any State." After reviewing the court decisions construing this prohibition, we are reasonably confident that the regulation of exports by means of an export fee or an auction system would be held constitutional. Nevertheless, we believe the entire constitutional issue should be fully discussed on the record during the hearings on this Bill, and resort to a fee or auction system predicated only upon express statutory authority enacted in light of that discussion.

Reporting Agreements to Export Technology.—Section 7 of the Act would be amended by inserting a new provision as subsection (c) expressly requiring U.S. firms and their affiliates abroad to report within fifteen days to the Secretary of Commerce any written understanding which would be likely to result in the export to a Communist territory other than Yugoslavia of U.S.-origin technical data which is not generally available.

As part of the detente with the USSR, the President announced at the 1972 Summit Meeting in Moscow, bilateral exchanges in Science and Technology. The Joint Commission on Scientific and Technical Cooperation was established to implement this policy. In addition to government-to-government exchanges, many U.S. companies have since entered into exchange agreements (usually called "technical cooperation" agreements) with the USSR and other communist countries and have signed commercial contracts calling for the exchange of "naked" technology; *i.e.*, technology as such and not that embodied in a commodity. Under present export control regulations, such companies are required to obtain export licenses for all design and production data transmitted to these countries, other than that which is already generally available to the public. The problem is that the Department of Commerce, and indeed the government as a whole, is frequently not aware of the nature of these agreements or contracts to export technology until the time when the U.S. company applies for an export license. This makes it difficult for the Depart of Commerce and other concerned agencies to discharge properly and effectively their responsibilities in the areas of trade promotion and export control. Early notification that U.S. firms or their foreign subsidiaries and affiliates have undertaken to exchange technology with a communist country would enable the Department to assist such firms in carrying out those transactions which do not involve overriding national security implications. Early notice would also permit the government to consider in a timely fashion the broad East-West trade policy implications of a contemplated transaction involving the exchange of technical data. Correspondingly, the Department's administration of export controls would be facilitated by early notice of agreements of contracts involving the eventual transfer of technology. The awareness of such contemplated transfers would enable the Department to make broad early judgments respecting the national security implications and to deal with the U.S. party to the transaction as appropriate, to minimize the risk that significant strategic technology will inadvertently seep to the communist country in question. Such unauthorized transfers are of concern to the Department and other agencies with responsibilities for national security.

Period of Extension.—The expiration date contained in Section 14 of this Act would be amended to extend the Act for an additional period of three years. The need for extending the Act was discussed in the opening part of this paper. Enactment of authority for a period of three years is considered appropriate, balancing the need of the Executive for a sufficiently long period to permit effective administration of the policies set forth by Congress, against the need of the Congress to periodically reevaluate such policies in light of changing world conditions.

SECTION-BY-SECTION ANALYSIS OF THE 1974 AMENDMENTS TO THE EXPORT ADMINISTRATION ACT OF 1969

SECTION 1

This section would amend present paragraphs 2 and 3 of Section 3 of the Act.

(a) *Paragraph 2:* A new clause (D) would expressly authorize the President to prohibit or curtail U.S. exports to a nation or group of nations as appropriate to retaliate against their unreasonably restricting United States access to their supply of a particular commodity. Such authority would be discretionary, and is contemplated for use by the President primarily in situations where attempts first to resolve the situation through international negotiations were not productive and when the retaliatory action would be effective.

(b) *Paragraph 3:* A new clause (c) would declare it to be the policy of the United States to deal with world shortages of particular commodities, whenever feasible, through international cooperation with the major suppliers and consumers of such commodities, rather than by unilateral actions. The conference of the major energy consumers held in Washington this February, and the World Food Conference scheduled to be held this fall under the auspices of the United Nations, are indicative of a growing endorsement of this approach. Such a declaration of policy, however, would not alter the policy of imposing export controls when absolutely necessary to preserve an adequate domestic supply of a particular commodity for U.S. consumers.

SECTION 2

This section would amend present Section 4, subsection (b), paragraph (1), of the Act by expressly authorizing an export fee or auction of export licenses as methods to regulate exports. The President would retain his present discretion under the Act to use whatever method of regulation he deems most appropriate in a particular situation.

SECTION 3

This section would add a new subsection (c) to present Section 7 of the Act. Present subsections (c) and (d) would be redesignated "d" and "e".

A new subsection (c) would require persons entering into any written understanding which contemplates or is likely to result in the exportation to a communist country or area of United States-origin technical data which is not generally available, to report the details of the transaction and provide copies of pertinent documents to the Secretary of Commerce.

SECTION 4

This section would change the expiration date in Section 14 of the Act to June 30, 1977, in lieu of June 30, 1974, thereby extending the Act for an additional three years.

SECTION 5

This section would provide a short title, referring to these amendments as the "Export Administration Amendments of 1974."

By Mr. INOUYE:

S. 3283. A bill to amend chapter 67 of title 10, United States Code, to grant eligibility for retired pay to certain reservists who did not perform active duty before August 16, 1945, and for other purposes. Referred to the Committee on Armed Services.

Mr. INOUYE. Mr. President, on May 31, 1973, I introduced a bill, S. 1932, which would have authorized the granting of retired pay to persons otherwise qualified for such pay who were members of the Reserve Forces prior to August 16, 1945, if such persons served on active duty during the Vietnam conflict.

A report on this bill from the Department of Defense recommends that those who were members of the Reserves prior to August 16, 1945, who served on active duty during the Berlin crisis or who have completed at least 20 years service since that date should also be eligible and receive equal consideration with those reservists covered under S. 1932.

To this end, I am introducing a bill to amend chapter 67 of title 10, United States Code, to grant eligibility for retired pay to certain reservists who did not perform active duty before August 16, 1945, as a substitute for S. 1932.

The Department of Defense has no objection to the measure in this form and, as this bill would result in no increase in the budgetary requirements of the Department of Defense, I would urge the early and favorable consideration of this bill.

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 411

At the request of Mr. MCGEE, the Senator from West Virginia (Mr. RANDOLPH), the Senator from North Dakota (Mr. BURDICK), the Senator from Utah (Mr. Moss), the Senator from Alaska (Mr. STEVENS), and the Senator from Kansas (Mr. DOLE) were added as cosponsors of S. 411, a bill to amend title 39, United States Code, relating to the Postal Service, and for other purposes.

S. 2815

Mr. FONG. Mr. President, the Senator from Texas (Mr. TOWER) on February 13 requested that his name be added as a cosponsor of S. 2815, to amend title II of the Social Security Act to increase the increment in old-age benefits payable to individuals who delay their retirement beyond age 65.

This inadvertently did not appear in the RECORD at that time and I now request that Senator TOWER'S name be added as a cosponsor of this bill.

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

S. 2854

At the request of Mr. CRANSTON, the Senator from Wisconsin (Mr. NELSON) and the Senator from Ohio (Mr. METZENBAUM) were added as cosponsors of S. 2854, a bill to amend the Public Health Service Act to expand the authority of the National Institute of Arthritis, Metabolic and Digestive Diseases in order to advance a national attack on arthritis.

S. 2938

At the request of Mr. JACKSON, the Senator from Ohio (Mr. METZENBAUM) was added as a cosponsor of S. 2938, the Indian Health Care Improvement Act.

S. 3006

At the request of Mr. PROXMIRE, the Senator from Georgia (Mr. NUNN) was added as a cosponsor of S. 3006, the Fiscal Note Act.

S. 3096

At the request of Mr. CRANSTON, the Senator from Kentucky (Mr. COOK) was added as a cosponsor of S. 3096, a bill to provide loans to small business concerns affected by the energy shortage.

S. 3163

At the request of Mr. MCGOVERN, the Senator from South Dakota (Mr. ABOUREZK), the Senator from Colorado (Mr. HASKELL), and the Senator from California (Mr. TUNNEY) were added as cosponsors of S. 3163, a bill to require that the budget of the President include proposed appropriations for the advance funding of educational programs.

S. 3231

At the request of Mr. ROBERT C. BYRD (for Mr. EASTLAND), the Senator from New Mexico (Mr. DOMENICI) was added as a cosponsor of S. 3231, a bill to provide indemnity payment to poultry and egg producers and processors.

S. 3277

At the request of Mr. DOMENICI, the Senator from New Hampshire (Mr. MCINTYRE) was added as a cosponsor of S. 3277, the Energy and Resources Recovery Act of 1974.

SENATE CONCURRENT RESOLUTION 78—SUBMISSION OF A CONCURRENT RESOLUTION REGARDING NEGOTIATIONS FOR A NEW PANAMA CANAL TREATY

(Referred to the Committee on Foreign Relations.)

Mr. McGEE. Mr. President, today I am submitting a concurrent resolution endorsing the recent statement of principles which will serve as the basic framework for negotiating a new and more equitable treaty between the United States and the Republic of Panama. I am joined in this effort by the distinguished minority leader, Mr. SCOTT, the distinguished junior Senator from Minnesota (Mr. HUMPHREY), and the distinguished senior Senator from New York (Mr. JAVITS).

The decision of Secretary of State Henry Kissinger and Panamanian Foreign Minister Juan Tack to sign this set of eight principles in Panama on February 7 of this year, represented a significant and positive step toward revitalizing efforts to negotiate a new and more stable treaty relationship based on mutual respect, partnership, and recognition of the basic interests and aspirations of both nations. I was privileged to be in attendance at the ceremonies with the Secretary when the agreement was signed.

As everyone is well aware, the existing canal treaty between the United States and Panama dates from 1903 and is now more than 70 years old. It granted the United States perpetual use of a strip of land for the construction, maintenance, operation, and protection of a canal linking the Atlantic and Pacific oceans. In this strip, which cuts through the center of Panama, the United States was granted the right to act as if it were sovereign. At the time of its ratification, then Secretary of State Hay candidly described the treaty as vastly advantageous to the United States, but not so advantageous to Panama. The subsequent construction and operation of the canal represented an extraordinary achievement which has brought well-known and undeniable benefits to Panama, the United States, and the entire world.

Why then are we engaged in negotiations for a new canal treaty and what are the United States' basic objectives in these negotiations?

First and foremost is the fact the world has changed enormously in the past 70 years and that the present treaty no longer adequately reflects these changes. In the long run, the viability of any treaty depends on the underlying consent and shared interests of nations which are a party to it.

Panama has long been dissatisfied with the 1903 treaty. This declining level of consent transcends any one government and now encompasses Panamanians of all strata. Since 1903 and with growing intensity in recent years, a strong spirit of legitimate nationalism has developed in Panama—a spirit which will not be altered by mere governmental changes. In recent years, dissatisfaction with the 1903 treaty has become the major political issue in Panama.

In 1964, tensions in United States-Panamanian relations led to destructive riots which resulted in the death of 20 Panamanians and 4 United States citizens and brought the canal issue to world attention. In explaining why it has insisted on replacing the 1903 treaty with a new treaty arrangement, Panama has cited the following:

The United States occupies a 10-mile wide strip across the heartland of Panama's territory, cutting the nation in two, curbing the natural growth of its urban areas.

The United States rules as sovereign over this piece of Panama's territory. It maintains a police force, courts, and jails to enforce U.S. laws, not only upon American but also upon Panamanian citizens.

The U.S. Government operates virtually all commercial enterprises within the zone, denying to Panama the jurisdictional rights which would enable its private enterprise to compete.

The United States controls virtually all of the deep-water port facilities serving Panama.

The United States holds, unused, large areas of land within the zone.

The United States pays Panama but $2 million annually for the immensely valuable rights it enjoys on Panamanian territory.

The United States operates, on Panamanian territory, a full-fledged government that has no reference to the Government of Panama, which is its host.

And, the United States can do all these things, the 1903 treaty states, forever.

There are those, particularly in this country, who reject these complaints and argue that Panama should be content to accept the present treaty arrangement and enjoy the direct and indirect economic benefits which U.S. operation of the canal has provided. Realistically, however, we must recognize that Panama will not accept the status quo and that to try and preserve the existing situation unchanged will sooner or later lead to a confrontation which is contrary to our essential interests in the Panama Canal and our broader foreign policy objectives throughout the hemisphere.

Following the 1964 riots, the United States and Panama agreed to begin bilateral negotiations for a new canal treaty. The fundamental objective of the United States was and still is to negotiate a new and mutually acceptable treaty which will enable the United States to protect its critical interests by continuing to operate and defend the canal for a further and reasonably extended period of time. Careful scrutiny of Panama's objections to the 1903 treaty suggests that it is the character and manner of the United States current presence in Panama, not our presence itself, which is at the heart of our problem. In the final analysis, our continued presence in Panama rests on the consent of the Panamanian people. If we do not seek to arrest a further decline in this level of consent, our ability to operate the canal efficiently will decline and we may ultimately be faced with the unpleasant prospect of an armed confrontation with the people of an otherwise friendly American state on their soil.

Under the circumstances, wisdom as well as prudence dictates that the United States seek to build a more harmonious and stable relationship that recognizes Panama's fundamental aspirations while protecting our basic national interests in the canal. In negotiating a new treaty, we must seek to define what is critical to our interests and what is not, and then proceed to modify the latter in order to preserve the former.

The principles which were recently negotiated and signed in Panama represent a significant commitment by both countries to seek accommodation rather than confrontation. Neither side is seeking to impose its will on the other; rather, we are reaching out for ways to construct a more stable and enduring relationship. The essence of these principles is that Panama will grant the United States the rights and facilities and lands necessary to continue operating and defending the canal; and the United States will agree to return to Panama jurisdiction over its territory; to recompense Panama fairly for the use of its territory; and to arrange for the participation by Panama, over time, in the canal's operation and defense.

It has also been agreed in the "Principles" that the new treaty shall not be in perpetuity, but rather for a fixed period; and that the parties will provide for any expansion of canal capacity in Panama that may eventually be needed.

The road ahead is not an easy one. Considerable skill, good will, and patience will be required of the negotiators representing both countries as they seek in the months ahead to devise a new treaty which will reflect the geographic, economic, and political imperatives of 1974.

I ask unanimous consent that the concurrent resolution be printed in the RECORD.

There being no objection, the con-

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

TO EXPRESS THE SENSE OF CONGRESS WITH REGARD TO NEGOTIATIONS FOR A NEW PANAMA CANAL TREATY

Whereas, The United States of America and the Republic of Panama have been engaged in negotiations to conclude a new treaty respecting the Panama Canal—negotiations made possible by the Joint Declaration between the two countries of April 3, 1964; and

Whereas, The new treaty would abrogate the treaty existing since 1903 and its subsequent amendments, establishing the conditions necessary for a modern relationship between the two countries based on mutual respect and on the protection of the basic interests of each; and

Whereas, on February 7, 1974, the Secretary of State of the United States of America and the Minister of Foreign Affairs of the Republic of Panama agreed on a set of fundamental principles that will serve to guide the negotiators toward an equitable treaty which will eliminate frictions between the two countries and thereby promote the continued safe and efficient operation of the Panama Canal, for the benefit of both and of the world; Now, therefore be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled. That the Congress of the United States hereby endorses the following principles agreed to by the United States of America and the Republic of Panama on February 7, 1974 at Panama City:

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 U.S. 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 and 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 Republic of Panama and the United States of America, 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.

SENATE CONCURRENT RESOLUTION 79—SUBMISSION OF A CONCURRENT RESOLUTION RELATING TO THE CELEBRATION OF THE 100TH ANNIVERSARY OF THE BIRTH OF HERBERT HOOVER

(Referred to the Committee on the Judiciary.)

Mr. GOLDWATER. Mr. President, on behalf of myself and the Senator from Oregon (Mr. HATFIELD), I am submitting today a concurrent resolution calling for the sense of the Congress with respect to the celebration of the 100th anniversary of the birth of Herbert Hoover. I know that many Members of this body, regardless of party affiliation, hold the memory of this great man in high respect.

Mr. President, I ask unanimous consent that the concurrent resolution be printed at this point in the RECORD.

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

EXPRESSING THE SENSE OF THE CONGRESS WITH RESPECT TO THE CELEBRATION OF THE 100TH ANNIVERSARY OF THE BIRTH OF HERBERT HOOVER

Whereas Herbert Hoover, the 31st President of the United States, was born August 10, 1874, in a simple two-room cottage in the town of West Branch, Iowa;

Whereas the Congress of the United States, by an Act approved August 12, 1965 (79 Stat. 510), authorized the establishment of the Herbert Hoover National Historic Site, consisting of the Herbert Hoover Birthplace and the place where he and his wife, Lou Henry Hoover were buried, in West Branch, Iowa, to be administered by the Secretary of the Interior for the education and enjoyment of the public; and

Whereas pursuant to the Presidential Libraries Act of August 12, 1955, the Administrator of General Services operates the Herbert Hoover Presidential Library at West Branch, Iowa, containing the personal and official papers of President Herbert Hoover; Now therefore

Be it resolved by the Senate of the United States (the House of Representatives concurring), That the Congress hereby calls upon the Secretary of the Interior and the Administrator of General Services to cause to be conducted on or about August 10, 1974, appropriate ceremonies in celebration of the 100th anniversary of the birth of Herbert Hoover, 31st President of the United States, in the town of West Branch, Iowa.

ADDITIONAL COSPONSORS OF A CONCURRENT RESOLUTION

SENATE CONCUURENT RESOLUTION 74

At the request of Mr. McGOVERN, the Senator from South Dakota (Mr. ABOUREZK), the Senator from Colorado (Mr. HASKELL), and the Senator from California (Mr. TUNNEY) were added as cosponsors of Senate Concurrent Resolution 74, to express the sense of Congress that section 412 of the General Provisions Act relating to the advance funding of educational programs should be immediately and continually implemented.

ADDITIONAL COSPONSORS OF RESOLUTIONS

SENATE RESOLUTION 281

At the request of Mr. MANSFIELD, the Senator from Rhode Island (Mr. PELL) was added as a cosponsor of Senate Resolution 281, to express the sense of the Senate with respect to the allocation of necessary energy sources to the tourism industry.

SENATE RESOLUTION 297

At the request of Mr. DOMINICK, the Senator from Alabama (Mr. ALLEN), the Senator from New Hampshire (Mr. COTTON), the Senator from Florida (Mr. GURNEY), the Senator from Idaho (Mr. MCCLURE), the Senator from Virginia (Mr. WILLIAM L. SCOTT), the Senator from Pennsylvania (Mr. SCHWEIKER), the Senator from Alaska (Mr. STEVENS), the Senator from Georgia (Mr. TALMADGE), the Senator from South Carolina (Mr. THURMOND), and the Senator from California (Mr. TUNNEY) were added as cosponsors of Senate Resolution 297, prohibiting the extension of guarantees, insurance, or credit by the Export-Import Bank to the Soviet Union pending the consideration of the trade bill.

SENATE RESOLUTION 301

At the request of Mr. THURMOND, the Senator from North Carolina (Mr. ERVIN) was added as a cosponsor of Senate Resolution 301, in support of continued undiluted U.S. sovereignty and jurisdiction over the U.S. owned Canal Zone on the Isthmus of Panama.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974—AMENDMENTS

AMENDMENTS NOS. 1122 AND 1123

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

Mr. ALLEN submitted two amendments intended to be proposed by him to the bill (S. 3044) to amend the Federal Election Campaign Act of 1971 to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns.

AMENDMENT NO. 1124

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

Mr. DOMINICK. Mr. President, for myself and the Senator from Tennessee (Mr. BAKER), I submit an amendment to S. 3044, which would provide that in national elections all polls would remain open for at least 12 hours and would close simultaneously.

My proposal envisions that in national elections all polls will remain open for at least 12 hours and close simultaneously at 11 p.m., eastern standard time. Under this proposal, the polls would have to be open at least from 11 a.m. to 11 p.m., eastern standard time: from 10 a.m. to 10 p.m., central standard time; 9 a.m. to 9 p.m., mountain standard time; 8 a.m. to 8 p.m., Pacific standard time; 7 a.m. to 7 p.m., Yukon standard time; 6 a.m. to 6 p.m., Alaska-Hawaii standard time; and from 5 a.m. to 5 p.m., Bering standard time.

The polls could be open at any hour before these times, but would have to close at the time established. As you well know, polls are now open at widely divergent hours across the Nation. The polls in the West are open hours after they are closed in the East. Polling times vary from time zone to time zone and State to State, and within each time zone and State. Our current system developed haphazardly as our country grew through four time zones.

Mr. President, the current chaos in poll closing times is not simply untidy and confusing. By aiding certain candidates and hurting others, the election process itself is having an impact upon the election result. With improvements in communications and the development of computer technology and other techniques, we have the first election returns from the Atlantic coast area flashed all over the country immediately.

By giving voters in the East the ability to influence voters in the West and thus those in the West the ability to weigh the actions of eastern voters before voting, the process is unfairly weighing the influence of the vote of citizens. Computer projections of election results by the electronic media both influence the way many votes are cast and cause people not to vote, because they believe the outcome has already been decided.

Mr. President, solving this problem through a uniform closing time for all polls would be better than trying to restrict the flow of information about election returns with potential constitutional issues and practical problems such an effort would raise. I do not think there is any constitutional question about the power of Congress to establish a uniform poll closing time. Article II, section 3, gives Congress the power to "determine the time or choosing the electors" for President and Vice President. Article I, section 4, gives Congress power to regulate the "time, place, and manner of holding" elections for Senators and Representatives, and the Supreme Court has indicated this may apply to Presidential elections.

The idea of providing for a uniform poll closing time was endorsed by the National Governors Conference in 1966. I ask unanimous consent that a copy of the proposal and resolution of the Governors Conference in that regard be included in the RECORD at this point.

Mr. President, I think this reform merits our consideration. It is relatively noncontroversial and would not be difficult to implement. In fact, this amendment was most recently accepted by voice vote in August 1972 as part of the American Revolution Bicentennial Commission bill, S. 3307. The Senate subsequently accepted the House-passed version and the provision was lost. The circumstances are the same since this legislation was last adopted by the Senate, and I am hopeful that this body will again recognize the need for this provision.

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

AMENDMENT No. 1124

At the end of the bill, add new section as follows:

TITLE V—POLL CLOSING TIME

SEC. 501. Simultaneous poll closing time. On every national election day commencing on the date of the national election in 1976, the closing time of the polling places in the several States for the election of electors for President and Vice President of the United States and the election of United States Senators and Representatives shall be as follows: 11 postmeridian standard time in the eastern time zone; 10 postmeridian standard time in the central time zone; 9 postmeridian standard time in the mountain time zone; 8 postmeridian standard time in the Pacific time zone; 7 postmeridian standard time in the Yukon time zone; 6 postmeridian standard time in the Alaska-Hawaii time zone; and 5 postmeridian standard time in the Bering time zone: *Provided*, That the polling places in each of the States shall be open for at least twelve hours

A PROPOSAL TO ESTABLISH A UNIFORM, SIMULTANEOUS, NATIONWIDE 24-HOUR VOTING DAY IN YEARS OF FEDERAL ELECTIONS

Voting is the most important function in a democracy. Yet, generally speaking, many of our election customs are a throw-back to the days when it took hours and even days to get to the polling booth. By a determined avoidance of improvements we have done little to ease—and much to impede—the voting process.

Among our archaic election customs is adherence to Election Day itself, first designated in 1845 as "the Tuesday next after the first Monday in November." This day was chosen by Congress largely because public sentiment was against traveling on Sunday and it was necessary to allow an entire day and night for many voters to get to the polls.

A second anachronism in the electoral process is the system of widely divergent hours in which the polls are open across the country in federal elections. The polls in the West are open many hours after they are closed in the East. And opening and closing hours vary, not only within time zones, but also within individual states. The system grew without much design or direction as the nation expanded to the Pacific and through four time zones. In our own time we have seen the boundaries of electoral participation extended even further, from West Quoddy in Maine to Attu in Alaska, across six time zones.

In recent years technological progress—particularly in the area of computers and communications—has highlighted the archaic nature of our voting procedures. For example, polling places have traditionally closed early to allow time for counting the votes, but today ballots can be tabulated in a matter of seconds using computer systems. And modern communications permit speedy transmission of returns to collection centers.

Various proposals have been made to bring election day procedures into line with 20th century realities. One appears to meet the test of equity, and of logic, and appears to present no constitutional problems: A common, simultaneous, nationwide, voting day of 24 hours length for federal elections. There is much to recommend that this day also be a national holiday.

The advantages of such a uniform voting period are many:

It would give every qualified voter in the nation the time and the opportunity to vote.

A uniform 24-hour voting day would provide all voters with the identical real-time hours in which to vote; and although the polls would open at different hours in different time zones, the voters of every community in the nation could vote at whatever local time of day or night that was most convenient for them.

It would relieve the pressure in urban and suburban voting districts where long, slow-moving waiting lines have discouraged many voters from casting ballots.

It would put an end to unsupported speculations that reports from one area of the country, with all its polls closed, can affect voting in another area where they are open.

Computers would enable a fast, accurate tally of the national vote immediately after the polls had closed, and thus do away with the confusion and uncertainty generated by delayed and partial returns.

No constitutional barrier exists to prevent the Congress from instituting a universal, 24-hour voting period. Indeed, Article I of the Constitution specifically gives the Congress the authority to make regulations concerning the holding of elections. Nor has anyone suggested that such a period would not be in the best interests of the voter himself. The only significant argument against it is made in terms of expense.

Against this argument, consider that the United States has the least impressive voting record in federal elections of any democracy in the world. In 1964, only 62 percent of eligible Americans cast a ballot for one of the Presidential candidates. In off-year congressional elections, the record is even worse—less than 50 percent of Americans over 21 vote. In Europe, on the other hand, where uniform, nationwide voting hours are common practice, the percentages range from 87 in Denmark to 72 in France. It is difficult to defend the position that the most affluent democracy with the sorriest voting record cannot afford to keep the polls open for a few additional hours every two years.

Principle aside, there is no real evidence to indicate that costs would rise unreasonably. In recent years election costs have been dramatically reduced in some states through the use of electronic voting systems. For example, Orange County in California spent $235,869 on the June 2, 1964 primary, at which 273,756 ballots were cast and tabulated without the electronic system. On General Election Day, 1964, Orange County used an electronic system, encompassing both the voting and counting. The cost, with 416,136 votes cast, was $118,428. The saving here was $117,441—cutting the bill in half, even without allowing for the greatly increased number of votes cast. Actually, the cost per ballot cast declined by over two-thirds, from 90 cents to 28 cents.

Looking ahead, we can anticipate additional savings through the use of the instruments and techniques which science has made possible. In addition, urban polling places may be able to operate on a most efficient basis when voting is spread over a 24-hour period, while polling places in small communities can close after the last registered voter has cast his ballot.

The need for election reforms in many areas is urgent: the Presidential campaign period is too long; residency requirements prevent millions of citizens in our mobile population from casting a vote even in Presidential elections; much of the apparatus we use for registering and counting votes was contrived for another age.

But electoral procedures must be brought into line with the realities of the 20th century. A start must be made. It is the conviction of this conference that a logical and proper place to begin is with the most serious consideration of a biennial national voting holiday during which the polls would be open across the nation for a uniform period of 24 hours.

A RESOLUTION

Whereas it is the sense of the National Governors Conference that the most serious consideration should be given to the proposition that in federal elections the electorate would benefit from the establishment of a "national voting holiday" during which the polls would be open across the nation for a uniform period of 24 hours—that is, regardless of time zone the polls would open simultaneously, and close simultaneously 24 hours later;

Be it resolved that the National Governors Conference forward to the President of the United States the respectful suggestion that he initiate a study, by whatever means he deems appropriate, or the feasibility of instituting a uniform, nationwide, 24-hour voting period for federal elections, and its designation as a biennial national holiday.

AMENDMENT NO. 1125

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

Mr. CRANSTON submitted an amendment, intended to be proposed by him, to Senate bill 3044, supra.

AMENDMENT NO. 1126

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

Mr. BAKER submitted an amendment intended to be proposed by him to the bill (S. 3044), supra.

AMENDMENT NO. 1127

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

Mr. DOLE submitted an amendment intended to be proposed by him to the bill (S. 3044), supra.

AMENDMENT NO. 1128

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

Mr. BAKER (for himself and Mr. DOMINICK) submitted an amendment intended to be proposed by them jointly to the bill (S. 3044), supra.

AMENDMENTS NOS. 1129, 1130, and 1131

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

Mr. TOWER submitted three amendments intended to be proposed by him to the bill (S. 3044), supra.

AMENDMENT NO. 1134

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

Mr. BAKER (for himself, Mr. ERVIN, Mr. TALMADGE, Mr. DOMINICK, and Mr. PACKWOOD) submitted an amendment intended to be proposed by them jointly to the bill (S. 3044), supra.

AMENDMENT NO. 1135

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

Mr. BAKER (for himself, Mr. ERVIN, Mr. TALMADGE, and Mr. GURNEY) submitted an amendment intended to be proposed by them jointly to the bill (S. 3044), supra.

NATIONAL NO-FAULT MOTOR VEHICLE INSURANCE ACT

AMENDMENT NO. 1132

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

NO-FAULT AND TRUCKS

Mr. MAGNUSON. Mr. President, several of my colleagues have expressed concern over S. 354, the National No-Fault Motor Vehicle Insurance Act, because they fear that owners of heavy commercial vehicles will experience a substantial savings in their vehicle insurance premiums. They point out that these savings in their vehicle insurance premiums may very well surpass the savings of the ordinary passenger car owner and argue that such a savings constitute a "windfall."

The Senate Commerce Committee was aware of the possibility that owners of heavier commercial vehicles would experience substantial premium savings. Therefore, the committee provided a mechanism whereby a State could provide for the redistribution of the insurance premium burden by allowing the insurers of passenger cars to be reimbursed by the insurers of passenger cars on some basis other than fault—on the basis of weight, for example.

Because some people have argued that loss shifting on the basis of weight would not be adopted by the States and that loss shifting on the basis of fault for heavy commercial vehicles would be more appropriate, I offer for the consideration of my colleagues on the Senate floor the following amendment to S. 354. I am joined in offering this amendment by Senators HART, MOSS, and STEVENSON.

The amendment would permit reallocation between heavy vehicles—over 8,000 pounds unladen weight—and other vehicles based upon fault if a State decided such reallocation was necessary to prevent a "windfall." This determination of fault would be at the insurer level, and would not affect the ability of the accident victim to recover timely compensation without regard to fault. In order to insure owners of heavy commercial vehicles some advantages under a no-fault system the amendment preserves no-fault, even at the insurance company level, for the first $5,000 of loss.

I ask unanimous consent that the amendment be printed in the RECORD.

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

AMENDMENT NO. 132

On page 91, line 6, delete "(2) and (3)" and insert in lieu thereof "(2), (3), and (4)".

On page 91, lines 14 and 15, delete "based upon a determination of fault".

On page 92, line 5, delete "(3)" and insert in lieu thereof "(4)".

On page 92, between lines 4 and 5, insert the following new paragraph":

"(3) Notwithstanding the provisions of paragraph (1)(B) of this subsection, a State may grant a right of reimbursement among and between restoration obligors based upon a determination of fault, where such restoration obligors have paid or are obligated to pay benefits for loss arising out of an accident resulting in injury in which one or more of the motor vehicles involved has an unladen weight in excess of 8,000 pounds: *Provided*, That in such event such right of reimbursement may be granted only with respect to benefits paid for loss in excess of $5,000.".

DEPARTMENT OF STATE APPROPRIATION AUTHORIZATION—AMENDMENT

AMENDMENT NO. 1133

(Ordered to be printed and referred to the Committee on Foreign Relations.)

REORGANIZATION OF FOREIGN AFFAIRS AUTHORIZATION PROCESS

Mr. PERCY. Mr. President, following up on our efforts to improve the budgetary process of the Congress, I am today introducing an amendment to S. 3117, the Department of State Authorization bill, which would reorganize the way in which Congress deals with foreign affairs and foreign aid legislation.

For too long, it seems to me, the Congress has had to contend each year with a potpourri of bills in these areas, handling them relatively independently and without much relation to each other.

Each year we are confronted with separate bills for the State Department, the U.S. Information Agency, Radio Free Europe and Radio Liberty, bilateral economic and military aid, the Peace Corps, and usually for each of the international financial institutions. Every 2 years there are also bills for foreign service buildings and the Arms Control and Disarmament Agency.

My amendment seeks to provide for joint consideration of related authorizations, thus permitting a better determination of priorities and total spending for each type of activity.

The amendment requires a restructuring of administration requests in the international relations field into three bills, one each for foreign affairs, foreign economic aid and foreign military aid.

The foreign affairs authorization bill would include authorizations for the administration of foreign affairs, for ACDA, foreign service buildings, international organizations, conferences and commissions, USIA, educational exchange, Radio Free Europe and Radio Liberty.

The foreign economic aid bill would carry the authorizations for both bilateral and multilateral aid, migration and refugee assistance, and the Peace Corps.

The foreign military aid bill would include grant assistance, credit sales and supporting assistance.

The amendment is as follows:

AMENDMENT NO. 1133

At the end of the bill, add the following new section:

FOREIGN AFFAIRS AUTHORIZATION ON REQUESTS; REPORTS

SEC. 7. (a) The Act entitled "An Act to provide certain basic authority for the Department of State" approved August 1, 1956, as amended, is further amended by adding at the end thereof the following new section:

"SEC. 16. (a) Proposed legislation by the executive branch requesting authorizations of appropriations relating to foreign affairs (other than proposed legislation requesting authorizations for supplemental or deficiency appropriations) shall be submitted only for the ensuing fiscal year and shall be submitted as—

"(1) a proposed bill or joint resolution authorizing appropriations for the conduct of foreign affairs, which shall include separate enumerations of requested authorizations for—

"(A) the administration of foreign affairs, including separate enumerations for the administration of foreign affairs by the Department of State, the Arms Control and Disarmament Agency, and Foreign Service buildings;

"(B) international organizations, conferences, and commissions;

"(C) information and cultural exchanges, including separate enumerations of authorizations for the United States Information Agency, educational exchanges, and the Board for International Broadcasting; and

"(D) any other program or activity with respect to foreign affairs which is not a program or activity providing foreign economic or military assistance, and is made available under a law within the jurisdiction of the Committee on Foreign Relations and the Committee on Foreign Affairs;

"(2) a proposed bill or joint resolution authorizing appropriations for foreign economic assistance, which shall include separate enumerations of requested authorizations for—

"(A) each program and activity involving bilateral assistance;

"(B) each program and activity involving multilateral assistance;

"(C) the Peace Corps;

"(D) migration and refugee assistance; and

"(E) any other program or activity providing foreign economic assistance, and is made available under such a law; and

"(3) a proposed bill or joint resolution authorizing appropriations for foreign military assistance, which shall include separate enumerations of requested authorizations for—

"(A) military loan and grant assistance;

"(B) military credit sales and guaranties;

"(C) security supporting assistance; and

"(D) any other program or activity providing foreign military assistance, and is made available under such a law.

"(b) Not later than 30 days after the President has transmitted the Budget to Congress for a fiscal year, he shall transmit to Congress a report, to be known as the Unified Foreign Affairs Budget Report, which shall set forth—

"(1) estimates of amounts intended to be requested for that fiscal year for each of the programs or activities referred to in subsection (a); and

"(2) a detailed account of all expenses resulting from all other programs and activities relating to international and foreign relations of all departments, agencies, and independent establishments of the Government."

(b) The amendment made by subsection (a) of this section applies with respect to fiscal year 1976 and each fiscal year thereafter.

NOTICE OF HEARING ON AGRICULTURAL CREDIT

Mr. McGOVERN. Mr. President, the Subcommittee on Agricultural Credit and Rural Electrification of the Senate Committee on Agriculture and Forestry will hold a hearing on April 11, 1974, on S. 3252. This legislation is designed to provide additional credit facilities for farmers and other rural residents by increasing Farmers Home Administration lending limits, by providing secondary market for guaranteed loans made by banks, by authorizing Commodity Credit Corporation to insure forward contracts between farmers and commodity buyers, and by authorizing CCC to make loans to purchasers of commodities from farmers who are unable to make prompt payment because of transportation delays.

The hearing will begin at 9:30 a.m. in room 324 of the Russell Senate Office Building.

Anyone wishing to testify, please notify the Committee Clerk as soon as possible.

NOTICE OF HEARINGS ON FOREIGN FOOD ASSISTANCE

Mr. HUMPHREY. Mr. President, as the world's most important producer of foodstuffs, the United States strongly influences food policy for the rest of the world. And certainly, this fact is no more evident than in the area of humanitarian food assistance.

Increasingly, the United States is being forced into the position of determining who will have enough to eat and who will hunger as our food production becomes the residual supply throughout the world.

This fall we will join most other countries of the world in a major conference on food. One of the most important issues to be addressed by this meeting is the strengthening of world food security through coordinated food assistance and emergency food relief. But unless the United States goes to this conference with a clear perspective of what our own policies and commitments are in regard to humanitarian food assistance, international initiatives in this area are not likely to be substantive.

The approach of a major world conference on food only points out the timeliness of a review of U.S. food aid policy in terms of the adequacy of present efforts as well as what commitments we can expect to make in the future.

With this interest, the Subcommittee on Foreign Agricultural Policy will conduct a hearing on April 4, on current and future U.S. policies in regard to food assistance to the developing world. From this session, the subcommittee hopes to be able to report on our short-, medium-, and long-term policies in relation to foreign food aid.

We will review U.S. priorities for food assistance both geographically as well as by program vehicle. The subcommittee will explore how U.S. policymakers view the future structure of our commitments to the less-developed countries in terms of cash, food, and technical assistance. Finally, we will attempt to get a feeling for what commitments the United States is going to be able to make at the food conference, on international efforts to relieve world hunger.

Testifying on these issues will be the Honorable Clayton Yeutter, Assistant Secretary of Agriculture for International Affairs and Commodity Programs, Mr. Daniel Parker, Administrator, Agency for International Development, Mr. James Grant, president, Overseas Development Council, and Mr. Frank Goffio, representing the American Council of Voluntary Agenices for Foreign Service, Inc.

The hearings will begin at 9:30 a.m. in room 324 of the Russell Senate Office Building.

NOTICE OF HEARINGS ON SENATE JOINT RESOLUTION 137, A PROPOSED CONSTITUTIONAL AMENDMENT TO MAKE ALL QUALIFIED CITIZENS ELIGIBLE FOR THE OFFICE OF PRESIDENT

Mr. FONG. Mr. President, today I wish to announce that, pursuant to the designation of the chairman of the subcommittee on Constitutional Amendments, I will chair hearings before that subcommittee on Tuesday, April 30 and Wednesday, May 1, on Senate Joint Resolution 137.

I introduced Senate Joint Resolution 137 proposing an amendment to the Constitution with respect to eligibility for the Office of President and Vice President on July 23, 1973. This Senate Joint Resolution is similar to Senate Joint Resolution 161, which I introduced on September 28, 1971, and would eliminate the one discriminatory provision of our Constitution which limits the Office of President to "natural born" citizens.

This amendment would make all citizens, whether naturalized or "natural born" eligible for the Office of President, if they are over the age of 35 years and have been residents of the United States for a total of 14 years before the commencement of the term of office for which they are elected.

A broad cross-section of legislators, past candidates for the Presidency, constitutional lawyers, representatives of the Department of Justice and interested groups and individuals are expected to testify.

Persons who wish to testify or submit a statement for inclusion in the record should communicate as soon as possible with Mrs. Dorothy Parker of my office, 2121 Dirksen Senate Office Building, Washington, D.C. 20510, telephone number (202) 225-6361.

NOTICE OF HEARING ON STANDBY ENERGY EMERGENCY AUTHORITIES ACT

Mr. JACKSON. Mr. President, I would like to give notice to the Members of the Senate and other interested parties that the Senate Interior Committee will hold hearings on S. 3267, on Thursday, April 4, at 10 a.m., in room 3110, Senate Office Building.

RURAL DEVELOPMENT OVERSIGHT HEARINGS TO BE RESUMED

Mr. CLARK. Mr. President, I am pleased to announce today that the regular oversight hearings of the Subcommittee on Rural Development and Forestry will resume on May 8 and 9, 1974 at 10 a.m. each day in room 324 of the Russell Senate Office Building.

At that time, the subcommittee will look into the following areas:

First. The current status of the implementation of the Rural Development Act of 1972.

Second. An examination of the appropriations request for activities provided for under the act.

Third. An examination of the President's proposed Economic Adjustment Act insofar as it relates to implementation of the Rural Development Act, and;

Fourth. We will hear testimony on a proposed National Regional and Area Development Act, which has been suggested by the Executive Committee of the National Governors Conference.

Fifth. In addition, the Subcommittee will submit to the Federal Energy Office and the Rural Development Service a series of questions relating to how the current energy crunch, or crisis, will affect national strategy for rural development.

Sixth. The Comprehensive Employment and Training (Public Law 93-203) authorizes the continuation and merger of many different manpower development, training and employment programs previously authorized under various pieces of legislation. And, the Older Americans Act of 1973 expires on June 30 of this year. It will be our intention to listen to how the Department of Labor intends to provide manpower service to rural nonfarm Americans under the former, and know what is intended to replace public service employment for the elderly as a result of the latter.

Seventh. Finally, we will attempt to

assess the effect of the energy crisis on National Rural Development strategy.

The subcommittee expects to call as witnesses: The Honorable William Erwin, Assistant Secretary of Agriculture for Rural Development; the Honorable William W. Blunt, Jr., Assistant Secretary of Commerce for Economic Development; a representative of the Department of Labor; and a representative of the National Governor's Conference.

It is anticipated that the testimony of these four witnesses will require a considerable amount of time. However, we will be anxious to hear from any public witnesses who might wish to testify, either in person or in written form.

ADDITIONAL STATEMENTS

SENATOR PELL'S RESPONSE ON EDUCATION

Mr. MANSFIELD. Mr. President, the distinguished Senator from Rhode Island (Mr. PELL) is to be commended for his address to the Nation last Saturday concerning the matter of education. From the Senate's point of view and that of the Congress, Senator PELL addressed many issues involved in a forthright and comprehensive manner. Most importantly, he pointed out that "the education of our children should not and must never become a matter of partisan politics." Thanks to his leadership as chairman of the Education Subcommittee the matter of education will not become embroiled in partisan and extraneous questions. Insofar as the Senate is concerned the matter of education, I believe, will be addressed from the standpoint of what is needed to provide the best educational opportunity for the youth of our Nation.

I ask unanimous consent that Senator PELL's statement—requesting a congressional response—as it was delivered to the Nation last Saturday be printed in the RECORD.

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

TEXT OF CONGRESSIONAL RESPONSE BY SENATOR CLAIBORNE PELL, CHAIRMAN OF SENATE SUBCOMMITTEE ON EDUCATION, TO BE BROADCAST ON CBS

One week ago, President Nixon set before our nation his views on education and was very critical of the education bill now pending in the Senate.

Today, as Chairman of the Senate Subcommittee on Education, I am glad to respond.

In doing so, I emphasize that the education of our children should not and must never become a matter of partisan politics.

Let me summarize the President's main points.

On the positive side, the President urged advanced funding of education programs so that our local school officials can plan ahead. And he urged full funding of aid programs for college students. The President also urged consolidation of many existing federal government education programs.

On the negative side, he told you that the Senate bill was a bureaucratic nightmare . . . hopelessly bound up in miles of red tape." And he posed a fearful threat that the federal government, with an army of bureaucrats, may take over control of your neighborhood schools.

Finally, the President fanned the flames of the busing issue, re-opening a painful wound that was well on the way to being healed through the patience and the understanding of our American people. I believe the present limited busing law is a good law. It has worked for the past two years. Let's leave it alone.

All told, the President's message was cast in such a way that it provoked discord; it sought to turn the people against their Congress, to turn the House against the Senate, and to turn local and state governments against our Federal Government. We have had more than enough divisive rhetoric. What our country needs is a leadership that seeks to heal and unify, not to divide and fragment. Now, a good place to seek agreement and unity is in facts, so let us turn to fact.

Let's look at the threat of Federal Government control of local schools. The truth is that your Federal Government's involvement in education is minimal. Of the billions of dollars spent on education in this country, only just 6 percent comes from Washington, and the rest comes from state, local and private sources. You may rest assured that your local and state people are in firm control of your children's education. And neither the House nor the Senate education bill seeks to change this.

Far more serious from the actual viewpoint of changing the structure of our government, the President is in the process of quietly establishing a whole new level of government in our country, neither with the explicit authority of your Congress, nor the awareness of our people.

As Emperor Caesar once divided Gaul into three parts, so President Nixon by executive decree has divided our nation into ten parts, ten administrative Super States which have been carrying out ever enlarging federal regulations by federal government bureaucrats far removed from the control of either Congress or the State governments.

We in the Congress are fighting this needless proliferation of government levels. This fourth layer of government is being inserted just below the Federal level and between it and the state and local governments. I am happy to say that the pending education bills in both the House and the Senate halt in its tracks the Nixon regional government plan as far as education is concerned.

The President contends that the Senate education bill fails to sufficiently consolidate the existing programs of the federal government. Yet the Senate bill agrees that some consolidation of programs is necessary, so local school officials don't have to shop through a complex catalogue of federal programs. And, the Senate bill actually provides three kinds of consolidation of programs, including a major simplification of paperwork. All told, 18 existing federal programs are dealt with of which 7 have been virtually eliminated. For instance, since there is a surplus of teachers, the teachers' training programs have been eliminated. Dropout Prevention and Health and Nutrition have also been eliminated in consonance with the President's wish to consolidate.

For good reason, though, we rejected President Nixon's blanket consolidation program. Bitter experience has taught us that when this Adminisration talks about consolidation, it is really talking about cutting out programs and cutting services to the people.

We saw this happen in the most important area of High School Guidance and Counseling and in the President's socalled Better Schools Act which showed consolidated programs receiving less than they would have if left alone.

I think we must remember that each of these separate education programs was created and exists to meet a need that our local school systems could not meet because of costs. This is why, for example, your Congress established programs specifically to aid education of the blind and deaf, to educate the handicapped, for guidance and counseling, for modern textbooks and laboratory equipment.

To throw all the federal funds for these programs into one big pot, as proposed by the President, would mean that the weakest—those who need help the most—would be crowded out or pushed to the end of the line—would get nothing out of the pot. We in Congress do not intend to let this happen.

Now, what about those miles of red tape—the bureaucratic nightmare the President found in the Senate education bill.

Those rules and requirements were put in for a good reason. They are necessary to make certain that the Administration carries out the expressed intent of the Congress since we are dealing with an Administration that has repeatedly impounded funds and flouted the spirit of the laws passed by the Congress.

We have no choice but to spell out the letter of the law in fine, fine detail. This may be a nightmare for those bureaucrats who don't like these programs, but we are concerned, not about the nightmare of bureaucrat, but about our dream of quality education for American children. And, I believe, this is a dream all Americans share.

Let me turn to the President's request for prompt action on so-called forward funding of education programs, so our local school systems can plan ahead. There he has put up a real straw man, since advanced funding of education programs has been authorized by law since 1968. Actually this year, 1974, is the first year President Nixon has requested forward funding, and then he has only done so conditionally.

We have a similar situation in regard to the President's request for prompt action on funding of college student aid programs. The major program involved is the Basic Educational Opportunity Grant Program. This is an excellent program, originated in the Senate, which would give students from low to middle-income families outright grants of up to $1,400 a year to attend college or vocational schools.

The President criticized Congress for not acting as yet on his request for funds for this program—a request submitted just last month. The fact is that the Administration in requesting full funding of this program failed to ask for any funds for two other student aid programs, the direct 3 percent government student loans and supplemental direct grants, knowing full well that the law requires prior funding of those programs before the basic grants can legally be funded.

The truth is that this Administration's record in support of education is poor.

To my mind, it is a question of priorities.

"The President has vetoed four education appropriation bills on the grounds of extravagance. But he has yet to veto a Defense Department bill or a space program bill on those grounds. The President's budget proposals usually request only 35 to 40 percent of the authorized funds for education but they consistently request 95 to 100 percent of authorized funds for space and defense hardware.

"I became Chairman of the Senate Education Subcommittee five years ago at the same time the President took office. I am sorry to say these have been five years of constant struggle with the Administration as the Congress has sought to give greater priority to education to provide adequate funds for education and to ensure that the Administration carries out the education laws of the land.

"I would hope that the time will come when the Administration will in fact give education in our country the same support it gives tanks and bombers and new weapons systems.

"If there is genuine concern on both sides, about the quality of education of our children, compromise and agreement are always possible. It is not possible when education is

used as a divisive political issue, with inflated rhetoric, White House pronouncements and threats of vetos.

"Working together, the parents, teachers, local and state school officials, and your elected representatives in Congress, we can do much to realize the American dream of a quality education for all of our children.

"This is vitally important to all Americans for as the Greek philosopher, Diogenes, once observed, 'The foundation of every state is the education of its youth.' This precept should guide us, the people, Congress, the President, Americans all."

PRIVATE GOLD OWNERSHIP

Mr. DOMINICK. Mr. President, on January 19 of this year Senator McCLURE addressed the National Committee To Legalize Gold at its meeting in New Orleans. He called for immediate passage of legislation which would underscore the basic rights of all Americans to own whatever metals they wish to buy, with or without the possession of a license, specifically the legalization of private gold ownership.

I would like to associate myself with his remarks and ask that they be printed in the RECORD.

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

PRIVATE GOLD OWNERSHIP

Throughout history governments have feared that gold would provide an alternative, perhaps a preferred currency to whatever intrinsically valueless form of tender was provided by government fiat. The form of government, despotic or benign, has provided the key as to how the citizens would be treated. For instance, the 10th century government of China issued an evidently unpopular paper money. Its value was based entirely on imperial authority and its common acceptance was ordered under threat of capital punishment. In 17th century Canada, an army official who found himself short of currency to pay troops issued notes instead. As paper was short he used playing cards which served nicely to differentiate denominations. A soldier who refused such payment was subjected to a fine (presumably payable in aces and kings). A schoolmistress in New Haven in 1704 discovered the value of precious metals when she went to the store for a sixpenny knife. If she paid in commodities, she paid twelve cents worth, if in inferior currency the price was eight cents, but if she presented "hard money", (full weight silver coins) she paid only six cents—or the real value of the knife. Next to specie of value then, comes a commodity of value or even a promise for it. Virginians, who had long traded with tobacco as tender, switched to tobacco notes rather than accept the continental dollar.

Long after the United States had been founded they continued to trade in tobacco notes. As it turned out they made an excellent decision as the Continental dollars, authorized in 1775 were inflated and cancelled by Congress in 1781. There had been so little backing that $70 to $200 million were destroyed or used for wallpaper. The point is that there is no way to escape human nature. If citizens are prevented from buying gold bullion they will move to coins, if coins are outlawed, they are apt to demand jewelry in specific weights.

On March 28, 1973 the United States Senate adopted my amendment to the Par Value Modification Act which stipulated that United States citizens no longer be prevented from the purchase, sales or ownership of gold. This amendment, after several statements of support from liberals and conservatives on both sides of the aisle, passed 68 to 23. More recently, on a similar amendment, the vote was 69 to 21. In the House the amendment failed on a tie vote. About the only objections to the passage of the amendment have been repetitions of those stated by the Treasury, based on indefinite predictions of some unnamed monetary technicality which has never been fully explained. In fact those who disagree with the Treasury have been in the strange position of having to set up the oppositions specific arguments if there is to be any discussion at all. Subsequently, a conference committee was convened to iron out the differences between the par value modification bill as it passed the Senate and as it passed the House. Despite the overwhelming mandate of the Senate to permit gold ownership, the conferees knuckled under to the House's insistence that Americans continue to be deprived of this privilege. Last session, on the Senate Floor, Senators Dominick, Curtis, and I pledged to each other that we would fight this battle again and again—at every opportunity—until the right to own and hold gold is restored.

I can pledge to you today that some time during the coming session I will again propose legislation to restore to the American citizen his right to own, hold, buy, and sell, gold. I don't know at this time whether such legislation will take the form of an amendment, or whether I will sponsor or cosponsor a new bill specifically dedicated to that purpose. We will have to wait until we see what the calendar is going to look like, but I can promise you that we will try again this session.

If you were to ask me to analyze the Senate's point of view on gold, I would have to tell you that as usual it's a mixed bag. On our side are traditional gold state Senators, as well as those who customarily take libertarian or conservative positions. I honestly believe that in some cases where an individual Senator may not have researched the situation, he may be willing to go along with private ownership as a line of least resistance. He doesn't see anything wrong with it until some so-called monetary expert tells him that doomsday will necessarily accompany its passage, and he listens and decides not to take any chances. I am afraid there is another kind of Senator who would vote against a gold ownership bill. He is the man whose idea of a good bill has four basic ingredients. First: It must force somebody (preferably as many people as possible) to do something they otherwise would never consider. Second: It must be full of elaborate guidelines and inspection procedures. Third: It must employ at least 500 people as a start for a huge new Washington based bureaucracy; and Fourth: it must spend, or promise to spend at least half a billion dollars. Any bill without these familiar characteristics would be suspect to him.

Objections by the Treasury and the House Committee notwithstanding, we are going to win this fight and we are going to win it fairly soon.

I would like to read you a very short paragraph from a story in the November edition of Human Events which typifies the verbal smog surrounding the usual approach to the gold ownership question.

Gold ownership by Americans "will be done at some appropriate moment," testified Treasury Secretary George Shultz November 16th before the Senate Foreign Relations Committee. Schultz told the committee the Nixon Administration would allow Americans to buy and sell gold privately for the first time in forty years, but he did not indicate a time.

Schultz said gold ownership is consistent with the Administration's policy of downplaying the metal's role in the world monetary system.

When pressed . . . Schultz was evasive. He said that gold ownership could occur only at such time as world financial markets would not be disturbed as a result.

Treasury spokesman clarified Shultz's remarks by saying the cabinet officer was merely reiterating a position held within the Administration for several years—that lacking international monetary repercussions, there is no need to prohibit private ownership of gold.

This is a perfect example of the backing and filling we observe whenever we try to get a clarification on the subject.

In fact, the Treasury has expressed some objections which seem inimical to its own long range plans. In February of this year, its General Counsel sent a report to the Senate Banking Committee explaining Treasury's viewpoint on private gold ownership as follows:

"Negotiations are now going forward—with the objective of building a stronger international monetary system more compatible with the realities of the modern world. We believe that orderly arrangements must be evolved to facilitate the continuous reduction of the role of gold in international affairs."

He doesn't explain what better way there could be to normalize a commodity than to treat it like all other commodities. The Treasury went on to say:

". . . the premature lifting of restraints on the individual ownership of gold would inject a further speculative element into the present international monetary situation."

It is hard to imagine gold in any livelier speculation than the one we have seen during these last few months. The Treasury has relied on the general climate of concern over domestic inflation, the dollar drain and its plunge in the international money markets to convince people that the prospect of citizen ownership of gold holds promise of further disaster. This position flies in the face of reality. The United States is the only hard currency country presently prohibiting gold ownership. It is the countries behind the Iron Curtain, and countries like India (which fields the internationally useless rupee) which have traditionally espoused such a prohibition.

It is interesting to note that the Treasury's theoretical position has changed while its practical one has not. People who have defended the citizen's right to own any commodity of their choice over the years have been called gold nuts or gold bugs. There is however, one straw in the wind that portends well. During the last week of last session, Arthur Burns, during his testimony before the House Banking Committee, was questioned by Congressman Reuss. Mr. Reuss suggested to Mr. Burns that he let the gold nuts have their way before Christmas. Mr. Burns is reported to have said—well not by Christmas, perhaps, (or words to that effect). So it seems that there is some softening of the theoretical objections to our position if not of the name calling process.

Aside from the attempt to portray responsible citizens as crochety misers, this argument exposes its proponents as poor students of history. From 1776 to 1934 gold ownership in this country was taken for granted. Only four decades in the nation's 20 decade history has ownership been prohibited, and that prohibition was made under claims of emergency. Each administration has cited a different, but applicable, emergency under which it was necessary to keep control of gold in its own hands. The theoretical change can be noted in the fact that Arthur Burns and Undersecretary Voelker have both suggested that they are in philosophical agreement with the principle of private gold ownership. The Treasury further stated in its report to the Banking Committee:

"As the development toward reduced dependence on gold in the monetary system continues . . . it will be possible to give sympathetic consideration to the elimination of restrictions on private ownership of gold."

There is a certain Alice in Wonderland quality to all this. The theoretical objections have all given way to the "timing" objection. Chronology is everything now, everything except exact. We are told that this legislation would have been all right last year or two years ago. It might be all right in a year, sixteen months, or a decade, but anytime but the present. Or as Lewis Carroll put it, "Jam tomorrow and jam yesterday but never jam today." In action the U.S. Government is still making its well publicized distinction between "what we say and what we do." What we say is that gold is an increasingly important commodity which is swiftly becoming disassociated from both the national and international economies. What we do is completely inconsistent. For example, the Securities and Exchange Commission at one point asked some numismatic dealers in the West to provide lists of their customers. The SEC claims that gold coins are an investment. They well may be. But in what sense are they different from antiques, paintings and the like? The SEC, however, is not asking for customer lists from antique dealers or art galleries. Why single out gold? Why increasing surveillance over sales of a commodity which is decreasing in importance?

Because of the Treasury's unexplained ambivalence on the subject, the United States citizen is in a peculiar position. He is allowed to buy gold coins not because they are gold, but because they are coins. Their numismatic value is everything, the metal irrelevant. Predictably, the result of this impossible distinction is unenforceable as law. In a democracy, how do we distinguish between a collector and a hoarder—by polygraph? If as it is clearly suggested here, the public is buying gold coins for their gold value, the Government has tacitly admitted that the public does want gold ownership. There seem to be more gold bugs than anyone thought.

Others argue that if we are allowed to own gold, much of it will be bought abroad. The United States will part with more dollars and worsen the balance of payments. But gold is neither consumed nor perishable. Its value has steadily increased while that of the dollar has diminished. The individual gold holder will not suffer unless the paper dollar becomes more valuable than gold—and I don't think that very many people honestly expect that to happen. In fact everything that is done to try to decrease gold in importance and to lower its price has failed. The recent departure from the two tier system was apparently to lower the price of gold. People who thought that the "right to sell gold" would start an immediate dumping process by central banks, were supposed to rush off and sell their gold and the price was to have plummeted. This was an obvious failure as everyone realized that central banks could buy as well as sell and no one was about to go and dump a handsome profit on a rising market. The manipulators of this event didn't take into account that dropping stock markets in England, Europe and the U.S. pushed some investors into gold.

As the Committee of Twenty of the IMF met in Rome this week, we all hoped it would be more productive than it was at last September's vacation in Nairobi. Theirs is of course not a purely monetary, but a political problem, complicated by the world's energy needs, which have caused such fast changes in balance of payment situations here and in Japan, and by the fact that while Eurodollars are appearing, as Germany and others try to shore against the dollar, the Arab oil embargo has strengthened the dollar against the yen, mark and pound.

Having mentioned the Arab embargo I would like to tell you something of my various conversations with Arab leaders on the economic effects they intended by their actions. In general their intention was to produce a certain amount of disruption, but not disaster. They feel that their point of view is rarely represented in the United States media and the only way in which they could bring the attention of the world to the plight of their refugees was to use an economic sanction. As Prince Saud put it to me, the oil embargo was not the act of an enemy but of a friend who was deeply hurt. There is every good reason to believe this. Scoffers say, "but how can they be friends of the United States if they take weapons from the Soviet Union?" But who would not take arms from anywhere he could get them if he saw his enemy arming? Arabs have no *natural* ties with Communists as they are far from socialism. On the contrary they are strong advocates of free enterprise and private property. From time to time various countries have given us signals, as for instance when Sadat threw the Russians out of Egypt, and they have wondered why nobody seemed to notice.

I also spoke with Anwar Ali, Governor of the Saudi Arabian Monetary Agency and member of the Currency Reform Committee of the IMF. He expressed a deep concern about the dependency of the U.S. on Arab oil. As he said it was inevitable that the time would come when we simply couldn't pay for the stuff. This may sound like heresy here, but what would we use? We just don't have the gold to buy 3 billion barrels of oil a year at $10 per barrel. The Arabs already have enough inflated dollars, which may not remain strong after Europe and Japan are once again supplied with oil. I suppose they could take SDRs, but would you in their situation?

The Arabs need the United States for trade and investment purposes. We still have the best and broadest market in the world and the Arabs know it and want to use it. It in no way serves their purposes to ruin the United States' economy. This, Anwar Ali expressed as he urged me to assist my country in trying to find and fund alternate energy sources. The old saying, "They can't drink the oil", is nonsense. They don't need to. They have enough markets in Japan and Europe which depend virtually entirely on them to last indefinitely.

The Arabs would, obviously, like a gold controvertible currency. But the IMF is most unlikely to come up with anything as rational as that. There are various more or less obscure reasons, one of which is the good patriotic sounding, "but that would help the Russions." Well yes, they would have an immediate medium of foreign exchange. But a sensible western world wouldn't have much trouble helping that gold into good hands. If instead of trading away oil and gas producing equipment for credits, and wheat for not much of anything, we demanded gold, it wouldn't be long before the Soviet Union would have to play ball with the rest of the world, and if she didn't, and Russians got hungry almost anything might happen. But realistically we can expect to go right on helping to subsidize our vast Communist opponent.

One objection I haven't heard to a worldwide gold numeraire is that it would help South Africa. But I'm sure that if it ever came to that there would be yelps and yowls and I'm sure we could all pretty much guess from whom.

In this country the official reaction always is that whenever the next IMF meeting is, there will undoubtedly be a monetary watershed, after which we can allow the gold question to be discussed. Without being trapped by the time argument it should be pointed out that regardless of the relative values of the dollar and gold, gold ownership would not be problematic. If the IMF were to initiate a trend toward convertible currencies, restrictions on gold ownership would oppose the basic concept of the system and therefore, make no sense. If the trend is toward flat money, and the role of gold is minimal, if not eliminated—restriction of an irrelevant commodity still makes no sense. What is most apt to happen, IMF officials tell me is that the Committee will act on proposals made in Nairobi to make the SDR the numeraire, and to determine its value by tying it to a basket of currencies. I admit that it does take some strength to resist basket case type puns, but pushing on past the terminology, we discover that the basket will consist of a number of major currencies and the specific ones to be included have yet to be decided. The IMF spokesman did, however, say that they would be prominent hard currencies.

Once they have been chosen, their average or mean movements would determine the worth of the SDR. Apparently there is more debate at the moment about the rate of interest involved than any other aspect of the arrangement. Some reports call for an average market interest rate and others for something less.

When you discuss an idea like this in everyday business terms, even including fancy terminology, it has a down to earth, practical sound. The only thing necessary to expose this kind of thinking for what it really is is to put it in another setting. For instance take the SDR. It is only useful if you haven't anything else. It acts like a sort of insurance against an overdraft of your bank account. But as long as you are solvent, not to say wealthy, you can't use it. You can very easily imagine a fairy tale that reads this way:

There was a young man who set out in life to make his fortune. As he left, his fairy godmother gave him a box. "It is a magic box," she told him. "It will never let you die. But you may only open it in utmost need."

Now the classic tale would have him forget all about the box until that moment of dire need when it would save him at last. But the Arabs might put another ending to the story. They might say: "but then as the young man traveled he found that the box grew heavier and heavier. He was unable to make a good living, and heeded the godmother's advice. But finally the weight of the box grew insupportable and he had to make a decision. Upon examination he found the box to contain air." Like air, the SDR is useful only when you haven't any.

When I asked the IMF about how the Arabs could be expected to react to the SDR, I was told that making the SDR attractive to the "new surplus nations" was a problem, but one that had received very little attention.

In the mean time the various hopes and fears build and fall about what the U.S. Government means to do about the gold problem which it fails to admit exists. Pessimists think that gold ownership rights will be returned to the people, and after a sufficient time to allow for purchase and collection, the FDR perfidy will be reenacted and the Treasury will collect once more at the citizen's expense. Optimists (so to speak) are guessing that gold ownership will be allowed when gold goes over two hundred dollars an ounce or such price as the Treasury considers too steep except for the very few.

There is a practical reason for not worrying about an immediate flight of dollars if gold ownership is permitted. Currency experts have long been telling us that large amounts of gold are illegally owned by Americans and stored abroad. In addition there is a legal method of gold ownership for the big American investor. He can incorporate in Europe and buy gold in his corporation's name. It would be safe to assume that those interested in and able to afford large amounts of gold have already obtained it, legally or illegally. The amount of money spent on gold by the average family does not look like something that would overturn any monetary system. The average family is just about the only entity not permitted in law and in fact to United States businessmen. Even foreign governments actually own the

earmarked gold which they store in Federal Reserve Banks. Any civil libertarian should be outraged at the thought.

No case has been adjudicated by the Supreme Court which bears on the very marginal legal foundation upon which citizens who buy gold become felons. The three ruling decisions differ. The United States District Court for the Southern District of New York, in Campbell vs. the Chase National Bank, decided that Congress had the Constitutional power to control gold itself and subsequently to delegate this control to the Executive Branch in the persons of the President and the Sec. of the Treasury. The Court stipulated only that the Secretary and not the President do the requisitioning. In another case, (Pike et al vs. the U.S., 1962) the appellate court in California's Ninth Circuit has ruled to uphold indictments against gold owners on the theory that the specific emergency powers cited by Roosevelt in 1934 provided the basis for any President to proclaim any emergency and thereafter to restrict the purchase or sale of gold.

The Southern District of California Court came out strongly to the contrary in U.S. vs. Bridle et al, dismissing indictments against bullion owners. The government's defense gave the court a multiple choice—a sort of "pick-your-favorite-emergency" approach The court was actually told that President Roosevelt's 1933 banking crisis was sufficient grounds, but if the court didn't buy that it could opt for Truman's Korean War emergency, Kennedy's Communist imperialism or a balance of payments emergency. Judge Mathes gave a resounding response:

"To hold that the existence of Communist imperialism authorizes the criminal provisions here in issue would be to condone the methods of the enemy. For if the President of the United States be permitted to create crimes by fiat and ukase without Constitutional authority of Congressional mandate, there is little to choose between their system and ours.

"The years since the 1933 enactment of 12 U.S.C. 95 A have seen wholesale abdication of power by the Congress to the President. It is not the function of the Judicial Department to sit in Judgement upon the wisdom of that trend, but it is both the function and duty of the courts to hold the exercise of delegated Congressional powers strictly within the confines prescribed by the Congress."

One government official was recently quoted as saying at an international meeting that "the price of gold is less interesting than the price of hamburger." Allowing for the fact that it might have been lunchtime, the question is to whom? There is a basic distinction between a credit vehicle like poker chips or monopoly money which is only good as long as the game players continue to participate, and currency which has an intrinsic value.

It is basic to human nature to want currency which not only serves as an exchange rate, but which also provides a convenient manner in which to accumulate wealth. It is for this reason that I strongly oppose opening of the gold window. On the national level we have already seen $20 million dollars in Treasury gold pass into the hands of other nations at $35 an ounce. The effect was to soften our currency while turning over a handsome profit to other nations, at the expense of the United States. Now the United States is nothing more than the sum of its people and those people are deprived of gold ownership because they do not believe in the unimportance of gold. This is the Treasury's real, if unstated, position.

But they are going to have to start coping with the opinions of the rest of the world. When Libya last year announced a price for oil of $6 a barrel, there was another condition for sale—unfortunately overlooked. Payment was required to be in gold-convertible currency, effectively ruling out dollars. (Incidentally Libya recently announced a new price for its oil, $15 a barrel.)

This is not an isolated position in the Arab world. The Arab Fund for Economic and Social Development, a group of 16 Arab Nations, has recently decided to investigate the establishment of a gold-based international Arab currency. The dinar, as the currency might be called, would be one possible investment for the oil revenue which is expected to accrue to the Arab nations, amounting to billions of dollars over the next 15 years.

Kuwait's Finance and Oil Minister, Abdulrahman Al'Ateequ, who made the suggestion at the group's second annual meeting held recently in Kuwait, said the fund could "issue bonds consisting of currencies or units of accounts tide to the price of gold at the date of issue and thus provide a guarantee of value and protection against the possibility of devaluation for the Arab investor who employs his funds in these bonds."

The suggestion parallels a recent statement by London banker Minos Zombanakis, who said that Arab oil-producing nations may insist that gold continue as the principal monetary asset. Mr. Zombanakis said:

"The real problem is to find an asset acceptable to the Arab nations or otherwise they may choose to keep their major asset—petroleum—in the ground. Gold could be the answer, especially if other countries besides the United States make their currencies convertible into gold."

In light of such statements, especially when viewed together with our current energy situation, I find it difficult to understand why the United States continues to stake its financial future on strengthening a system of special drawing rights, supposedly to replace gold as a monetary asset. As Mr. Zombanakis points out, such special drawing rights would be meaningless to nations that have continuous surpluses in their balance of payments, which the Arabs may quite reasonably expect to be their position for some time to come, due to the growing dependence of the world industrialized nations on Arabian oil.

At another recent meeting, held in Jeddah, Saudi Arabia, economic and banking experts from five Islamic countries discussed the establishment of an Islamic Development Bank. The functions of the Bank would include the granting of interest-free loans to member countries, and the encouragement of investment in development projects in Muslim countries and communities. Of specific significance, the conference approved an initial capital outlay of one billion units, each equal to 0,88867088 grams of fine gold (SDI). In the terms of current exchange rates, this is $1,350,000,000. At free market rates for gold, it would amount to over $3 billion. Obviously the Arabs consider the price of gold of more importance than the price of hamburger.

But in this matter as in others, it is time for the Legislative Branch of the Government to take responsibility into its own hands. The Executive has been holding the reins, but the horses are running away. As I recall, Treasury spokesmen were among those who predicted that demonetizing gold would force the price of gold downward . . . Not a very clever prediction. It would be fair to say in retrospect, that virtually every official step taken with regard to gold in the past decade has been wrong. Is there any need to continue this devastating pattern? Now is the time to redirect this country's domestic and foreign monetary policies. And it seems to me that a logical and fair first step would be to rescind the prohibition against ownership of gold.

SOVIET PRESENCE IN THE INDIAN OCEAN

Mr. McGEE. Mr. President, considerable concern has been voiced in the Senate over plans by the Pentagon to build up its facilities on the British-owned island of Diego Garcia in the Indian Ocean.

Thus, the purpose of my remarks today is to begin addressing the reasons behind our proposed response to the Soviet presence in the Indian Ocean. Our concern should not be based upon the fact that the Soviets are increasing their presence there, but rather, our concern should be focused upon the very fact that a world power has penetrated what was once a vacuum. The most desirable situation would be if everyone kept out of the Indian Ocean. We have stayed out and we did not initiate a buildup in that area of the world.

I think it is imperative we keep the balance in that area, a balance which has tipped with the Soviet presence. However, even though the Indian Ocean will never be a first-line defense for the Soviet Union or ourselves, we must realize the presence of a big power can influence the climate of political affairs of all the nations in the area. We would be foolish and irresponsible to believe the Indian Ocean can be dropped off the rolls of world politics completely.

One recognizes that balance of power has become a dirty term in our vocabulary. However, I would hasten to add if the world has changed so drastically in the past 27 years that balance of power is an outmoded concept, someone should advise the Soviets of this. The Soviets are the classical example of the application of balance-of-power techniques. This has been true historically, whether Russia was ruled by the czars or commissars. It is an inescapable fact that Russia has always been expansionist in her foreign policy and has only paused in that posture when she has been counterbalanced. I am not suggesting that the Soviets are attempting to take action which would result in the physical conquering of territories. What I am suggesting is that by extending her sphere of influence, she will have a definite impact on the stability and future political course of this area of the world.

The Soviets have already built up a sizeable presence in the Mediterranean; and with the opening of the Suez Canal, their capability to increase their presence in the Indian Ocean will be enhanced significantly. Already, they have increased their naval activity and political presence in the area. They have gained use of port or air facilities in Iraq, Yeman, South Yeman, Somalia, and India. Attempts have been made at negotiation for port rights in Singapore.

Therefore, the logical response for the U.S. to make is to have a base at Diego Garcia, an unpopulated and, therefore, politically uncomplicated island in the Indian Ocean. It would allow us, in low profile, to be able to balance off more adequately the Soviet presence by our presence.

I would conclude my remarks today by

noting the least costly method of averting future consequences which could be highly detrimental not only to U.S. interests, but also the political stability of the area, would be for Congress to approve the administration's request for $20 million to build up facilities on the island. I do not believe the response is an exaggerated one aimed at so-called ghosts of the past. The world is very real in this regard and this fact should be recognized, rather than ignored, in the hopes that our fears might not be justified.

BRODER FINDS THE FEDERAL GOVERNMENT IS DOING SOME THINGS RIGHT

Mr. PROXMIRE. Mr. President, David Broder has been one of the more critical observers of the Congress and the administration. He has been recognized for several years now as one of the most perceptive and thoughtful reporters in Washington. He has also written excellent books on what is wrong with American politics and our many shortcomings.

So with all this it was good to read his column in yesterday's Washington Post detailing some of the good things happening in our Government in recent weeks.

Broder points to the budget reform act, to the work of distinguished Administrators—Henry Kissinger, James Schlesinger, George Shultz, and John Dunlop. He also refers to the fight to resist retrogression in the environment fight by Russell Peterson and Russell Train and finds a good word to say for recent action by the Supreme Court.

Praise from a critic is especially cherished so I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the Record, as follows:

SOME GOOD NEWS

(By David S. Broder)

Were we not hard on April Fool's Day, one would be tempted to begin this column in a straightforward way and admit that it is an argument for the unfashionable proposition that there are *some* good things happening in Washington.

But since anything said in mitigation of the Watergate Wallow is likely to be laughed out of court, perhaps it is more prudent just to cite the evidence and let you draw your own conclusions.

If you accept the assumption that Watergate demonstrated not just the derelictions of a specific set of officials but a breakdown in the system of restraints on which a democratic government rests, then the signs of recovery must be sought in instances of strengthened integrity and responsibility by all officials and agencies of government.

What we need, as political scientist Tom Cronin has pointed out, is not just a strong presidency, but a system that includes a strong President, Congress, courts, parties and people, all serving to discipline each other to the demands of democracy.

That is why it is of more than passing importance that recent weeks have shown signs of strong individual and institutional response in all these areas:

Congress, after more than a year of effort, has taken a very long step toward equipping itself with a mechanism for competent management of future budget decisions.

The Senate last week passed a budget reform act similar in most ways to one passed late in 1973 by the House. Once the two versions are reconciled in conference, work can begin on gearing up the new system.

When in place, it should allow Congress to do something that only the Chief Executive has been able to do effectively for the last 50 years—examine and evaluate the nation's fiscal situation and program-spending priorities on a comprehensive basis and with expert advice.

By creating budget committees, responsible to the party caucuses in each house, and providing them with staff assistance comparable to that the President receives from his Office of Management and Budget, the new procedure should make Congress again a full partner in the fiscal and spending process.

And by requiring Congress, at the beginning and end of each session, to consider overall spending priorities, the new procedure calls on the lawmakers to exercise a higher degree of responsibility than is involved in grabbing off projects for their own districts.

That Congress accepted this added responsibility with only 23 dissenting votes among the 535 members after an arduous and genuinely bipartisan legislative effort, says something very reassuring about the willingness of senators and representatives to meet the test of this time.

So does the performance of many members of the administration. Although their chief is up to his ears in legal and political troubles, the four Ph.D's who are managing crucial parts of the government—Henry Kissinger, James Schlesinger, George Shultz and John Dunlop—continue to operate in a way that may forever bury that tired cliche about the ineptitude of professors in power.

A contribution of special significance in the Watergate era is being made, almost daily, by the two environmental Russells—Chairman Russell E. Peterson of the Council of Environmental Quality and Administrator Russell E. Train of the Environmental Protection Agency.

If one of the lessons of Watergate was the danger of confusing loyalty to the President with loyalty to conscience and constitutional duties, these two presidential appointees have shown they know how to place first things first.

Despite evident White House backsliding and trimming on past commitments to environmental causes, Train and Peterson continue to speak out for and advocate intelligent national policies on land use and environmental protection—forcing the kind of public debate that is badly needed, and occasionally winning a battle for those who will inherit the earth from us.

As a final fillip, the past week found the Supreme Court acting in the unaccustomed role of a defender of the two-party system. The justices, who have often in the past gone out of their way to guarantee the political unreality of their legal conclusions, showed a rare sensitivity to the legitimate role of the two-party system in the unwritten constitution.

While knocking down as unconstitutional stiff fee schedules which served to bar poor people from places on the ballot, they upheld California and Texas statutes giving nominees of the two major parties a preferred status on ballot access and participation in state political subsidies.

Developments like these—and they are not unique—give you encouragement that this 200-year-experiment in self-government has not yet run its course. No April Fool. We may make it.

REPUBLICAN PARTY STRENGTH IN ARIZONA

Mr. FANNIN. Mr. President, anyone reading the national press might think the Republican Party is in shambles and the GOP ranks are being decimated by defections.

Anyone who believes this might want to take a look at voter registrations in Maricopa County, Ariz.

Republicans now have a voter registration lead of almost 20,000 over Democrats. At the time of the 1972 election, the Republicans had a lead of less than 9,000.

These figures demonstrate that in my State the voters are not defecting from the Republican Party. On the contrary, the GOP is stronger than ever and growing.

Maricopa County is the Phoenix area, the most populous area of Arizona. Currently there are 217,321 Republicans and 197,394 Democrats registered. At the 1972 election there were 233,754 registered Republicans and 224,879 registered Democrats. I should note that Arizona has an automatic system of purging names from voter registration lists when they fail to vote in a general election, and that is why the totals for both parties are lower than they were 18 months ago.

ARAB OIL EMBARGO OF 1973

Mr. ABOUREZK. Mr. President, the New York Times Sunday Magazine, of March 24, 1974, had a fascinating chronology of events leading up to the Arab oil embargo of 1973, along with some well-written insights by Edwin R. F. Sheehan, who is a former press officer for the U.S. Embassies in Cairo and Beirut.

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:

UNRADICAL SHEIKS WHO SHAKE THE WORLD

(By Edward R. F. Sheehan)

Spend thy treasure for the cause
Of God, and be not cast by thine own hands
To ruin; and do Good. Lo! God loveth
The beneficent. . . . They ask thee (O Mohammed!)
What shall they spend? Say, whatsoever ye
Spend for good must go to parents and near
Kindred and orphans and the needy. . . .
And they ask thee, what shall they spend?
Say, whatsoever is superfluous. . . O ye
Who believe! Spend of the good ye have
Gained, and of all we bring forth for you
From the earth. . . . For the likeness of
Those who spend their treasure in the way of
God is as the likeness of a grain which
Groweth seven ears, in every ear a hundred
Grains. God giveth manifold to whom He will.

—From Sura II, The Koran.

We were flying at 15,000 feet, in a Royal Saudi Air Force jet, over the Persian Gulf and the Arabian peninsula. Once or twice as we conversed I glanced out of the window and glimpsed the saffron glare of blazing gas below, those man-made torches that garnish the great oilfields of the Middle East. Seated opposite me, in flowing robes, now fingering his worry beads, now fondling his tiny pomeranian dog, Tina, was the mastermind of Arab oil strategy—Saudi Arabia's Minister of Petroleum and Mineral Resources, Sheik Ahmed Zaki al-Yamani.

It was early winter. We were returning to Jidda from Teheran, where the petroleum ministers of the world had just increased the posted price of oil. The flight was a family party; Sheik Zaki's two adolescent

daughters and his 12-year-old son, Hani, were on holiday from school in Lausanne, and they romped with Tina as the minister and I pursued posted prices and other, more congenial topics. Yamani is brilliant when he talks shop, even better when he discusses Freud, Bernard Shaw, his own boyhood as a student in the Holy Mosque of Mecca, his days at Harvard Law School, astrology, anthropology, ESP, Arabic poetry and Mozart. But inevitably we returned to the high price of oil. "What price would you consider reasonable?" I asked.

"We can get any price we want," Sheik Zaki said with a sigh. "There were proposals at Teheran that we raise the posted price to $23 a barrel. If we made it that high, we'd earn $100-billion in a year. The world would run out of Eurodollars. . . ." In fact, I learned from other sources later, Yamani clashed in Teheran with the Shah of Iran, who announced the presented posted price of $11.65 a barrel before Yamani had acquiesced. The Shah was cashing in on the shortages the Arabs had created by their embargo, and though he can use the money, he condemned the Saudis to much more wealth than they can cope with. Yamani went to Teheran with strict instructions from his King to keep the prices down; Iran and other petroleum producers overruled him. So Saudi Arabia will earn at least $20-billion this year, and by 1980 may possess $200-billion in foreign investments and currency reserves.

My five days as Sheik Zaki's guest were among the most illuminating of a two-month tour I recently completed of Saudi Arabia, Kuwait, Abu Dhabi and other petroleum principalities of the Persian Gulf, I met King Faisal and several other rulers and their ministers, as well as a multitude of common people, American oil executives, Western diplomats and financiers. I aspired to assess the regimes that reign on the peninsula, to discover how they are spending their riches at present and how they plan to dispose of them in the future. The wealth of the Gulf has progressively attracted a host of African and Asian paupers and astute merchants from the West, and now that migration is beginning to resemble the California gold rush. Already the Gulf is emerging as a major source of world capital, and inevitably the Arabs—in their collectivity—will join America, Russia, China, Western Europe and Japan in the fellowship of global powers. What desert soothsayer at the dawn of this century, what omniscient New York pundit on the morrow of Araby's ignominious defeat by Israel not seven years ago, would have dared prophesy such ironies?

SAUDI ARABIA: PRESERVING THE WAHABITE WAY

The ironies were sown in 1901, when a penurious Bedouin warrior called Abdul Aziz ibn Saud galloped out of Kuwait with 40 companions mounted on camels and conquered the Nejd, that sandy wasteland in the heart of the Arabian peninsula. Ibn Saud was more than a desert warlord; he was a religious reformer—the apostle of Wahabism, a puritanical movement which preached a revival of Koranic simplicity and forbade all terrestrial pleasures save those of the marriage bed. He brandished the Book, the sword and his conjugal prowess with such tenacity that within 25 years he united most of the peninsula under his rule and created a kingdom more than twice the size of Texas. He bound the tribes to his person by marrying their maidens, and is said to have wed 300 times; he sired scores of sons. But Ibn Saud remained poor until the Americans discovered oil, at Dhahran on the Gulf, in 1938. Fifteen years later he died, the second richest man in the world, heartbroken by what wealth had done to the Wahabite austerity of his house.

He was succeeded by his son Saud, who soon made the monarchy a marvel of grotesque extravagance—immense concrete palaces, glittering with gold and neon, which housed his hundred successive wives. The swindlers of the Levant descended on Riyadh and ensnared the royal family in a web of fraud. Saudi princes ventured ever more to the fleshpots of the West, where they squandered fortunes on women, whisky and games of chance. By 1958, the monarchy was bankrupt, and to restore the kingdom's finances Saud was constrained to install his half-brother, Faisal, as Prime Minister.

Faisal was Saud turned inside out—frugal, intellectual, laboriously patient, and he lived monogamously in a villa, not a palace. (He has been wed to the same woman, Queen Iffat, for 50 years.) As a youth he had led a royal mission to the Court of St. James's, commanded an army which subdued rebellious tribes, ruled holy Mecca as Viceroy of the Hejas. Immediately as Prime Minister he embarked upon reform; in 1964, the royal family deposed Saud and proclaimed him King.

Since then, Faisal has pursued an extraordinary vision. As ardently religious as his father, he was determined to prove that moral rectitude and fantastic wealth could flourish together. He was determined to avoid an irreparable collision of Western materialism with his own Wahabite code, to lead his people to universal prosperity while insulating them from the mischief of socialism, the godlessness of Communism and the decadence of the liberal democracies. He would bestow upon his kingdom all the blessings of technology, while retaining the Koran as the law of the land.

During the decade of Faisal's reign, the Government has scattered thousands of miles of asphalt roads across the desert to connect the major towns, but that was only an initial step in the creation of the kingdom's "infrastructure." The Government has erected seaports, airports, refineries, hospitals, clinics, schools, with increasing speed—and not only in the cities. Even remote corners of the kingdom, where the populace is still wretchedly poor, are beginning to be redeemed.

Education is Faisal's first priority. To glimpse what is being done, visit the primary school in the dusty Bedouin village of Dar Airia, 40 miles south of Mecca. Paved roads have not yet reached that place, but the farmers have American tractors and they are eager for the advancement of their sons. A hundred boys squeeze into a mud-brick schoolhouse painted white; they are taught by Palestinians, since Saudi teachers are still in short supply. Each boy will stay in school till he is 15, and a boy with any brains can count on a university education, with a salary whiles he studies. Illiteracy, rampant during the reign of Saud, is being steadily abolished. Why, even girls are being educated.

Or visit the King Abdul Aziz University near Jidda, the commercial capital on the Red Sea. The university recently found its endowment multiplied overnight by 2,500 per cent. Handsome new buildings are blooming there, and microscopes, X-ray machines, stuffed exotic fish for the new Department of Marine Biology await unpacking. The American credit system has been introduced; all students are required to learn English, and soon they progress from a simplified version of "Oliver Twist" to an unadulterated "Pride and Prejudice." More and more, the kingdom is being run by what a British businessman calls "a California Mafia"—young Saudi technocrats who have been trained at U.S.C., U.C.L.A., Berkeley and Menlo Park. This is overstated; the technocrats have also studied at Harvard, in Texas, in Indiana, and King Faisal's sons have attended not only Menlo Park but Princeton, Oxford and Sandhurst. Nevertheless, California pragmatism seems to suit the Saudis well, and hundreds have returned from the U.S. eager to adapt it to the problems of the kingdom. Perhaps nowhere in the world is the American method of free enterprise imitated with such devotion.

The Saudi economy has been carefully planned for the last five years. The Government has assumed responsibility for the huge tasks of national education, creating infrastructure, marketing petroleum, erecting steel mills and the like. Otherwise, the economy is consigned to the private sector; Saudi and foreign businessmen are free to pursue whatever profit the marketplace will countenance.

Today, Jidda and Riyadh, little more than mudbrick townships 15 or 20 years ago, glint with villas and apartment houses, skyscrapers and supermarkets. Shacks of wood and rusty tin still blemish the open spaces, but even the proletariat who inhabit them seem destined to be engulfed, not far in the future, by the torrent of plenty. Factories for consumers' goods—Pepsi-Cola, ice cream, tiles, towels, toilet paper, fiberglass, Venetian blinds already flourish—and hundreds more are planned. I.B.M. machines have begun to keep the Government's books; soon computers will be commonplace in ministries and commerce. During Nasser's day, capital fled the country for fear of revolution. But, with stability, it has all returned and banks in Jidda, overflowing with cash, are refusing new accounts.

The kindgom's possibilities bewitch the mind. Saudi Arabia is the world's largest producer of oil after the United States; it is the world's greatest exporter; its 150 billion barrels of proven reserves exceed any other nation's; its probable reserves are much higher—perhaps more than half of the petroleum potential of all the non-Communist countries together. Moreover, its subsoil teems with other resources that have hardly been tapped—natural gas, tin, copper, zinc, aluminum, iron ore, silver, gold and uranium. The U.S. Geological Survey is scouring the peninsula in quest of it all, and when roads and transport reach remote regions, a new embarrassment of riches will begin to flow.

What of Faisal's vision—to sustain Wahabite theocracy as steadfastly as he has filled the kingdom's coffers? Nine years ago when Saudi television was launched, the authorities banned Minnie Mouse because she was a girl. Today, copies of Playboy are confiscated at the airport, but foreign women appear on television so long as they are chastely clad. Girls are educated, separately but equally, though when they grow up they cannot drive cars or work in offices. Women rarely venture into the street, and when they do they are shadows, shrouded from head to foot.

The role of women is crucial to the kind of society that Faisal, who will soon be 70, is struggling to preserve. There is freedom and hypocrisy to be found behind closed doors. Wealthy, Westernized families revel at night with pop records and contraband Johnnie Walker; the sexes mingle; even stag films are not unknown. But in public Wahabite decorum is meticulously maintained. There are no theaters, no cinemas, no dancing halls, not even milk bars where boys and girls can gather. For drunkenness a man may still be flogged before the great mosque of Riyadh; the *Mataw'ah*, the religious police, may thrash the hapless merchant who fails to observe the Sabbath or forgets to say his prayers. Rare is the adulteress who is still stoned, and a thief is sent to prison twice before he has a hand chopped off for his third transgression. Drug peddlers are beheaded. There are no bank robberies and drug problem in Saudi Arabia.

Nor are there elections, save on the municipal level—no parliament, no political parties, no uncensored press, no trade unions, no Constitution save the Koran and the *Shari'ah*, Islamic law. The society is still tribal, a vast extension of the Saud family; if a poor man cannot acquire equity by pulling strings with richer relatives, he can exercise his hallowed right by knocking on the doors of the mighty and demanding his due. Even the King is accessible to the lowest of his subjects. On Thursday mornings he holds his *majlis*, his open court, when any citizen may protest to

him in person. The Saudis call this "direct democracy."

There is robust debate within the committees of the Government; even the myriad princes of the royal family are of divided counsel about the political evolution of the kingdom. One faction, composed of several of the King's own sons and brothers and some younger Cabinet ministers, covets not only Kuwait's womb-to-tomb welfare system but its parliamentary checks and balances. Tribal democracy has worked in the past, since before the birth of Islam, but can it function in a state which aspires to be technological? Can it reduce the corruption in the ministries that so many complain of? It is one thing for the Government to deny the middle class the right to read Playboy, quite another to promise a parliament and a civil constitution only for the misty future. And yet, there has been surprisingly little agitation for Western forms of democracy, largely because so many lucrative jobs are waiting to be filled by educated Saudis. Once they get the jobs, the Saudis tend to become so absorbed in selfadvancement and making money that they have little leisure left for politics.

Perhaps Faisal foresaw this. Perhaps he perceived better than his critics how quickly his kingdom can assimilate change. Gradualism seems to be his solution to practically every problem. He can be cruel; he may crush a corrupt or incompetent official to set an example, but more often he bides his time and allows the man to destroy himself. Usually he speaks in silences.

I got a glimpse of that great reserve when I was received by Faisal ibn Abdul Aziz ibn Abdul Rahman al-Faisal al-Sau at the Royal Palace at Riyadh, in an immense room with a yellow carpet and painted green walls. The room was thronged with retainers, petitioners, soldiers; but when the King motioned me into an armchair beside his own, all of that entourage, in a magical migration of whispering robes, vanished from our presence, leaving only an aide and a servant who served us glasses of sweet tea. As I sipped, I regarded the hawkish profile of the King, his draped head surmounted by a band of woven gold, and it occurred to me that the caprice of geology had made him the mightiest Arab of a millennium. He exuded an exquisite sadness. His face was deeply furrowed, perhaps from his bad stomach. Most remarkable was his mouth, frozen as though with permanent disdain for the burden of his kingdom's fortune and the follies of the human race.

When he spoke, his language was poetic, his voice high-pitched, like a lamentation. At the end, he fixed his exceptional eyes upon my own and said, "We beg you not to quote us." I was privileged he spoke to me at all, for the favorite game in Riyadh is fathoming his mind. Sheik Zaki Yamani is a master of that, and he told me afterward, "His Majesty dislikes talking, but he loves to give hints. He's terribly intelligent, and has the ability to hide it. Some people say he reasons like a Bedouin, but that's not really true because the Bedu live from day to day and His Majesty excels in foresight." Frank Jungers, the Chairman of Aramco, also knows Faisal well. "He never breaks his word," Jungers says. "He never tells you anything unless he means it."

Should this be so—I have no reason to be skeptical—it is astonishing that the American Government refused for so long to believe Faisal's warnings that he would wield his "oil weapon." When the definitive history of the Arab oil embargo is written, it will perforce reproach the Nixon Administration for an inexcusable display of blindness and deception.

Faisal has always assailed Washington's support of Zionism. But equally he admired America as the arsenal of anti-Communism, and he needed our technology to exploit his oil. (To this day he refuses relations with the Kremlin.) He progressed from friendship with us to a quasi-alliance, accepted American arms and seemed impervious to accusations of radical Arabs that he was a reactionary and a stooge.

In the spring of 1972, Washington suggested to Faisal that if he would help persuade President Anwar Sadat to reduce the Russian presence in Egypt, America would press Israel to withdraw from conquered Arab territory. Faisal exhorted Sadat accordingly; for this and other reasons Sadat expelled the Russians in July of that year. But Nixon ignored this epochal event. Faisal felt betrayed.

He had long resisted pressure from other Arab governments to withhold oil from the United States, invoking the maxim that "petroleum and politics do not mix." Finally, in April of last year, despairing on a response from Nixon to the expulsion of the Russians—and aware that Sadat was preparing to resume war—the King dispatched Minister Yamani on a special mission to Washington. Yamani was intercepted there by some American oil experts, who urged him to warn the Administration in blunt language of what he had already intimated in private—that Saudi Arabia would not increase production to meet America's need unless Washington began working for Israel withdrawal. Yamania agreed, and subsequently saw Dr. Henry Kissigner, Secretary of the Treasury George Schultz, the then Secretary of State William Rogers, and his assistant, Joseph Sisco. It was, Yamani later told friends, "a dialogue of the deaf." The State Department, Saudi sources insist, spread rumors that Yamani did not speak for the King.

There ensued throughout the summer a caravan of private and public warnings by Faisal, two of his sons, Yamani and other ministers, that Saudi Arabia would ration its oil unless Washington adopted "a more even-handed and just policy" in the Middle East. But the line in Washington continued to be that Faisal was bluffing. Secretary Schultz spoke of Arab "swaggering"; in a press conference, Nixon ominously evoked the C.I.A.'s overthrow of Premier Massodegh in Iran two decades ago.

When the fourth Arab-Israeli war erupted on Oct. 6, Faisal was partly financing Egypt, but still he hesitated to impose a boycott. He sent Yamani to a meeting of Arab oil ministers in Kuwait with instructions to resist radical reprisals against the United States. Faisal was in secret communication with Nixon. He anticipated that Nixon would replenish Israeli arms to compensate for the Soviet deliveries to Egypt and Syria, but he warned the President that a massive public bequest to Israel would make Saudi forbearance untenable before Arab opinion. On Oct. 17, Nixon asked Congress for $2.2 billion in military aid to Israel.

This was, by every account, the breaking point. Faisal decreed a severe slash of production, and an immediate embargo of all oil shipments to the United States. Assistant Secretary Sisco thereupon declared that America depended on the Arabs for only 2 or 3 percent of its oil—an outright misstatement of the nation's true need.

Dr. Kissinger flew to Riyadh on Nov. 8, and again five weeks later, to confer with the King. Their first meeting was a courteous confrontation. It is no secret that Faisal has a phobia of Jews. Kissinger, though aware of that, was serene. The King was terse. At one point, Kissinger told the King, "I arranged detente with Russia. I opened the door to China. I brought peace to Vietnam. I want to bring peace to the Middel East. I don't like failure. I have not failed. I shall not fail." The King remained totally impassive. Kissinger brought up the embargo. The King replied, politely but adamently, that the embargo would not be ended until all of the Arab territories, and the rights of the Palestinians, were restored.

The second meeting, in mid-December, was more friendly. Kissinger spoke of his hopes for the imminent negotiations. "Your majesty must trust me," he said, according to Saudi sources. "I cannot deceive you. If I did, you would know within two months. Lift the embargo now—reimpose it later if I achieve no results with the Israelis." The King had experienced more than his share of empty American promises, but he implied that he did trust Kissinger. He did not undertake to suspend the embargo, but for the first time he hinted he might modify it in proportion to the progress that Kissinger achieved toward Israeli withdrawal.

Yamani feared that the embargo might backfire if it caused a recession in America, and he kept urging this view on Faisal. Kissinger's exhortations were echoed by Sadat once the Israelis began to retreat in Sinai. This month the Arabs have decided to relax the embargo, though Faisal will probably desist from substantially increasing production beyond September levels until East Jerusalem is returned to the dominion of his people. How paradoxical that the embargo, and the October war, might never have happened had Nixon embraced last summer Kissinger's present policy of nudging the Israelis out of Arab territory.

In the meanwhile, the Saudis must worry about what to do with all their money. They seem to find the prospect frightening. They favored moderate increases of the old posted prices, but they are fiscal conservatives who dread world inflation, and they neither need nor want the astronomical sums that will soon be theirs. Yamani made this clear to me, and now he is openly struggling to persuade the other producers to lower the price of oil.

Even if he succeeds, it will not help much. Saudi Arabia's population hardly surpasses five million, and last year the Government barely managed to spend two-thirds of its budget. Imagine the problem as it contemplates accumulating, over the next several years, half of the holdings on the Eurocurrency market and a third of the whole world's central bank reserves.

The Saudis plan to spend as much as they can creating a welfare state that will rival Kuwait's for opulence. "We're experimenting with a new kind of welfare state," says Hisham Nazer, the brilliant young minister for planning. "If we succeed, we'll serve as a model for the entire Middle East. We'll have little to fear from the Arab leftists, for we will influence them."

As of today, Saudi society is far from equalitarian. Most of the wealth goes straight to the state treasury; the King has progressively reduced subsidies of the 2,000 princes of the realm, but the royal family is entrepreneurial and seems to be growing richer. The mercantile middle class—it is expanding rapidly—also benefits from the new wealth as the Government dispenses huge contracts and private business proliferates.

The Bedouin population, now less than a fifth of all Saudis, continues to diminish as as nomads cluster more and more around settlements with schoolhouses or migrate to the towns. These poor of the myriad tribes—the Utaybah, the Anaza, the Shammar—do not receive direct handouts, though free education, medical care and universal social security will probably be followed within the next few years by subsidized housing, guaranteed incomes and similar benefactions. The Government hopes to infuse the populace with a work ethic by dangling incentives and exalting individual. This may not be easy. Yemenities, Hadramautis, Sudanese perform the menial labor the Saudis disdain to do themselves, and Egyptians and Palestinians abound in services and crafts because so many bright young Saudis aspire to be ensconced in offices.

The Government is resolved to erect a vast industrial superstructure that will sustain

future generations when eventually the oil dwindles—steel mills, a tanker fleet and plants that liquefy gas, produce petrochemicals and assemble automobiles. Thus it is seeking to conclude immense bilateral agreements with various capitalist governments to establish industrial complexes in exchange for steady supplies of oil. At the Ministry of Petroleum I witnessed a procession of emissaries file into the chambers of Yamani and his deputies, their portfolios bulging with projects; the Japanese have promised the Saudis every contraption under the sun, and the French are the busiest beavers of all.

King Faisal, Yamani and other ministers would prefer to industrialize with the U.S. as their major partner, but they hesitate so long as Israel keeps its conquests. Nevertheless, though the role of the American Government remains in doubt, private American firms are scrambling to negotiate *ad hoc* transactions with Riyadh. Uncertain of fuel at home, some will build factories at the source. Marcona Corporation of San Francisco, for example, has assembled a consortium to build a $500-million steel mill in a joint venture with the Saudi Government, and it expects to sell the steel, at competitive prices, in Japan and California. But it will take more than money to industrialize Saudi Arabia. The kingdom is drastically short of skilled manpower, and to fill those factories it may have to import hundreds of thousands of foreign workers who might unsettle the symmetry of Faisal's theocracy.

Yamani assured me that, provided the Israelis withdraw and the West assists the kingdom to industrialize, Saudi Arabia will increase production from about 8 million to 20 million barrels of oil a day by 1980. Other ministers, arguing that oil in the earth is far more valuable than depreciating dollars in the bank, are reluctant to deplete their treasure at anywhere near that speed. I doubt that this debate has been resolved. In either case, the Saudis intend to control their natural resources and have decided to assume 100 per cent ownership of Aramco, the world's largest oil-producing company—very soon. "But that's nationalization," I protested to Yamani. "If nationalization means divorce," he said, "then this will not be nationalization. It will be another form of marriage we're trying to invent." In truth, total Saudi ownership will not involve confiscation or expulsion, and the company's executives are resigned to it. Aramco, with its American management, will remain intact as a profit-making corporation that produces and refines the kingdom's oil. Nor will it sever completely its ties to Texaco, Exxon, Mobil and Standard Oil of California; it will, however, be responsible to Riyadh rather than to them. A unique new arrangement is being negotiated, though neither Americans nor Saudis expect the bargaining—over compensation and future profits, for instance—to be easy.

The Government hopes to spend at least $60-billion over the next six years on welfare infrastructure, internal development, defense and industrialization. That will still leave a surplus that may amount to scores of billions and must find a home outside of Saudi Arabia. The Saudis have contributed more than $1-billion to the Egyptian and Syrian war effort, and they send generous subsidies to Jordan and the Palestinians, but their future undertakings are expected to dwarf those. Saudi capital should logically become the great exchequer of development throughout Araby and Islam.

Egypt, with its teeming population and tremendous poverty, will be the obvious place to start. Already, with Kuwait and other Gulf states, the Saudis are helping to finance the $400-million oil pipeline that the American Bechtel Corporation will build between Suez and Alexandria—and the Egyptians hope that this foreshadows a torrent of Saudi investment. Recent Saudi aid to Somalia, Niger, Uganda and Oman has graduated from gifts to erect new mosques to schemes that will feed the hungry; similar benefactions have begun to flow to North Yemen and the Sudan. The Saudis, however, prefer bilateral transactions, and the harvest of their largesse may be haphazard unless it is coordinated through multinational development banks.

Western economists say that not all the poor Arab countries together have the capacity to absorb the Saudi surplus. Inevitably, much of it will be invested in the West, particularly in those nations which assist the kingdom to industrialize. Today, several billion Saudi dollars are sitting in the Chase Manhattan, Morgan Guaranty and First National City banks, on short-term deposit drawing low interest. They are overripe for judicious long-term investments. The Government may one day buy "downstream" oil refineries and filling stations in the West, but it does not yet possess a coherent foreign investment policy.

In recent months a committee composed of royal princes and senior ministers has been formed to contemplate investment, and the number of eminent Western bankers offering them expertise is approching mob proportions. They will need all the good advice they can get. The Saudis are the past masters of the oil business, of alchemizing petroleum into gold, but they lag years behind the Kuwaitis in investment skills—and in institutions that can channel their surfeit to the orphans and the needy of the earth.

Kuwait: No One Gets Fired

Thirty-seven years ago an English gentleman, Lieut. Col. H. R. P. Dickson, dreamed a dream, Colonel Dickson was the British Political Agent and real ruler of Kuwait. One day, a violent sandstorm carved a hole by a palm tree in his compound, and that night he dreamed that he approached the hole and found a sarcophagus. Upon touching the shroud within, a beautiful maiden rose to life. Then he heard the shouts of some strangers in the desert who seized the sobbing girl and tried to bury her alive. Colonel Dickson chased the men away, then woke up.

Perplexed by his vision, he consulted a Bedouin woman renowned for her power of prophecy, who told him that the girl in the sarcophagus was the harbinger of riches beneath the sand of Kuwait and that the men were strangers from across the sea who wished to prevent its discovery. The Colonel should go to the diggers at Bahrah, tell them to abandon that place and proceed instead to the desert of Burgan. There, by a lonely palm tree, they would find a great treasure.

For two years, a British team had been drilling dry wells at Bahrah on Kuwait Bay, but they laughted at Colonel Dickson when he told them of his dream and urged them to try Burgan, about 30 miles south. Undaunted, he sailed to London and recounted his dream to the company's executives. One of them, a believer in dreams and prophecies, cabled Kuwait and transferred the team to Burgan. There, in May of 1938, by a lonely palm tree, they struck oil.

When the soothsayer's prophecy came to pass, the immense majority of Kuwaitis were Bedouins grazing goats on camel's-thorn, fishermen, seafarers, smugglers struggling to survive. Today, Kuwait is in many ways the most advanced welfare state in the world; after Abu Dhabi, it is the richest in per capita income. Saudi Arabia produces more than twice as much oil, but Kuwait is smaller than Massachusetts and its population does not exceed 800,000. Of these, half are foreigners—Arabs of every clime, Indians, Persians, Pakistanis—and half the foreigners are Palestinians.

Kuwait possesses $3-billion in cash reserves, and may earn $7-billion from oil in 1974; by 1980 its holdings in external reserves and investments, depending on increased production, could mount to $100-billion. There are no income taxes in Kuwait; telephones are free; it grows spinach in glass houses without using soil, and draws its drinking water from the ocean through bizarre machinery that can purify 50 million gallons a day.

Kuwait City has become a patchwork quilt of air-conditioners, television antennas, modern hospitals, marble banks, broad boulevards, public parks, private palaces, neon-lit mosques, office buildings cocooned by concrete grilles. It is a money city, like Beirut, and no prettier, though Kuwaiti taste has improved with time and Hollywood modern is making way for futuristic arabesque. In the suburbs and the desert, Bedouins by the tens of thousands inhabit neat stone houses the Government has given them for almost nothing. The Government buys a patch of sand from one Bedouin for—say—$10,000; it sells the land for less than that to some other Bedouin, then buys it back a second time for $50,000 simply to keep the money circulating in every sector of society.

Education is free and compulsory for boys and girls. Wage scales for Kuwaiti workers, observes a local American entrepreneur, "are unbelievable." Not only is every Kuwaiti guaranteed a job; to get a man fired, an employer must appeal directly to the Crown Prince. "And since you can't fire him," continues the entrepreneur, "you can't make him work. The Government here is not only benevolent—it's too benevolent. It's made the gap between effort and reward so narrow that it's killed incentive. If you work, you are rewarded. If you don't work, you are rewarded." Small wonder that, on the level below the top portfolios, it is the Palestinians—most of them not citizens and therefore less hampered—who practically run the bureaucracy.

Kuwait is a compound of state capitalism and private enterprise, of tribal oligarchy and Westminster democracy. Its Ruler, Sheik Sabah al-Salim al-Sabah, is a hereditary figurehead. Real power reposes in his cousin, Crown Prince and Prime Minister Sheik Jaber al-Ahmed al-Jaber, whose power in turn is tempered by a fragile balance of Bedu tribes, merchant families, an enlightened Constitution, a bumptious parliament, an obstreperous press and insatiable trade unions.

The National Assembly cannot summon the Crown Prince, but his ministers must abide all manner of brickbats before that body, which is the only independent parliament in the Arab world save for Lebanon's. It is based on a small electorate—male Kuwaitis over 21—and political parties are prohibited. But it abounds in factions and the most vociferous of these are leftists. The press is more Palestinian than the Palestinians, as though aspiring through the vicarious violence of words to spare Kuwait from further outrages by the *fedayeen* (Kuwait airport has become, to everybody's embarrassment, the favorite destination of Palestinian hijackers.) The establishment is straitlaced about women, but women work in Kuwait and boast of a burgeoning liberation movement. Inevitably, they will win the right to vote and to sit in the Assembly, for the sheikdom's predominant mood is tolerance. Alcohol is banned, but you can get a good drink anywhere; Islam is the state religion, but Christian churches flourish. Infrastructure projects are approaching the saturation point, so more and more in coming years Kuwait must build its marvels in the world beyond—through wise investment.

There is an explosion of ideas about that, in Government, in the university, in the oil councils and the investment companies. At the moment, most of Kuwait's dollars are deposited in the First National City and other New York banks at low interest—a fiscal curiosity, since they could collect high interest in certificates of deposit and industrial bonds. The Government also maintains immense sterling reserves; with other Arab holdings, they amount to tens of billions of

pounds; if they were massively withdrawn, the British economy would collapse.

The Kuwait Investment Company, (K.I.C.), half owned by the Government and half by private citizens, is the paragon of how Arab entrepreneurs will function in the future. Housed in a luxurious downtown suite, it is managed by Abdel Latif al-Hamad, a Harvard graduate who is perhaps the Middle East's most ingenious financier. The company loans money and floats bonds all over the world: Brazil, Province of Quebec, Mexican Petroleum Company, Industrialization Fund of Finland.

In the fine print of "tombstone ads," alongside such firms as Lehman Brothers, N. M. Rothschild & Sons, the Nederlandsche Middenstandsbank, one finds Alahli Bank of Kuwait, the Union de Banques Arabes et Françaises and the Kuwait Investment Company. "The international money boys," observes a local American economist, "aren't fighting the Arabs—they're joining them. Kuwait is becoming one of the great capitals of world finance."

Led by K.I.C., Kuwaiti and other Arab money will be invested more and more in American real estate. Last year, K.I.C. concluded a joint venture with Trammell, Crow & Associates of Dallas to construct and own a 29-story office building, a 1,250-room hotel, a 1,500-car parking garage and a retail shopping mall in the heart of downtown Atlanta—the Atlanta Hilton Center. Trammell, Crow will provide the expertise—architects, contractors, management—the Kuwaitis will put up half the money and help to raise the rest.

This kind of cooperative venture will unquestionably become the pattern for further Arab acquisitions in the United States, where the laws do not inhibit the purchase of land by foreign firms. The Kuwaitis insist they do not aspire to control any sector of American commerce—even if they did, they lack the expertise. They will concentrate on passive financial partnerships with established American corporations, and will progressively buy into distinguished investment houses. They were burned two years ago in industrial issues on the New York Stock Exchange, but inevitably they will fatten their present portfolios and invest more and more in publicly held companies such as General Motors.

And they will repeat these patterns all over Western Europe. They are as conservative as Irish bishops, and as fascinated by bricks and mortar. Already Kuwaiti investors own nearly three acres along the Champs Elysées; with French partners, they will erect a high-rise hotel or an office building. Even in Uruguay, K.I.C. has financed apartment houses and a resort area; now its eye is roving the globe in quest of industrial projects and other tangible assets. Nor has it neglected development of the poor Arab nations or the rest of the Third World; K.I.C. marshaled more than $500-million from Kuwaiti banks, insurance and investment companies to make Kuwait the fourth biggest underwriter of the World Bank, and probably that subscription will increase.

In the same honeycombed building as the Kuwait Investment Company sits another braintrust of the local war on poverty, the Arab Fund for Economic and Social Development. The fund was established by the Arab League and most of the Arab states are members, though Saudi Arabia has yet to subscribe. Officials of the fund are quiet, pipe-smoking technocrats—Egyptians, Kuwaitis, Tunisians, Iraqis—who wear tweeds, not turbans. Their president is Saeb Jaroudi, an elegant financier who once worked for the United Nations and then was Lebanon's Minister of Economy. "We're the regional bank for Arab countries," Jaroudi explains, "analogous to the Inter-American Development Bank in Washington. Our authorized capital equals $350-million, but we can borrow up to twice that. We intend to pool our resources with those of other funds, private investors, Arab Governments—and in two or three years we could be operating in the billions."

The fund has been operating for less than a year, but already it has focused on 30 development proposals throughout the needy Arab nations, ranging from infrastructure to shipping to the care and feeding of livestock. In South Yemen, for example, the fund will construct a factory to process fish, a port at Mukalla, a power station, and road and water systems.

For solid achievement so far, however, we must look to the Kuwait Fund for Arab Economic Development, a separate state agency headed by K.I.C.'s tireless Abdel Latif al-Hamad, which has been aiding kindred countries since 1962—financing phosphates in Jordan, cement in Iraq, silos in Syria, an irrigation scheme in the Sudan which will reclaim a million acres of desert. "Unlike the World Bank, we don't make a profit," a Kuwait Fund official will tell you, "and some of our loans are almost gifts. But we scrutinize how our money is spent, and we will not tolerate waste and corruption. Take tractors, for instance. We pay for them through banks, and we audit every bill. We believe in development, not boondoggles."

And yet, when you add all of these praiseworthy projects up, they do not equal what Kuwait will earn from oil in six months. The Kuwaitis know this better than anybody, and that is why so much of their money will flow back to the West—into bank accounts, Eurobonds and the stock markets of Paris, London and New York.

ABU DHABI: INSTANT DEVELOPMENT

On to Abu Dhabi, near the mouth of the Gulf, capital of the United Arab Emirates. I hastened straightaway to Mana al-Otaiba, who—at 27—must be the world's youngest Minister of Petroleum. He was late for the hunt, but he delayed his departure to offer me the hospitality of his house. His salon had damask walls and was filled with falcons and Bedouins in their bare feet. "So many problems, Mr. Edward," he said. "So many heaps of paper money . . ." Otaiba is a disciple of Zaki Yamani, softspoken, humorous, not as sophisticated perhaps, though like Sheik Zaki possessed of charm to throw away. Won't all those heaps of paper, I wondered, corrupt the Bedouin character?

"I don't like money," the Minister mused. "I like to live in the desert far from complication. We can try to keep our good traditions, but I can't promise we'll succeed." He laughed again, gathered up his falcons and drove off with his hunting companions to the desert, as carefree as a schoolboy.

His insouciance was understandable, for God giveth manifold to whom He will. Abu Dhabi may earn $4-billion from oil this year. That is $40,000 per person for a population of 100,000, if you count foreigners; if you count only the 30,000 Abu Dhabians, per capita revenue exceeds $100,000. The wealth, of course, is not evenly distributed, but such is not astonishing; 15 years ago, Abu Dhabi was a fishing village.

It is part of the old Pirate Coast, that eastern horn of the peninsula where Arab and other freebooters once infested the shore, harassing British vessels and trafficking in slaves. The British put a stop to that, forced a treaty on the warring sheiks and changed the name to the Trucial Coast during the reign of Queen Victoria. Britain did almost nothing to develop the protectorate, and the Trucial sheikdoms remained destitute until 1958 when oil was discovered in Abu Dhabi. Thereupon, the Ruler, Sheik Shakhbut, a wary old despot famous for his frugality, insisted on royalties of solid gold, which he kept in chests beneath his bed. Abu Dhabi town remained mostly a place of palm-frond houses, of tin-roofed shops on crooked streets which led to the residence of Shakhbut, a white palace with toothy turrets like a "Beau Geste" fort. So it might be still, had not the Sheik's brother, Zayed ibn Sultan, deposed Shakhbut in 1966 and succeeded him as Ruler.

Today, Abu Dhabi must be seen to be believed. Doctoral dissertation and heroic rhyme should be composed about it as a paradigm of instant development. The whole town is a vast construction site. Boulevards of Parisian scope and a corniche that rivals Alexandria's crisscross said as white as moonlight; cranes and scaffolds are more numerous than trees. Here is a salt flat, there a city dump; blink and see a bank, a school, a hospital, a Hilton hotel. The Guest Palace on the periphery has golden ceilings and marble coffee tables, and when it is filled with soldiers with silver daggers and notables in their robes, it resembles the fantasies of Scheherazade.

Not all of the new buildings are as solidly constructed. In fact, much of the city may have to be rebuilt. Foreign contractors have been wont to mix their cement with sea water, and no sooner were their creations finished than they began to crumble. The streets murmur with Omanis and Iranians, with Indians and Baluchis; they are the labor force, and many of them live in hovels. Corruption, by common account, prospers in high places. These are, however, predictable growing pains in a country struggling to digest manna it never dreamed of.

Religious tolerance thrives, as do the basic public amusements of the West. Tribal democracy may evolve into a parliament like Kuwait's. Sheik Zayed rather resembles a falcon, and is said to be as purposeful. He has surrounded himself with foreign advisers, technocrats from Arab nations to the north, whom he pays fabulous salaries. He, too, wants a pervasive welfare state, one that will banish poverty even for his alien laborers, and his counselors promise to complete it soon. What Abu Dhabi will do with its remaining billions is a problem they have not resolved, though the Sheik has created a modest development fund for poor Islamic countries, and his philanthropy seems predestined to increase. God loveth the beneficent.

THE NEW ARAB: DO WE RESENT HIM?

Is the world balance of power shifting away from the United States and the industrial West toward the producers of raw materials? I asked that of Sheik Zaki Yamani during our flight over the oilfields of the Gulf. "No," he answered. "Raw materials are not the main source of power—technology is. However, the shortage in energy supply has reduced to some extent the power of the industrial nations, and is creating a new relationship between them and the owners of energy resources. The result depends on how both sides will react to this new reality."

Other specialists are more categorical than Sheik Zaki. "There's definite shift of power taking place," says a prominent American economist in Kuwait. "The center of financial gravity is moving from London and Paris to Riyadh and the Gulf. Why have David Rockefeller and Dr. Kissinger and Michel Jobert been dashing about the Middle East? Will you be surprised when Nixon shows up? By 1980 the five great oil producers of the Gulf, including Iran, after spending all they can on internal needs, may possess foreign assets of nearly $300 billion—three-quarters of the world's reserves. Not since World War II and the resurgence of Germany and Japan have we witnessed such an obvious migration of power.

"That's what bothers everybody. The international financial community is facing up to it, but most Americans still fear the Arabs. We don't understand them, and we resent them for becoming as rich as we are. We never worried about India and Brazil because they had no power—and besides, we were taking

care of them. The challenge now is to help the Arabs to harness their wealth to world development. *They* will have the money, and henceforth *they* will take care of the impoverished nations."

Or will they? That is the great question. Evidently, the rich Arabs intend to aid the poor Arabs first and foremost, but to do that effectively they must increase the capital of existing funds and create other funds of vaster scope. This presupposes a grand development strategy for the whole Arab world—exactly what some Arab technocrats are urging their Governments to conceive in concert.

The next natural beneficiaries of Arab aid are the Islamic nations of black Africa. "There is no earthly reason," an Arab economist told me in Kuwait, "why people should die of hunger in Africa's 'dry belt.' Most of those countries are Moslem, and we must feed them from now on." Next, there is the Islamic world at large—wretched, overpopulated nations like Pakistan and Bangladesh which deserve a share of Arab opulence. An Islamic Bank has already been created in Jidda, underwritten by the Saudis and other oil states, with capital of $1 billion; in keeping with the Koran, it will charge no interest.

Dr. Hassan Abbas Zaki, a former Minister of Economy in Egypt who is now head of the Abu Dhabi foreign-aid fund, has reflected deeply on the problems of oil wealth. "The oil nations should be paid a fifth of their earnings in certificates issued by the World Bank and the International Monetary Fund," he told me, explaining some of the solutions he is urging on Arab leaders. "We would be lending that money at reasonable rates, and they would channel it directly to poor countries everywhere—balancing deficits, hastening development, reassuring the rest of us with global stability."

However it is done, some technocrats in the Gulf predict the creation of an "Arab Marshall Plan"—one that would match every development dollar spent by the recipient nations in Asia and Africa with another dollar from the Arabs. No serious scheme of that or lesser scope could be conceived without major reliance on Western expertise, and this is precisely what many Arab planners have in mind. They foresee a fusion of Arab-capital and Western technology, particularly American technology, as the locomotive of future world development.

Already, some tentative steps have been taken toward that union. Already, the United States and Kuwait confer about development schemes in poor Arab countries. In the Sudan, for example, the World Bank, the U.S. Aid mission and the Kuwait Fund have pledged equal shares to finance the enormous Rahad agricultural project; in North Yemen, the U.S. is furnishing the expertise to develop salt mining, and the Kuwaitis are paying for it. For the reconstruction of Egypt, most of the money is expected to come from Kuwait and Riyadh, and much of the technology may be American.

The opulence of oil may produce major political changes in the Arab world. Arab socialism may be doomed. King Faisal has made it clear that he does not intend to finance regimes that mingle Mohammed with Karl Marx. Thus, President Sadat is busy diminishing Nasserism in Egypt, reopening nationalized companies to the private sector, assuring foreign capital that it need not fear expropriation. This, in turn, may beget a trend throughout the Middle East; military regimes may begin to fade away as an increasingly sophisticated middle class perceives that revolution is no longer necessary to achieve social transformation.

But over all of this hovers a terrible incertitude. Little may be accomplished unless peace prevails. And peace will not prevail unless Dr. Kissinger fulfills his promise to Sadat and Faisal to coax the Israelis to give up the remainder of their conquests. I saw Sadat during his recent visit to Abu Dhabi, and I asked him flatly whether he had clear assurances from Kissinger to that effect. "I have," he answered.

There is no reason to doubt him, for Kissinger has stated to numerous American diplomats and journalists his intention to press for substantial Israeli withdrawal combined with strong guarantees for that nation's security. His policy corresponds to the overwhelming wish of Western Europe, Africa, Asia and Japan, who fear for their oil, money and development unless a settlement is achieved soon. Put in the baldest terms of power politics, Israel (by its own Finance Minister's account) will run a $2.5-billion deficit this year, and can offer other countries little; the Arabs can offer them much. For a settlement, no further changes in American policy are essential; Dr. Kissinger has only to keep his promises, the quicker the better.

There is, of course, a body of opinion in America which believes that the United States should invade the Arab oilfields, not only to insure the flow of energy but to nullify the oil weapon in any future war—Defense Secretary James Schlesinger alluded darkly to it in January. That option is dormant now that the Arabs are relaxing the embargo, but it would be lunatic under any circumstance.

Both the Saudi and Kuwaiti Governments have threatened to blow up their oilfields if the U.S. ever mounts an invasion. "And they *will*," says an American oil executive in the Gulf. "Have you ever seen an oil well burning? It can take a year or more to extinguish a single well. Can you conceive of 300 wells on fire? It would cost billions to rebuild the fields, and we'd have years of no oil. The industrial nations would collapse."

Traditional regimes rule the Gulf today, but though the danger is farfetched, they could conceivably be overthrown by insurgent forces less easy to reason with. For the last decade, a rebellion has raged in the Dhofar region of Oman, nurtured now by the Chinese, now by the Russians; the Sultan is crushing it with British help, but there are cells elsewhere on the peninsula. They call themselves the People's Front for the Liberation of the Arab Gulf, and if they ever came to power in Kuwait or Abu Dhabi they might be tempted to wage economic warfare on the West that would make the October embargo seem salubrious by comparison.

All of these perils are interlinked; the foremost way to intercept them is by hastening an Arab-Israeli peace. The price of the "minimalists" like Sadat is not unreasonable, and the benefits for everybody—including Israel—would be immense. Shortly after I returned to Paris, an erudite American woman asked me, "How can we depend on those dirty savages to behave decently?" I was amused by this curious outburst. Are the Arabs innately less capable of compassion than that cultivated lady? Has Islam been any more brutal than the imperialism of the Christian powers? Or than a nation whose elected Government dumped millions of bombs upon the civil populace of Indochina?

I am more serene than that lady. I have more faith in the dynamic which is arousing the Arabs to develop themselves—and the poor world—with their wealth. I want to believe that the technologist, not the terrorist, is the Arab of the future. I want to believe with Sheik Zaki Yamani, that "the new Arab will re-enter history, contribute to civilization, not with his oil but with his brains."

FACE THE NATION

Mr. CHURCH. Mr. President, on Sunday, March 31, it was my pleasure to be the guest on the CBS program, "Face the Nation."

Inasmuch as much of the discussion on the program dealt with recent hearings before the Senate Foreign Relations Subcommittee on multinational corporations regarding the giant international petroleum companies, I ask unanimous consent that the transcript of the program be printed in the RECORD.

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

FACE THE NATION AS BROADCAST OVER THE CBS TELEVISION AND RADIO NETWORK

HERMAN. Senator Church, after your hearings so far into the role played by the oil companies and possibly the United States government in reaching agreements around the world on oil matters, do you conclude there was something wrong done, something stupid, simply a series of coincidences, or none of the above?

Senator CHURCH. I conclude that the role of the federal government was one of abdication, really, leaving it to the large oil companies to make the arrangements for themselves. This was based upon an assumption that what was best for the oil companies was best for the American people. That assumption has been demonstrably proven false in recent months.

ANNOUNCER. From CBS News, Washington, a spontaneous and unrehearsed news interview on FACE THE NATION, with Senator Frank Church, Democrat of Idaho. Senator Church will be questioned by CBS News Correspondent Nelson Benton, George Sherman of the Washington Star-News, and CBS News Correspondent George Herman.

HERMAN. Senator Church, you say it has been demonstrably proven that what is good for the oil companies is not necessarily for America, and that the United States government abdicated part of its role. What needs to be done, then? What will your committee recommend?

Senator CHURCH. Well, I can't speak for the committee. I can only speak for myself at this point, because the committee has not reached any conclusions yet. But I think that some big changes are in order. First of all, I think that a very serious look must be given toward the possible violations of the antitrust laws, involved in the network of agreements by which the major oil companies control productive capacity and marketing from the Middle East; also at home, in connection with the major companies' control over the pipelines.

Secondly, big changes have to be made in our tax system, which has given every incentive to the major oil companies to go abroad rather than stay at home.

And thirdly, I think that we have to make sure that the oil companies don't develop a monopoly here at home over all forms of competition—taking over coal, for example, and other sources of fuel—so that they have within the United States what they have long enjoyed in the Middle East.

SHERMAN. Senator Church, I'd like to go to this question on the abdication of the role of the U.S. government in the Middle East oil business. You're a senior member of the Senate Foreign Relations Committee, and much is made these days of the co-equal branches of government—the Congress. In your investigation of the collusion between the State Department and the oil companies regarding the Middle East in the fifties and sixties, have you found any evidence the Senate Foreign Relations Committee being told at all about what was going on in this thing? I mean, wasn't there a certain abdication of responsibility in terms of the Senate Foreign Relations Committee as well?

Senator CHURCH. Well, yes, but you'll remember that during that period, the Foreign Relations Committee was told only what the executive wanted it to know. It wasn't until Senator Fulbright brought the committee out

from behind closed doors in the midst of the Vietnamese conflict that the committee began to demand information and to play an independent role. I think that in the period we're discussing, the late fifties and early sixties, the committee was largely an arm of the executive branch; it was largely captive of the State Department.

BENTON. Senator Church, the witnesses before your committee this week argued that were it not for oil companies that are integrated from the oil field to the gas pump, were it not for that integration which you apparently are speaking of breaking up, there would have been no Middle East oil production to speak of. Did they persuade you at all to that viewpoint, sir?

Senator CHURCH. No, they didn't at all persuade me to that viewpoint. There's a perfectly good illustration of the rebuttal to that argument that occurred in Libya. When Libya began to bring on its oil, it did it in a different manner. Instead of permitting the majors to move in and control Libyan production through interlocking agreements, as they did Middle Eastern production, the Libyan government insisted on letting independent companies come in. For the first time, there wasn't going to be a monopoly arrangement for the seven sisters—the great oil majors. And as a result, independents not only did come in, but competition was injected into the system and the price of oil came down. Now the same thing could have happened in Iran; the same thing could have happened in the Middle East. But there, of course, the majors have control over the productive capacity. For a long, long time they fixed prices, and they still control the marketing outlets. It's a monopoly situation.

BENTON. Well, you say they fixed prices, and much of your hearing this week went back into the history of Middle East oil development. Their contention is that up until the recent crisis, as a matter of fact, oil and petroleum products have been relatively inexpensive. So what is the documentation at the gas pump or at the heating oil dealers for them having fixed prices at an unreasonable level?

Senator CHURCH. Well, in the first place, if you go back through the history of the cartel, there was a long period when prices were actually fixed by agreement, and they were fixed on the basis of the export price at the Gulf of the United States, which reflected the highest production costs and the highest taxes; it was purely a fictitious price. It had nothing to do whatever with actual costs, but it was the price that the majors set for the world markets.

Now in the sixties, we got into a period when the oil companies were concerned about too much oil, a glut on the market, if too much productive capacity were permitted to be built. In that period, through their control of productive capacity, they were able to set a floor on prices, and to prevent a serious deterioration below the level they wished. It was that control they had over production that enabled them to do this. In other words, there wasn't a true competitive market. Prices might have gone much lower during that period if a true competitive market had actually existed.

SHERMAN. But would it have been in the interest of the United States or of the industrialized world to have a glut of oil on the market? I mean that the price would have gone lower, but in terms of conservation, for instance, would it—they were planning, weren't they, on a general energy glut? That was the reason that they were—they claim that they restricted oil production. Would it have served anyone's purpose to have a glut of oil? As it happened, it didn't work out that way.

Senator CHURCH. What would have served the purposes of the consumer nations would have been a more competitive market to determine the price of the oil. Actually, the oil is in the ground, and no more oil would have been lifted than could have been consumed. But the competitive price—if it had been allowed to operate in a truly open market—might have been more beneficial to the consuming countries. Moreover, remember that the American government during that period backed up the oil companies and the cartel arrangements in the Middle East for different reasons. Not for reasons of the price of gas at the pump, but for reasons of the cold war. We wanted to avoid rocking the boat; we thought the governments over there were reasonably friendly; we were fearful of a possible communist penetration of the area. And so, it was for reasons of this kind that the government backed the oil companies.

Now the situation has changed radically, as you know. We face a wholly new situation, and we have to approach it with a whole new set of principles.

SHERMAN. But wouldn't—this gets right into the scapegoat issue, because it seems to me that we're looking at it from the vantage point of 1974, where the policy that was followed in the fifties and the sixties—anti-communism, et cetera—looks wrong. But aren't you in fact making the oil companies the scapegoat today, in 1974, for a policy that was conducted with the approval of the American government—for the American government, in a sense—in the 1950's and 1960's which was a success?

Senator CHURCH. Well, I'm not trying, first of all, to make the companies a scapegoat. I think the companies were acting in their own best interests. And that is, after all, what they're in business for.

They were trying to maximize their profits; they were trying to stabilize the situation. But the question is, did this promote the best economic interests of the American consumer? Did it violate American laws? And back in 1950, the Justice Department, after a thorough investigation of the international oil cartel, brought an antitrust suit to break up these arrangements, against the major companies. That suit was called off, as you know, from above, at the level of the National Security Council—not because of any disagreement that the antitrust laws may have been violated, but because of strategic reasons having to do with the cold war. I'm not saying that at that time, those reasons didn't seem sufficient. What I'm saying now is, let's learn from the past and let's address ourselves to the present situation, and let's not fall back again into the control of an enlarged cartel that has been expanded to include the Arab governments. I think that's the next step, unless our own government takes a more active role in changing the system.

BENTON. Well, what specifically do you do? Do you nationalize? Do you try to de-integrate the oil companies through antitrust action, or what specific—how do you go about it?

Senator CHURCH. Well, first of all, these are the things I would recommend. On the antitrust side, let's take another close look at the arrangements as they exist today, because this is a fluid period. The Arab governments are coming in; the big companies don't know what they own out there until they read the ticker tape each day. And this is a fluid situation, so we must take a whole new look at it and see if antitrust violations exist. We must do the same over here in this country.

SHERMAN. But shouldn't some of them be allowed to combine together to bargain as a unit with the oil producing countries?

Senator CHURCH. Yes, but even that period has passed, because the major executives of the oil companies admitted before the committee that they have no leverage left. They have no negotiating muscle. They have no bargaining power. So you see, the picture has radically changed. At one time, they did have some leverage, but they have lost it. The Arab governments have discovered that oil is a political weapon. The present price of oil has nothing to do with economics. It costs twenty cents a barrel to raise this oil; they're selling it at a posted price of $11.65 a barrel—350 per cent above what it was just twelve months ago. This price is a political price. They found that they can make it stick in the western world, because we have to have Arab oil, particularly western Europe and Japan.

So in that new situation, it's foolish to think that the companies can successfully bargain any more with the Arab governments on oil prices. And the latest indications are those prices may go up again in June, rather than come down. Under these circumstances, I believe our government which has some leverage with these Arab nations—our government—must take a much more direct role in attempting to bring these prices down.

SHERMAN. But then, are you in favor of turning the oil companies into, in fact, public utilities, which would bypass the question of antitrust laws anyway——

Senator CHURCH. No, I would be against that, George, because that's just dodging the issue. We'd be regulating monopoly, and that never works very well. I would be in favor of taking those measures that would inject as much competition, as much free market, back into the system as possible.

BENTON. Senator, I'd like to ask you a philosophical question along this free market area, if I could. Secretary of the Interior Rogers Morton was speaking this week to the National Petroleum Council which, as you know, is a group of industry advisors to the government, and he said that the government, and my inference from what he says was that he meant the Congress is becoming an adversary to the free enterprise system. Is it in such actions as you were talking about—is the government becoming an adversary to the free enterprise system?

Senator CHURCH. By adversary, you mean an opponent to?

BENTON. Yes.

Senator CHURCH. No, though in some ways I think there is justification for that charge. I'm pleading a different case. Instead of treating oil as a monopoly, which it shouldn't be, and then trying to regulate it, and then finding, as we usually do, that the regulation is soon indistinguishable from the interests of the regulated—that the regulators are taken in by the regulated—I say make it competitive instead, and make sure it stays competitive. The government can do that, the government can be a referee that makes free enterprise stay free. But my experience has been that the bigger businesses get, the more they preach free enterprise and the less they want to practice it. It should be the government's job to see to it that they continue to practice it.

SHERMAN. But how do you—it seems to me there is an inconsistency here, or perhaps I just don't understand it—you're saying that the oil companies themselves admit they no longer have the strength to deal with the Arab governments, and they're taking over the oil, in fact. So that means they are becoming less and less powerful. At the same time, you say that somehow the U.S. government should bolster them, without becoming intricately involved in their operations—in their negotiations—

Senator CHURCH. Well, let me explain. I can understand how you might have been led to that confusion. First of all, the companies have not only admitted that they have no bargaining power left. They have no economic incentive to bring down the price. Why should they? They have discovered that the more the price goes up, the bigger their profits get. The profits of ARAMCO went up almost in the same degree, 350 percent, with the actual posted price, and the profits of the major oil companies in this country, the owners of ARAMCO, have gone up to un-

precedented levels in the last year. So that, if they are profiting as they are, so hugely from the hijack prices, what incentive do they have to bring them down? For that reason alone, an obligation falls on the government of this country to play a more direct role in negotiating these prices downward again, because they are political prices—they are not economic prices. They don't operate within the parameters of the marketplace.

HERMAN. Just so I know where we stand on this because I have a rather simple mind. Do you think that the world is running out of oil, and that oil is—and all energy forms are becoming shorter, therefore perhaps prices should be up a little?

Senator CHURCH. The world will run out of oil—no question about that. But right now—

HERMAN. In a foreseeable time?

Senator CHURCH. But right now, the world is not short on oil. The oil is there, the oil could supply the market. The problem is not, in the immediate future, a shortage of oil. The problem is price and we shouldn't pretend that the lifting of the Arab oil embargo has changed the problem one iota. It may mean that the shortage for a little while—the squeeze on the United States—will be less severe, but the price: think of its impact on the Western World! It is going to increase the cost of fuel supplies between $55 and $65 billion in this year alone. Now that's a price that Western Europe and Japan and the United States and the other industrial nations will have to pay. Its effect, in terms of inflation, its effect in terms of the adverse impact on our balance of payments, its effect in drying up the flow of capital to the underdeveloped world, is absolutely staggering. Now that is the oil crisis; that is the economic consequence of this reckless decision to suddenly increase the posted price of oil in the Middle East 350 percent within a year's time.

HERMAN. I'm not sure but that we interrupted you when you were giving us your recommendations.

Senator CHURCH. Yes, well, where were we?

HERMAN. Well, we started with the government should take a little bit more control.

Senator CHURCH. I hope that it wouldn't have to be for a long period of time, but as long as the price of oil is going to be used as a political weapon by the Arab countries against the Western World, the United States government has to see it in those terms, and the United States has to try to do something about it. After all, we presumably have more leverage than the oil companies with the Arab countries. We've given them $3 billion in economic and military aid over the past 12 years, and we are now preparing to assist Egypt in clearing the Suez Canal, and quite possibly in other economic development programs.

HERMAN. So you are proposing some kind of American government pressure against the Arab nations?

Senator CHURCH. I'm proposing that we recognize that this is a highjacked price with disastrous consequences, and that the federal government do something about negotiating with the Arab countries in an effort to bring this price down, since we have leverage that the companies themselves have admitted they no longer possess.

HERMAN. What's our leverage?

Senator CHURCH. I've just suggested part of it.

HERMAN. But getting back to what you would do specifically, in terms of your committee, in terms of the Congress, are you considering yourself a budding sort of trustbuster in this sort of thing? Do you think the Congress of the United States should enact legislation which is going to break up this monopoly situation?

Senator CHURCH. George, first of all, we do have antitrust laws on the books, and we want to make sure that the arrangements in the Middle East, of American companies—along with their pipeline arrangements and marketing arrangements in this country—do not violate these laws. That's number one. Secondly, we should pass new laws to deal with the conglomerate problem. The laws that we presently have on the books don't deal with big companies that get into fields other than their particular field. Now the oil industry is getting into coal; the oil industry is at work out west. You know what they are doing out there, on the public domain? They are getting leases from the federal government on geothermal resources.

HERMAN. They are also way into uranium.

Senator CHURCH. Yes, they are way into uranium. Now are we going to let oil buy up all of its competition in this country? Doesn't the government have some obligation to see to it that the free enterprise system remains competitive where fuel supplies are concerned? Certainly it does. And then the third thing we must do is change the tax laws so that the incentive will not be, as it has been, to go abroad, and thus make us dependent, ever more dependent upon foreign sources for fuel—sources which we cannot control, but to bring oil companies home. But, to turn the incentive of the tax laws around, we'll have to do a lot more than the tap-on-the-wrist treatment that apparently the Ways and Means Committee is now considering for the oil industry.

HERMAN. When we consider problems of this magnitude in this country, we have an inclination to think of it in terms of the polarization between the Soviet Union and the United States. Some people think that's a preoccupation with us. Does this oil problem with the Middle East stand outside of the question of detente and our relations with the Soviet Union?

Senator CHURCH. Well, it doesn't stand outside but it stands at the periphery, I would think. There are other questions between the United States and the Soviet Union of much greater magnitude that go to the heart of detente—questions such as normalized trade, and the possibilities of securing some kind of limitation on nuclear arms. These questions go to the heart of detente; I would think that the oil matter lies out somewhere near the periphery.

HERMAN. I note the Soviet Union's urgings to the Arab countries to continue the embargo, and its lack of effect upon them, apparently.

Senator CHURCH. Yes, the Soviet Union wants to keep as much influence as it can with the Arab countries. After all, it has invested a great deal in supporting their military forces, and it has hoped to increase its influence in that part of the world. But I commend Secretary Kissinger for his skillful diplomacy, and I think that the chances are better today for some kind of settlement between the Arab countries and Israel than they have been for many years.

BENTON. Senator Church, Secretary Kissinger just got back from Moscow, and we first heard that his——

Senator CHURCH. And then got married and went to Mexico.

BENTON. That's true.

Senator CHURCH. Thus demonstrating he's one of the few men in this administration with any energy to spare. (Laughter.)

BENTON. First we heard that the negotiations were not very good and then we start hearing, well, they weren't so bad. In your role as chairman of the subcommittee, I believe, on arms control, do you have any intelligence as to how the negotiations in Moscow really went? Are we better off?

Senator CHURCH. I haven't yet had a chance to discuss this with the Secretary. Until he comes back from his honeymoon, we'll have to wait for these details. He's promised to come to the Foreign Relations Committee and to give us a detailed accounting of what transpired in Moscow.

HERMAN. Can't anyone else brief you?

Senator CHURCH. I would want to hear it from the Secretary, himself.

SHERMAN. The President seems determined to go on with his trip to Moscow. Are you worried that he may be timing his trip to Moscow in June for maximum political advantage here in the fight over impeachment?

Senator CHURCH. Well, I don't know what his motives are, but one would have to observe that as the impeachment proceeding is now moving along, it's quite possible that sometime in June the House would be voting on an impeachment resolution, assuming that the Judiciary Committee recommends such a resolution favorably to the House.

SHERMAN. Would you oppose his going at a time like that?

Senator CHURCH. Well, I would think it would be a very awkward time for him to go, but I don't want to prophesy what the House Judiciary Committee will do. I'm merely speculating.

BENTON. I'd like to revert to Mr. Sherman's question. Is detente going to be a casualty of the impeachment proceedings, do you think, Senator?

Senator CHURCH. Not unless the Russians choose to make it so. There is no reason in this country why it should. We are dealing here with the Presidency, after all, not the man who occupies the Presidency, and if it were to happen that Mr. Nixon were to be removed from office, we'd have a President of the United States stepping into his place. So unless the Russians choose to use this as an excuse, or treat it as a reason for not going forward with detente, I don't think that it should be, or need be, an obstacle.

HERMAN. Some of the observers in the Soviet capital in Moscow have said that the Russians now seem for the first time to have some understanding of congressional power and Congress' part in our government, which sounds like a healthy thing. Have you heard anything to that effect?

Senator CHURCH. Well, I think that they make their observations. There was a time a few years ago when they didn't even believe that the Senate actually had the power not to ratify a treaty, so I believe that they are beginning to have a better understanding of our constitutional system, and that would be healthy.

HERMAN. Thank you, Senator Church, for being with us today on Face the Nation.

ANNOUNCER. Today on Face the Nation Senator Frank Church, Democrat of Idaho, was interviewed by CBS News Correspondent Nelson Benton, George Sherman of the Washington Star-News, and CBS News Correspondent George Herman. Next week another prominent figure in the news will Face the Nation.

DIEGO GARCIA

Mr. GOLDWATER. Mr. President, the subject of the tiny island of Diego Garcia is becoming a rather major issue between those who are definitely opposed to it and those who feel that we must have it because of the strategic importance of the Indian Ocean. Although my basic reason for supporting the desire to have this base in that ocean is based on military need, I think I can defend it equally as well by citing the cost savings to us if we do not have to make the 4,000-mile trip from Subic Bay to the Indian Ocean.

Improving the logistic support facilities in Diego Garcia will lead to substantial cost avoidance in supporting our renewed naval deployments into the Indian Ocean. These deployments, interrupted by the Vietnam conflict, are conducted at the direction of the National Command Authority when our national interests so require. The increasing importance of

our sea lines of communications in this vital area makes it imperative that we have the ability to support a naval force there when necessary. Although this support can come from Subic Bay, in the Philippines, some 4,000 miles distant, cost avoidance of $400 million to $1 billion in 10-year logistics support costs can be realized if Diego Garcia, only 2,000 miles distant, is equipped for logistic support as currently proposed by the Navy.

In addition to the fact that the United States has vital interests in the area independent of Soviet actions, is the fact that the Soviets already have established a logistic support base in the Indian Ocean far exceeding our own, and are expanding it even more. This, coupled with the major benefits accruing to them from the opening of the Suez Canal, will lead to a major strategic shift in the region which we can ignore only at our peril. Provision of logistic support facilities in Diego Garcia can, to some extent, reduce our vulnerability to the strategic implications of this ongoing Soviet expansion.

Finally, the Soviets have the added advantage of being able to bring substantial power to bear in the area by land, whereas any influence we may need to bring to bear must principally be by sea. We cannot afford to deny ourselves the ability to deploy such naval forces as we may need in the future.

What the Navy is proposing for Diego Garcia is primarily a capability for logistics support of forces that may be sent into the Indian Ocean in contingencies, or for periodic deployments. It is a prudent precautionary move to ensure that we have the capability to operate our forces in an area of increasing strategic importance to the United States and its allies. Not only is it in our best interests to be able to maintain the types of presence in the Indian Ocean which were interrupted by the Vietnam conflict, but the increased dependence of our economy—and that of the Free World—on the Sea Lines of Communications—SLOC's—through the Indian Ocean makes it prudent for the United States to maintain an option of protecting those SLOC's.

The purpose of the improvements the Navy has proposed for Diego Garcia is simply to enable us to use it as a logistics support base. Logistic support of our ships in the Indian Ocean today comes from Subic Bay in the Philippines, more than 4,000 miles away. The improvements to Diego Garcia, which would have relatively low political visibility, would enable us to shorten the logistic line to 2,000 miles. For an initial investment of approximately $35 million, plus $1 to $2 million per year increased operating costs, we can avoid expenditures of $400 million to $1 billion in additional 10-year logistics costs. At the upper limit, provision of logistic support facilities at Diego Garcia could save us the procurement and support costs of one full underway replenishment group.

Our interests in the Indian Ocean clearly require the ability to maintain a U.S. presence there at the direction of the National Command Authority, whether or not the Soviets maintain a presence of their own. Since 1968, we have seen a pattern of steady buildup both in the Soviet naval presence, and in Soviet capabilities for the support of military operations in the Indian Ocean.

We must presume that the Soviets' plans for expansion of these capabilities are based on perceptions of their own interests and objectives in the region and are not driven predominantly by U.S. activity in the area. This is borne out by the fact that the rate of Soviet buildup has increased steadily throughout the period, while our own activity has remained at a relatively low level.

As a result of this Soviet buildup, the Soviets possess a support system in the area that is substantially more extensive than that of the United States. For example, they have established fleet anchorages in several locations near the island of Socotra, where an airfield provides a potential Soviet base for reconnaissance or other aircraft. In addition, they have established anchorages in other areas around the Indian Ocean littoral as well.

They have built a communications station near the Somali port of Berbera to provide support for their fleet. At the same time they have increased their use of, and are expanding naval facilities at Berbera, which currently include a restricted area under Soviet control, a combined barracks and repair ship and housing for Soviet military dependents. In addition, they are engaged in building a new military airfield near Mogadiscio, which could be used for a variety of missions.

Soviet naval combatants and support ships have had access to the expanded Iraqi naval port of Umm Qasr, where facilities are being built with the assistance of Soviet technicians. Those facilities appear to be considerably more extensive than any which would be required for Iraqi needs alone.

The Soviets have been extended the use of port facilities at the former British base at Aden, and air facilities at the former Royal Air Force field nearby. They maintain personnel ashore in both locations. In addition, they use the port of Aden for refueling, replenishment, and minor repairs.

Since 1971 Soviet naval units have been engaged in harbor clearance operations at Chittagong, Bangladesh.

In addition to their regional support facilities in the Indian Ocean, the Soviets are embarked on a worldwide program to expand bunkering and visit rights for their naval, merchant, and fishing fleets. Since Soviet merchant vessels are frequently employed for logistics support of Soviet naval forces, the establishment of merchant bunkering facilities expands the Soviet Navy's logistics infrastructure. The Soviets have recently secured bunkering rights in Mauritius and Singapore and have made approaches to other Western and nonalined countries.

In summary, Soviet support initiatives and the tempo of their naval activity in the Indian Ocean since 1968 have expanded at a deliberate pace which cannot be related, either in time or in scope, to any comparable expansion of U.S. activity. The Soviets' logistics arrangements are designed to support their own strategic objectives in the area.

Underlying all of this is Soviet recognition that any nation which has the capability to project substantial naval power into the Indian Ocean automatically acquires significant influence not only with the littoral countries, but with countries outside the area whose economies depend on the free use of its sea lanes.

The Soviets' logistics infrastructure is already sufficient to support a much greater Soviet presence than the one which now exists in the Indian Ocean, and Soviet presence in the Indian Ocean can be expected to continue to grow, irrespective of anything we do at Diego Garcia.

The opening of the Suez will complete the major actions necessary to making the Soviet Union a major Indian Ocean power. With the Suez open, the deployment distance for the Soviets will be reduced from about 5,600 miles from Vladivostok or over 11,000 miles from the Black Sea, to less than 4,000 miles from the Black Sea. This reduction, coupled with the proliferation of actual and potential support activities along the littoral will enable the Soviets to expand their Indian Ocean force at will. The opening of the Suez will effect a major strategic change to the benefit of the Soviets. Provision of logistic support facilities in Diego Garcia can, to a small extent, reduce our vulnerability to the strategic implications of this ongoing Soviet expansion into the area.

Finally, the geopolitical asymmetries between the United States and the Soviet Union must be kept in mind in assessing the relative importance to the two countries of the capability to operate naval forces in the region. The Soviet Union dominates the Eurasian landmass. It has borders with some key Middle Eastern and South Asian countries. Its land-based forces can already be brought to bear in the region. The United States, on the other hand, can project its military power into the area only by sea and air, and over great distances. The Soviet Union, in sum, has the geographical proximity necessary to influence events in the Indian Ocean littoral, without the employment of naval forces if necessary. We do not. Limiting our capabilities to operate naval forces effectively in the region would not be in U.S. interest; and would clearly put us at a disadvantage in the region.

In summation, it is in our national interest to have the capability to support naval forces in the Indian Ocean—at the direction of the National Command Authority—whether or not the Soviets continue to increase their forces there. It is a wise investment to provide logistic support capability at Diego Garcia. Second, the Soviets have already established a logistic support base in the Indian Ocean far exceeding our own, and are expanding it even more. This, coupled with the major benefits accruing to them from the opening of the Suez Canal, will lead to a major strategic shift in the region which we can ignore only at our peril. Finally,

the Soviets have the added advantage of being able to bring much power to bear in the area by land, whereas any influence we may need to bring to bear in the future must principally be by sea. We should assure ourselves the ability to support our own naval presence in this area to the extent necessary to protect our own interests.

COST AVOIDANCE SUPPLEMENTARY CALCULATIONS

[$ millions—FY74 $]

Diego Garcia costs:	FY75	FY76			
Initial	29	5			
Lower limit cost avoidance [1]:					
Forces/cost	FY75	FY76	FY77		
AO procurement [2]	1/55	1/55	1/55		
Upper limit cost avoidance [3]:					
Forces/cost	FY75	FY76	FY77	FY78	FY79
AO procurement [4]	1/55	1/55	1/55		
AE procurement	1/80				
PF procurement	1/60	1/60	1/60	1/60	1/60

[1] Without improving the facilities at Diego Garcia, the logistic support for the increased peacetime capability for Indian Ocean deployments could be attained through procurement of these additional forces.

[2] Procurement costs only are shown. Operating costs of $7.5M per ship per year are incurred commencing at 10C.

[3] Without improving the facilities at Diego Garcia, the logistic support for the increased wartime capability for Indian Ocean deployments could be attained through procurement of these additional forces.

[4] Procurement costs only are shown. Average operating costs for all ships of $8.0M per ship per year are incurred at 10C

SOLAR ENERGY AND THE FARM

Mr. ABOUREZK. Mr. President, my senior colleague from South Dakota, Senator McGOVERN, recently testified before the Senate Committee on Aeronautical and Space Sciences in support of S. 2658, the Solar Energy Heating and Cooling Demonstration Building Act.

As a member of that committee I was impressed with Senator McGOVERN's suggestion for accelerating solar research on the farm. He proposed that a provision be added to S. 2658 to establish a solar energy agricultural research center which would provide for the investigation, monitoring, and analysis of the many ways in which agriculture can benefit from accelerated solar research. He proposed that such a center be attached to the EROS center in Sioux Falls, S. Dak.

That idea is in line with the amendment I have offered to S. 2658 which would allocate 30 percent of the solar demonstration buildings for construction in rural areas. It is my view that, if solar energy is to win the acceptance of the average American citizen, it must first be proven that it is both economical and practical in daily application. Senator McGOVERN's suggestion provides an excellent means of establishing that proof.

I ask unanimous consent that Senator McGOVERN's testimony together with supporting material be printed in the RECORD.

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

STATEMENT BY SENATOR GEORGE MCGOVERN

Mr. Chairman, what the table game of Monopoly was to the depression ravaged America of the 1930's, the energy crisis has become to the profit hungry fuel industries of the 1970's. Each industry is borrowing, buying, expanding, and re-doubling its efforts to grab a lion's share of the profits for oil, for gas, and for nuclear energy. Energy-short Americans are flooded with assurances that if they will only pay a little more, sacrifice a little longer, and submit to just a little more destruction of our mountains, plains, and water, America can become self-sufficient in fuel by 1980. I, for one, am convinced that the people of this country are fed up with playing games on energy. They want straightforward and economy-minded answers to the fuel shortage. That answer may be forthcoming if Congress adopts the solar energy legislation we are considering today.

I welcome the opportunity to add my support to S. 2658, the Solar Heating and Cooling Demonstration Building Act. This measure is practical in the sense that it puts the advantages of solar energy into immediate operation. And it is forward looking to the extent that it provides on-going research efforts on which we can make informed judgments on future energy planning. In short, it is a responsible means of dealing with the energy crisis on an effective, forceful basis while giving much needed support to solar energy research.

Solar energy is one of the most sensible investments we can make in solving the fuel crisis. It is in unlimited supply, it is nonpolluting, and it is available worldwide, right now, if only we will come to terms with the need for improved technology.

The enormous versatility of solar energy is demonstrated by the quantity of projects currently under way which harness the energy of the sun to domestic needs.

For example, a federal office building under construction in Manchester, New Hampshire will use solar cells in a variable flow temperature heating system. The General Services Administration and the National Bureau of Standards will monitor the solar technology designed into the building and evaluate its performance for future reference.

On the University of Delaware campus, an experimental house "Solar One," is already operating with a solar heating system. When fully equipped, solar energy will provide up to 80% of the total energy requirements of the house.

In Washington, D.C., Harry Thomason, a retired patent attorney, has earned wide acclaim for his solar powered homes. According to news reports, his first solar home, built in 1959, had a three year average heat bill of $6.30 per winter.

The Pennsylvania Power and Light Company has also developed a solar heating system. It uses two heat pumps and a system of solar collectors plus a series of heat exchanges to heat the two story, 1,700 square foot structure.

And, in Providence, Rhode Island, a 19th Century foundry is being converted into an office building with solar energy providing the heat.

This is an impressive list of independent initiatives to make sunlight the more productive servant of man. But the list goes on in countries throughout the world. The Australian Minister for Science, William Morrison, has decided to coordinate all the more or less casual investigations of solar energy into one integrated, imaginative program under the Commonwealth, Scientific and Industrial Research Organization. It is thought that 40 billion Australian dollars, equivalent to $60 billion in U.S. currency, will be needed to provide solar heat for 25% of the Australian homes by the end of the century.

An excellent summary of solar research initiatives is contained in a television broadcast prepared by the BBC entitled, "The Sunbeam Solution." I have previously inserted a transcript of that broadcast in the CONGRESSIONAL RECORD and I recommend it to my colleagues as an excellent statement of what can be done when a serious effort is made to harness the energy of the sun.

In Arizona, Wisconsin, Colorado, Florida, California and New Mexico, projects ranging from a newsletter called "Solar Energy Digest" to investigations into orbiting solar energy-collecting satellites and solar energy farms are signs of the awakening interest in solar research. Each of these projects gives added incentive to passage of the Solar Heating and Cooling Demonstration Building Act. The work of the Committee on Science and Astronautics in the House and the Committee on Aeronautical and Space Sciences in the Senate, matched to the pioneering efforts of NASA in developing this legislation, have given those of us in Congress the opportunity to produce a truly useful energy solution.

One of the most significant features of the legislation before us is Section 7 which provides for projects and activities with respect to apartment buildings, office buildings, factories, and agricultural structures. The projects I have already described, point to the value of the legislation we are studying. Private homes, factories, and office buildings are either under construction or renovation which use the power of the sun to make them cleaner and more efficient places in which to live and work.

But it seems to me that some further attention must be given to agriculture in this promising legislation. I would hope that the suggestion I will offer will not only reinforce the agricultural section of this legislation, but will help to increase general support for the bill as well.

Earlier this year, I wrote to the Agricultural Research Service to inquire about solar energy application to farm needs. Mr. Gerald E. Carlson, Laboratory Chief at the Department of Agriculture, sent my office a letter which said in part, "Because of your letter, I intend to query . . . (our research reporting service) to get a more complete and detailed listing of solar energy research in the department." Mr. Carlton said in addition,

"In my opinion, solar energy can be used to alleviate demands on fossil fuels in a number of ways in agricultural application. Solar energy, in addition to being used for grain drying, could be used for low temperature storage and transport of agricultural commodities, for heating and cooling of animal shelters as well as farm residences and for heating and cooling of greenhouses. As technology develops on the use of solar energy for production of electricity, then other farm applications certainly will be developed."

On January 9, 1974, G. W. Isaacs, Head of the Agricultural Engineering Department at Purdue University, supported the Department of Agriculture view in a letter to me. He said, in part, "As you well know, we are using large quantities of fossil fuel, particularly critically available LP gas for crop drying. A major portion of this energy requirement could be supplied by solar energy." Mr. Isaacs included a preliminary project proposal entitled "Use of Solar Energy to Reduce Fuel Requirements for Corn Drying." I ask that this proposal be included at the conclusion of my remarks.

A further demonstration of the practical application of solar energy to farm needs is reflected in a preliminary proposal to the National Science Foundation submitted by two professors at South Dakota State University in Brookings, South Dakota. Dennis L. Moe, Head of the Agricultural Engineering Department at SDSU, together with Associate Professor Mylo A. Hellickson, have drawn up a preliminary proposal which has three main objectives: (1) the application of solar powered systems for corn drying; (2) application of solar powered systems for farrowing house heating using thermal storage and control systems to optimize solar energy utilization; and (3) integration of these systems to maximize solar collector utilization. I ask unanimous consent that

this imaginative proposal be included at the conclusion of my remarks as an example of sound and sensible solar-agricultural research.

My investigation into farm-related uses of solar energy has uncovered several other independent projects. For example, at Kansas State University, research has been conducted into the use of the sun in drying sorghum grain. Michigan State University's Agricultural Engineering Department has conducted studies of solar energy availability, collection and storage for farm use. The University of Minnesota's Department of Mechanical Engineering has been working on the design of solar collectors and the use of the energy for drying crops. In Brookings, South Dakota, Bill Peterson, Extension Agricultural Engineer at South Dakota State University, has designed a system which uses solar heat to dry shelled corn in the bin. The system uses thin aluminum lithographic plates from the DeSmet News and transparent plastic to dry corn at a cost of 2.4 cents per bushel.

One of the most exciting efforts into the promise of solar energy is underway in Canada, where researchers at McGill University are clearly aware that the first beneficiary of solar energy development can be the farmer. According to a Brace Research Institute publication, they have already achieved some significant results. They include:

—the development of an accurate low cost instrument for the measurement of daily solar radiation;

—the development of several large agricultural crop dryers utilizing solar energy;

—the development of a low-cost, small-scale, wind-powered water pumping unit;

—the development of a 32 ft. diameter windmill suitable for water pumping and other applications; and

—the combination of solar stills with greenhouses for use in arid areas, to conserve fresh water.

In addition, they intend to proceed with the development of sound and relevant engineering equipment for the resolution of man's water and food requirements in rural, arid regions.

The Brace Research Institute is currently putting together a Manual on Solar Agricultural Dryers under a grant from the Canadian International Development Agency. The manual will consist of a theoretical evaluation of the air heating and drying processes and will include illustrated descriptions of different equipment which has been developed all over the world. As a result, the reader, in whatever area a solar energy dryer might serve a function, might be able to construct models which fit both his requirements as well as those dictated by climate and the type of material to be dried. These efforts were undertaken by the Brace Institute in order to find a solution to the problem of water desalinization in underdeveloped countries. But they have paid rich dividends in solar technology and I am confident that similar efforts conducted in the United States would benefit our country as well, until recently one of the most underdeveloped nations in terms of domestic solar energy research.

In light of these developments, I have introduced legislation in this Session of Congress which deals specifically with solar energy and the farm. My bill would establish a solar energy agricultural research center, expand funding for solar-agricultural research, and provide for the investigation of the possibility of granting tax deductions for the installation of solar energy apparatus on the farm.

Today, I want to offer an amendment for the Committee's consideration which, I believe, can directly benefit both the food producer and the food consumer. That amendment is

AMENDMENT TO S. 2658

On page 16 beginning on line 7 add:

Consistent with the emphasis of this bill on the prompt development of practical solar energy application for domestic use, $200,000 of the funds authorized in Section 12 shall be authorized for a feasibility study exploring the design, location and objectives of a central research facility and information exchange center for solar-agricultural research.

Despite the growing interest in solar energy research and despite the continuing difficulty in providing adequate food for the people of the world, the two subjects are not being dealt with in combined fashion. The farmer must rely on chance discovery of developments in solar technology which might aid him in producing more food at lower cost. My amendment would provide funds for the first steps in establishing a central clearinghouse for solar-agricultural data. The center itself could be heated and cooled by solar energy. Consistent with the thrust of this legislation, the building might be located directly in the heart of the food producing section of our country. One possibility might be an addition to the EROS Center in Sioux Falls, South Dakota. The EROS complex lies in the center of the grain producing northern plains and provides ready access to thousands of farmers and many agriculturally oriented universities. Furthermore, an addition to an already existing building would be far more economical than the construction of an entirely new facility. Plenty of scientific talent is already hard at work at the EROS Center and I am confident that they would relish the opportunity to take on an additional challenge.

Mr. Chairman, I support the measure currently before the Committee as one of the wisest and most sensible approaches to the energy crisis. The amendment I have offered is intended to provide a useful and prompt demonstration of solar energy both as a means of heating and cooling and as a field of study from which all of us can benefit. I hope that the Committee will give it ample consideration.

NSF—PRELIMINARY PROPOSAL

SOLAR ENERGY FOR CROP DRYING AND FARROWING HOUSE HEATING

Abstract

Application of solar energy for drying of agricultural crops and heating of livestock confinement buildings is essentially nonexistent even though much of the basic technology needed to develop these systems is currently available. The decrease in the availability of conventional fuels for many applications and especially for agricultural applications necessitates development of alternative energy sources, if the increasing world demands for food and fiber are to be satisfied.

Specific design criteria are needed for the development of efficient and economical solar powered agricultural crop drying and livestock confinement building heating systems. Therefore, a research project, employing the principles of similitude and dimensional analysis, is proposed with the following objectives: (1) application of solar powered systems for corn drying, (2) application of solar powered systems for farrowing house heating using thermal storage and control systems to optimize solar energy utilization and (3) integration of these systems to maximize solar collector utilization.

Research will be performed on scale models and full size corn drying and farrowing house units. Emphasis will be on development of control systems to maximize energy utilization efficiency using low temperature rise solar collectors for both systems and a thermal storage unit for heating the farrowing units. Continuous, time clock and thermostatically controlled air flow systems will be evaluated. Correlations between system performance, type of control and climatic conditions will be established and prediction equations will be developed.

Development of model-prototype performance relationships, using similitude and dimensional analysis, will allow many future studies to be performed using the models only. This will facilitate evaluation of solar energy technological advances for use in crop drying and livestock building heating.

Results of this research will be applicable to crop drying and livestock building heating systems on an international basis, since vast areas of the world receive sufficient quantities of solar energy to power the systems. Applications would be of particular significance to underdeveloped countries and low income agricultural areas in need of low cost power supplied without specialized materials or labor.

Narrative

National and societal needs

The prospect of a diminishing supply of economically recoverable fuels along with increasing fuel demands has attracted much attention to the utilization of solar energy. Numerous research efforts have demonstrated the potential adaptability of relatively simple solar energy systems for use as energy sources. However, in no general application can it be stated that present solar energy systems are so superior to any other source that they will be the expected choice, Sheridan (1972). Furthermore, there are no engineering criteria by which to arrive at a decision to leave an economic fuel in the ground for a future generation. These realities have slowed development of solar energy systems, but the current need for energy dictates development of heretofore largely unused energy sources. Gaucher (1965) reported that man is well aware that present energy sources cannot be depended on to last forever and suggested that man ultimately will probably be driven to the sun as a major energy source.

Technically, solar energy systems have been shown to be feasible in that it is possible to design and construct systems that will convert solar energy for purposes such as electricity, distillation and refrigeration. In the broad view solar energy potentially has all the applications of conventional energy sources, Lof (1960). Solar energy systems required to develop only small temperature differentials are relatively simple from an engineering standpoint and do not require unusual manufacturing techniques or exotic materials. For most agricultural applications satisfactory results may be obtained without high temperatures and the energy required for heating livestock structures and for processing agricultural crops is small in comparison to the amount of solar energy falling on the area used to produce these agricultural products. Noguchi (1973) stated that world wide research in the fields of physics, mechanical, agricultural and chemical engineering as well as biology should be developed in order to accelerate the practical use of solar energy.

Development of reliable solar energy systems as substitute energy sources for electrical powered and fossil fueled agricultural heating and processive systems would lead to a significant reduction in demand on present energy sources. In 1966 United States energy expenditures for agricultural crop conditioning amounted to 26 million Btu's, while heating of building used for agricultural production required 2,000 billion Btu's, Search and Summary (1966). American agriculture used 6.5 million gallons of petroleum, plus an additional billion gallons of liquefied petroleum, in 1972, USDA (1973). However continued availability of fossil fuels for drying agricultural crops is questionable, USDA (1973), while continued increase in the world wide demand for food and fiber will increase the energy needs of the agriculture industry.

Stability of livestock feeding programs and diversified farming operations are dependent on the availability of energy to operate these systems. Much of the basic technology to provide the quantities of solar energy needed is currently available. Climatological data indicate wide areas in the United States and the world have weather conditions suitable to solar energy utilization. The immediate need is for adaptation of this technology for agricultural applications primarily as substitutes for or supplements to conventional fuel systems. Therefore, a research project is proposed to investigate the application of solar energy for drying agricultural crops, heating livestock confinement buildings and to integrate these systems to maximize solar collector efficiency.

The development of solar energy systems as substitute power sources or supplemental power units for livestock heating and crop processing applications would affect all segments of the society. Reliable fuel supplies would allow farmers additional freedom in crop selection and utilization of housing systems for optimizing livestock production. All people, both nationally and internationally, would benefit directly from increases in agricultural production and the decrease in demand for fuel for conventional heating and processing systems. Additionally, principles and systems developed in this research project would very likely adapt well to heating of both rural and urban homes.

Farmers have demonstrated an interest in the use of solar energy as a supplemental energy source for several years. Solar tempering of winter ventilation air is a common practice in livestock confinement buildings and is recommended by the Midwest Plan Service (1973) and other farm building services. Solar drying of corn has drawn considerable attention from farmers in the Upper Great Plains, Peterson (1973). Lessening fuel supplies and increasing costs have sharply increased farmers' interest in employing alternative power sources.

Communication of research results is proposed to be through the following channels: (1) presentation of results at national and regional scientific meetings, (2) publication in agricultural experiment station bulletins or fact sheets, (3) publication in popular trade magazines, (4) newspaper articles, (5) TV programs and (6) distribution through extension agricultural engineers to county extension agents and individual farmers.

Specific policy decisions or issues which potentially could be influenced by this research include decisions on fuel allocations, national agricultural policy, functional building and equipment design, operator health and safety standards, and regulatory and legal standards.

RESEARCH PLAN

Literature cited. Numerous researchers have stated that solar heated air can be used for crop drying and space heating, Buelow and Boyd (1957), Lipper and Davis (1960), Lipper and Davis (1961), Bates (1962), Löf (1962), Sobel and Buelow (1963), Close (1963), Phillips (1965), Akyurt and Selcuk (1973), Satcunanathan and Deonarine (1973) and Petersan (1973). The predominate factor in the adaptation of solar energy for crop drying and space heating is that only a low temperature rise is needed. This simplifies collector design and improves thermal efficiency.

Phillips (1965) reported a 66 percent reduction in electricity costs when solar energy was used to dry coffee. Akyurt and Selcuk (1973) found that drying time and quality of dried product were both in favor of a solar drier as compared to open-air drying of bell peppers and sultana grapes. Drying was achieved to satisfactory commercial moisture levels under various weather conditions. Sobel and Buelow (1963) concluded that temperature rises as small as 10 F are sufficient to speed drying of agricultural crops to moisture contents which are safe for storage. Corn dried better and faster using a low temperature rise solar collector than it did with a conventional low temperature drying system, Lipper and Davis (1960).

Drying fans were controlled to operate only when ambient relative humidity was less than 85 percent. Bates (1962) found that grain drying costs could be reduced and drying could be done much quicker, if solar heated air is used than was the case for cold air drying. He used 100 ft² of collector surface per 1000 cfm of air flow and achieved 15 to 20 F temperature rises near Hallock, Minnesota. Sizeable electrical energy savings can be achieved in drying long and chopped hay, if time clock and thermostatic control systems are employed to limit fan operation to periods when drying conditions are most desirable, Hellickson, Young and Froehlich (1973). Lipper and Davis (1961) reported that solar energy collectors designed for grain drying could also be valuable for warming air in rural homes.

Solar energy has also been employed as a means of supplemental heat in livestock structures. Hellickson, Young and Witmer (1972) developed a means of solar tempering air in the south half of the attic in east-west oriented buildings. The Midwest Plan Service (1973) recommends that winter ventilation systems be aided by solar tempering in the attic for improving livestock environmental conditions. Parker (1965) described a means of solar heating for livestock buildings by drawing air the length of the building between the corrugated roofing and the top of the rafters. A conventional heat system was used at night. The major disadvantage of this system is the lack of an economical means of storing energy for extended cloudy periods and for use at night. However, Daniels (1962) reported that a pebble bed of refractory materials can be heated with hot air and, if the pebble bed is thoroughly insulated, it will hold heat for long periods because the pebbles touch each other only on restricted surfaces and lateral heat conduction is low. Khanna (1967) developed a water storage system for storing solar energy for use in solar heating.

Close (1963) concluded that solar air heaters, of simple construction and employing cheap materials, can be produced to supply air at temperatures of 150 F with good efficiencies. Satcunanathan and Deonarine (1973) reported that adequate insulation on the bottom and sides of solar collectors will reduce or almost eliminate losses and that a two pass air flow system will increase the efficiency of a solar air heater by 10 to 15 percent.

Description of Research Plan. The basic technology exists to use solar energy for heating. However, use of solar energy for drying agricultural crops and heating livestock buildings is extremely limited because of the lack of specific design criteria for its correct and economical application. Therefore this research project is proposed with the following objectives:

(1) Application of solar powered systems for drying agricultural crops.

(2) Application of solar powered heating systems for livestock confinement buildings using thermal storage and control systems to optimize solar energy utilization.

(3) Integration of these systems to maximize solar collector utilization.

Research will be performed on scale model and full size crop drying and livestock housing facilities using solar heating systems. Employing the principles of similitude and dimensional analysis, scale models of solar heated corn drying and farrowing house systems will be designed and constructed. Prototypes of these drying and housing units will be constructed so that design recommendations developed using the scale models may be verified. The importance of verifying model ventilation data was reported by Dybwad et. al. (1973) and Hellickson, Dybwad and Moe (1974). The prototype units will be constructed as modular units, i.e. of unit lengths, to reduce construction costs.

Solar collectors of simple construction and designed to provide a low temperature rise will be employed for both the drying and heating applications. For the drying research, emphasis will be on the development of control systems to provide maximum solar energy utilization and to maintain high product quality. Continuous, time clock controlled and thermostatically controlled air flow systems will be evaluated. The farrowing house heating system will include a thermal storage unit to provide heat during cloudy periods and at night. Thermostatic and time clock control systems will be studied with respect to optimum utilization of solar energy for continuous heating of the farrowing building. Attempts will be made to define optimum thermal storage design and operation. Correlations between climatic conditions and performance of the drier and heater systems will be established. Prediction equations on drying and heating performance will be developed for each of the control systems. Design criteria for corn drier and farrowing housing system design will be established.

By employing the principles of similitude and dimensional analysis and verifying model performance with prototype facilities, future studies based on the same engineering principles will be possible using only the scale models. This will allow for maximum flexibility in evaluating the adaptability of new developments in solar energy technology.

Efficiencies and energy requirements of the solar drying and heating systems will be evaluated for each control system by monitoring, solar energy, ambient air temperature and relative humidity, temperature and relative humidity of the heated air, air flow rates, corn drying rates, livestock environmental conditions, thermal storage unit temperature and electrical energy requirements of the ventilation fans. Adequate research space and computer facilities are available with research to be conducted on the South Dakota State University, Agricultural Engineering Department research farm located approximately four miles south of Brookings and in the Agricultural Engineering Department research laboratories. The research will be supported by the Agricultural Experiment Station.

[Department of Agricultural Engineering Purdue University]

PRELIMINARY PROJECT PROPOSAL

(By R. M. Peart)

USE OF SOLAR ENERGY TO REDUCE FUEL REQUIREMENTS FOR CORN DRYING

THE PROBLEM

In Indiana in 1972, 75% of the ½ billion bushel corn crop was dried using approximately 60 million gallons of LP fuel and 1.5 billion cubic feet of natural gas. For the entire corn belt, this energy use was in the range of 500 million gallons of LP gas and 12 billion cubic feet of natural gas. The energy requirement for drying the corn produced on an acre is about double the fuel used for tillage, planting, cultivating and harvesting the crop. Pimental's study[1] minimized the drying energy estimate because only 30% of the crop was assumed dried artificially. The trend toward more fuel use for drying continues as shelling at harvest increases, with its attendant benefits of rodent-free storage and lower energy costs for handling.

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[1] Pimental, David, et al. 1973. Food production and the energy crisis. Science 182:443–449.

OBJECTIVE

Develop and test shelled corn processing and storage systems for reducing non-renewable energy requirements to 25% of the present typical value of 0.18 gallons of LP fuel per bushel dried from 25% to 14% net basis.

PROCEDURES

(1) Extensive use of weather-based simulation of corn drying will allow feasibility studies of systems utilizing a) solar energy, b) modified or multiple-cycle Dryeration, c) longer-term aerated storage, and combinations of partial acid treatment and partial drying.

(2) Laboratory tests of slow drying and partial drying systems will further verify existing simulations, and extensive microbiological checks will be used to evaluate mold growth and the possible production of mycotoxins.

(3) Prototypes of promising systems will be built and tested on the Purdue Agronomy farm.

EXPERTISE AVAILABLE AT PURDUE

Grain drying has been a strong part of the Purdue Agricultural Engineering Research program for many years. McKenzie, Peart, Zachariah, and Isaacs, have participated in this work along with G. H. Foster, USDA, ARS, who was stationed at Purdue for 15 years. Proven grain drying simulation models have been developed and used covering a range of temperatures from natural air conditions of the fall weather (50°) to the high temperatures (250°) utilized in high speed grain dryers. Automatic grain dryer control systems have been designed by Zachariah. The Dryeration Process was developed at Purdue by Foster. Isaacs directed several studies on heat available from natural air and also from solar radiation as a power input to a refrigeration system. Significant grain dryer patents are held by Graham, a former student of Isaacs, and by McKenzie, Zachariah and Peart.

INDUSTRIAL COOPERATION

Industrial cooperation including very likely financial assistance is available from the National and the Indiana LP Gas Association, a number of grain dryer manufacturers, the Indiana Electric Association and a manufacturer of heat pump equipment.

WORK SCHEDULE

Funding by July, 1974 would allow feasibility study progress early enough in 1975 to design and construct the prototype systems for fall, 1975, testing. Laboratory studies can begin in the fall of 1974, with enough samples frozen and stored to supply extensive lab work well into 1975. Following prototype testing in 1975, limited new recommendations will be made early in 1976 for field studies on cooperators' farms in fall, 1976, and general recommendations and report completion in 1977 at the conclusion of the 3-year project.

APPROXIMATE BUDGET

4 FTE professionals

2 full-time graduate instructors

4 ¾-time graduate assistants (all of above about half Agr. Eng. and half Botany and Plant Path.)

Equipment: freezers, incubators, materials (part of prototypes furnished by manufacturers)

Computer Time, Travel, Supplies and Expenses 60% overhead on salaries

Approximate total—$200,000 per year.

[From The Washington Post, Dec. 23, 1974]

A SOLAR-HEAT SYSTEM THAT REALLY WORKS

(By Sarah Booth Conroy)

To most people, Harry Thomason's house is funny looking. It doesn't look like the house of the future, or even a house many people would want today. Yet across the country and overseas, too, the Thomason experiment is mentioned first as probably one of the most successful existing solar-heated houses.

The house, built 10 years ago on a wide lot in District Heights, Prince George's County, Md., has much the air of a dollhouse, assembled from the leftovers of several different designs.

The shutters are too small to cover the windows. The roof on one side of the house has an uneasy relationship with that on the other side. A miniature colonial fanlight hovers over the front door. A chain link fence protects visitors from an assortment of geese, chickens and ducks. A pony and rabbits live around back.

Yet whatever architectural and esthetic problems the house has, its solar heating system works. Last year, the house was heated with about 1½ tanks of oil (slightly more than 400 gallons), compared to the four tanks of oil it would have taken without solar heat.

The 1,500 square feet of heated space was kept at 68–72 degrees. The indoor swimming pool was heated in marginal weather.

Today, the Thomasons have had to add two more telephones and an answering device to cope with requests from television, radio, movies and newspapers for interviews. The Energy Subcommittee of the House Science and Astronautics Committee, chaired by Rep. Mike McCormack (D-Wash.), came out to see the house on a snowy day last April. The United Nations made a movie ("Power on the Doorstep") of children swimming in the Thomasons' solar-heated indoor pool. The water was 78 degrees, the outside air temperature was 32. And the Soviet Union's solar scientist, Dr. Valentin Baum, asked to stay with the Thomasons when he came to the United States.

The simple fact is that Harry Thomason, a retired patent lawyer, with a bachelor's degree in physics from Catawba College, Salisbury, N.C., and a law degree from Georgetown Law School night courses, has managed to do what a great many high-priced research laboratories and highly educated scientists haven't done—build a cheap, workable, efficient solar heating system out of standard, readily available materials.

This is the Thomasons' third solar heated house. The first, built in 1959 with 900 square feet of heated floor space, had a three year average heat bill of $6.30 per winter. The sun also supplied much of the house's domestic hot water supply.

The Thomason family—Harry, his wife, Hattie D., and five children: Teresa Delores, Mary Ellen, Jack Lee, Jane Marie and Fay Ann—built the solar houses with a small amount of hired help. The first system cost about $2,500 to build, compared with an estimated cost of $1,000 then for a conventional system.

All of the Thomasons' solar houses have full capacity oil furnaces as well. His system also includes a non-solar but high efficiency air conditioning system of his own invention. Thomason holds patents on about 25 solar-related innovations.

In his book, "Solar Houses and Solar House Models," ($1 from Edmund Scientific Co., 150 Edscorp Bldg., Barrington, N.J. 08007), Thomason explains how his system works. Edmund also publishes detailed plans ($10) and issues licenses ($20) for the system.

About 2,000 sets—half of those in the last month or so—have been sold but only 12 or so licenses have been purchased, and of those, Thomason knows of only one house actually built.

Thomason's system, he explains, works this way:

An 800 square foot solar collector on the roof faces slightly west of south. At the top of the south roof is a horizontal distributor pipe that sends streams of water from regularly spaced holes down the roof. The water runs down blackened, vertically-corrugated aluminum, protected from the air by ordinary window glass. "The sun," explains Thomason, "warms the aluminum, which in turn warms the water.

The warmed water is collected at the bottom in a gutter. From there it runs by gravity to a 3,000-gallon water tank (filled a bit more than half full) surrounded by three truckloads of stone in a 10-foot-by-30-foot bin.

The water circulates about twice during a sunny day, getting hotter each time it goes across the roof. It starts out at about 65 degrees and gains about 15 degrees every day, reaching a peak of about 120 after a series of sunny days.

Along the way, the water passes through simple heat exchanger (a smaller tank, surrounded by stone) to warm the water for kitchen and baths. The thermostat in the living room turns on a ⅓ horsepower blower to pull chilly air down from the living quarters, through the warm stones and around the warm tank of water and back again into the house. Thomason says the system has worked as long as four cloudy December days and nights without sunshine and without auxiliary heat.

When extra heat is needed—"usually at dawn when a cold wind blows after a few cloudy days,"—the auxiliary oil furnace kicks on automatically. A sun sensor, of which Thomason is co-inventor, turns on the water on the roof only when the sun shines.

In mild December there is enough warm water left over to supply the 6,500-gallon indoor swimming pool.

In the summer, a 34,000–BTU compressor and blower filters, chills, dries and circulates air to the storage bin. The system only turns on at night so the air can chill and dry the stones. The same blower used in the winter blows the cool air through the stones and up into the house. The unit uses about $50 to $75 worth of electricity through the summer.

Thomason is the first to explain that his system looks shabby (two or three glass panes are broken) and his house is not built to conserve energy. The house has only about 3½ inches of insulation in the attic, compared to the recommended 6.

It is not as efficient as his first house where the solar panels went all the way to the ground with an 800-square-foot solar collector for 900 square feet of heating area as opposed to the same size collector for the current 1,500-square-foot house.

Thomason said he got the idea—"the flash of genius as they say—when I was visiting my wife's parents' farm. It was raining hard on a sunny day, and I happened to put my hand under where the water was coming off a rusty barn roof. I noticed it was warm.

"Not so long after, we built our first solar collector—just a small experimental thing, in the back yard. It cost $121."

The Thomason children have helped their father all the way. And two daughters even invented their own solar tent—clear plastic wall facing south, black absorbing wall on the other side, the whole thing held up by aluminum poles. Mrs. Thomason keeps the books, answers the phone and the mail and feeds the curious guests who come to call.

"If I had a slick system and a heavily insulated house, it would destroy my creditability." Thomason said the other day, sitting in the warm, slightly humid living room of his house. Two of his four grandchildren splashed in the warm swimming pool, surrounded by his wife's tropical plants.

Thomason is a plain man, no more prepossessing than his ordinary looking house, "Just a Carolina farm boy" as he puts it. He's a short, slight man, 50 years old, who seems,

as he might say, "tickled to death" with the fame his "better solar trap" has brought him.

But he's a proud man, too, and worried about what he considers slights because his doctorate is not in solar physics, and the many scientists who look askance because his reports on the solar system have appeared more often in Popular Mechanic-type publications than learned journals.

For most of his life he's worked hard—first at pouring concrete to earn his way through Catawba College, then as a refrigeration engineer in the Merchant Marine, then (from 1947 to 1957) as a patent examiner and finally as a patent attorney for the Army until 1971 when he was laid off.

For four winters, he studied law every night, during many summers he built houses (12 in all, four of them solar-heated), which he has rented.

A question that might logically be applied to Thomason is, "If you're so smart, why ain't you rich?"

Thomason obviously isn't poor—his children go to college, his house and another he owns are set on five acres. He's starting to build another solar house to sell and organizing seminars to teach builders his solar system.

But he's not the billionaire you'd expect to find in the first man to build houses successfully heated by the sun over a long period.

Thomason incorporated his Thomason Solar Homes, Inc., with a trademark of "Solaris Systems," in 1959. The principal officers are his family. And for every $10 solar house plan Edmund sells, Thomason gets only $1, with just $6 from the $20 license sale.

So far, no major company has yet seen fit to offer him a fabulous sum for one of his patents, though Thomason confidently expects one to knock on his door any day. One has the feeling that Thomason would not ask for the moon and stars for the rights to his solar patents, perhaps just a bit of the starlight.

Until the unchecked flow of oil was cut off in the current crisis, neither private industry nor the government was all that attracted to solar energy. Though the energy itself was free, the higher initial installation costs, compared to conventional furnaces, put off a number of people.

Thomason's system with its handyman, jerrybuilt, farmboy, Popular Mechanics air may have seemed just too simple to be worth much—the fact that it works notwithstanding. Thomason himself is not a man who thinks big. For all his reaching for the sun, he is a down-to-earth man.

On the other hand, if Thomason is not today (or even tomorrow) rich, nobody should feel sorry for him, sitting in his warm house, basking in his solar glory. He's a man who knew he was right all along.

[From the Washington Post, Feb. 10, 1974]

ENERGY-SAVING OFFICE BUILDING

(By Stewart Powell)

MANCHESTER, N.H.—The architectural wave of the future may be buildings that conserve energy such as a solar-heated federal office building scheduled to be built here.

The architect of the innovative $6.5 million building, Nicholas Isaak, has included energy saving features in its plans that could cut energy consumption up to 50 per cent. The square blockhouse style structure will have thick walls, one-fifth the windows of a normal office building and a blackened windowless north wall, according to the 59-year-old Isaak.

The interior will be lit selectively with dim hallways and focused lighting in working areas and stairways. The heating system will be a variable flow rather than a variable temperature system, directing more warm air into a cool section rather than raising the building temperature.

Solar cells are planned for the roof to capture heat that will be stored in three 10,000-gallon water tanks beneath the building. Hot water, rather than being heated to 180 degrees only to be cooled by the user, will only be heated to 100 degrees.

"The design innovations were culled from over 500 suggestions by utility companies, manufacturers and other designers," Isaak said. "Many are common sense style changes that come when designers think of energy rather than flair."

The General Services Administration and the National Bureau of Standards will monitor the experimental features in the building over the next several years to determine which ones should be included in other buildings. Construction is scheduled to begin this spring with completion sometime in 1975.

Isaak says buildings designed with energy use in mind should be "the wave of the future." For him, there is no conflict between design and function.

"I feel the building will be beautiful as well as functional. If these energy conserving measures are adopted in other buildings, none of them should be detrimental to good design," he said.

The building includes the recommendations of many energy experts including the New York engineering firm of Dubin, Mindell, Bloome Associates.

While plans for the experimental building have been under way for several years, the current energy crisis has focused interest on the success of the project.

"It's kind of satisfying to be right in the middle of something that is important," Isaak said. "Maybe we can produce something that might help. We are breaking new ground and that is always exciting."

Manchester, often cloudy for much of the winter, was selected for the site of the solar heated building because of the wide variations in climate, Isaak said. "I think the government wanted to give these ideas a real good test."

The massive walls and common sense design of the building come in part from Isaak's New Hampshire upbringing. Massive stone walls tumble across the New Hampshire landscape and give it a special character.

"We're all working in a contemporary style, but somehow or other the region puts a stamp on a design. It's a philosophical thing. You're raised in a certain area, brought up in certain ways and these feelings find their way into your work," he said.

[From the New York Times, Jan. 6, 1974]

UTILITY TESTING A NEW KIND OF HOME THAT WASTES NO ENERGY

(By Gene Smith)

ALLENTOWN, Pa.—Like it or not, the nation's electric utilities are going to have to change the ways they do business.

First, it was the environmentalists who dictated new approaches for a basically conservative industry that had had its own way throughout the century.

Now, the energy crisis is forcing still more changes, particularly in selling and promotional efforts.

"We started back in 1965 or 1966 by phasing out our promotion of various electric appliances, including air-conditioning," Jack K. Busby, president of the Pennsylvania Power and Light Company, said in a recent interview.

Over the next two years the utility ended its promotional allowances for spaceheating customers and in 1971 called a halt to all cooperative advertising. Personnel who formerly promoted electricity for every conceivable use were sent out into the field to help in service efforts and to preach conservation of energy.

In September, 1972, the big Pennsylvania utility held a forum for architects and engineers to bring about energy conservation efforts in the design of buildings. Pleased with the results of that meeting, the company invited top managers from 178 of the largest industrial plants in its 10,000-square-mile service area of eastern Pennsylvania to a two-day industrial energy management forum.

A series of architect-engineer gatherings was also held last October and November to promote good thermal designs. Special meetings are held frequently with school officials throughout the region.

"But by far our most exciting project is the energy conservation home we are building out at Schnecksville, about 15 miles northwest of here," Mr. Busby said. "It's basically a research project designed to make optimum use of energy in every way possible in a single-family home without changing people's lifestyles."

Robert Romancheck, supervisor of research and technical services, and Robert Deppen, the energy-conservation consultant, are collaborating in the design and planning for the project.

The house, a two-story, 1,700-square-foot structure, has three bedrooms, a kitchen, a family room, a bath and a half, a laundry room and a full basement. A special second-floor play area for children frees the 850 square feet of space downstairs for adults.

Mr. Romancheck explained that the house was aimed at the $35,000 to $40,000 price level, but with the special equipment—much of it being used for the first time—and technical assistance required would probably cost $130,000 to build.

"We may eliminate some of the new concepts if they prove to be not too feasible," he added.

The main difference between this and other houses is in its heating system. It uses two heat pumps and a system of solar collectors, plus a series of heat exchangers. All are designed to keep the needed hot water warm and ready to use without special heat surges to meet unexpected demands.

Panels on a second-floor deck and around a patio will face south to collect the sun's rays, particularly in winter. The panels will contain tubes filled with ethylene glycol to help heat an energy-collecting loop in the house.

The heat pump will have a water source, and the solar panels and a variety of other heat-producers within the house will be used to make this system more efficient. The normal heat pump uses outside air, taking the heat out of it and forcing it into the house.

There will be a standard air-source heat pump to help heat the water in extremely cold periods.

A see-through fireplace will face both the living room-foyer and the kitchen-family room and be tied into the supplementary heating system. This will be done from heat exchangers in the flue, while fresh air will be circulated into the fireplace through vents from outside and under the hearth.

A system of circulators will keep the warmed water moving constantly to the point where the whole water loop should hold water at about 115 degrees Fahrenheit, roughly ideal for all uses except dishwashing, for which a standard electric heater will be used.

Waste heat from appliances will be drawn into the water loop through heat exchangers. For example, the bath tub, laundry and dishwasher drains exit in a single pipe after passing over heat exchangers.

Even the coils at the rear of the refrigerator and the dryer will be tapped to add heat to the water loop. Plastic coils have also been looped around the septic system in a further effort to use waste heat.

Mr. Romancheck and his associates have incorporated all sorts of devices into the

house to prevent losses of heat. These include triple-glazed windows with two air spaces, polyurethane foam for tighter seals around doors and windows, and polystyrene tongue-in-groove sheathing instead of plywood or other square-ended types.

The present schedule calls for monitoring of the house and special onsite manual readings starting in April. Then a family will be invited to live in for six to eight months for a practical test.

"By the spring of 1975, we should be ready to release our findings on the practicality of the house," Mr. Romancheck said.

The average house with electric heating on Pennsylvania Power and Light lines during a cold day in a prolonged cold wave records a demand of about 12 kilowatts at the generator.

"We feel confident we can bring this down to four kilowatts with the new house," Mr. Romancheck said.

But what's in it for the electric utility of the future? Mr. Busby said he felt strongly that with his company's new approaches the utility would not be faced with capacity binds and would be more easily financed.

"Our reputation will be stronger and we'll be a better neighbor," he said, adding that already conservation efforts were beginning to pay off with a slowdown in annual load growth rates.

CONVERTED FOUNDRY TO UTILIZE SUN, WIND, WATER FOR ENERGY

[From Sioux Falls Argus-Leader, Dec. 8, 1973]

PROVIDENCE, R.I.—A group of designers plans to use the sun, wind and water to provide power for a 19th century foundry being converted into an office building.

When the renovation is completed next year, energy will be produced by solar panels on the roof, water-powered turbines in an adjacent river and a wind propeller towering over the building.

Then an experiment begins: Will office workers be more conservative in consuming power if they watch it being collected and know the supply is limited?

"You tend to husband your battery in your car, but we don't have that energy consciousness in our buildings," said Ronald Beckman, director of the Research and Design Institute of Providence.

Institute architects and design planners are searching for the most sophisticated insulation, alternate energy sources and solar heating systems available for the three-story brick building, which will become the headquarters for the institute's 25-member staff.

In terms of research of new products, the institute's effort is not radical, Beckman said. He said what is unique is the attempt to utilize a wide variety of natural energy sources in a single system and then study the environmental effects on long-term tenants.

As part of the experiments, the staff will be subjected to different heat and lighting levels to determine what is adequate. Beckman thinks the results may prompt the staff members to change their home energy use.

The institute, a nonprofit behavior and environmental research organization, also hopes it will be able to refine some of the energy systems and devise new products providing lowcost energy with no pollution.

Beckman said the institute will be able to generate at least 60 per cent of its power and may be able to become nearly self-sufficient by installing new energy systems as they are developed.

"We feel the energy crisis is the best thing that ever happened," Beckman said. "Inadvertently, we are faced with a crisis we have been avoiding for too many years.

"The cultural implications of this are immense. Man is being forced to alter his lifestyle to conserve energy."

The renovation of the 1850 foundry is expected to cost $100,000, and the energy equipment up to $150,000, depending on how much is donated by industry or funded by the federal government. The Narragansett Electric Co. already has donated $25,000.

SOLAR HOUSE ON DELAWARE CAMPUS HARNESSES SUN FOR ITS ENERGY

Solar One, billed as the first house to convert solar energy into electricity and heat, now is doing its thing on the north campus of the University of Delaware in Newark.

Harry Weese Associates of Chicago designed the 1,350-square-foot house to have a slanting roof full of sun-catching "windows" with cadmium sulphide solar cells to convert sunlight into electrical energy. Solar panels on the south side also collect heat. Consentini Associates of New York City and University of Delaware energy conversion staff members assisted in the major project.

The direct electrical current produced by the solar cells will be stored in special storage batteries outside the house. Household appliances and fixtures which use direct current (such as the range, heater, universal motor fan and permanent light fixtures) will be energized by the batteries while other units requiring alternating current (in the future) will be connected to the battery power source but will contain inverters to convert the direct current to alternating current.

During the first phase of data acquisition with the experimental house, only part of the roof will have solar cells in place. During this period, make-up electricity will be supplied through a slaved power supply to the batteries to simulate a complete solar panel installation.

When the experimental program has progressed to the point when the entire roof panels have solar cells in place, the complete array is expected to produce 20 kilowatt hours daily at a solar-electric conversion efficiency of 7 per cent.

During the winter, the house will be kept warm by the heat collected on the roof by the combined electricity/heat collectors and by two groups of thermal flat plate collectors on the south wall of the house. Heat collected during the day will be drawn off to special heat storage units containing eutectic salts. The special salts on demand by the house thermostat give up the heat which is circulated through the house through ducting like that used in standard homes.

During the summer months, the house will have air conditioning operating at night to quickly reduce the temperature of the cool night air. This cold air will be stored in a separate eutectic salt reservoir and will be circulated through the house during hot summer days to lower the household temperature.

Solar One, when fully equipped, will provide up to 80 per cent of its total energy requirement from sunlight. The main thrust of the solar experimental program is to develop the sun as a substantial energy resource that will make a considerable impact on the impending energy crisis.

Construction of the four bedroom house (two bedrooms are furnished while two others are being used as experimental areas) was managed by Frederick G. Krapf & Son of Wilmington, Del. Decorated by H. Feinberg, a Wilmington furniture company, the house also contains living room-dining room, kitchen, a bath and a half, attached garage and full cellar.

University scientists estimate that, with impending increases in fossil fuels plus the eventual mass production of cadmium sulphide solar cells, the solar electrified and heated home will be reality within the coming decade at a cost of about 10 per cent more than the conventional home.

GENOCIDE CONVENTION DOES NOT UNDERMINE CONSTITUTIONAL GUARANTEES

Mr. PROXMIRE. Mr. President, two of the principal objections to Senate ratification of the Genocide Convention are that it would be self-executing and that it would infringe upon first amendment guarantees of free speech. In 1970 the Standing Committee on World Order Through Law of the American Bar Association examined these arguments and dismissed them.

With regard to the self-executing argument, the convention's language reflects the need for each country to adopt implementing legislation "in accordance with their respective constitutions." Indeed, under our Constitution, a treaty cannot support a criminal prosecution without congressional authorization.

In the words of the Standing Committee's report:

> Another objection to the ratification is that the treaty would be self-executing. The result, it is claimed, would be to impose a law upon the citizens of this country without the Congress having enacted an implementing legislation. Article 1 does designate Genocide as "a crime under international law". But Article V requires the parties "to enact, in accordance with their respective Constitutions, the necessary legislation to give effect to the . . . Convention and . . . to provide effective penalties. . . ." Could anything be clearer?

With respect to the first amendment guarantees, it is important to keep in mind that the Supreme Court itself has distinguished between "advocacy" and "incitement." While advocacy is protected by the Constitution, the Court has repeatedly decided that incitement was not protected and that the government was within its authority to restrict it. In Brandenburg against Ohio, the Court said:

> . . . the constitutional guarantees of free speech and free press do not permit a State to forbid or proscribe advocacy of the use of force or of law violation except where advocacy is directed to inciting or producing imminent lawless action and is likely to incite or produce such action."

Thus, limitations on incitement do not abridge free speech. It is important to keep in mind, however, that any conviction based on this provision of implementing legislation, could be appealed to the Supreme Court for final interpretation. In this way, the individual has additional safeguards.

Mr. President, this treaty is compatible with our Constitution and our national ideals. It deserves our enthusiastic support.

ALTERNATIVE SOURCES OF POWER

Mr. BROOKE. Mr. President, if any one thing rings clear from our present energy crisis, it is our need for alternative sources of power. Many, such as solar, wind, geothermal, coal, nuclear, and even garbage, have been put forth. However, the fact remains that only the coal and nuclear alternatives hold out immediate possibilities.

Of the two, many believe nuclear

energy to be the most attractive. And, admittedly, its potential is enormous. Yet, so are its dangers. As the Congress continues to debate over long-range energy policy, it is all too often the little towns, selected as reactor sites, which are left to make the difficult decisions regarding these benefits and risks.

One such town is the peaceful country town of Montague in western Massachusetts. Montague has been selected as the site for a nuclear power complex consisting of two giant reactors capable of generating 2.3 million kilowatts by 1981. Needless to say, the proposal has already stirred a tremendous amount of debate among the town's 8,555 residents.

In a very interesting six-part article, the Springfield Union-Republican examines this controversy. I bring it to the attention of my colleagues because it is the kind of thing which is happening with increasing frequency throughout the country. Small towns, cast adrift by lack of clear congressional policy, are left to decide a matter of national, and even international importance.

This is not a wise policy. Moreover, if we continue to delay in coming to grips with nuclear safety and safeguard problems, we may well be confronted with a fait accompli. In this regard, I commend Senator Ribicoff for his initiative in holding hearings on this subject before the Government Operation's Subcommittee on Reorganization, Research, and International Organizations. I hope, however, that this is just the beginning in what will be a massive effort by the Congress to formulate a sound nuclear energy policy. Citizens like those in Montague need our guidance.

Mr. President, I ask unanimous consent that the article be printed in the RECORD.

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

THE MONTAGUE DILEMMA—TWIN NUCLEAR PLANTS: BLESSING OR CURSE?

(By Elliot Eisenberg and John Schidlovsky)

Montague, a slumbering, scenic town founded 220 years ago, has begun the biggest year of its life.

Forty miles upriver from Springfield, the rural Franklin County town has been chosen as the new home for two giant-sized nuclear reactor units by Northeast Utilities.

A nuclear power plant in Montague would affect everyone in Western Massachusetts and New England. The electricity made there would go to the entire region.

So would radiation from a major accident.

Montague's residents are beginning to react—some with pride, others with alarm—to their town becoming the newest members of a growing family of nuclear power plant sites around the country.

"It can't do anything but good," says Selectman Donald Skole.

"How safe is it going to be? I wish I knew," says Henry Wonsey, a milk tester who lives near the proposed nuclear plant site.

Wonsey's question is the same crucial one that was asked in 1957, when the first nuclear power plant went on line in Shippingsport, Pa.

* * * * *

After 16 years, there's still no perfect answer to the safety question, according to a growing number of scientists and engineers who are expressing doubts about America's rush towards nuclear power.

The 8555 residents of Montague and all the inhabitants of Western New England now must cope with an age-old problem:

Are enormous potential benefits worth enormous potential risks?

In 1965, the Atomic Energy Commission concluded that a major accident at a nuclear power plant would kill 45,000 persons, injure 74,000 more and cause $17 billion property damage.

The AEC's conclusions were based on a study of an 800 megawatt nuclear reactor. This year, the AEC will issue a report on possible damage from larger reactor units, such as the two 1150 megawatt reactors proposed for Montague.

The twin Montague units would create a great concentration of nuclear power in Western New England. A nuclear plan has been operating 25 miles west in Rowe, Mass., since 1960. Another nuclear unit has been at work 15 miles north in Vernon, Vt., since 1972.

The combined megawatt output from Rowe and Vernon is less than one-third the power to be produced by Montague's twin units.

Some critics of nuclear power say there is no time to lose if nuclear growth is to be controlled. One critic, William E. Heronemus, professor of civil engineering at the University of Massachusetts in Amherst, predicts that someday seven nuclear units will straddle the Montague Plains.

Many nuclear experts insist that nuclear power is a technological godsend. Without it, industry spokesmen say, there would soon be an energy shortage so severe it would make today's "energy crisis" look like child's play.

Critics say that nuclear safety problems are not just short-term ones. Lethal waste products from today's nuclear reactors remain highly poisonous for more than 200,000 years.

Today's scientists are questioning the morality of saddling future generations with the burden of safeguarding these toxic wastes. Critics argue that mankind hasn't proven politically stable enough to begin a "perpetual" safeguard of these wastes to insure its survival.

"We know of no government whose life was more than an instant by comparison with the half life of plutonium," writes Allen V. Kneese, a critic of nuclear power plants.

This year will be a year of decision for Montague. There will be hearings at which residents will get their chance to influence the fate of their community.

The coming decade will be years of decision for the whole country. Consumer advocate Ralph Nader has predicted the nuclear controversy will be the number one citizen concern in the next 10 years.

But the nuclear age, unknown to a large segment of the public, is already well past its infancy.

More than anyone else in the nation, residents of New England are finding that out.

Nuclear power plants already account for 20 per cent of the electricity produced in New England. Only five per cent of the national electrical supply comes from nuclear sources.

Of the 40 American nuclear power plants, six are in New England. Each state in this area, except Rhode Island, has at least one nuclear plant in operation or planned.

By the end of the century, according to industry estimates, there will be 200 nuclear units in New England and 1000 in the United States.

Nuclear power, it is hoped, will free the nation from dependence on increasingly uncertain foreign fuel supplies and dwindling domestic supplies.

A decade ago, when there were only seven commercial power plants in operation, there wasn't that messianic sense about them that one gets from their owners today.

But there were already well-defined worries. The major fear was of the unknown effects of periodic, though small, releases of radiation into the atmosphere.

Although some scientists say the effect of radiation, particularly on infants, is still unknown, the issue has subsided somewhat.

The AEC has satisfied some critics by tightening emission standards by a factor of about 100.

But new concerns have replaced radiation worries.

The "emergency core cooling system," a last line of defense for shutting down a malfunctioning reaction, may not work when called upon, critics say. The system has never been tested.

Should a reactor lose its cooling water by a number of possible malfunctions, its stock of fissionable materials would overheat and could melt through the protective steel and concrete vessels, critics argue.

In such an accident, thousands of times the amount of radioactivity produced by the 1945 Hiroshima bomb would be released into the environment.

Another major cause of concern is the fact that the development of many large-scale nuclear power plants the size of the Montague units would mean the introduction into the world of a substantial stock of the element plutonium.

Plutonium, which did not exist in nature in modern times, worries nuclear critics on several counts: it is highly radioactive; it remains radioactive for thousands of years; it is, perhaps most importantly, the prime ingredient in manufacturing nuclear weapons.

An amount of plutonium as small as a pollen grain would cause death if inhaled or ingested, scientists say. And a few kilograms, about the size of a grapefruit, is enough for construction of a small nuclear bomb.

Utility industry executives and planners do not dispute that risks are involved in developing a nuclear economy.

They argue, however, that the benefits of nuclear power are worth bearing the risks entailed.

And while the consequences of a large-scale nuclear mishap might be immense, the chances of one occurring are almost nil, industry and government leaders say.

Besides, they continue, there are risks involved in every industrial process, and in other methods of generating power.

"Do you think that there is not a risk involved when we tap hydro-power to build a dam" one utility executive asked.

"What would you say about an industry that kills 60,000 persons a year and injures hundreds of thousands more?" demanded an engineer. He was speaking of automobiles.

In their 16-year history, commercial nuclear power plants have yet to injure or kill a person outside the industry.

With an excellent past record to go on, nuclear power plants, which only a few years ago generated an insignificant portion of the national electric supply, appear ready to become the nation's number one electrical energy source, according to both AEC and industry estimates.

In New England, geographically removed from fossil fuel deposits, and devoid of any great river systems that might be tapped, the eventual seems to be coming sooner.

By 1982, according to Northeast Utilities President Lelan F. Sillin, Jr., as much as 70 per cent of that firm's electrical production may be generated in nuclear plants.

New England Electric System of Westboro, another utility holding company in this area (it owns Massachusetts Electric Co.) is also counting on nuclear plants for additions to its generating capacity.

"New England has no fossil fuel deposits of its own," said Dr. Harold Lurie, director of research and development for New England Electric. "For this area, the development of nuclear power was a godsend.

"The only conclusion you can draw, based on the logic of the situation, is to build more nuclear power plants in New England and to build them as fast as you can."

In the way they generate electricity, the only difference between fossil plants and nuclear reactors is the way they heat water.

Coal, petroleum, and natural gas are generally known as fossil fuels since they were formed by the decay of prehistoric plant life to their present forms.

When a fossil fuel is burned, bonds tying elements in its molecules are broken. As the atoms of elements in the fuel molecules "scramble" to recombine in new ways, a certain amount of energy is given off as heat.

At a typical steam turbine power plant, that heat is used by the utility to turn water to steam. Steam pressure turns a large magnet within larger coils of wire, and electricity is produced.

At a nuclear plant, the process is very much the same except for the source of heat.

Nuclear power gets its name from the bonds which hold particles together in the atoms' center, or nucleus.

Nuclear bonds happen to be stronger than the bonds which hold atoms together into molecules. So when a nucleus is broken apart, more energy is thrown off.

Some of that energy comes in the form of heat. At a nuclear power plant, the heat is used to turn a steam turbine in the same manner that a fossil-fired turbine works.

But by the special nature of a nuclear reaction, energy is also released in forms other than heat. Particles of varying sizes are radiated outwards by a fissioning—or splitting—nucleus. Hence, radiation.

Nuclear fission was first discovered by two German scientists in 1939.

Because of the oppressive nature of German society at that time, however, many of that country's physicists and other scientists fled to the United States.

Under the code name "Manhattan Project," they were mobilized along with thousands of native Americans for the U.S. war effort.

The results, as history records, were the bombs dropped in 1945 on Hiroshima and Nagasaki, ending World War II.

In 1954, Congress passed the Atomic Energy Act, which gave private industry the right to use atomic power. After a reluctant start, utilities soon embraced the technology.

Some present-day critics say that the powerful force of the atom was delivered for "peaceful purposes" to the utilities too soon, perhaps, out of a desire to ease American consciences after Hiroshima.

A more likely reason why fission technology was commercialized so rapidly is that it was a known commodity. There were already successfully-developed reactors for submarines.

Some critics of contemporary nuclear reactors say the availability of fission "blinded" engineers to alternative forms of energy, such as nuclear fusion—a potentially more plentiful and safer kind of nuclear reaction.

In a fusion reaction, the nuclei of small atoms are welded—or fused—together, creating atoms of heavier elements. An intense amount of heat is given off.

"Fusion has the potential for supplying all the energy we would need," said Massachusetts Institute of Technology Professor Norman C. Rasmussen.

"We've released it in explosive reactions (the H-bomb), but we are not yet able to produce it in a slow, controlled way," Rasmussen said in a recent interview at his office. "There is hope, though, that we may be able to do so in another 10 to 15 years."

While fusion and other potential energy alternatives such as solar energy are being researched, fission reactor development goes on.

Someday, fission plants like the Montague facility will be obsolete. Technicians still aren't sure what will happen to the structures. The general guess is that they will be "entombed," creating a new kind of Pyramid for the future.

Twenty years ago, nuclear energy was hailed as the cheap, abundant and clean source of energy of the future. A great many people still see it as such, yet it has proven to be not as cheap, abundant or clean as was envisioned.

The cost of electricity produced by nuclear energy—potentially cheaper because of easier mining and transportation costs—has been kept up by the high price of construction of nuclear plants and the high costs of unexpectedly frequent repairs at the plants.

The abundance of nuclear power—potentially limitless of "breeder" reactors (which create more fuel than they consume)—has been limited because of delays in getting nuclear plants into operation.

The cleanliness of nuclear power has yet to be convincingly demonstrated, according to Dr. George I. Weil, a nuclear consultant and a participant in the first atomic bomb test at the Los Alamos Laboratory in 1945.

Weil has written that "inefficiencies in nuclear plants present a serious threat of thermal pollution of the environment—producing about 50 per cent more waste heat than from conventional plants, for disposal into our waters and atmosphere."

Cooling towers for plants the size of Montague's proposed units emit an amount of water vapor equal to an inch of rain a day over two square miles, according to Allan Hoffman, an assistant professor of physics at the University of Massachustts.

There are disagreements among experts about every aspect of nuclear power plants. With the same information, nuclear scientists and engineers often reach different conclusions.

The Union of Concerned Scientists, a Cambridge, Mass., branch of the American Federation of Scientists consisting of about 100 scientists—many with professional nuclear field experience, has demanded a halt to nuclear development.

"We, and others who have made detailed scientific and technical investigations of the nuclear power program . . . have come no longer to regard nuclear power as a dream but as an ultra-hazardous technology that it is now wise to deemphasize and to avoid," the UCS has stated.

The UCS has drawn fire from AEC Chairman Dixy Lee Ray, who has won a measure of begrudging respect from nuclear critics for her willingness to respond to specific nuclear safety criticisms.

The anti-nuclear scientists, she said recently, "have jumped to conclusions on sketchy evidence and have dealt with their subject in a simplistic and casual way. We do not believe the people will be fooled."

There are now thousands of more people who will listen to the nuclear debate. Dr. Ray and the nuclear critics will contend for the people of Montague.

TWIN N-PLANTS: A BLESSING OR A CURSE?
BACKERS CITE NEED FOR PROGRESS, PROSPECT OF BIG CUT IN TAX RATE

(By Elliott Eisenberg and John Schidlovsky)

Milk tester Henry Wonsey—whose family has lived in Montague since the late 1800s—has mixed feelings about this "new idea."

Over succeeding generations, the Wonseys have seen a lot of new ideas come and go in Montague. The town has remained basically a rural outpost between the growing towns of Amherst and Greenfield.

Two years ago, Wonsey was one of thousands of area residents who fought a successful battle against a plan to use the Montague Plains as a dump site for Boston's garbage.

"That idea stunk from the bottom up," said Wonsey, a 55-year-old employe of the Franklin County Dairy Herd Improvement Association.

Today, another "new idea" has arrived in Montague, one that is threatening to revolutionize the character of the town and put it on the face of a national map.

PRIMARY SITE

Northeast Utilities has selected the Montague Plains as its primary site for a nuclear power plant, consisting of two giant nuclear reactors, to generate 2.3 million kilowatts of electricity by 1981.

The plant would be less than two miles from Wonsey's home in Lake Pleasant, one of the five small villages that combine to make up Montague.

"The main question I've got is the safety factor," Wonsey said. "You wouldn't walk down the road if someone was going to take a shot at you."

Bernard E. Tatro, owner of a Sunoco station in Turners Falls, Montague, thinks the proposed nuclear plant would be good because it would "bring industry into the area." Tatro lives less than a mile from the projected plant, in a home he built himself on the Montague Plains.

The potential dangers of the Montague plant are a source of concern not only to some of the town's residents, but also to persons living in its vicinity.

REGION-WIDE HAZARD?

William E. Heronemus, professor of civil engineering at the University of Massachusetts in Amherst, says the dangers of radiation leaks at Montague could be region-wide.

"The crudest type of analysis of what would happen to the Boston area if there were an accidental release at Montague Plains is just unbelievable," Heronemus said.

"If the Russians wanted to plant a delayed action nuclear warhead that would eliminate 50 per cent of the population of New England, they'd probably pick the Montague Plains," said Heronemus, who spent many of his 17 years in the Navy designing nuclear submarines.

Wonsey concedes he is no expert on nuclear power plant safety. The long hours of his job prevented him from attending the one public meeting at which the safety factor was debated.

SEEKS REASSURANCE

He's heard of the dangers of large-scale radiation leaks, however, and he said he wants some reassurance they won't happen.

"It'll be too late to worry about radiation after we've got some," he said.

With nearly 100-year-old roots in town, Wonsey is not lacking in civic spirit. He said he is sure the nuclear plant would "help the businessmen" and be "quite a tax relief."

Wonsey's neighbors on the Montague Plains are unanimous in their expectation of enormous tax relief. Only about one of every three Montague residents surveyed by The Union expressed any doubts about the wisdom of building the nuclear plant.

"It's a good idea.

"Without progress, people won't have anything," said Bernard E. Tatro, who has a 12-acre home less than a mile from the probable location of the power plant.

Tatro, owner of Bernie's Sunoco gas station in Turners Falls, thinks the nuclear plant would bring industry into Montague and would, in itself, represent a partial answer to the energy crisis.

"What we need are people who want progress here. I think the town can handle the growth," Tatro said.

Not all the town leaders are sure about their ability to handle the expected growth.

Selectman Henry G. Waidlich, who favors the nuclear plant, would like to see "controlled growth" in the town.

"Montague has traditionally been a rural town. Most of the people here would like to preserve that kind of character," said Waidlich, whose father came to Turners Falls from Germany in 1913.

"I don't favor a boom, multi-unit housing, new industry and so on," said Waidlich, an employee of the federal agricultural extension service in Amherst. "The problems they would create would be more than the town could handle."

SEWAGE TREATMENT SYSTEM

Such problems, Waidlich said, might include the town's limited sewage treatment system, which may not be able to process added sewage from new industry.

Another problem, the selectman said, would be school space. Montague's new grade-7-to-12 school has a pupil capacity of 1200. There are already 1100 pupils in it.

The solutions to these particular problems would be easy, according to another Montague selectman, Donald Skole, an insurance-man.

"When you have money, you can do just about anything you want to do, Skole said. "To build new schools would be an insignificant item."

Skole excitedly recited a list of improvements the tax dollars from the nuclear plant could bring to Montague.

"We need a fire station, a police station and a youth center. The town building needs to be upgraded. We've got 154 miles of road to maintain. We need highway equipment. We could use a park. We could build another school. We need new industry to put the local people to work."

Both Skole and Selectman Chairman Joseph Bonnette said the growth could change the "character" of the town if it were not controlled.

So far, nobody among town officials—including Assessor Chairman Robert Avery—is sure exactly how much the tax rate would drop after the nuclear plant were built.

Waidlich says the tax rate could dip from its present $65 per thousand to about $35.

Bonnette says the rate would plummet to about $25 per thousand.

Skole, the most enthusiastic, says the tax rate could go below $10 per thousand.

What is undisputed is that the plant—scheduled to cost $1.35 billion—would broaden the tax base of the town immediately. The total value of taxable property in Montague now is $40 million.

In Waterford, Conn., where Northeast Utilities operates its Millstone nuclear plant, the company pays the town more than $3 million in annual property taxes.

If Northeast paid Montague that amount, it would mean more than a doubling of the town's annual budget, which is currently a little more than $2.5 million.

In Vernon, Vt., 90 per cent of the town's budget comes from taxes paid by the Vermont Yankee Nuclear Power Corporation for its nuclear plant.

Vernon's tax rate has dropped from $68 per thousand before the Vermont Yankee plant was built in 1972 to $18 per thousand.

RATE DROPS IN ROWE

In Rowe, Mass., site of the Yankee Atomic plant, New England's first nuclear unit, the town's tax rate went from $62 per thousand before the plant began operating in 1960 to between $24 and $30 per thousand in the years since.

Given the prospect of such tax relief, it isn't too surprising that the surrounding towns of Montague have wanted to get in on the action.

A bill filed by State Rep. James G. Collins of Amherst calls for spreading out tax benefits from all energy-producing facilities in the state to neighboring communities.

Collins, who has cosponsored another bill giving the state power to monitor nuclear plants for radiation, said surrounding towns should "share the benefits as well as the risks."

SOME FEAR RISKS

That there might be some high risks involved with a nuclear power plant is the belief of about a fifth to a third of Montague area residents according to most estimates heard in town.

State Rep. Thomas G. Simons, Montague's voice in the Legislature, is one of those persons who is ambivalent about the plant.

"Montague sorely needs an economic infusion," Simons said in a recent telephone interview from Boston. "But the potential consequences—increased population, uncontrolled growth—have to be considered."

Simons said most Montague residents are not too concerned about safety because they feel living 25 miles from a reactor in Rowe is not much different from living a few miles from one in Montague.

"A lot of people also have the feeling that sooner or later something was going to happen to the Montague Plains," Simons said. "This plan, no question about it, has some real positive benefits."

PROSPECT OF JOBS

The prospects of new jobs is one of the benefits frequently mentioned around Montague, where the unemployment rate is one to two per cent greater than the six per cent jobless rate in the state.

According to Northeast Utilities, most of the jobs for the actual construction of the plant will be filled from outside labor forces.

Northeast engineers say the on-site construction labor force is expected to peak between 1977 and 1979, when there will be about 2300 employees.

About 250 of the construction workers will be temporarily quartered in Montague during the construction years, 1976–1981, Northeast spokesmen say.

During construction, there will be about 350 non-manual employees required, according to Northeast, which expects to hire about 200 local residents for these posts.

STAFF OF 175

Once the twin-unit plant begins generating electricity in 1981, there will be a permanent operating staff of 175 persons, almost all of them technicians brought in from outside, Northeast officials say.

Northeast has encountered some sporadic criticism for not making an attempt to canvass Montague's residents about their feelings on the proposed plant.

"It would have been helpful if they had surveyed the townspeople to get something reflecting attitudes of people," said Waidlich, who, along with his selectment colleagues, met with Northeast officials once in 1973.

"There's been a lack of education. All we get is public relations from the utility," said Robert May, an Amherst College psychologist and a member of Montague Nuclear Concerns Group, one of several anti-nuclear groups that were organized during the past year.

CITE SYMPOSIUM

Northeast officials deny they have handed Montague an "accomplished fact," and point to their participation in a nuclear power symposium in Turners Falls last October.

But some critics contend Northeast must do more to prove to the townspeople that a nuclear plant of the prodigious size proposed is absolutely safe.

"People are tied up with their own jobs, while the utilities have time and money and personnel to make their case," said Mrs. Portia Weiskel of Leverett, chairman of a new opposition group, the Hampshire-Franklin Committee to Safeguard Against Nuclear Dangers.

Since Northeast's Dec. 28 announcement that Montague is its prime choice for the nuclear plant, opponents and proponents have escalated their rhetoric and speak about the plant in less ambiguous terms.

NOT CONCERNED

Selectman Bonnette said last week, "I'm not concerned about the safety problem. Alarmists are the only ones who are concerned."

Skole, his colleague, said he believes "more emotional facts than real facts are being raised," and suggested that "those people who have a great fear" of nuclear plants should "consider moving away."

Heronemus said he was "keenly disappointed that the people of Montague have fallen for this. I think they are an economically depressed area, but I did not think they were a depraved area."

No one seems sure whether the nuclear debate in Montague will become a full-fledged controversy before the year is over.

In 1974, the two-year series of hearings in Montague and before agencies of the Atomic Energy Commission in Washington on the merits of the plant will get underway.

Local opposition groups, such as Montague Nuclear Objectors and the Montague Nuclear Concerns Group, are preparing to "intervene" in the AEC hearings.

But some opponents are gloomy about their chances.

"I don't think there's anything we can do to stop them," said May of Nuclear Concerns. "Local authorities have only nuisance power."

Rep. Simons, who says the next two years will require a "tremendous need for planning," pointing out that the most recently built nuclear plants have had "a lot of opposition."

"Montague won't be any different," he said.

Could large-scale opposition to the plant kill the facility?

"The community legally probably could not stop the plant from coming in," Simons said. "Politically, they could do a lot."

Where the Montague opposition forces have begun their campaign is in the area of nuclear plant safety. It is a concern in which they have a lot of company around the nation.

TWIN N-PLANTS: A BLESSING OR A CURSE? ACCIDENT COULD BE CATASTROPHIC, BUT CHANCES SAID VERY REMOTE

(By Elliot Eisenberg and John Schidlovsky)

In 1965, the Atomic Energy Commission dusted off an eight-year-old report on the safety of nuclear power plants and proceeded to update the study.

SHOCKING FINDINGS

Its findings were shocking; a major accident at a nuclear power plant would kill 45,000 persons, injure 74,000 and cause $17 billion in property damage.

The AEC and the nuclear industry maintain that the chances of such a major accident are so remote as to be almost nonexistent.

There are many experts in the nuclear field who don't agree the possibility is nonexistent.

The disagreement between the experts is confusing for laymen, such as the 8555 people in Montague who now find themselves with a lot to lose—or win—in the nuclear debate.

Montague, 40 miles north of Springfield, is proposed as the site for two 1150-megawatt nuclear reactors by 1981. Opposition to the plan is beginning to pick up among residents who are unsure of the safety of nuclear power.

DIRE PREDICTIONS

Already, dire predictions have been made about the extent of a catastrophic accident at Montague. A serious radiation burst could carry in the wind for hundreds of miles from

the plant, according to William E. Heronemus, professor of civil engineering at the University of Massachusetts.

Safety is the big concern of nuclear critics nationwide.

Last year, consumer advocate Ralph Nader and the environmental group Friends of the Earth joined in a lawsuit seeking a shutdown of half the nation's 40 commercial nuclear plants.

Alleging that "the lives of millions of people are being threatened by the operation of these plants," their suit claims that "a massive cover-up of most urgent reactor safety problems has been practiced by the AEC for years."

The Union of Concerned Scientists, a Cambridge, Mass., 100-member branch of the American Federation of Scientists, has demanded a halt to all new nuclear power plant construction.

"The public safety problems associated with nuclear power constitute ample justification for a curtailment in this country's nuclear power plant construction," the UCS said.

Dr. Dixy Lee Ray, chairman of the AEC, has recently accused Nader and the UCS, her most vocal critics, of using "innuendo and inaccuracies to build a case against nuclear power largely on emotional grounds."

The nuclear industry says it has had an excellent safety record. Not a single member of the public has lost his life from an accident at a nuclear plant, the industry says.

There have been accidents involving death or injury in other than commercially operated power plants. In 1961, for example, three technicians were killed following a severe burst in the AEC's reactor testing station in Idaho.

According to both industry and its critics, nuclear power plant safety is a controversy increasing with the growing number of facilities. Today, there are 40 nuclear plants; by the end of the century, there will be 1000, according to industry estimates.

WON'T BLOW UP

All parties are agreed a nuclear power plant cannot "blow up" like an atom bomb. But during normal operation, present day reactors build up several thousand times the amount of radioactivity released over Hiroshima.

Critics of the safety of nuclear power plants have four major areas of concern:

1—The emission of low-level radiation,

* * * * *

For the first decade of nuclear power plant growth that began in 1957, the primary safety concern was the amount of low-level radiation emitted into the atmosphere near a plant.

A Pennsylvania scientist, Dr. Ernest J. Sternglass, has claimed to have findings showing a fifty-fold increase in cancer and leukemia among children living near the first nuclear plant in Shippingsport, Pa.

MEETS CRITICISM

His findings have been highly controversial and discounted by some of the nuclear critics themselves as unreliable. However, it is agreed that the long-range effects of radiation emission is still unknown.

Allan Hoffman, assistant professor of physics at the University of Massachusetts in Amherst, is making his own study of radiation releases from the nuclear plant in Vernon, Vt., 15 miles north of Montague.

Hoffman and his assistants have placed 45 passive radiation detectors within a five-mile radius of the plant, including five detectors with the plant gates.

A year ago, the monitoring system detected "an unusual burst," Hoffman said, with some "high but not dangerous levels," recorded near the Vernon Elementary School, just across the road from the plant.

Several years ago, the permissible standards of radiation release was 500 milirams a year per person. The AEC has now set standards at five milirams a year, which is, as Hoffman points out, less than what the average person receives from natural and medical sources.

* * * * *

amounts of radiation that might be negligible for most people might still be harmful for others, particularly young persons.

"It's known that the younger the human organism is, the more sensitive to radiation he is," Hoffman said. "The human foetus may be 100 times more radiosensitive than adults, but this is very uncertain now."

The proposed Montague plant, together with existing nuclear units at Vernon, Vt., and Rowe, Mass., would be located right in the middle of one of New England's largest "college belts."

Within a 50-mile radius from the center of the triangle formed by the three nuclear plants are more than 16 colleges and universities, with an enrollment of more than 60,000 students.

With radiation worries have eased somewhat, the main safety concern now is the emergency core cooling system, the last-resort system designed to flood the reactor with water in case of an accident.

The critics say the system is untested. They point to a series of small-scale model tests at the AEC's Idaho facility in 1970 that uncovered some unexpected failings in the cooling system.

A reactor must constantly be cooled. An accident in which the coolant is lost is the most catastrophic potential accident at a nuclear plant.

If a reactor core is left uncooled, the radioactive wastes in it would generate enough heat to melt through the steel and concrete wall of the reactor, releasing deadly radioactive particles to the environment.

This is the type of "maximum credible accident" postulated by the AEC in its 1965 safety report citing the possibility of some 140,000 casualties.

ESTIMATES VARY

Estimates vary about the chances of such an accident. The AEC say the odds are about one in 100 billion a year.

Lawrence E. Minnick, vice-president of Yankee Atomic, calculates the chances of a loss-of-coolant accident together with failure of the emergency cooling system as one in several quadrillion.

Norman C. Rasmussen, professor of nuclear engineering at Massachusetts Institute of Technology, says the probabilities of a large radioactive release as less than one in every 100,000 reactor-years of operation.

The Union of Concerned Scientists, however, charges that some of the AEC's own scientists have doubts about what the odds really are. The UCS has claimed that the AEC has tried to censure its own reports about the effectiveness of the reactor safety system.

"Until they correct demonstrated flaws in the safety systems, it doesn't make sense to develop this technology," said Daniel F. Ford, a former Harvard economist, now working fulltime for the USC.

DISPUTE WILL REMAIN

The numerical probabilities of such a catastrophic accident will likely remain in dispute this year. The adequacy of the cooling system might be resolved by the AEC's first actual test of the system, scheduled for 1975.

Assuming such a highly-improbable accident did occur in a western New England plant such as the proposed one at Montague or the existing ones at Rowe or Vernon, what would be the results?

"It would be the largest peacetime disaster event," says Jay W. Stryker, a radiation and safety officer at the University of Massachusetts and a member of a 32-man team that would coordinate evacuation in the area.

Once it was known a cloud of radioactive dust was drifting from one of the nuclear plants, Stryker would have to rush to the state police headquarters at Northampton, where hurried evacuation plans would be made.

"Present disaster procedures are a sorry state of affairs," Stryker said. "I don't think anyone really knows what to do."

Evacuation would be difficult to coordinate, Stryker said, because the "path" of a radiation cloud would depend on the wind. The total amount of radiation carried from Montague after a major accident would be up to 10,000 times more than the amount released in the bomb at Hiroshima.

The UCS has said that, under most unfavorable conditions, lethal effects could spread 75 miles downwind in a strip two miles wide. Injuries could occur 200 miles away.

None of this has ever happened, of course, either in the United States or in any of more than a dozen foreign countries where nuclear reactors are in operation.

Thirty nations have announced plans for operating commercial nuclear power plants. These countries include such relatively undeveloped ones as Jamaica, Bulgaria, Finland, India, Pakistan, Korea, Romania, Thailand, and South Africa, as well as more technologically advanced countries.

Nuclear safety is a world wide phenomenon. But in each community, the issue is still the same:

Is it safe to live with a nuclear plant in one's back yard?

TWIN N-PLANTS: A BLESSING OR A CURSE? CRITICS FEAR POTENTIAL DIVERSION OF MATERIALS USED IN A-BOMBS

(By Elliot Eisenberg and John Schidlovsky)

The Montague Plains is a sandy stretch of flat land dotted with aromatic pine trees and tangled shrub oak plants.

FEW HOUSES

There are few houses on the Plains. Here and there, a dog pokes at a jalopy "dying" in some overgrown former back yard.

It's a wasteland worth an awful lot of money.

If the U.S. Atomic Energy Commission and other regulatory agencies give their approval, the Montague Plains will have a $1.3 billion nuclear power plant for a tenant in 1980.

Montague will then be a world famous community. University students around the world will read its name and look at photographs of it in their physics text books.

One of the reasons why Montague's nuclear plant will be in the spotlight is that it would be one of the earliest large-scale, million-kilowatt-or-more-producing plants.

As this new "giant" generation begins to move on line, nuclear critics are beginning to escalate their safety criticisms. They are worried that the wrong kind of people will also put Montague on their maps.

Ten years ago, in the early days of the commercial nuclear age, critics were worried about radiation routinely emitted from power plants. The AEC has since lowered the amount of radiation plants can release.

In the last five years, critics have switched their concern to a nuclear reactor's "emergency core cooling system," the last line of defense against a catastrophic meltdown of the reactor core.

The AEC has responded by lowering the maximum permissible temperature of the core and has scheduled a big test of the emergency cooling system for next year.

ANOTHER ISSUE

Now, the critics are setting their sights on another safety issue that looms as the most controversial nuclear concern yet: the potential diversion or theft of fissionable materials that are used to make atomic bombs.

"Each one of these reactors contains enough plutonium for making many atom

bombs," said David R. Ingles, a professor of nuclear physics at the University of Massachusetts.

"A pound of plutonium can cause nine billion cases of lung cancer," said Daniel F. Ford, a former Harvard economist now working fulltime on nuclear power plant safety.

"By the year 2000," Ford continued, "the nuclear industry will be producing 88 tons of plutonium a year as a byproduct."

EXPERIENCE IN FIELD

Inglis, unlike Ford, has personal experience in the nuclear field, having worked in the wartime "Manhattan Project," the development of the first atomic bomb.

He helped to build the world's first nuclear reactor, which was used to obtain the products needed to make the 1945 Hiroshima and Nagasaki bombs.

"My number one reason for not wanting to see nuclear reactors proliferate is that I'm afraid of what might happen to the plutonium that is involved," Inglis said in a recent interview.

"I don't think that we can go for decades with nuclear reactors without, say, a South American country declaring nuclear war," he said.

It has been generally agreed for some time among the nuclear community that the "secret" of the atom bomb is no longer that.

STEP-BY-STEP ACCOUNT

As the subject of a recent series of articles in a national magazine, Theodore B. Taylor, a Manhattan Project participant and an inventor of several "compact" atomic bombs, gave a step-by-step description of how someone who acquired a few pounds of plutonium and had unclassified information could make a crude atom bomb in his cellar.

The series on Taylor shocked and greatly angered persons in the nuclear industry. A spokesman for the Atomic Industrial Forum, a nuclear industry trade organization, wrote to The Union:

"It's quite quite true, as (the articles' author) says, that just about everything in the series apropos bomb design can be found in the library, but (he) has advanced the state of the terrorist's art by neatly packaging it all.

"If my reaction seems overheated, let me add quickly that diversion of fissile material is a potentially serious problem; it is treated as such by the AEC and the industry.

SHARP DISAGREEMENT

"Where we disagree sharply with the Taylors of this world is on their contention that we are trying to lock the barn door after the horse is out.

Taylor and other scientists are concerned about the possible sabotage of a nuclear facility and "nuclear blackmail" by terrorists or subnational organizations.

One of the most vulnerable points in the nuclear fuel cycle, the industry has conceded, is when reactor fuel is sent to be processed at a reprocessing plant. Here, the plutonium is concentrated—only about six kilograms, an amount the size of a grapefruit, could provide a nuclear explosion.

The AEC projects that within 50 years, there will be 100 railway cars daily loaded with used reactor fuel on their way to or from reprocessing plants.

TOUGHER SAFEGUARDS

The AEC has recently announced new, tougher safeguards to protect this dangerous material in transport and at various sites along the reactor fuel cycle, such as the 3000-acre storage facility in West Valley, N.Y., home of the largest private stockpile of plutonium in the world.

Critics are still worried about the security of fissile material as it speeds along public highways and rail systems. Only last year, routine shipments of nuclear materials were banned from commercial passenger aircraft.

Plutonium has another danger that worries critics aside from its potential use in weapons. A highly radiotoxic substance, it remains deadly for thousands of years. Once dispersed, it persists essentially "forever."

There are other radioactive wastes besides plutonium that are long-lived. Strontium and cesium wastes produced by nuclear reactors have half-lives of about 30 years. That's how long it takes for them to become half as radioactive.

Plutonium has a half-life of 24,000 years.

NO AGREED-UPON PLAN

There is, at present, no agreed-upon plan to deal with these wastes. The AEC has abandoned plans to bury deadly wastes in abandoned salt mines in Kansas because of the discovery of underground water tables there.

Wastes are being kept temporarily in underground storage tanks at the AEC's storage facility in Hanford, Wash. Critics point to at least 15 leaks of the lethal material, totaling about 550,000 gallons, since 1958, as one hazardous result of "temporary" storage.

The AEC has said that none of the spilled radioactive waste has reached ground water.

The problems of waste storage have created what some scientists see as a moral dilemma. Safeguarding the highly-poisonous wastes will be a job passed down from generation to generation for possibly thousands of years.

"FAUSTIAN BARGAIN"

In a now-classic article in Science Magazine, Alvin M. Weinberg wrote that nuclear people have made a "Faustian bargain with society."

Weinberg sees the evolution of a world "priesthood" of atomic managers and technicians who will minister over radioactive wastes that could wipe out the world.

His conclusion is that the price of "eternal vigilance" is "well worth the price" of "an all but infinite source of relatively cheap and clean energy."

The limitless source to which Weinberg refers would come from a different kind of reactor—the breeder—than those in current use.

CREATES MORE FUEL

The breeder, which as its name suggests, creates more fuel than it consumes, is highly regarded by the nuclear industry as the logical answer to its problem of under-utilization of uranium supplies.

However, the breeder reactor is a favorite target of nuclear critics, since it will contain high concentrations of plutonium. A tenth of one per cent of the plutonium in a single breeder would be enough for a good nuclear weapon.

Development of breeders has been slowed by cost overruns of hundreds of millions of dollars. The AEC and the Nixon Administration are pushing to have the first commercial breeder on line in a decade, and are giving it high-priority funding.

Critics like Ford, the Harvard economist, are asking for a slowdown of nuclear development.

"I admit it's not practical to shut down 40 reactors," Ford said. "What is needed is a speed limit and tighter regulations on nuclear power development."

Many critics argue that the AEC has a conflict of interest in that it is the agency charged with promoting the use of atomic energy and also the agency responsible for regulating the use.

In recent years, the AEC has taken steps to divorce its regulatory boards from its policy-setting committees, but the conflict of interest accusations are still heard.

Another regulatory body that has met with criticism is Congress's Joint Committee on Atomic Energy, created as a "watchdog" over the AEC. Critics say it has been a cozy bedfellow of the agency, "rubber-stamping" the AEC's plans.

SOUGHT REPEAL

Some congressional critics of nuclear development, such as Alaska Sen. Mike Gravel, have sought repeal of the 1957 Price-Anderson Act, which provides for public liability in case of a reactor accident.

The act sets a limit of $500 million per accident. Utilities would have to pay no more than what they can get from the insurance industry—$95 million, with the balance paid by taxpayers.

Critics like Gravel say the utilities' insistence on the protection of the Price-Anderson Act undercuts their claims that nuclear plants are safe. The utilities have said that if Price-Anderson were repealed, they would build no more plants.

This year, the Joint Committee is planning to hold hearings on "the possible extension or modification of the Price-Anderson Act," which is scheduled to expire Aug. 1, 1977. The hearings loom as stormy ones.

SOUGHT MORATORIUM

In March of last year Gravel introduced a bill asking for a moratorium on new power plant construction until the industry's safety were proven.

Utility spokesmen say a moratorium would create economic hardships for the nation. Critics generally doubt the country would be hard hit if nuclear development were stopped now.

Dr. Paul Ehrlich, author of The Population Bomb, recently described nuclear power development as "the most colossal shuck I have ever seen in the United States."

"It is a way of boosting those already outrageous profits that are being made in a couple of industries . . . who produce the junk for the nuclear plants," Ehrlich charged.

Jay W. Stryker, radiation officer at the University of Massachusetts and one of the Massachusetts and one of the men in charge of evacuation in case of an accident at a nuclear plant there, agrees with Ehrlich.

SEES "STAMPEDE"

"We're being stampeded into a nuclear future and passing on a radiation legacy to generations. The purpose of it all is electricity, and most electricity I see is being wasted," Stryker said.

"The utilities are being very short-sighted. They're doing 10-year planning where they should be doing 100-year planning," he said.

The utilities vehemently dispute that they are artificially stimulating electrical demand. They say they have immediate estimated consumer needs they must satisfy.

At today's nuclear power plants, the employees aren't much concerned with philosophical questions. Their interest is to see that power gets to the people.

FOES CITE FAULT

Among the dangers of the nuclear plant proposed for the Montague Plains cited by opponents is the existence of a geological fault running near the planned site of the $1.35 billion facility.

In an interview last week, Robert May of the Montague Nuclear Concerns Group said the geological fault under the Plains could represent a grave danger to the twin-unit nuclear plant.

"The Plains sit over the major water table for Franklin County," May said.

Yesterday, the Hampshire Geological Associates, a group of 30 professors from the Amherst area, warned Montague selectmen in a letter that the fault could present obstacles to construction of the plant.

The group said that the fault "does not automatically rule out the site for the power plant" but "makes it more difficult to engineer."

Selectmen Chairman Joseph Bonnette said last week he thought the fault is "not a wide one." However, the geologists said the fault

is part of a system that is known to run from Claremont, N.H., to Long Island Sound.

Another Montague selectman, Donald H. Skole, Tuesday discounted possible danger from the fault. Skole said the geologists pointed out in their letter there was no evidence of movement along the fault in 180 million years.

TWIN N-PLANTS: A BLESSING OR A CURSE? WORKERS' FAMILIES AND FRIENDS HAVE CONFIDENCE IN PLANT SAFETY

(By Elliot Eisenberg and John Schidlovsky)

Deep in the back woods of northwestern Massachusetts, 50 miles from Springfield, a hilly road leads past the town of Rowe to what is now a New England institution: the Yankee Atomic nuclear power plant.

SET ON BLUFF

A visitor arrives at the end of this semi-paved road to find the Yankee Atomic Information Center. Set on a high bluff overlooking the deep-blue pond and the white dome of the plant, it is fitted with large picture windows.

Two men in windbreakers can be seen below, rowing on Sherman Pond. They look like fishermen, casting out and pulling in lines from the water.

These are not fishermen, though anglers do come here. A photograph prominently displayed in the visitors center shows a happy-looking man holding a fish.

The men are biologists, checking the pond's water for temperature and radioactivity levels.

NO EFFECT ON FISH

Neither fish nor plant life in Sherman Pond are affected by radiation from the reactor, according to Roland Emery, a spokesman for Yankee Atomic.

The Rowe plant, in fact, seems hardly to affect anyone in town, judging by the lack of any concern about the facility in town.

Now an accepted part of the landscape, Yankee Atomic is one of the venerable "granddaddies" of commercial nuclear installations.

When it was completed in 1960, Yankee became only the third nuclear power plant in commercial operation in the country.

Since then, a total of 40 nuclear plants have come on line in the United States, generating about five per cent of the nation's electrical supply.

MAY BE 1000 PLANTS

By century's end, there may be 1000 nuclear plants in the nation.

And one of the biggest ones might be in Montague, about 40 miles east of Rowe on Route 2. The twin-unit Montague plant would dwarf the Rowe facility.

Each of the proposed Montague units would generate six times as much electricity as the Rowe plant, power badly needed in a time of energy shortages.

Northeast Utilities officials are hoping someday the Montague plant will win the same kind of acceptance the Rowe one has.

Montague officials are earnestly hoping that the twin generating stations there would generate not only electricity, but also the same sort of tax base that has helped Rowe since Yankee Atomic was built.

90 PER CENT OF TAXES

Yankee Atomic pays more than 90 per cent of the taxes of Rowe, which has a population of about 300.

Northeast Utilities, which announced the Montague site Dec. 28, is already at work expanding its facilities at Waterford, Conn., 75 miles south of Springfield.

There, on the shores of the choppy Long Island Sound, Millstone 1 has been generating power since 1970.

Next to it, Millstone 2 is going up. About 1200 construction workers, resembling bees swarming over a hive, are putting the finishing touches on the huge outer containment structure.

And in 1979, there will be a Millstone 3 next to the other two plants. The three units will be able to produce almost 15 times as many kilowatts as are generated at Rowe.

Additional reactors are planned for Plymouth, Mass., and Seabrook, N.H. By 1980, every New England state except Rhode Island will have at least one nuclear power plant of its own.

The people who work at nuclear power plants would be the first to criticize the plants on safety grounds, according to Ralph Brisco, plant service supervisor at Millstone.

"We're our own best critics. Our families and friends live here," Brisco said. "We're not concerned about safety because we know how dependable the safety systems are."

To enter a nuclear power plant such as the Millstone units or Rowe it is necessary to sign in at security stations.

BADGES AND METERS

Visitors as well as employees are required to wear film badges and sometimes small meters, called dosimeters for measuring the amount of radiation they receive.

A film badge which indicates substantial exposure would lead to an Atomic Energy Commission inquiry, according to George Fox, a public affairs spokesman for Northeast. He led two reporters from The Springfield Union on a tour of the Millstone Units recently.

Millstone 2 is still under construction, allowing visitors a chance to see that part of an installation inside the "bubble."

The dome, which is made of steel-reinforced concrete, is said to be strong enough to withstand the direct hit of a jumbo-jetliner.

SEPARATE BUILDINGS

Beneath the dome at Millstone 2, workmen are currently assembling the reactor and turbine portions of the facility. The two systems are housed in separate buildings.

Six companies in the United States make nuclear reactors. They are General Electric, Westinghouse, Babcock and Wilsox, Combustion Engineering, Gulf General Atomic and Allis-Chambers.

There are two basic types of reactors, used in all but one of the 40 commercially operated nuclear power plants: pressurized water reactors and boiling water reactors, which are proposed for the Montague Plains.

As their names imply, water is a key ingredient in these reactors. Its primary functions are to carry away the heat generated by fission and to act as a coolant in the reactor.

Nuclear power plants like those at Millstone and Rowe are not radically different in theory from conventional fossil-fired generating stations.

WATER HEATED TO STEAM

At all power plants, water is heated to steam which turns an electric generator. Nuclear plants reply on the energy of splitting atoms for their heat, while conventional plants simply burn their fuels.

The fuel used at nuclear plans is uranium, in the form of small, metallic pellets sealed into long, metal-clad tubes.

A chain reaction of splitting uranium atoms is initiated inside a reactor core. The chain reaction is controlled by the use of rods that are inserted to absorb the flying particles from atoms.

After the uranium atoms have been split to produce the needed energy, there remain other atoms of lighter elements, many of them radioactive, which must be disposed of just as ashes from a coal-fired plant must be.

LICENSED BY AEC

A nuclear power plant, operated by a utility, is licensed by the Atomic Energy Commission, which must conduct a series of hearings that sometimes stretch into years, before operations begins.

The time it takes between the time a plant is proposed and when it generates its first spark of electricity has been a source of aggravation for the utilities, which want to see shorter "lead-times."

Lawrence E. Minick, vice president of Yankee Atomic, the operator of the Rowe plant, has complained that, "nuclear power's major disadvantage at the present time is the very long time required to bring a project to fruition."

"Yankee Rowe and Connecticut Yankee required between four and five years," Minick said. "Now we allow 10 years and even that is not really assured.

"There are many contributory causes to this drastic change but one of the major ones is the long, involved, and unpredictable approval process involving nearly every governmental agency you ever heard of," Minick said.

WANTS TIME REDUCED

President Nixon last year said he wanted the average lead time for nuclear power plants reduced from 10 years to six. Critics worry that such a speed-up would crimp safety review procedures they claim are already insufficient.

A utility, to obtain licenses to operate a power reactor, must begin with an application to the AEC, describing design, location and safeguards of the proposed plants. This is what Northeast Utilities is now preparing for the Montague unit.

The AEC's Division of Reactor Licensing reviews the application and submits its analysis to the AEC's Advisory Committee on Reactor Safeguards, which makes a report available to the AEC and to the public.

The next step is for a public hearing by an AEC-appointed Atomic Safety and Licensing Board, which would be held in the Montague area. State and local officials and residents may testify as "intervenors." This hearing may be prolonged several years.

The Safety Board then decides whether or not to grant the license. Its decision is reviewed by the five-member AEC which then grants or denies a construction permit. Once construction is completed, the utility then must go through the same steps to obtain an operating permit.

HEADACHE OR INADEQUATE?

While this procedure is seen by utilities as a time consuming headache, many critics claim it is inadequate in that it leaves all decisions to the AEC, which is also charged with the responsibility of promoting nuclear power use.

The London Economist, in a recent story comparing American and British nuclear development, said the AEC had "supervised the introduction of nuclear power in an arrogant manner and without the supervision of an independent nuclear power safety inspectorate, of the kind that Britain possesses."

State officials in Massachusetts generally recognize that the state is powerless to legally override the AEC, if the federal agency allows a utility to build a nuclear plant here.

However, a recent bill filed by State Sen. Chester G. Atkins of Acton and cosponsored by State Rep. James G. Collins of Amherst, would give the state some powers it doesn't have now to monitor and inspect nuclear facilities.

The bill, similar to one that failed in 1972, authorizes the Department of Public Health to establish radiation monitoring stations near plants; conduct periodic surveys and inspections of the plants; publish its annual findings, and require annual permits for each facility.

The DPH permits would carry a fee of two cents per every kilowatt if licensed thermal rating. The Rowe plant would have to

pay $11,000, the Plymouth plant $40,000, while the Montague twin-units would have to pay the state about $150,000 a year.

Those amounts are "peanuts" compared to what the utilities are planning to spend on new nuclear construction.

The fee amounts are also negligible compared to what the industry says are the vast benefits to the nation and the world, from nuclear power.

HOW SAFEGUARDS WORK

Vermont Yankee nuclear power plant in Vernon, Vt., was the scene recently of a malfunction that illustrates what might go wrong at a nuclear power station, and how the systems may cope with it.

TESTING CONTROL RODS

On Nov. 7, technicians at Vermont Yankee had been testing the reactor's control rods. In the course of that testing, they had installed a jumper-wire, bypassing one of the safeguard systems.

The bypass allowed a technician, who had no idea of its existence, to begin withdrawal of a control rod while another was already fully withdrawn. An unexpected chain reaction occurred.

Within two seconds, however, the reactor was "scrammed", or shut down. The scram was set off automatically by a neutron monitor within the reactor.

Concurrent with the automatic scram, according to Vermont Yankee officials, the operator at the controls was also in the process of replacing the withdrawn control rods.

TWO INFLUENCES

Had the control rods failed to shut down the system, Vermont Yankee officials point out, there are two moderating influences that would have been set off naturally.

One involves the water within the reactor core.

A nuclear reaction works better if the neutron particles which trigger it are slowed down. It is partly for that reason that there is water in a reactor core.

In a boiling water reactor, such as Vernon's, as soon as the process begins to overheat, water in the reactor core boils, and consequently bubbles.

The bubbles fail to slow down neutrons as liquid water would, and the reaction is slowed.

TOLERABLE LEVEL

While the reaction would not cease, according to engineers at Vermont Yankee, it would not exceed a certain, tolerable level.

Furthermore, engineers there say, what is known as the "Doppler Effect" would come into play.

At most nuclear power plants, including the ones in this area, the fuel used contains only two to four per cent Uranium-235, which is fissionable. The rest is Uranium-238, which is not.

As the temperature of a fuel rod assembly rises, the engineers say, Uranium-238 begins to absorb neutrons.

Without neutrons to trigger the reaction, it begins to slow.

The much discussed "emergency core cooling system" (ECCS) would not come into play in a reactor emergency unless a pipe supplying the reactor with water had broken or ruptured.

As a result of alleged violations of AEC procedures, Vermont Yankee disclosed last month, fines totaling $15,000 are expected to be levied on the facility.

TWIN N-PLANTS: A BLESSING OR A CURSE?
CONSULTANTS ASSURE UTILITIES: A-POWER BEST BUY FOR MONEY

(By Elliot Eisenberg and John Schidlovsky)

Utility company executives have one big reason why they are so enthusiastic about nuclear power plants. Given the alternatives, they say, nuclear power is the best buy for their money.

BEGAN YEAR AGO

A case in point, one that led to the choosing of Montague as a site for the proposed "giant" twin-unit nuclear power plant, began one year ago.

At that time, Northeast Utilities wanted to know whether it should rely on coal, oil or nuclear energy for its planned added electrical capacity for 1981.

To help it make the choice, Northeast hired the firm of Arthur D. Little, Inc., of Cambridge, nationally-known management consultants.

The Little team—headed by John F. Hogerton, a leading expert in the field of nuclear engineering and author of booklets for the Atomic Energy Commission—advised strongly in favor of going the nuclear route, on the basis of cost and fuel availability factors.

PREFERRED SITE

Two weeks ago, Northeast picked Montague, a small, rural town 40 miles north of Springfield, as the preferred site for its nuclear plant to begin operating in 1981.

Lelan F. Sillin, Northeast president, said the nuclear route had not been a foregone conclusion.

"New energy technologies now in varying stages of research and development, for example deep geothermal and solar energy sources, controlled fusion, magnetohydrodynamics, fuel cells and coal gasification, were considered," he said.

"But they were not found to be realistic alternatives for the time period in question," Sillin said.

Some critics of the nuclear industry say the kind of cost-benefit analysis that Arthur D. Little did for Northeast—which led to the Montague selection—is incapable of considering all important factors.

IGNORES RISKS

Such analysis ignores risks inherent in the other links of a nuclear fuel cycle—such as the possibility of fissionable materials being diverted to nuclear weapons use.

"Cost-benefit analysis cannot answer the most important policy questions associated with the desirability of developing a large-scale fission-based economy," wrote Allen V. Kneese, in a paper prepared for the Atomic Energy Commission.

"To expect it to do so is to ask it to bear a buredn it cannot sustain. This is because these questions are of a deep ethical character."

Other critics charge that if the nuclear industry had to pay for costs which are borne by the government or society, nuclear reactors would never be built.

EXTERNAL COSTS

"Nuclear utilities would go out of business due to the competition with coal if they ever had to pay any of the external costs that society now bears for them," according to physicist Amory B. Lovins, a former Amherst resident now with the environmental group, Friends of the Earth.

Hidden "costs" of nuclear plants include the price of uranium miners' lung cancer, disposing of wastes at the milling and fuel-reprocessing stations, damage to human chromosomes, insurance against nuclear accidents and research and development investments, Lovins wrote in the Bulletin of the Atomic Scientists.

Utility spokesmen respond that every industry involves a certain amount of risk to be borne by society.

"If we burn coal instead of nuclear power, just institute black lung disease for coal miners in place of lung cancer at uranium mines, for instance," said Dr. Norman C. Rasmussen, professor of nuclear engineering at Massachusetts Institute of Technology in Cambridge and a consultant to the nuclear industry.

TRANSPORTATION COSTS

Coal could be a desirable alternative to reliance on nuclear power but there are serious problems with it, especially in New England, where transportation of coal is a significant expense.

"Coal-fired plants the size of those going up in Montague would burn 10,000 tons of coal a day," Rasmussen said. "That is the amount hauled on a 100-car train and it involves a massive amount of soot and ashes."

"Mining that coal will kill a lot of miners and ruin a lot of land digging it out," he added.

Building oil-fired plants leaves the utilities vulnerable to the uncertainty of fuel supplies, industry people say. And because of political troubles in the Middle East, the price of fuel oils has gone up dramatically.

Oil which sold for about $4 per barrel a year ago is now selling for four times that and more, according to James R. Smith of the New England Power Planning (NEPLAN) agency in West Springfield.

ENGINEERS SHUDDER

In a time of short oil supplies, utility managers and engineers shudder when they consider what they would have to do if nuclear plants in New England burned oil instead.

"Our nuclear power plants save the amount of oil needed to heat 250,000 New England homes. That's a lot of oil we don't have to buy from the Mideast," Rasmussen said.

Utilites are counting on power demand increases. According to Smith, the power industry in New England must increase its megawatt capacity from its present 18,000 to 34,900 in the next decade, in order to keep up with the growth of customers' demands.

One megawatt—a million watts—is enough energy to illuminate 10,000 100-watt light bulbs at once. Current capability of New England power companies could illuminate 180 million such light bulbs simultaneously.

MUST BOOST CAPACITY

Over the next decade, the companies estimate they must boost capacity to be able to light an additional 169 million 100-watt light bulbs.

About one-third of this additional planned capacity is to be nuclear, according to an industry report for New England.

"Even more of the increase would have been nuclear, but for the lead times," Smith said. "Five or six years ago we could site and build a nuclear plant in five years. The same process is now taking 10 years."

The eventual alternative to nuclear power as we now know it is another kind of nuclear power, many observers say.

THERMONUCLEAR FUSION

Planners in the utility industry, as well as critics outside it are waiting for the development of thermonuclear fusion.

Fusion is a process of tapping the energy within atoms by welding them together, rather than the current method, fission, of splitting them apart.

Some say that the risks of fission, or reactors as we know them, will eventually diminish as their use is supplanted by fusion reactors.

"Fission is an interim form of energy, a matter of only this generation," said Isaac Asimov, scientist and author of a primer on nuclear power.

"What we are really waiting for is nuclear fusion," said Asimov, in a telephone interview from New York.

OR DOING WITHOUT

One of the more widely discussed alternatives is doing without the power that nuclear—or other fuels—can bring.

Even in Montague, where the town expects to reap several million dollars in tax revenues because of the proposed power plants, growth remains a touchy subject.

"A boom would not keep pace with the services the town could provide," said Montague Selectman Henry G. Waidlich.

Northeast Utilities and most utility executives believe the additional risks which

society must bear for nuclear power are worth its electrical energy.

QUOTES REPORT

In a recent speech to Connecticut businessmen, Sillin quoted from a report issued by the Commission on Population Growth and the American Future.

"Energy makes the difference between poverty and affluence," the report stated. "The reason per capita income in the United States is so high is that the American worker has at his command more energy, chiefly in the form of electricity, than any other worker in the world."

Wally French, a stock analyst who follows the Northeast and New England Electric equities, said many politicians have underestimated the extent to which most people would go to retain their affluence.

"If they were to take a poll," French said by telephone from Argus Research Corp. in New York, "I think most of us would rather take the risks involved and have the power."

And the only way in which enough power can be generated at a cost to society to afford it and continue to grow, utility men say, is with nuclear reactors.

"Most critics are not only against nuclear fuels," charged Rasmussen. "They are also against more development."

"They understand that what leads to more development is more energy. But until we figure out how to keep a viable economy without growth, we need the energy."

MAY SLOW DOWN

Because of the changing nature of the world energy situation, utility men concede, the growth in use of electricity may be about to slow down.

In the heating of homes, offices and of water supplies, for instance, solar-powered systems which operate without the use of electricity or other fuels are already on the market.

In the past ten years, utilities have reduced by one per cent, to 7.5 per cent, their forecasts for the annual growth in demand for electricity. But 7.5 per cent per year is still a substantial rate, according to Rasmussen.

The development of alternative systems beyond coal, oil and nuclear sources is being hindered by the same force that is speeding use of nuclear reactors: money.

SYSTEM OF WINDMILLS

A system of electric generating windmills 20 miles offshore in the Atlantic could provide power for New England as well as nuclear sources could, according to a proponent of such energy use, Prof. William E. Heronemus of the University of Massachusetts at Amherst.

But its cost, he said, would be about 34 mills per kilowatt hour, or 3.4 cents for each ten 100-watt light bulbs illuminated one hour.

Spokesmen for Northeast Utilities estimate that in the 1980s, power from the Montague units will cost 19 to 21 mills per kilowatt hour, at present currency rates.

As the utility planners even now seek to minimize their costs, they try to use the nuclear power plants currently operating as much as possible.

5 MILLS PER HOUR

Power from the Connecticut Yankee atomic reactor at Haddam, Conn., costs utilities less than five mills per kilowatt hour, NEPLAN's Smith said.

Until the eventual commercial development of fusion, utility men say, the future holds a great many more nuclear fission power plants, as well as increasing reliance on fossil fuels in their various forms.

"By 1983, in order to keep up with the increasing load levels, we will have to be bringing on line three plants the size of each Montague unit (1150 MW) each year," said NEPLAN's Smith.

"By 1985, it may be three and one half per year," he said.

The eventual gasification of coal, and improved methods of removing sulfur from coal wastes, will increase their use of that fuel, utility men say.

TOO VALUABLE TO BURN

"But in the long run, all the fossil fuels are too valuable to burn," said Dr. Harold Lurie, director of research and development for the New England Electric System in Westboro. "We need them as raw materials for our petrochemicals industries."

The loss of petroleum as an abundant fuel may be a blessing in disguise, according to Asimov. "In a way, oil has blinded us," he said.

"It has been so cheap and so plentiful that nobody has even attempted to work out these alternative energy sources."

The chances for diversion of nuclear materials are a worry, Asimov said, but not as much a source of concern as the presence of nuclear weapons in national arsenals.

NO WAY TO GUARD

"There is no way in which we can guard the human race from the malice of criminals simply by not making use of technological advance," he said.

"In order to do that, we would have to peel off all the technological advances one by one until finally we are naked savages squatting in cages, trying to figure out how to get people from using their fingernails against each other."

In Montague, the debate over nuclear power is just getting off the ground. In the coming year, it will intensify, as the initial steps in the long hearings process will be taken.

As things stand now, however, many people seem to agree with the town's three selectmen, who have decided already that the potential nuclear benefits outweigh the potential nuclear risks.

But there are voices of dissent, which will probably grow in stridency and volume.

Finally, there are many people who haven't made up their minds. The Lake Pleasant milk tester, Henry Wonsey, speaks for them when he wonders about nuclear power and says:

"I wish I knew."

AN EDITORIAL: NUCLEAR PLANT: LET'S HEAR FACTS

Northeast Utilities' proposal to build a $1.35 billion twin-unit nuclear power plant in Montague is beginning to generate a significant public debate in Western New England. That is all to the good, we believe.

It is easy for critics of nuclear power to sensationalize safety aspects of nuclear plants. It is also easy for proponents of nuclear power to emphasize our country's present problems with oil and coal as fuels to produce electricity.

What is needed is a thorough presentation of the facts on both sides of the nuclear issue. Utilities and their critics should present their cases rationally to the people of Montague and surrounding communities.

In the coming year, residents will get their first chances at participating in public hearings required by the Atomic Energy Commission before a construction license can be issued. The hearings should be as complete as possible, so that no one will feel that any viewpoint was neglected.

There are certainly great benefits to be gained from nuclear power. It holds the potential of cheaper and more efficient generation of electricity.

Another factor that must be judged is the effect of a nuclear power plant on a rural town like Montague. Do tax benefits outweigh the possibility of a drastic disruption of the town's peaceful, rural character?

It is still too early to give a firm "yes" or "nor" answer to the question of a nuclear plant in Montague. However, it is not too early for all citizens to seek out the facts and insist that government and industry provide the information people need to make up their minds on nuclear power.

THE OIL INDUSTRY'S PROFITS

Mr. HART. Mr. President, there has been much concern—sometimes bordering on outrage—voiced in Congress over the increases in profits for the major oil companies from 1972 to 1973.

Indeed the figures are dramatic. They range as high as a 91-percent increase from one quarter of 1973 over the same quarter of 1972.

But—the industry always comes back and says: "1972 was a poor year. It is not fair to make such a comparison."

At that point, we have found ourselves back at the starting gate.

Recently, I asked Dr. Walter Measday, an economist for the Senate Antitrust and Monopoly Subcommittee and a student of this industry for more years than most of us have served in Congress, to take a look at the industry's profit figures over recent years.

Now, I know that economists can—and probably will—argue for months over the possible interpretations of the data he developed. But I think that Dr. Measday's analysis makes a contribution as Congress is considering so many questions dealing with this industry. Therefore, I ask unanimous consent that the full memorandum be printed in the RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. HART. In brief, the figures seem to show that this industry has performed well.

Dealing only with integrated companies and independent refiners during the years 1962 to 1972, the data seems to show:

First—The oil industry's rate of return on stockholders' equity was 11.22 percent—above the average for all manufacturing of 11.17 percent. This made it on the average less profitable than motor vehicles—14.34 percent—but considerably higher than primary iron and steel—7.18 percent.

Most interesting is the stability of the profit figures. Setting aside 1972—which was a bad year—the profits fluctuated only within a narrow range of 10.08 to 12.52 percent.

Second—This is a capital-rich, high cash-flow industry. Current liabilities were a much smaller proportion of total liabilities and net worth for petroleum—15.9 percent—than for other manufacturing corporations—24.4 percent.

On the long-term debt side, this was less than half as important to the oil companies—2.2 percent—than to the average firm outside the industry—5.1 percent.

As the memo explains, because of the self-generation of capital in the oil industry, it can show the same rates of return as the average of other manufacturing companies but be "in a real sense" more profitable than the average.

Third—The petroleum industry apparently experience no greater difficulty in generating new capital than did the average industry. The industry accounted

for roughly 15 percent of the total increase in capital invested in manufacturing—the same percentage of total assets both in 1962 and 1972.

Interestingly enough, during those days which its spokesmen tell us were so poor, the industry generated more of its own funds for investment than other manufacturing

The growth in earned surplus provided 57 percent of the oil industry's new capital, compared to less than 47 percent in other manufacturing.

One more comment. I recently received a paper on oil industry profits from the Sun Oil Co. On page 3 of that paper, the authors focus on the 8.7 percent rate of return on stockholders equity for the entire refining industry in 1972. Two pages later, they present a table in which eight major oil companies are reported as having a rate of return in 1972 of 11.1 percent—in other words, although 1972 was a bad year for many of the firms in the industry, the majors were pretty well insulated from this and, in fact, did as well as the average manufacturing company.

Now these comments are not intended as any attack on oil industry profits per se. Rather, they reflect my own reaction to the barrage of oil company publicity in recent months—publicity designed to convince us all of the industry's almost piteous state prior to 1973.

Nor am I ignoring the need for large capital investment in the oil industry over the next 10 or 15 years. What I question is the industry's insistence that these investments will require not just public tolerance of, but public support for true monopoly profit levels for resource owners.

If this is the price the major oil companies demand to meet our energy needs, perhaps we had better explore some other avenues—such as the proposed Federal Oil & Gas Corp.

Exhibit I follows:

EXHIBIT I

FEBRUARY 27, 1974.

MEMORANDUM

To: Messrs. O'Leary and Bangert.
From: Walter S. Measday.
Subject: Financial Performance of Oil Companies.

The sharp increase in profits reported by major oil companies for the successive quarters and the year of 1973 has given rise to criticism. The standard rebuttal by the industry has been that the increases over 1972 are misleading, and that in fact oil companies have had a tough time for the past decade. The attached tables, it is hoped, will facilitate a comparison of the petroleum refining industry data from FTC's Quarterly Financial Reports with those from other manufacturing industries.

Two points should be noted. The refining industry is dominated by a group of major international companies, and the aggregate data largely reflect their operations. Firms which are pure crude producers, rather than refiners or integrated companies, are not included at all.

With these caveats in mind, several conclusions can be reached. First, on the 1962–1972 record—years which the industry generally considers depressed—the oil industry did at least as well as the average in other manufacturing, worse than some selected industries suggested in oil industry advertisements, but better than others which are not usually so cited.

Second, it is possible that the refining industry really turned in a much better than average financial performance. The capital structure of the oil industry may itself help to hold down rate of return figures. Finally, the industry was able to finance a much higher percentage of its growth through profits than the average manufacturing industry.

A. RATES OF RETURN, 1962–1972

Annual rates of return on stockholders' equity from 1962–72 are shown in appendix Table 1. It will be observed that the 11-year average for petroleum refining (11.22%) was somewhat above the average for all manufacturing (11.17%). This is also true of 7 of the 11 individual years; only in 1964–66 and 1972 were refining rates of return below the average for all manufacturing, and in the first three the difference was slight.

Rates of return are also shown for motor vehicles and equipment and for the iron and steel industry as examples of major industries which were more profitable than average in the one case and considerably less profitable in the other.

A noticeable characteristic of the latter industries is the variation in profits over the period shown. Leaving out 1970 (distorted by a fourth quarter GM strike), the automobile industry's rate of return varied from a low of 11.67% in 1967 to a high of 19.52% in 1965. While the steel industry was consistently below average, its rate of return fluctuated between 4.30% in 1970 and 10.25% in 1966.

In sharp contrast, petroleum industry profits from 1962 to 1971 (excluding 1972), fluctuated within a fairly narrow range. The low, 10.08%, occurred in 1962, a poor year for almost everyone but the automobile manufacturers. The high, 12.52%, came in 1967 when a reasonably good year for manufacturing generally was reinforced for the oil companies by the Arab-Israeli war.

This bears upon the petroleum industry argument that theirs is an exceedingly risky business. Even over an 11-year period, "risk" should show up in substantial variations in profitability. By this measure, both automobiles and steel face far more risks than petroleum.

B. FINANCIAL STRUCTURE

Appendix Table 2 shows year-end balance sheet data for 1962 and 1972, from Quarterly Financial Reports. The comparison between petroleum refining and "other" manufacturing points up several important aspects of the industry.

It will be noted that current liabilities are a much smaller proportion of total liabilities and net worth in the petroleum industry (15.9%) than for other manufacturing corporations (24.4%). Details in the QFR show that this is because of relatively low levels of short-term bank loans and accounts payable. Differences in types of business may be a factor. But at the least it can be said that the oil companies have a cash flow sufficient to meet trade accounts promptly and to rely much less than other businesses generally on short-term bank credit, an advantage at today's interest rates.

Something similar appears with respect to long-term debt. The oil industry's relative long-term debt to public and institutional holders other than banks was just about at the all-industry average (14.7% of liabilities and net worth) at the end of 1972. On the other hand, long-term bank financing was less than half as important to the oil companies (2.2%) as to the average firm outside the industry (5.1%).

The most significant difference, however, lies in the much higher proportion of stockholders equity in petroleum (60.6%) than in other manufacturing (51.9%). The contributing factor here is earned surplus—the sum of historic profits retained in the business—which was 41.0% of total liabilities and net worth for petroleum refiners, compared to an average of 34.4% for other manufacturing. In other words, the ratio of stockholders equity to total liabilities in petroleum refining is about 61:39, compared to 52:48 for the average non-oil manufacturing firm.

A final bit of evidence is the ratio of total stockholders equity to debt reported in the QFR. At the end of 1972, the net worth/debt ratio for petroleum refiners stood at 3.39, compared to 2.32 for all manufacturing. Among the 30 industries reported or derivable from the FTC data, only three had more favorable ratios: motor vehicles (4.22), drugs (4.12), and instruments and related products (3.69).

The effect of this is to make the oil companies look somewhat poorer than they really are, measured by the standard profitability approach of rate of return on net worth. For example, based on the 1972 financial structures, if total assets employed both in petroleum and in other industries earned 7% of their value as profits for the owners, the rate of return in petroleum refining would be 11.5%, a full two percentage points below the 13.5% for other manufacturing. In short, when oil companies are showing the same rates of return as the average of other manufacturing enterprises, they are in a real sense more profitable than the average.

C. GROWTH IN INVESTMENT

Appendix Table 3 shows the growth in invested capital (long-term debt and stockholders equity) in petroleum refining and in other manufacturing over a 10-year period from the end of 1962 through 1972. The petroleum industry accounted for roughly 15% of the total increase in capital investment in manufacturing—the same percentage as it held of total assets both in 1962 and 1972. In other words, the petroleum industry experienced no greater difficulty in generating new capital than did the average industry.

There are differences, however, between petroleum and other industries in the sources of this new capital.

The contribution of long-term debt clarifies the balance sheet changes. Long-term bank financing was less than a third as important a source of new capital to the oil industry as to the average of other industries, while the public acceptance of oil company debt securities was slightly greater than for other industries. Nevertheless, the total increase in debt provided only 29% of the refining industry's new capital, compared to more than 35% for other manufacturing.

Conversely, the contribution of expanded net worth was considerably greater for the oil companies (71%) than for other companies (64%). Even in this category there was a sharp difference. Pressure on the petroleum refiners to issue new stock, and dilute existing equities, was much less than on other industries. The growth in earned surplus—i.e., the retention of profits earned during the period—provided 57% of the oil industry's new capital, compared to less than 47% in other manufacturing.

According to the industry, the period covered was one of hopelessly inadequate profit performance, permeated by low crude prices, gasoline price wars, and intense competition in other products. Nevertheless, the oil industry was at least as successful as the average manufacturing industry in securing new capital for asset expansion. And it was far more successful than the average in generating these funds internally, from its own profits, rather than being forced to approach the outside capital markets.

The record of the industry, in other words, gives a picture which is far different from any industry self-portrait which emphasizes its mediocre profitability over the past decade.

D. UNDERCOVERAGE OF CRUDE PRODUCERS

As stated at the outset, the QFR series covers petroleum refining, with integrated and independent refiners. It does not include companies primarily engaged in crude production alone. There is no series of data comparable to the QFR covering crude producers.

This in itself is not fatal, since the major integrated companies which dominate the QFR category also produce most of the crude oil.

Still, the absence of nonintegrated crude producers raises a question. Average domestic crude prices from 1962–72 were perhaps half what they are today and were the subject of persistent complaints from the crude sector. Would not the inclusion of crude producers show a lower level of profitability for the petroleum industry as a whole?

In fact, the opposite appears to be true. Occasional tabulations of results in crude companies indicate that—during this period of presumably "low" crude prices—the crude producers as a group enjoyed rates of return far higher than either the integrated firms or the nonintegrated independent refiners. Throughout the period, there was a general presumption, never refuted by the companies themselves, that the integrated majors earned their profits primarily in crude production rather than in downstream refining and marketing. Indeed, it is often alleged that in some years several of the majors may have lost money downstream. Regardless of such allegations, it is clear that broadening the QFR industry category to include nonintegrated crude producers would raise the reported profitability of the industry.

TABLE 1.—RATES OF RETURN ON STOCKHOLDERS EQUITY, 1962–72

[In percent]

Year	All manufacturing	Petroleum refining	Motor vehicles	Primary iron and steel
1972	10.60	8.62	14.45	6.05
1971	9.67	10.32	13.02	4.53
1970	9.32	10.97	6.07	4.30
1969	11.47	11.72	12.62	7.62
1968	12.07	12.27	14.97	7.57
1967	11.72	12.52	11.67	7.72
1966	13.45	12.42	15.59	10.25
1965	12.97	11.85	19.52	9.75
1964	11.60	11.42	16.87	8.77
1963	10.25	11.30	16.72	7.00
1962	9.775	10.08	16.25	5.45
Average 1962–72	11.17	11.22	14.34	7.18

Source: Average of quarterly rates reported in FTC, "Quarterly Financial Reports."

TABLE 2.—TOTAL LIABILITIES AND NET WORTH, END OF YEAR, 1962 AND 1972

[Million dollars]

	Petroleum refining		Other manufacturing	
	[1] 1962	1972	[1] 1962	1972
Current liabilities [2]	5,166	15,918	53,921	137,888
Long-term debt: [2]				
Banks	995	2,240	5,127	29,054
Other	4,298	14,741	28,182	82,796
Other noncurrent liabilities	1,532	6,566	5,445	21,914
Total, liabilities	11,991	39,465	92,675	271,652
Stockholders equity:				
Capital stock, etc.	14,053	19,607	59,185	98,565
Earned surplus	18,253	41,146	90,940	194,535
Total, net worth	32,296	60,753	150,125	293,100
Total, liabilities and net worth	44,286	100,217	242,800	564,751

[1] Prior to 1965, QFR included an account, "Reserves not reflected elsewhere." The amounts in this account at the end of 1962 were $414,000,000 for petroleum refining and $1,751,000,000 for other manufacturing industries, in each case less than 1 percent of total liabilities and net worth. The QFR explanation when this account was dropped (1st quarter, 1965) was that 80–90 percent would be shifted into "other noncurrent liabilities" and the balance into "earned surplus." Accordingly, the 1962 figures have been restated on the basis of an 85–15 percent division.

[2] Restated by shifting payments on long-term debt due within 1 year from current liabilities to long-term debt, in order to better portray capital structures.

Source: FTC, "Quarterly Financial Reports", 4th quarter, 1962 and 1972.

TABLE 3.—INCREASE IN INVESTED CAPITAL [1] 1962–72

[Million dollars]

	Petroleum refining		Other manufacturing	
	Amount	Percent	Amount	Percent
Long-term debt: [2]				
Banks	$1,245	(3.1)	$23,927	(10.8)
Other	10,443	(26.0)	54,614	(24.7)
Total	11,688	(29.1)	78,541	(35.5)
Stockholders equity:				
Capital stock, etc.	5,564	(13.9)	39,380	(17.8)
Earned surplus	22,893	(57.0)	103,595	(46.8)
Total	28,457	(70.9)	142,975	(64.5)
Total increase in invested capital	40,145	(100.0)	221,516	(100.0)

[1] Stockholders equity and long-term debt.
[2] Including repayments of long-term debt due within 1 yr.

Source: Table 2.

SETTING THE RECORD STRAIGHT

Mr. BENNETT. Mr. President, during past months there has occurred an almost unparalleled campaign of distortion, misrepresentation, hypocrisy, and vilification with respect to the Professional Standards Review Organization statute which I had the privilege of sponsoring.

It is time to review again the "why" of the PSRO legislation, its progress to date, and point-by-point respond specifically to the generalized allegations and half-truths which have been so freely and irresponsibly circulated. That is exactly what I intend to do during the next few days.

In capsule form, the PSRO legislation was designed to afford practicing physicians at local levels an opportunity, on a voluntary and publicly accountable basis, to undertake review of the medical necessity and quality of care provided under the $25 billion medicare and medicaid programs. It was intended to substitute responsible, comprehensive professional review by the community of physicians in an area for the hit-or-miss review which has heretofore been provided in less than effective fashion by Government and insurance company personnel.

It is particularly important to note that all of the review responsibility and authority which a PSRO may assume is separately authorized, under non-PSRO provisions of the law, to the Department of Health, Education, and Welfare and to the carriers and intermediaries under medicare as well as to State agencies under medicaid. In a speech later this week, I will cite all of those statutory authorities—other than PSRO—so that the advocates of PSRO repeal may understand fully that the absence of the PSRO statute would not leave a review vacuum. Necessary review will be accomplished with or without the PSRO provisions. What the PSRO alternative offers, however, is professionalism and local control instead of bureaucratic fiat, mandate and arbitrariness in determining medical necessity and quality of care.

Fortunately, Mr. President, there are many constructive individuals and organizations in medicine. Quite a few of these contributed substantially to the development and evolution of the PSRO legislation. The medical societies in Colorado, Utah, New Mexico, and Pennsylvania, as well as those in Sacramento and San Joaquin, Calif., were particularly helpful.

Fortunately, also, Mr. President, the Department of Health, Education, and Welfare signed a contract with the Pennsylvania Medical Foundation to serve as the technical resource and support center to the various PSRO's in that State. The foundation is sponsored by the Pennsylvania Medical Society whose house of delegates has endorsed PSRO on three separate occasions.

Additionally, a number of the important medical specialty groups have actively worked to develop suggested parameters of care, by diagnosis, which may be used by local PSRO's, at their option, for screening and checkpoint purposes. These organizations which are actively assisting PSRO implementation through the development of guidelines include: the American College of Surgeons; the American College of Radiology; the American College of Obstetrics and Gynecology; and the American Society of Internal Medicine.

The most appropriate source of information concerning the need for my amendment is the report of the Committee on Finance which approved the Bennett amendment as part of H.R. 1 in 1972. H.R. 1 was subsequently enacted as Public Law 92–603. Following are pertinent excerpts from the Finance Committee report:

PROFESSIONAL STANDARDS REVIEW

(Sec. 249F of the Bill)

According to recent estimates the costs of the medicare hospital insurance program will overrun the estimates made in 1967, by some $240 billion over a 25-year period. The monthly premium costs for part B of medicare—doctors' bills—rose from a total of $6 monthly per person on July 1, 1966, to $11.60 per person on July 1, 1972. Medicaid costs are also rising at precipitous rates.

The rapidly increasing costs of these programs are attributable to two factors. One of these is an increase in the unit cost of services such as physicians' visits, surgical procedures, and hospital days. H.R. 1, as reported, contains a number of desirable provisions which the committee believes should help to moderate these unit costs.

The second factor which is responsible for the increase in the costs of the medicare and medicaid programs is an increase in the number of services provided to beneficiaries. The Committee on Finance has, for several years, focused its attention on methods of assuring proper utilization of these services. That utilization controls are particularly important was extensively revealed in hearings conducted by the subcommittee on medicare and medicaid. Witnesses testified that a significant proportion of the health services provided under medicare and medicaid are probably not medically necessary. In view of the per diem costs of hospital and nursing facility care, and the costs of medical and surgical procedures, the economic impact of this overutilization becomes extremely significant. Aside from the economic impact the committee is most concerned about the effect of overutilization on the health of the aged and the poor. Unnecessary hospitalization and unnecessary surgery are not consistent with proper health care.

REVIEW OF PRESENT UTILIZATION CONTROLS

The committee has found that present utilization review requirements and activities are not adequate.

"Under present law, utilization review by physician staff committees in hospitals and extended care facilities and claims review by medicare carriers and intermediaries are required. These processes have a number of inherent defects. Review activities are not coordinated between medicare and medicaid. Present processes do not provide for an integrated review of all covered institutional and noninstitutional services which a beneficiary may receive. The reviews are not based upon adequately and professionally developed norms of care. Additionally, there is insufficient professional participation in, and support of, claims review by carriers and intermediaries and consequently there is only limited acceptance of their review activities. With respect to the quality of care provided, only institutional services are subject to quality control under medicare, and then only indirectly through the application of conditions of participation. . . .

The detailed information which the committee has collected and developed as well as internal reports of the Social Security Administration indicate clearly that utilization review activities have, generally speaking, been of a token nature and ineffective as a curb to unnecessary use of institutional care and services. Utilization review in medicare can be characterized as more form than substance. The present situation has been aptly described by a State medical society in these words:

"Where hospital beds are in short supply, utilization review is fully effective. Where there is no pressure on the hospital beds, utilization review is less intense and often token."

The current statute places upon the intermediary as well as the State health agency responsibility for assuring that participating hospitals and extended-care facilities effectively perform utilization review.

Available data indicate that in many cases intermediaries have not been performing these functions satisfactorily despite the fact that the Secretary may not, under the law, make agreements with an intermediary who is unwilling, or unable, to assist providers of services with utilization review functions.

Apart from the problems experienced in connection with their determinations of "reasonable" charges, the performance of the carriers responsible for payment for physicians services under medicare has also varied widely in terms of evaluating the medical necessity and appropriateness of such services. Moreover, ever since medicare began, physicians have expressed resentment that their medical determinations are challenged by insurance company personnel. The committee has concluded that the present system of assuring proper utilization of institutional and physicians' services is basically inadequate. The blame must be shared between failings in the statutory requirements and the willingness and capacity of those responsible for implementing what is required by present law.

There is no question, however, that the Government has a responsibility to establish mechanisms capable of assuring effective utilization review. Its responsibility is to the millions of persons dependent upon medicare and medicaid, to the taxpayers who bear the burden of billions of dollars in annual program costs, and to the health care system.

In light of the shortcomings outlined above, the committee believes that the critically important utilization review process must be restructured and made more effective through substantially increased professional participation.

The committee believes that the review process should be based upon the premise that only physicians are, in general, qualified to judge whether services ordered by other physicians are necessary. The committee is aware of increasing instances of criticism directed at the use of insurance company personnel and Government employees in reviewing the medical necessity of services.

The committee generally agrees with the principles of "peer review" enunciated in the report of the President's Health Manpower Commission, issued in November 1967. That report stated:

"Peer review should be performed at the local level with professional societies acting as sponsors and supervisors".

Assurance must be provided that the evaluation groups perform their tasks in an impartial and effective manner.

Emphasis should be placed on assuring high quality of performance and on discovering and preventing unsatisfactory performance.

"The more objective the quality evaluation procedures, the more effective the review bodies can be. To enable greater objectivity, there should be a substantial program of research to develop improved criteria for evaluation, data collection methods, and techniques of analysis."[1]

The committee has therefore included an amendment, as it did in H.R. 17550, which authorizes the establishment of independent professional standards review organizations (PSRO's) by means of which practicing physicians would assume responsibility for reviewing the appropriateness and quality of the services provided under medicare and medicaid.

THE COMMITTEE PROVISION

The committee has provided for a review mechanism through which practicing physicians can assume full responsibility for reviewing the utilization of services. The committee's review mechanism at the same time contains numerous safeguards intended to fully protect the public interest.

The committee provision would establish broadly based review organizations with responsibility for the review of both institutional and outpatient services, as opposed to the present fragmented review responsibilities.

The new review organizations would be large enough to take full advantage of rapidly evolving computer technology, and to minimize the inherent conflicts of interest which have been partially responsible for the failure of the smaller institutionally based review organizations. The review process would be made more sophisticated through the use of professionally developed regional norms of diagnosis and care as guidelines for review activities, as opposed to the present usage of arbitrarily determined checkpoints. The present review process, without such norms, becomes a long series of episodic case-by-case analyses on a subjective basis which fail to take into account in a systematic fashion the experience gained through past reviews or to sufficiently emphasize general findings about the pattern of care provided. The committee believes that the goals of the review process can be better achieved through the use of norms which reflect prior review experience.

The committee's bill provides specifically for the establishment of independent professional standards review organizations (PSRO's) formed by organizations representing substantial numbers of practicing physicians in local areas to assume responsibility for the review of service (but not payments) provided through the medicare and medicaid programs.

Recognizing the problem, on their own, a number of medical societies and other health care organizations have already sponsored similar types of mechanisms for purposes of undertaking unified and coordinated review of the total range of health care provided patients. Additional medical societies are proceeding to set up such organizations.

In reaffirming its conviction that the establishment of PSRO's should result in important improvements to the medicare and medicaid programs, the committee has taken particular note of the progress which has been made by a number of prototype review organizations across the country. Experience by these organizations has provided the committee with convincing evidence that peer review can—and should—be implemented on an operational, rather than merely an experimental basis.

The committee expects that in developing the policies and regulations implementing the PSRO provision, the Secretary will seek the advice and counsel of physicians and administrators connected with existing successful review organizations.

However, in most parts of the country, new organizations would need to be developed.

The committee would stress that physicians—preferably through organizations sponsored by their local associations—should assume responsibility for the professional review activities. Medicine, as a profession, should accept the task of advising the individual physician where his pattern of practice indicates that he is overutilizing hospital or nursing home services, overtreating his patients, or performing unnecessary surgery.

It is preferable and appropriate that organizations of professionals undertake review of members of their profession rather than for Government to assume that role. The inquiry of the committee into medicare and medicaid indicates that Government is ill equipped to assure adequate utilization review. Indeed, in the committee's opinion, Government should not have to review medical determinations unless the medical profession evidences an unwillingness to properly assume the task.

But, the committee does not intend any abdication of public responsibility or accountability in recommending the professional standards review organizations approach. While persuaded that comprehensive review through a unified mechanism is necessary and that it should be done through usage, wherever possible and wherever feasible, of medical organizations, the committee would not preclude other arrangements being made by the Secretary where medical organizations are unwilling or unable to assume the required work or where such organizations function not as an effective professional effort to assure proper utilization and quality of care but rather as a token buffer designed to create an illusion of professional concern. . . .

Priority in designation as a PSRO would be given to organizations established at local levels representing substantial numbers of practicing physicians who are willing and believed capable of progressively assuming responsibility for overall continuing review of institutional and outpatient care and services. Local sponsorship and operation should help engender confidence in the familiarity of the review group with norms of medical practice in the area as well as in their knowledge of available health care resources and facilities. Furthermore, to the extent that review is employed today, it is usually at the local level. To be approved, a PSRO applicant must provide for the broadest possible involvement, as reviewers on a

[1] Report of the Health Manpower Commission, November 1967, p. 48.

rotating basis, of physicians engaged in all types of practice in an area such as solo, group, hospital, medical school, and so forth.

Participation in PSRO would be voluntary and open to every physician in the area. Existing organizations of physicians should be encouraged to take the lead in urging all their members to participate and no physician could be barred from participation because he is or is not a member of any organized medical group or be required to join any such group or pay dues or their equivalent for the privilege of becoming a member or officer of any PSRO nor should there be any discrimination in assignments to perform PSRO duties based on membership or nonmembership in any such organized group of physicians.

Physician organizations or groupings would be completely free to undertake or to decline assumption of the responsibilities of organizing a PSRO. If they decline, the Secretary would be empowered to seek alternative applicants from among other medical organizations, State and local health departments, medical schools, and failing all else, carriers and intermediaries or other health insurers. In no case, however, could any organization be designated as a PSRO which did not have professional medical competence. And, in no case could any final adverse determinations by a PSRO with respect to the conduct or provision of care by a physician be made by anyone except another qualified physician. . . .

The PSRO's responsibilities are confined to evaluating the appropriateness of medical determinations so that medicare and medicaid payments will be made only for medically necessary services which are provided in accordance with professional standards of care.

Where advance approval by the review organizations for institutional admission was required and provision of the services was approved by the PSRO, or where and to the extent the PSRO accepted "in-house" review, such approval would provide the basis for a presumption of medical necessity for purposes of medicare and medicaid benefit payments. However, advance approval of institutional admission would not preclude a retroactive finding that ancillary services (not specifically approved in advance) provided during the covered stay were excessive.

The PSRO, where it has not accepted in-house review in a given hospital as adequate, would be responsible for reviewing attending physicians' certifications of need for continued hospital care beyond professionally determined regional norms directly related to patients' age and diagnoses, using criteria such as the types of data developed by the Commission on Professional and Hospital Activities, which is sponsored by the American Hospital Association, the American College of Physicians, and the American College of Surgeons. It is expected that such certification would generally be required not later than the point where 50 percent of patients with similar diagnoses and in the same age groups have usually been discharged. However, it is recognized that there are situations in which such stays for certain diagnoses may be quite short in duration. In such situations the PSRO might decide against requiring certification at or before the expiration of the period of usual lengths of stay on the grounds that the certification would be unproductive; for example, when the usual duration of stay is two days or less. Certification on the first day of stay might yield no significant advantage in the review process. This professionally determined time of certification of need for continued care is a logical checkpoint for the attending physician and is not to be construed as a barrier to further necessary hospital care. Neither should the use of norms as checkpoints, nor any other activity of the PSRO, be used to stifle innovative medical practice or procedures. The intent is not conformism in medical practice—the objective is reasonableness.

PSRO disapproval of the medical necessity for continued hospital care beyond the norm for that diagnosis will not mean that the physician must discharge his patient. The physician's authority to decide the date of discharge as well as whether his patient should be admitted in the first place cannot be and are not taken from him by the PSRO. The review responsibility of the PSRO is to determine whether the care should be paid for by medicare and medicaid. By making this determination in advance, the patient, the institution, and the physician will all be forewarned of the desirability of making alternative plans for providing care or financing the care being contemplated.

Similarly, as feasible, out-of-institution norms would be developed and utilized based upon patterns of actual and proper practice by physicians. Such norms are available in many areas to an extent today. It is recognized that continuing efforts will need to be made to improve the scope and comprehensiveness of such norms.

Employees of the PSRO would be selected by the organizations and would not be Government employees. Where the Federal Government has paid for or supplied necessary equipment to the review organizations, title to such property would remain with the Government.

A PSRO agreement would include provision for orderly transfer of medicare and medicaid records, data and other materials developed during the trial period to the Secretary or such successor organization as he might designate in the event of termination of the initial agreement. Such transfer would involve only those records pertinent to medicare and medicaid patients and would be made solely for purposes of permitting orderly continuity of review activities by a successor PSRO.

Properly established and properly implemented throughout the Nation, professional standards review mechanisms can help relieve the tremendous strain which soaring health costs are placing upon the entire population. Emphasis, wherever possible, upon the provision of necessary care on an outpatient rather than inpatient basis could operate to reduce need for new construction of costly hospital facilities. Hospital bed need would be further reduced by reductions in lengths of hospital stay and avoidance of admission for unnecessary or avoidable hospitalization.

To be effective, the PSRO provisions will require full and forthright implementation. Equivocation, hesitance, and half-hearted compliance will negate the intended results from delegation, with appropriate public interest safeguards, of primary responsibility for professional review to nongovernmental physicians. For these reasons, the committee expects that the Inspector General for Health Administration (whose office is established under another amendment) will give special attention to monitoring and observing the establishment and operation of the PSRO's to assure conformance and compliance with congressional intent.

As I have stated, Mr. President, I will speak later this week to the distortions, allegations and hypocrisies which have been widely disseminated in an effort to discredit and thwart Professional Standards Review.

CHALLENGE FACES UNIVERSITIES IN LAST QUARTER OF 20TH CENTURY

Mr. HUMPHREY. Mr. President, last month Dr. Albert Sabin addressed the Winter Convocation of the George Washington University on the "Challenges to Universities in the Remaining Years of the 20th Century."

Being both a brilliant scientist and a concerned citizen, Dr. Sabin provides valuable insight into the tremendous implications of future world growth and offers a variety of constructive proposals on how our universities can help cope with the problems that rapid growth will entail.

According to Dr. Sabin, more than two and one half billion people, in many areas of the world, are weighted down by poverty and despair, and this number may increase two to threefold in the next 26 years.

Because economic conditions for these nations cannot, under present circumstances, be expected to improve significantly without major outside help, Dr. Sabin believes that the United States and other relatively affluent countries must substantially expand efforts to supply the resources required for progress to be made in the developing nations.

Dr. Sabin refutes the notion that enough food cannot be produced to feed the increasing world population. Through proper utilization of existing knowledge, Dr. Sabin feels it is possible to produce 40 times as much food as we are now producing.

Dr. Sabin's primary thesis is that future plans for universities cannot be made without consideration of global growth and development problems. In transforming knowledge into action, Dr. Sabin believes that universities can serve as centers for dispassionate analysis of problems facing their communities, States, nations, and the world. In addition, universities can develop the leaders, teachers, and scholars we must have to produce the knowledge on which the future of mankind depends.

I wholeheartedly agree with Dr. Sabin's astute analysis of the implications of world population growth, along with his proposed plan on how universities can address the demands of the future.

Mr. President, I ask unanimous consent that the text of Dr. Sabin's speech at George Washington University be printed in the RECORD.

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

CHALLENGES TO UNIVERSITIES IN THE REMAINING YEARS OF THE 20TH CENTURY: REFLECTIONS OF A CONCERNED CITIZEN

(By Albert B. Sabin, M.D.)

You may justifiably wonder, as indeed have I, whether my own academic life and experience of half a century endow me with any special competence to speak wisely—perhaps *"wisely"* is the key word—on the subject I have chosen for tonight: "Challenges to Universities in the Remaining Years of the 20th Century." It is for this reason that I have chosen to add to this title: "Reflections of a Concerned Citizen." I should indicate, however, that I have not spent my life in an

ivory tower of medical research. I enrolled in New York University a little over 50 years ago, I worked at the Lister Institute of Preventive Medicine in London 40 years ago and immediately thereafter for 5 years at the Rockefeller Institute for Medical Research in New York, then for a little over 30 years as a research professor at the University of Cincinnati, then as President of an outstanding scientific research institute, the Weizmann Institute of Science in Israel, where in addition to facing up to the need for coordinating many academic activities I had to meet the realist's final challenge—namely that of meeting a payroll approaching $20 million per annum—and now in my "golden" years back again in the laboratory struggling with quite small pieces of the action in cancer research and at the same time tackling some of the larger pieces of the action as a catalyst, which I prefer to my formal title of expert consultant.

Moreover, my work has taken me to many parts of the world, under different forms of government, where I have always taken advantage of my official visits to search for understanding of their ways of life, their problems, and their struggles for solutions.

If I were to ask Presidents of American universities what they regarded as *the most important challenge* to American universities in the remaining years of the 20th century—and I have not taken such a poll—my guess is that the majority would probably answer: *survival!* Survival in the sense of preventing the disintegration of the quality of their institutions in the face of decreasing income, increasing costs and increasing numbers of students—and they may very well add: never mind the remaining 26 years of this century, the challenge is now; it is the next few years that worry us.

I do not wish to minimize the importance of this and other equally pressing immediate challenges—but I have chosen to reflect tonight on a much more fundamental challenge—namely a redefinition of the functions, responsibilities, and *modus operandi* of institutions of higher learning in the face of the critical problems that will beset this country and the world in the remaining years of the 20th century. If problems are not anticipated and if appropriate action is not taken well in advance of the time they reach crisis levels, one must be prepared to suffer the chaos that follows. My thesis is that future plans for universities cannot be made without reference to the problems facing their nations and the world.

The reason I chose to think in terms of the remaining years of the 20th century—and that is not too long a period to anticipate—is that along with many others I believe that the fate of the entire world, of the relatively affluent as well as of the poverty-stricken, economically undeveloped parts of it, may very well be decided during this critical period. The affluent countries will not be able to isolate themselves from the fate of the rest of the world. During a critical period in the life of this nation more than 100 years ago, Abraham Lincoln said that this nation could not long survive half slave and half free. In the present era there is, in my judgment, sufficient justification for saying that the world cannot long survive one-third relatively affluent and two-thirds on a collision course with catastrophe.

The challenge to all of us—not just the universities—is whether we can succeed in finding ways to use the tremendous store of knowledge already available plus that which it is in our power to acquire, to create a life and a world better by far than any we have yet known, or whether we shall descend to a level of barbarism unequalled in human history. I know that this is strong language but I am convinced that it is warranted.

The history of human civilization is to me a history of the growth of cooperation among ever larger units of human society in order to achieve those survival values which can be realized only through cooperative effort. And yet, with full appreciation of the reality and immensity of the difficulties, the present national and world leaderships seem to me to be largely bogged down in the ruts of "business as usual" in dealing with totally new problems which require totally new approaches and cooperative efforts both nationally and internationally on a hitherto unprecedented scale.

In the United States, where only about 5 percent of the working population can produce not only all the foods we need now and in the foreseeable future for ourselves as well as for millions of others in the world—the remainder of the population must have all kinds of other jobs. As a result, about 70 percent of the American population is already packed into two percent of the area of the United States. Sure there is enough room in this country for 100 million, or even 300 million, more people but not if the distribution of the population is not changed. People concentrate in cities, or very near them, because that is where the jobs are. The economically most depressed part of the American population is now concentrated in cities which can no longer support a way of life that is a justifiable part of the American dream. Whether the population of the U.S. will increase by only another 50 million or by 100 million before the end of this century, the problems are much the same and they are problems for which we must begin to plan now.

In the more or less affluent, highly industrialized countries, the challenge is to provide the opportunities for a life of self-fulfillment and dignity for an ever larger number of people. We must never forget that the present well-being of the majority could be eroded by a continuing increase in the misery and unfulfilled expectations of a minority. In the economically more advanced countries we are living in highly specialized societies in which the pattern of a better life can be achieved only through the efforts of ever larger numbers of people with special skills that can be acquired only by hard work in institutions of higher learning. We must be especially careful, therefore, not to create a society in which only an intellectual elite and the indispensable professional specialists will be endowed with dignity and the gratification of self-fulfillment. For there will always be many millions who will not be inclined to study and yet will serve society in innumerable ways by their toil. Contrary to the unqualified statement in the Declaration of Independence we are not all created equal—except *in that* we are all entitled to life, liberty and the pursuit of happiness. And if Thomas Jefferson would be writing in the present era I think he would add that we are also born equal in being entitled to self-fulfillment and dignity. The world was not made for the elite, although the world would be a poor place without its specially endowed, most talented, competent, creative, and hard-working individuals who constitute the real chosen people, or elite. I would say, however, that the elite achieve their own greatest self-fulfillment, gratification, and dignity when they serve the world.

Plans for the future well-being of the people in the U.S.A. and other relatively affluent countries cannot be made without reference to what is happening in the rest of the world.

As a result of our generosity to the nations who made war against us and to others whom we helped to become industrial giants, both in Europe and in Japan, we are now finding ourselves in competition with these new giants for markets both at home and abroad. I think that our generosity in helping to create these industrial giants will go down as one of the noble chapters in American history. But we are unable to sustain our present standard of living merely by supplying our own population with its needs. We depend upon production for export to other parts of the world, thus creating competition with the giants of Western Europe and Japan.

I am old enough to remember that World War I came out of a similar conflict among the European nations. We're back almost in the same old groove, except that the problems are bigger. In my judgment, it is wrong to try to divide the pie; we must create a larger pie. I think the challenge to the advanced industrialized nations of the world is to help create new markets in the areas of the world inhabited by two-thirds of the world's population, now bogged down in poverty and despair.

There are now more than 2,500 million people in many areas of the world where there is very little progress toward fulfillment of those needs that would bring them at least some hope for a better life. This large number of people now living in misery and despair will increase two- to three-fold in the next 26 years, because the rate of population growth is greatest among the most poverty-stricken nations whose economic development cannot, under present conditions, improve significantly without outside help.

Lord Snow and others have been saying that very soon we shall see people starving by the millions and that it is already too late to do anything about it. If we do nothing more than is being done now, then the prophets of doom may turn out to be right.

The challenge now and in the near future is to prove the prophets of doom to be wrong. There is a capacity among the developed portions of mankind and enough goodwill among the people themselves to make cooperation with the hundreds of millions of poverty-stricken and hopeless people in the world the major goal of humanity *now!*

I don't think the United States can do it alone. I don't think the United States with Western Europe and Japan can do it. This must be a world effort involving both the capitalist and communist countries, and it must be on a new, and unprecedentedly large scale.

Those who say that enough food cannot be produced to feed the increasing population are wrong. Proper utilization of existing knowledge, even without finding new knowledge, can make it possible to produce 40 times as much food as we're producing now, while the population is increasing perhaps two or three times.

There are some people in this country and abroad who say that all that is needed is to stop population growth by introducing birth control on a large scale. While birth control is necessary and desirable, its effectiveness increases with general development of a country. Besides the problem is too big for any single approach.

It is in this context that I group the really important challenges to universities in the relatively affluent parts of the world in the following three categories:

1. Transformation of the universities into real institutions of higher learning and transfer of the responsibility for providing a broad liberal education to the secondary schools.

2. Reorganization of the curricula and activities of the universities to permit greater involvement of both the faculty and students in the identification of those problems in their communities, states (or regions), nations, and the world whose solution requires specialized knowledge and concerted action between those who know and

know how to learn and those who need. Such activities would, of course, be part of the very job of training the great multitude of highly specialized professionals and scholars that must be the main business of institutions of higher learning, in addition to the discovery of new knowledge in the humanities and sciences, totally unrelated to any other human need than the urge to know more about the universe of which we are a part.

3. Universities in the service of that part of the world whose educational and economic underdevelopment poses the greatest threat not only to the hundreds of millions of deprived and despairing people who live there, but also to the fate of the rest of the world.

The reason for my first recommendation is that, in my judgment, the four years of undergraduate study in the university should be neither the time nor the place for a broad liberal education. I believe that a liberal education should be provided to all of our people, and that they should get it in the high schools. We have been underestimating too long what youngsters, 14 to 18 years old, can absorb provided they are not burdened with myriads of unnecessary and boring details and are instead presented a curriculum that makes the learning process the exciting experience it ought to be. Already more than 300 years ago the great French mathematician and philosopher Descartes warned against "cluttering the mind" with irrevelent, old data.

You may wonder what I regard to be the essentials of a liberal education. One of the most important objectives of a liberal education is to provide human beings with some perspectives of what is currently known about the universe, about the magnificence of the skies above us and of the planet earth which we share with an almost infinite variety of living things, about the miracle that is life, the story of man as a part of nature, and about the story of man's struggles towards a more civilized existence, which I would define as the process of working together to improve the quality of life for ever larger numbers of people, and the acceptance of the principle that mutual help is the very foundation of both self-preservation and justice. A liberal education should provide an insight into the evolution of religion, not only one's own religion but of all religions, so that we can know how different peoples have been searching for an understanding of the mystery of creation and have been trying to develop ethical and moral guidelines—and also as a basis for greater mutual understanding and tolerance.

A liberal education must provide an insight into the riches of human artistic expression, about painting, sculpture, architecture, and music. I call music my vitamin M. I can survive without it but it would be a pretty dreadful life if I could not hear the beautiful, soul-stirring music in which man has expressed his deepest emotions over the centuries of struggle toward a spirtually richer life.

A liberal education must provide an insight into the nature of matter and of life—up to the threshold of current scientific exploration, and also to show how much scientific research and the technologies resulting from it have changed the life of so large a portion of the world's population and how little it has as yet affected the life of more than two-thirds of the world's population. We can no longer afford the luxury of teaching in high school the science of 50 years ago and then bring the youngsters into college and start all over again. The young people in the high schools can understand present-day science. This understanding should be as much a part of the cultural totality of a person as an understanding of the contribution of the humanities, of philosophy, of art, and of music. We cannot live intelligently in the present world, which survives on the discoveries of science and technology, without understanding how this knowledge is acquired. It not only gives a greater appreciation and understanding of every thing around us, but it is the basis for building a better world. And I do not mean to leave out the proper study of foreign languages.

A book of less than 300 pages entitled "A Million Years of Man" by Richard Carrington, published about ten years ago, in my judgment provides more of the essentials of a liberal education than the courses in the four undergraduate years leading to the Bachelor of Arts degree in most universities. Moreover, it is written in a manner that can make absorption of its contents by high school students not only possible, but, I believe, also a delicious, exhilarating and mentally stimulating experience. There may be other such books but I haven't read them. A liberal education must provide not only knowledge about ourselves and of the world we live in, but must also enrich and broaden the spirit not just of a few but of the large masses of people. We must never forget that the most inhuman, barbaric acts of the 20th century, and from the point of view of the magnitude of the crime probably the most barbaric acts in all our history were committed by the Nazis, who constituted the government of a nation with the highest level of formal, artistic, philosophic, scientific and technical education in the world. I have some friends, for whom I have the highest respect, who believe that this horrible episode in human history should be forgotten as a bad dream. I believe, however, that it must not be forgotten because the same thing could happen again among other nations as well—unless we "immunize" the spirit of large masses of the world's population against acquiescence in such barbarism by *appropriate* humanistic education during the early years of life.

My second recommendation for limiting the activities of our universities to those that are appropriate for institutions of *higher* learning (with special emphasis on the word "higher") must, of course, be integrated with the fundamental changes that must be made in our primary and secondary schools. There is, in my judgment, a great urgency here because time is too short for the slow, laissez-faire, uncoordinated, evolutionary process. Following the so-called "Sputnik awakening" in this country in 1957, James B. Conant, an outstanding chemist and former president of Harvard University, was asked to suggest ways to invigorate our high school education. His 1959 report "The American High School Today" offered many guidelines to school boards and principals on course requirements, school staffing, optimum class size, etc. Last month, Dr. Conant was quoted by Robert Reinhold in the New York Times (January 16, 1974) as saying that the report was "over-simplified—I guess nobody pays much attention to it today." I take the time to mention this episode in order to emphasize the need for more urgent and coordinated action along new lines, on an unprecedented scale, and as a high priority, national cooperative enterprise.

When I speak of reserving the universities for *higher* education and for public service in transforming knowledge into action, I have in mind some of the following functions:

(a) develop the leaders, the teachers, the professors, the scholars, the scientists, and the tremendous variety of highly specialized and skilled professional people so urgently needed for our present and future way of life—the engineers, the architects, the physicians, the dentists, the nurses, the administrators and managers of all sorts, etc. etc.,

(b) discover the new understanding and new knowledge, on which our future depends, and

(c) serve as the centers for dispassionate analysis of the problems facing their communities, states, nation, and the world along *inter-disciplinary* lines within individual universities, and in concert with others when dealing with larger "pieces of the action," and in like manner developing various options for solving the problems with existing knowledge or yet to be acquired new knowledge—and in all of this, work closely with those people in their communities, state, nation, etc. who ultimately have to translate knowledge and decisions into action.

In a highly complex society few things happen by themselves. Careful, thoughtful planning and coordination of activities is a prerequisite for the successful functioning of any highly developed organism. If our universities were to work together with the other segment of our society along the lines I just mentioned, we would not be suffering from what some experts regard as a current overproduction of highly specialized, talented people, and what I regard as a tragic, current underutilization of such people because of insufficient and inadequate planning for meeting the urgent needs of both the present and the future. In the August 25, 1972 issue of Science, Richard A. Cellarius and John Platt published a most illuminating, thoughtful and well-documented article entitled: "Councils of Urgent Action" in which they itemize a tremendous number of urgent problems and indicate how "Coordinating councils could focus and legitimize research on solutions of our major crises." Their concrete proposals could well be the starting of action that is long overdue.

When I spoke of the role that would have to be played by the universities of the educationally and economically highly developed countries in any truly meaningful, cooperative international program and effort on behalf of the hundreds of millions of struggling people in the educationally and economically undeveloped part of the world, I had in mind especially the need that would arise for large armies of trained manpower, if—and this is a big *"if"*—only the nations of the world unite in cooperating on this most important goal.

Until such time as the poor developing countries train enough of their own, there would be needed armies of teachers, agronomists, engineers, all sorts of technologists, managers of industry, and of other enterprises, and of many others with specialized knowledge and skills to get things started. For money alone without the necessary trained manpower is not enough. And where are these great, new armies of trained manpower to come from? The existing universities in the U.S.A. and other educationally advanced countries would be unable to meet the need, and new institutions would have to be created to meet this greatest challenge of the remaining years of the 20th century. The universities can perhaps begin to plan on their own but it would be an exercise *in vacuo* and futility, unless the nations of the world united to develop practical, cooperative plans which would properly utilize such armies of trained manpower. The communist and capitalist countries will have to combine against what may be regarded as their common enemy—the growing misery and despair of ever larger numbers of people throughout the world—instead of fighting each other in the current primitive manner that is the greatst threat to the survival of all. If the nations can unite to meet this common threat, the universities will have to raise new

armies for a new kind of United Nations whose main purpose will be to provide dignity and hope for a new and better life to the hundreds of millions of people in the world who find it impossible to help themselves in the time they have left. The time for more and more talk has long since passed and the time for action is now.

If what I have just said is not to be just one more fervent declaration among the many already made by scholars, politicians and statesmen, and if it is not to share the fate of the many more expert recommendations, which have been followed by little or no significant action, I believe it is necessary to ask action by whom? It seems to me that in the United States the responsibility for action belongs to the elected representatives of the people in both the legislative and the executive branches of the government. And the universities *united* (I stress the word "united") in a dedication, that can inspire their students and faculties alike, have the responsibility not only of continually prodding the elected representatives to action but also of working with them in a disciplined manner to develop and implement the plans for a better future than we now have reason to expect.

DÉTENTE: THE BALANCE SHEET

Mr. DOMENICI. Mr. President, many Americans are casting many glances at proposals relating to détente. In last Thursday's New York Times there is a most thoughtful article regarding détente written by Hans J. Morgenthau entitled "Détente: The Balance Sheet." Mr. Morgenthau's analysis of this subject is deserving of the attention of this august body and I, therefore, ask unanimous consent that it be printed in the RECORD.

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

DÉTENTE: THE BALANCE SHEET

(By Hans J. Morgenthau)

Détente has had a bad press of late on both sides of the fence that was once called the Iron Curtain. A national weekly writes of "Détente: End of Illusions." A Soviet general states that "political détente cannot be durable and irreversible if the arms race continues." On the other hand, the President and Secretary of State inform us that détente serves the purpose of avoiding nuclear war.

In order to gain perspective on such sweeping statements it may not be superfluous to remind oneself of the literal meaning of détente.

The word refers to the previous existence of tension that has been abated or eliminated in consequence of détente.

Since there have been many tensions between the United States and the Soviet Union on different levels of social interaction and in different geographical locations, it is futile to raise the question of whether or not détente as an abstract, comprehensive concept has worked.

It makes sense only to ask whether or not previously existing specific tensions have been abated or eliminated by the policies of President Nixon and Leonid I. Brezhnev. When posed in such concrete, specific terms, the question requires a positive answer with regard to three kinds of tensions that have in the past poisoned the relations between the superpowers.

One manifestation of détente is the removal from over-all Soviet-American relations of the ideological fervor that during the Cold War transformed every contest into a Manichean conflict between good and evil, making negotiated settlements virtually impossible. This ideological decontamination has improved the atmosphere, an improvement that in an intangible fashion has improved the chances for the negotiated settlement of substantive issues.

Another manifestation of détente is the substantial settlement of the German question through West German recognition of the territorial status quo in Central Europe and, more particularly, of the East German state, and through agreement on the international status of West Berlin.

Finally, the 1972 agreements on the limitation of strategic arms, regulating the competition for offensive nuclear weapons and virtually eliminating that for defensive ones, have paved the way for the current strategic-arms negotiations and have thereby at least temporarily abated the tensions concomitant with an unregulated nuclear-arms race.

That short list of instances where détente has been successful is counterbalanced by a long one of issues that have remained unaffected by détente and may even have been aggravated by its partial achievement.

That is particularly true of Europe, where the conferences on European security and on mutual and balanced troop reductions are deadlocked and where the very fact of détente in Central Europe and the apparent overall détente between the United States and the Soviet Union have accentuated the disintegrative tendencies within the North Atlantic Treaty Organization.

In the Middle East, the two superpowers compete for power and influence, as they do in the countries bordering on the Indian Ocean. The thrust of Soviet expansion from the eastern Mediterranean through the Middle east to South Asia, supported by rapidly increasing naval power and movement in to the empty spaces left by the liquidation of the colonial empires, is likely to create new points of tension.

Two factors are bound to put into question the few instances of real détente achieved: the deadlock of the present strategic-arms negotiations and the American reaction to certain domestic policies of the Soviet Union.

The Soviet general quoted here on "political détente" has indeed a point. The continuation of an unlimited nuclear arms race will create tensions wiping out the limited gains made by détente thus far.

For since each side will suspect the other of seeking a first-strike capability, such an arms race will introduce an element of instability into the present balance of terror, which—and not détente—has actually prevented the outbreak of nuclear war.

While this development is still a matter of conjecture, the negative impact of the domestic policies of the Soviet Union upon détente is an observable fact.

American concern with these policies is not, as Soviet spokesmen would have it, meddling in the domestic affairs of another country. Rather it reflects the recognition that a stable peace, founded upon a stable balance of power, is predicated upon a common moral framework that expresses the commitment of all the nations concerned to certain basic moral principles, of which the basic moral principles, of which the preservation of that balance of power is one.

As long as the excesses of domestic brutality in the Soviet Union indicate the absence of such a common moral framework, détente can only be limited and precarious.

THE SCARCITY SOCIETY

Mr. McGOVERN. Mr. President, the April 1974 issue of Harper's magazine contains an excellent article by William Ophuls—formerly a foreign service officer and a lecturer in political science at Yale—entitled "The Scarcity Society." It is Mr. Ophul's view that the age of abundant resources is over and that henceforth a much more prudent stewardship of the Earth's resources will be required if peace and order are to be established.

This article is one of the most thoughtful and informed that has come to my attention. I ask unanimous consent that the article be printed in the RECORD.

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

THE SCARCITY SOCIETY: FAREWELL TO THE FREE LUNCH—AND TO FREEDOM AS AN INFINITE RESOURCE

(By William Ophuls)

Historians may see 1973 as a year dividing one age from another. The nature of the changes in store for us is symbolized by the Shah of Iran's announcement last December that the price of his country's oil would thenceforth be $11.87 per barrel, a rise of 100 percent over the previous price. Other oil-producing countries quickly followed suit. The Shah accompanied his announcement with a blunt warning to the industrialized nations that the cheap and abundant energy "party" was over. From now on, the resource on which our whole civilization depends would be scarce, and the affluent world would have to live with the fact.

Our first attempts to do so have been rather pitiful. In Europe, the effect was to reduce once-proud nation-states to behavior that managed, as one observer put it, to combine the characteristics of an ostrich and a flock of hens. In America, which now lacks almost any observable leadership, the reaction to the statement was merely a general astonishment, followed by measures even more inappropriate than those adopted by the Europeans (except for Kissinger's efforts to promote international cooperation).

In one sense, Iran's move marked a dramatic geopolitical "return of the repressed," as the long-ignored Third World for the first time acted out its demand for a fair share of the planet's wealth. And the powerful new Organization of Petroleum Exporting Countries (OPEC) is only the first such group; resource cartels in copper, tin, bauxite, and other primary products may soon follow OPEC's example. But in another, more important sense, the Shah laid down a clear challenge to the most basic assumptions and procedures that have guided the industrialized democracies for at least 250 years. That challenge is the inevitable coming of scarcity to societies predicated on abundance. Its consequencies, almost equally inevitable, will be the end of political democracy and a drastic restriction of personal liberty.

For the past three centuries, we have been living in an age of abnormal abundance. The bonanza of the New World and other founts of virgin resources, the dazzling achievements of science and technology, the availability of "free" ecological resources such as air and water to absorb the waste products of industrial activities, and other lesser factors allowed our ancestors to dream of endless material growth. Infinite abundance, men reasoned, would result in the elevation of the common man to economic nobility. And with poverty abolished, inequality, injustice, and fear—all those flowers of evil alleged to have their roots in scarcity—would wither away. Apart from William Blake and a few other disgruntled romantics, or the occasional pessimist like Thomas Malthus,

the Enlightment ideology of progress was shared by all in the West.* The works of John Locke and Adam Smith, the two men who gave bourgeois political economy its fundamental direction, are shot through with the assumption that there is always going to be more—more land in the colonies, more wealth to be dug from the ground, and so on. Virtually all the philosophies, values, and institutions typical of modern capitalist society—the legitimacy of self-interest, the primacy of the individual and his inalienable rights, economic laissez-faire, and democracy as we know it—are the luxuriant fruit of an era of apparently endless abundance. They cannot continue to exist in their current form once we return to the more normal condition of scarcity.

Worse, the historic responses to scarcity have been conflict—wars fought to control resources, and oppression—great inequity of wealth and the political measures needed to maintain it. The link between scarcity and oppression is well understood by spokesmen for underprivileged groups and nations, who react violently to any suggested restraint in growth of output.

Our awakening from the pleasant dream of infinite progress and the abolition of scarcity will be extremely painful. Institutionally, scarcity demands that we sooner or later achieve a full-fledged "steady-state" or "spaceman" economy. Thereafter, we shall have to live off the annual income the earth receives from the sun, and this means a forced end to our kind of abnormal affluence and an abrupt return to frugality. This will require the strictest sort of economic and technological husbandry, as well as the strictest sort of political control.

The necessity for political control should be obivous from the use of the spaceship metaphor: political ships embarked on dangerous voyages need philosopher-king captains. However, another metaphor—the tragedy of the commons—comes even closer to depicting the essence of the ecopolitical dilemma. The tragedy of the commons has to do with the uncontrolled self-seeking in a limited environment that eventually results in competitive overexploitation of a common resource, whether it is a commonly owned field on which any villager may graze his sheep, or the earth's atmosphere into which producers dump their effluents.

Francis Carney's powerful analysis of the Los Angeles smog problem indicates how deeply all our daily acts enmesh us in the tragic logic of the commons:

"Every person who lives in this basin knows that for twenty-five years he has been living through a disaster. We have all watched it happen, have participated in it with full knowledge. . . . The smog is the result of ten million individual pursuits of private gratification. But there is absolutely nothing that any individual can do to stop its spread. . . . An individual act of renunciation is now nearly impossible, and, in any case, would be meaningless unless everyone else did the same thing. But he has no way of getting everyone else to do it."

If this inexorable process is not controlled by prudent and, above all, timely political restraints on the behavior that causes it, then we must resign ourselves to ecological self-destruction. And the new political strictures that seem required to cope with the tragedy of the commons (as well as the imperatives of technology) are going to violate our most cherished ideals, for they will be neither democratic nor libertarian. At worst, the new era could be an anti-Utopia in which we are conditioned to behave according to the exigencies of ecological scarcity.

Ecological scarcity is a new concept, embracing more than the shortage of any particular resource. It has to do primarily with pollution limits, complex trade-offs between present and future needs, and a variety of other physical constraints, rather than with a simple Malthusian overpopulation. The case for the coming of ecological scarcity was most forcefully argued in the Club of Rome study The Limits to Growth. That study says, in essence, that man lives on a finite planet containing limited resources and that we appear to be approaching some of these major limits with great speed. To use ecological jargon, we are about to overtax the "carrying capacity" of the planet.

Critical reaction to this Jeremiad was predictably reassuring. Those wise in the ways of computers were largely content to assert that the Club of Rome people had fed the machines false or slanted information. "Garbage in, garbage out," they soothed. Other critics sought solace in less empirical directions, but everyone who recoiled from the books' apocalyptic vision took his stand on grounds of social or technological optimism. Justified or not, the optimism is worth examining to see where it leads us politically.

The social optimists, to put their case briefly, believe that various "negative feedback mechanisms" allegedly built into society will (if left alone) automatically check the trends toward even more population, consumption, and pollution, and that this feedback will function smoothly and gradually so as to bring us up against the limits to growth, if any, with scarcely a bump. The market-price system is the feedback mechanism usually relied upon. Shortages of one resource—oil, for example—simply make it economical to substitute another in more abundant supply (coal or shale oil). A few of these critics of the limits-to-growth thesis believe that this process can go on indefinitely.

Technological optimism is founded on the belief that it makes little difference whether exponential growth is pushing us up against limits, for technology is simultaneously expanding the limits. To use the metaphor popularized during the debate, ecologists see us as fish in a pond where all life is rapidly being suffocated by a water lily that doubles in size every day (covering the whole pond in thirty days). The technological optimists do not deny that the lily grows very quickly, but they believe that the pond itself can be made to grow even faster. Technology made a liar out of Malthus, say the optimists, and the same fate awaits the neo-Malthusians. In sum, the optimists assert that we can never run out of resources, for economics and technology, like modern genii, will always keep finding new ones for us to exploit or will enable us to use the present supply with ever-greater efficiency.

The point most overlooked in this debate, however, is that politically it matters little who is right: the neo-Malthusians *or* either type of optimist. If the "doomsdayers" are right, then of course we crash into the ceiling of physical limits and relapse into a Hobbesian universe of the war of all against all, followed, as anarchy always has been, by dictatorship of one form or another. If, on the other hand, the optimists are right in supposing that we can adjust to ecological scarcity with economics and technology, this effort will have, as we say, "side effects." For the collision with physical limits can be forestalled only by moving toward some kind of steady-state economy—characterized by the most scrupulous husbanding of resources, by extreme vigilance against the ever-present possibility of disaster should breakdown occur, and, therefore, by tight controls on human behavior. However we get there, "Spaceship Earth" will be an all-powerful Leviathan—perhaps benign, perhaps not.

A BIRD IN THE BUSH

The scarcity problem thus poses a classic dilemma. It may be possible to avoid crashing into the physical limits, but only by adopting radical and unpalatable measures that, paradoxically, are little different in their ultimate political and social implications from the future predicted by the doomsdayers.

Why this is so becomes clear enough when one realizes that the optimistic critics of the doomsdayers, whom I have artificially grouped into "social" and "technological" tendencies, finally have to rest their different cases on a theory of politics, that is, on assumptions about the adaptability of leaders, their constituencies, and the institutions that hold them together. Looked at closely, these assumptions also appear unrealistic.

Even on a technical level, for example, the market-price mechanism does not coexist easily with environmental imperatives. In a market system a bird in the hand is always worth two in the bush.[1] This means that resources critically needed in the future will be discounted—that is, assessed at a fraction of their future value—by today's economic decision-makers. Thus decisions that are economically "rational," like mine-the-soil farming and forestry, may be ecologically catastrophic. Moreover, charging industries—and, therefore, consumers—for pollution and other environmental harms that are caused by mining and manufacturing (the technical solution favored by most economists to bring market prices into line with ecological realities) is not politically palatable. It clearly requires political decisions that do not accord with current values or the present distribution of political power; and the same goes for other obvious and necessary measures, like energy conservation. No consumer wants to pay more for the same product simply because it is produced in a cleaner way; no developer wants to be confronted with an environmental impact statement that lets the world know his gain is the community's loss; no trucker is likely to agree with any energy-conservation program that cuts his income.

We all have a vested interest in continuing to abuse the environment as we have in the past. And even if we should find the political will to take these kinds of steps before we collide with the physical limits, then we will have adopted the essential features of a spaceman economy on a piecemeal basis—and will have simply exchanged one horn of the dilemma for the other.

Technological solutions are more roundabout, but the outcome—greater social control in a planned society—is equally certain. Even assuming that necessity always proves to be the mother of invention, the management burden thrown on our leaders and institutions by continued technological expansion of that famous fishpond will be enormous. Prevailing rates of growth require us to double our capital stock, our capacity to control pollution, our agricultural productivity, and so forth every fifteen to thirty years. Since we already start from a very high absolute level, the increment of required new construction and new invention will be staggering. For example, to accommodate world population growth, we must, in roughly the next thirty years, build houses hospitals, ports, factories, bridges, and every other kind of facility in numbers that al-

*Marxists tended to be more extreme optimists than non-Marxists, differing only on how the drive to Utopia was to be organized.

[1] Of course, noneconomic factors may temporarily override market forces, as the current Arab oil boycott illustrates.

most equal all the construction work done by the human race up to now.

The task in every area of our lives is essentially similar, so that the management problem extends across the board, item by item. More over, the complexity of the overall problem grows faster than any of the sectors that comprise it, requiring the work of innovation, construction, and environmental management to be orchestrated into a reasonably integrated, harmonious whole. Since delays, planning failures, and general incapacity to deal effectively with even our current level of problems are all too obvious today, the technological response further assumes that our ability to cope with large-scale complexity will improve substantially in the next few decades. Technology, in short, cannot be implemented in a political and social vacuum. The factor in least supply governs, and technological solutions cannot run ahead of our ability to plan, construct, fund, and man them.

Planning will be especially difficult. For one thing, time may be our scarcest resource. Problems now develop so rapidly that they must be foreseen well in advance. Otherwise, our "solutions" will be too little and too late. The automobile is a critical example. By the time we recognized the dangers, it was too late for anything but a mishmash of stopgap measures that may have provoked worse symptoms than they alleviated and that will not even enable us to meet health standards without painful additional measures like rationing. But at this point we are almost helpless to do better, for we have ignored the problem until it is too big to handle by any means that are politically, econmically, and technically feasible. The energy crisis offers another example of the time factor. Even with an immediate laboratory demonstration of feasibility, nuclear fusion cannot possibly provide any substantial amount of power until well into the next century.

Another planning difficulty: the growing vulnerability of a highly technological society to accident and error. The main cause for concern is, of course, some of the especially dangerous technologies we have begun to employ. One accident involving a breeder reactor would be one too many: the most minuscule dose of plutonium is deadly, and any we release now will be around to poison us for a quarter of a million years. Thus, while we know that counting on perfection in any human enterprise is folly, we seem headed for a society in which nothing less than perfect planning and control will do.

At the very least, it should be clear that ecological scarcity makes "muddling through" in a basically laissez-faire socio-economic system no longer tolerable or even possible. In a crowded world where only the most exquisite care will prevent the collapse of the technological society on which we all depend, the grip of planning and social control will of necessity become more and more complete. Accidents, much less the random behavoir of individuals, cannot be permitted; the expert pilots will run the ship in accordance with technological imperatives. Industrial man's Faustian bargain with technology therefore appears to lead inexorably to total domination by technique in a setting of clockwork institutions. C. S. Lewis once said that "what we call Man's power over Nature turns out to be a power exercised by some men over other men with Nature as its instrument," and it appears that the greater our technological power over nature, the more absolute the political power that must be yielded up to some men by others.

These developments will be especially painful for Americans because, from the beginning, we adopted the doctrines of Locke and Smith in their most libertarian form. Given the cornucopia of the frontier, an unpolluted environment, and a rapidly developing technology, American politics could afford to be a more or less amicable squabble over the division of the spoils, with the government stepping in only when the free-for-all pursuit of wealth got out of hand. In the new era of scarcity, laissez-faire and the inalienable right of the individual to get as much as he can are prescriptions for disaster. It follows that the political system inherited from our forefathers is moribund. We have come to the final act of the tragedy of the commons.

The answer to the tragedy is political. Historically, the use of the commons was closely regulated to prevented overgrazing, and we need similar controls—"mutual coercion, mutually agreed upon by the majority of the people affected," in the words of the biologist Garrett Hardin—to prevent the individual acts that are destroying the commons today. Ecological scarcity imposes certain political measures on us if we wish to survive. Whatever these measures may turn out to be—if we act soon, we may have a significant range of responses—it is evident that our political future will inevitably be much less libertarian and much more authoritarian, much less individualistic and much more communalistic than our present. The likely result of the reemergence of sacrcity appears to be the resurrection in modern form of the preindustrial policy, in which the few govern the many and in which government is no longer of or by the people. Such forms of government may or may not be benevolent. At worst, they will be totalitarian, in every evil sense of that word we know now, and some ways undreamed of. At best, government seems likely to rest on engineered consent, as we are manipulated by Platonic guardians in one or another version of Brave New World. The alternative will be the destruction, perhaps consciously, of "Spaceship Earth."

A DEMOCRACY OF RESTRAINT

There is, however, a way out of this depressing scenario. To use the language of ancient philosophers, it is the restoration of the civic virtue of a corrupt people. By their standards, by the standards of many of the men who founded our nation (and whose moral capital we have just about squandered), we are indeed a corrupt people. We understand liberty as a license for self-indulgence, so that we exploit our rights to the full while scanting our duties. We understand democracy as a political means of gratifying our desires rather than as a system of government that gives us the precious freedom to impose laws on ourselves—instead of having some remote sovereign impose them on us without our participation or consent. Moreover, the desires we express through our political system are primarily for material gain; the pursuit of happiness has been degraded into a mass quest for what wise men have always said would injure our souls. We have yet to learn the truth of Burke's political syllogism, which expresses the essential wisdom of political philosophy: man is a passionate being, and there must therefore be checks on will and appetite; if these checks are not self-imposed, they must be applied externally as fetters by a sovereign power. The way out of our difficulties, then, is through the abandonment of our political corruption.

The crisis of ecological scarcity poses basic value questions about man's place in nature and the meaning of human life. It is possible that we may learn from this challenge what Lao-tzu taught two-and-a-half millennia ago:

"Nature sustains itself through three precious principles, which one does well to embrace and follow.

These are gentleness, frugality, and humility."

A very good life—in fact, an affluent life by historic standards—can be lived without the profligate use of resources that characterizes our civilization. A sophisticated and ecologically sound technology, using solar power and other renewable resources, could bring us a life of simple sufficiency that would yet allow the full expression of the human potential. Having chosen such a life, rather than having had it forced on us, we might find it had its own richness.

Such a choice may be impossible, however. The root of our problem lies deep. The real shortage with which we are afflicted is that of key moral resources. Assuming that we wish to survive in dignity and not as ciphers in some ant-heap society, we are obliged to reassume our full moral responsibility. The earth is not just a banquet at which we are free to gorge. The ideal in Buddhism of compassion for all sentient beings, the concern for the harmony of man and nature so evident among American Indians, and the almost forgotten ideal of stewardship in Christianity point us in the direction of a true ethics of human survival—and it is toward such an ideal that the best among the young are groping. We must realize that there is no real scarcity in nature. It is our numbers and, above all, our wants that have outrun nature's bounty. We become rich precisely in proportion to the degree in which we eliminate violence, greed, and pride from our lives. As several thousands of years of history show, this is not something easily learned by humanity, and we seem no readier to choose the simple, virtuous life now than we have been in the past. Nevertheless, if we wish to avoid either a crash into the ecological ceiling or a tyrannical Leviathan, we must choose it. There is no other way to defeat the gathering forces of scarcity.

EXPORT CREDITS AND CONTROLS

Mr. STEVENSON. Mr. President, on Tuesday, April 2, the Subcommittee on International Finance will begin hearings on the role of the Export-Import Bank and export controls in U.S. economic and foreign policy.

The Bank's credits and export controls can be powerful vehicles for achieving U.S. objectives, both economic and political in the world. In an interdependent world, increasingly short of capital and raw materials, these tools play vital roles. Their misuse can invite retaliation in the form of trade wars and denied access to supplies abroad. On the other hand, both can be used to gain access to supplies, to reduce barriers in international commerce and to achieve political objectives.

The statutory bases for export controls and credits expire on June 30 of this year. These hearings will provide an opportunity to examine current policy and determine the adequacy of existing statutory guidelines.

In a short time, worldwide economic conditions have undergone dramatic change. Basic assumptions have been shattered, and fundamental rules of international behavior have been challenged. United States relations with both adversaries and friends alike are being transformed.

"Détente is pursued bilaterally with the Soviet Union and China. Relations with Japan and Western Europe are consequently strained. The Arabs embargo oil and the United States embargoes soy-

beans. In 1971, after functioning for almost 30 years, the international monetary system devised at Bretton Woods met its demise. Flexible exchange rates now appear destined to become a permanent fixture.

In 1973, after enjoying decades of seemingly unlimited oil supplies, the world was plunged into an energy crisis of which the Middle East oil embargo was only one manifestation. Permanent and significantly higher fuel costs are the prospect.

Inflation has become a worldwide phenomenon. In the United States last year, consumer prices rose almost 9 percent. Today they are rising at an annual rate of over 15 percent.

Western Europe and Japan share the inflation with rates of price increase only slightly less severe.

Food shortages now appear endemic, and the prospects for short-term improvement are grim. World population is growing at a rate of almost 2 percent a year, most of it concentrated in the poorer countries of the world. In less than a generation, total population may double. Maintaining per capita food consumption will require a twofold expansion in agricultural production. Most, if not all, of that must come from three or four countries, of which the United States is one.

Meanwhile, the future availability of other essential raw materials is increasingly uncertain. Commodity prices are at alltime highs. Supplies are being exhausted.

The United States today relies on imports to meet the demand for bauxite, manganese, nickel, tin, chrome, and zinc. By 1985, according to some estimates, domestic supplies of iron, tungsten, and lead will be exhausted. By the year 2000, domestic sources of copper, potassium, and sulfur may also be gone.

All this means that the interdependence of nations is growing. The United States will become increasingly dependent on others for essential productive resources. Other nations, in turn, will become increasingly dependent on the United States. Mutual dependence means that the international economic system may become increasingly vulnerable to unilateral action.

The Arab oil embargo is a dramatic example. Petroleum is an essential commodity. The industrialized world is dependent on its ready availability. Moreover, oil is a prime ingredient in such important products as fertilizers, medicines, and synthetic substitutes for limited natural materials of many varieties.

When oil supplies were suddenly and unexpectedly cut off in the fall of 1973, the entire world, developed and underdeveloped alike, was plunged into uncertainty. Alliances were threatened and political and economic relations strained. Policy was made to bend to the wishes of the oil producing states. The resumption of oil production at high prices will mean hardship for rich nations; it could mean disaster for poor nations. It may force fundamental changes in the U.S. social structure and way of life. And it could wreak havoc on the international monetary and financial systems. From bauxite to bananas—producing nations are considering similar concerted action.

Thus, in this interdependent world, the relationship between economic and political power is fraught with dangers of enormous magnitude. But it also presents significant opportunities. Economic power can be used to bring the world closer together or it can be wielded to tear it apart. It can be employed to promote international trade, commerce, and comity or be made subservient to domestic political objectives. It can be used to promote long-term national goals or be made subject to short-term commercial interests.

The United States, with its enormous resources, talent, technological capability, and capital can exert a profound influence on international behavior. To insure that it does, careful review of how our economic power is being used and how it can and should be used is in order.

The Export-Import Bank is a good place to begin. With lending authority of $20 billion, which under pending legislation would increase to $30 billion, it is capable of significant power and influence.

As recently as 1972, the Bank had no involvement with Russia. In May of that year, "détente" was ushered in with the signing of an agreement to establish a joint United States-U.S.S.R. commission to negotiate commercial agreements covering such matters as trade, credits, business facilities, and the development and sale of raw materials and resources.

Since then, the Export-Import Bank has extended almost a billion and a half dollars in loans and guarantees for the sale with goods and services in the Soviet Union and Eastern Europe, including such major facilities as a $340 million truck plant, a $44 million acid plant, a $36 million iron ore pellet plant, a $3 million computer system, a nuclear technical center, and offshore oil drilling equipment. For the Soviet Union alone, almost $289 billion in direct Exim loans are presently outstanding. Pending are applications for an additional billion dollars or more in loans and guarantees for the Soviet Union and Eastern Europe for such things as a $400 million chemical complex, a $110 million gas exploration project, and a $41 million automobile manufacturing process.

With transactions of this magnitude involving countries with which the United States has had no substantial economic relations for the past 30 years, it is reasonable to examine the policies the Bank is pursuing. They involve countries whose military posture and political systems are still, to a large extent, inimical to the best interests of the United States.

Numerous questions are raised: Are these transactions based solely on the export promotion considerations which are intended to govern the Bank? If not, are they consistent with the Bank's statutory mandate? Has the President made the statutorily required national interest determination with respect to these transactions or have they, as ruled recently by the General Accounting Office, been made in violation of law?

Does exposure of over $1 billion in that part of the world impair the financial soundness of the Bank? What are the prospects of collection in the event of default?

At a time when capital and equipment for energy development at home are in short supply, and many billions of dollars in new investment are required to meet projected U.S. energy needs. Is it wise for the United States to be financing energy development abroad, particularly when financing is at below market interest rates and there can be no assurance that the resulting production will be available for U.S. markets?

Should the lending rate remain fixed at 7 percent in all cases or should it be flexible? Should the lending rate vary with the type of project and length of term?

Should the Bank finance exports of military arms and defense related servives? What role should Congress play in overseeing transactions supported by the Bank?

Should the United States provide financial assistance to countries which deny fundamental political and human rights? Can it influence the behavior of such countries by denying such assistance? Will transactions with the Soviet Union really help to secure détente or will they merely strengthen the Soviet Union for continued confrontation with the West? Are America's long-term national interests being sold for short-term commercial or political gain?

These are only some of the questions which have been raised. They must be explored and answered before Exim legislation can be acted upon. The Bank appears to have come a long way from its export promotion origins and it is incumbent on us to gain a clearer understanding of its present role and purposes. So that the Congress may do that before additional questionable transactions are consummated, I have asked the Bank to suspend further approvals of credits to the Soviet Union and Eastern Europe pending resolution of the doubts and uncertainties involved. Mr. President, I ask unanimous consent that my letter of Friday to the President of the Bank in that regard be included in the RECORD at the end of this statement.

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

(See exhibit 1.)

Mr. STEVENSON. Export control policy needs similar review. Access to supplies is one of the most important issues facing the world today. Resort to controls over scarce materials to achieve political objectives or to drive world prices up and extract cartel or monopoly profits could plunge the world into a new era of economic nationalism, causing grave uncertainty and inestimable harm to developed and underdeveloped countries alike. Can the United States take a lead in countering such action? How can it begin the process of generating interna-

tional agreement and cooperation? Is authority for retaliatory use of controls or authority for such negotiations necessary? Proposals bearing on these questions are presently pending before the Congress and will be examined in the course of these hearings.

Also pending is a bill (S. 2411) which I cosponsored with Senator JAVITS to establish a system for assuring sufficient food supplies at home while at the same time insuring that we continue to supply both our traditional customers abroad as well as the people of the developing nations. In light of the projections of persistent worldwide food shortages, some measure such as this may be necessary to increase agricultural productivity and prevent chaos in international food markets. It may be necessary to barter food for oil.

Wheat shortages which we currently face dramatize the folly of failing to provide for shortages. The soybean embargo in the summer of 1973 shows the disruption to international markets and established trading and political relationships which occurs when exports are suddenly terminated. Customers in other lands who were deprived of needed food supplies rightly questioned the reliability of the United States as a supplier. By failing to provide for the shortage contingency, the United States did a disservice both to its own citizens and the people of the rest of the world.

Export control policy is the vehicle for achieving a balance between the needs of American consumers and the Nation's international obligations. S. 2411 seeks to strike that balance and will receive careful consideration.

International economic policy encompasses a wide range of issues. In today's international climate, the issues raised by export financing and export control are most important. These hearings will provide an opportunity to devise policies to improve that climate and permit effective pursuit of U.S. interests and international responsibilities. Questions regarding the hearings should be directed to Stanley J. Marcuss, International Finance Subcommittee counsel, room 456, Russell Senate Office Building, Washington, D.C. (202—225–2854).

EXHIBIT 1

MARCH 29, 1974.

Hon. WILLIAM J. CASEY,
President and Chairman, Export-Import Bank of the United States, Washington, D.C.

DEAR MR. CHAIRMAN: As you know, substantial controversy surrounds the extension of Export-Import Bank credits to the Soviet Union and Eastern Europe. The GAO has ruled that transactions with Communist countries without a separate national interest determination by the President with respect to each transaction are illegal. In both the Senate and House, measures have been introduced calling for the suspension or termination of Exim credits to the Soviet Union. Pending trade legislation contains a provision which could severely limit the Soviet Union's eligibility for future credits. And the International Finance Subcommittee, which I chair, will start hearings next week on the role of the Export-Import Bank in U.S. international economic policy. Exim has already agreed to be the first witness.

There is good reason for the Congress to be concerned about the policies which guide the Bank in these transactions. As recently as January of 1973, the Bank had no involvement with the Soviet Union. Since then, however, almost a billion and a half dollars in loans and guarantees have been extended to Russia and Eastern Europe for such major facilities as a $340 million truck plant, a $44 million acid plant, a $36 million iron ore pellet plant, a $3 million computer system, a nuclear technical center, and offshore oil drilling equipment. Pending with respect to the Soviet Union are applications for an additional quarter of a billion dollars or more in loans for such things as a $400 million chemical complex, a $110 million gas exploration project, and a $41 million automobile component manufacturing process. With transactions of this magnitude and type involving non-market countries with which the United States has had no substantial economic relations for the past thirty years, it is reasonable to expect serious inquiry about the policies which the Bank is pursuing, particularly since they involve countries whose military posture and political systems are still, to a large extent, inimical to the best interests and values of the United States.

Of particular concern is the apparent haste with which these credits have been approved. When the GAO issued its ruling concerning their illegality, the Bank temporarily suspended further approvals. Yet one day after Exim secured an opinion from the Attorney General which disputed that of the GAO, Exim announced approval of an additional $74 million in loans to the Soviet Union, Yugoslavia, Poland, and Romania.

I pass no judgment on the merits of the conflicting legal opinions. However, the existence of such conflict may be of concern to the business community because of the questions it may raise regarding the validity of the affected transactions. Moreover, not only does the legal controversy remain, but fundamental policy issues are involved which the Congress and the International Finance Subcommittee are now examining. Therefore, I request that the Export-Import Bank immediately suspend all further approvals of loans, guarantees, and insurance involving transactions with the Soviet Union and Eastern Europe until the Subcommittee has completed its upcoming hearings on international economic policy and the Congress has resolved the issues involved.

Compliance will not involve significant delay for, as you know, the Exim statute expires on June 30 of this year. Final action on Exim legislation will be taken in the immediate future. Meanwhile, exploration and resolution of the doubts and uncertainties which have arisen will be of lasting benefit to all concerned.

Sincerely,

ADLAI E. STEVENSON,
Chairman, Subcommittee on International Finance.

BOY SCOUT PROGRAM FOR THE HANDICAPPED

Mr. DOLE. Mr. President, I was pleased to learn recently of expanded efforts by the national organization of the Boy Scouts of America to promote scouting programs for the handicapped. A resolution was passed at the BSA annual convention in 1973 promising support to local scouting groups which are specifically designed for boys with physical and mental impairments. At the same time, a National Advisory Committee on Scouting for the Handicapped was established to provide advice and counsel to all such groups.

In view of the large number of handicapped boys who have already distinguished themselves as Boy Scouts, these recent provisions are particularly appropriate and worthy of recognition. I want to express my most sincere wishes for the success of this program and ask unanimous consent that the texts of the BSA Resolution and Advisory Committee Statement be printed in the RECORD.

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

ANNUAL MEETING, BOY SCOUTS OF AMERICA, MINNEAPOLIS, MINN., MAY 23–25, 1973

RESOLUTION

Whereas Scouting is for all boys, and:

Whereas the Boy Scouts of America seek to get a representative one-third of all boys of Scouting age as participants in Cubbing, Scouting and Exploring, and;

Whereas a number of boys have overcome their disabilities to distinguish themselves in Scouting; now, therefore, be it resolved that:

The Boy Scouts of America does recognize the need to encourage more boys with impairments to become participants in Cubbing, Scouting and Exploring;

The National organization will provide complete support to efforts of sponsors, organizations, local councils and Scouters to increase participation of boys with handicaps, so that a representative one-third of all boys with impairments of Scouting age become participants.

The Boy Scouts of America will consider the needs of those with handicaps in designing facilities and developing and implementing programs.

Boy Scouts of America will establish—and regularly seek the advice and counsel of—a National Advisory Committee on scouting for the handicapped. Further the Committee will meet at least annually to review plans, programs and progress and to make recommendations to enhance Scouting for the Handicapped.

NATIONAL ADVISORY COMMITTEE ON SCOUTING FOR THE HANDICAPPED ADVISORY PANEL

BACKGROUND

The Boy Scouts of America are serving an increasing number of boys with physical, social, mental and emotional problems. Fully aware of both the increased interest in Scouting for the Handicapped and the opportunities for the Scout movement to better serve such boys, a resolution was approved at the May 1973 Annual Meeting of the Boy Scouts of America, authorizing the formation of a Committee on Scouting for the Handicapped. The intent was "to encourage more boys with impairments to become participants in Cubbing, Scouting, and Exploring."

ORGANIZATION

Under the direction of the Relationships Committee, persons will be named to the new committee representing leading national organizations which are already Scouting partners which can make a major contribution in the field of the handicapped, vital private citizens, representatives of appropriate Federal Departments and agencies and interested members of the National Executive Board of the Boy Scouts of America.

The Committee shall have as its Advisor, the Director of Scouting for the Handicapped. It shall have a chairman and one or more vice-chairmen and shall meet yearly at the time of the BSA Annual Meeting and if necessary at the call of the chairman.

OBJECTIVES

The Committee will provide "advice and counsel" of the Education Relationships Committee of the Boy Scouts of America and to enhance Scouting for the Handicapped.

The Committee shall establish and maintain close relationships with all national organizations interested in serving the handicapped and shall seek their advice and counsel when appropriate, encouraging the organizations to support Scouting for the Handicapped through sponsorship of Scout units on a local level, publications, periodicals and occasional special pamphlets and working with local councils.

The end result being that the organization would use the Scouting program to accomplish its objectives. Local Scout councils could provide a better Scouting program to boys with handicaps by working with the organization and the community of which both are a part.

The committee shall encourage formation of Regional, Area and Council Committees on Scouting for the Handicapped and assist such committees once they are formed. The chairman of these committees will automatically be a member of the National Advisory Committee.

The Committee shall review and update all manuals, literature and visuals related to Scouting for the Handicapped and shall work with Cubbing, Scouting and Exploring services to the end that their materials, manuals, literature and visuals include adequate reference to handicapped boys.

The Committee shall review and act upon recommendations referred to them which might affect programs of a national nature related to Scouting for the Handicapped, i.e., Training programs and national activities.

The Committee shall be alert to the possibilities of cooperating with other organizations and agencies serving boys and shall encourage the Boy Scouts of America to authorize and promote such cooperation to programs such as the Special Olympics.

The Committee shall maintain close liaison with the National Committees on Cub Scouting, Scouting and Exploring.

The Committee shall send items of general or special interest to appropriate news media and shall utilize channels of publicity and public relations to promote Scouting for the Handicapped.

SUMMARY

Central to all Committee objectives, policies and programs is the realization of the Boypower goal of a representative one-third of all American handicapped boys in Scouting from the present approximate 6%.

THE CONDOMINIUM

Mr. BIDEN. Mr. President, an article by Terry Brown in the Wall Street Journal examines the trend and potential of a relatively new housing concept—the condominium. Real estate developers estimate that condominium prospects are better than ever now, despite recent publication of the pitfalls and myriad difficulties which accompany the condominium style of living. More condominiums are expected to be built this year than in any previous year:

With housing starts predicted to be off 15% to 20% this year from last year's 2.05 million units, the National Association of Home Builders says condominium starts will increase 4% from a year ago to 230,000 individual units.

On the other hand, the consumers are prey to indequate disclosure and enforcement laws or underestimate their new responsibilities for maintenance.

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

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Wall Street Journal, Mar. 29, 1974]

CONDOMINIUM BUYERS DISCOVER OWNERSHIP ISN'T ALWAYS CAREFREE

(By Terry P. Brown)

The condominium, the hottest product in residential real estate for the last three years, may be headed for hard times unless something is done to soothe a growing number of unhappy buyers.

Lured by promises of carefree living, tax advantages and recreational amenities, young and old have flocked to buy their own apartments, usually in urban high-rises or suburban townhouse communities. Many say they haven't received what they bargained for, and the complaints of irate condominium owners—who developers insist are a "vocal minority"—are intensifying.

Condominium buyers charge that some developers are underestimating maintenance fees that buyers must pay in addition to their regular monthly mortgage outlay. There also are complaints of unrealistic delivery dates, unwarranted developer control over projects, exorbitant fees for recreation facilities and poor-quality apartments. Where older apartment buildings are being converted from rental units into condominiums, some tenants say they are being harassed into buying or are being forced to move. As a result of all this, industry observers predict that an increasing number of states will pass disclosure and enforcement laws to protect buyers.

SOME TERRIBLE THINGS

"The condominium concept is no flash in the pan, but so many have been built in the last three years that many inexperienced developers got into the business," says Alan J. Brody, chairman of Heitman Mortgage Co. of Chicago. "Consequently, some terrible things have been pushed down buyers' throats, and in today's competitive market the selling pressure and abuses are bound to get worse."

Many developers concede that there have been problems but say that some such woes result from the buyers' lack of understanding of condominiums.

Some of the worst abuses allegedly have occurred in Florida, where more than 250,000 condominium units have been built, many as retirement homes or vacation retreats. Things were so bad that in 1972 Gov. Reubin Askew appointed Brown L. Whatley, chairman of Arvida Corp., a real-estate development firm, to conduct statewide hearings. "Under our present law, we found there is opportuntiy for greed and inefficiency by sharp developers. The likelihood of disappointment for the buyer is great," Mr. Whatley said.

Many people buy a condominium thinking they will own not only their apartment but also a share of such common areas as the swimming pool and clubhouse. But in Florida, a widespread practice is for developers to retain ownership of recreational facilities and rent them back to the apartment owners on a long-term contract. The buyer must agree to the arrangement when he buys, or he must look elsewhere. "Some developers are getting fat by charging $250,000 a year on 99-year leases to use just a small swimming pool," says David W. Unterberg, a Florida attorney.

RETAINING CONTROL

Condominium buyers also expect to run their building through an elected board of directors, but some find that the developer still has his hooks in it. In one North Miami Beach condominium, the apartment owners were locked into a 25-year management agreement with an agent and an attorney selected by the developer. The owners' association took over the building's management and sued to void the contract, but the state supreme court upheld the agreement. "We think these agreements are tie-in contracts in restraint of trade, so now we've filed an antitrust suit in the federal courts," says Ernest Samuels, a resident. "In the meantime, we're paying $60,000 a year to the managing agent and $10,000 to the lawyer to keep them out."

It isn't uncommon for monthly assessments to go up or special assessments to be made. Mr. Samuels contends that when the owners' association took over the building in 1970, it had to pay $100,000 to waterproof several apartments that had been damaged by rain. "At the end of this year, we expect the cost of renting a swimming pool, clubhouse and small doctor's office to go up more than 50%, to about $340,000 from $220,000 a year," he adds.

Leonard Schreiber, president of Point East Enterprises, the developer of Mr. Samuels' condominium, says: "the courts have held that all of the contracts and documents are valid. Everything was there for them or their attorneys to read well before they bought their apartments. There has never been any question of fraud or the misuse of funds."

In Chicago, Suzanne Dub, a suburban schoolteacher, bought a condominium that was under construction last summer and was told that it would be finished last November. On the basis of the promise, Miss Dub moved out of her apartment, but her condominium still isn't ready. "If I rescind the contract, I might lose my $3,700 down payment," she says. "In the meantime, I'm living in a hotel, and it's costing me plenty."

RENTAL-UNIT SHORTAGE

Conversions have added to the dissatisfaction. They have become so popular in some cities that rental units are at a premium. In Chicago last year, about 13,700 individual condominium units were registered, more than in all the previous five years; experts say about 30% of those were converted from rental units. Says Chicagoan Melvin R. Luster, who specializes in buying old rental units and converting them to condominiums: "Because of increasing real estate taxes and operating costs, any good rental building in a good location will be a condominium within five years."

Mrs. Jura Scharf, a vice president of Urban Research Corp., a Chicago urban-affairs firm, recently bought a condominium in the city's Hyde Park area, near the University of Chicago, where conversions have been heavy. "My husband and I had to buy because the building we were living in was converted out from underneath us, and we couldn't find a comparable apartment to rent," Mrs. Scharf says. "The scarcity of rental units is changing the neighborhood because students can't afford to live here anymore."

Critics charge that buildings are converted unexpectedly without sufficient notice to the tenants. Eugene Matanky, a Chicago real-estate developer, bought a 17-story apartment building recently on the city's fashionable North Lake Shore Drive. Mrs. Irene Alexander, a tenant there, says: "Some of the tenants moved in and signed two-year leases only two months before the building went condominium, and now those who don't want to buy are receiving phone calls at odd hours

from salesmen, and our apartments are being shown at inconvenient times." Legally, any tenant can stay until his lease expires, but many don't realize this.

Mr. Matanky denies that he is pressuring the tenants to buy. "You expect some inconvenience for the tenants whenever a building is converted," he says, "but we're even extending leases to help them out."

"Conversions generally are a sophisticated form of abandonment," contends Albert C. Hanna, vice president of Percy Wilson Mortgage & Finance Corp., a mortgage-banking unit of U.S. Steel Corp. "An owner is no longer able to operate a building successfully, so he passes the problems along to the buyer." Mr. Hanna adds: "Many unit buyers find their assessment fees raised to cover the cost of deferred maintenance after they move in, and suddenly the sales pitch about condominiums as a good investment doesn't look too good."

Real-estate men say that one reason for misunderstanding in the field is that many purchasers believe that state and federal laws will protect them from misrepresentations or deceptive practices by the developer and his salesmen. Many don't bother to hire an attorney to represent them at the closing, and some don't read whatever legal documents are presented. The amount of information that the developer is required to disclose and the methods for checking it vary. States such as New York, Michigan, Virginia, California and Hawaii require extensive information and have review agencies to approve it. Other states have minimal disclosure laws and only superficial review.

Anticipating some of the headaches, New York in 1964 passed what are perhaps the nation's toughest condominium laws. They prohibit developers from retaining control of recreational facilities. In addition, each developer offering to sell in the state must prepare a detailed prospectus, resembling a stock-offering prospectus, which is reviewed and approved by the state attorney general's office. A typical prospectus may run 150 pages and contain detailed estimated operating budgets, financing details, background on the developer and lengthy descriptions of the project. Builders say the preparation of the prospectus is "expensive and a pain," but most concede, as one national builder says, that "it forces you to put everything on the table."

MOMENTUM IN OTHER STATES

Other states soon may be moving in this direction. In Illinois, builders are required to present the buyer with only a copy of the condominium declaration, association bylaws, a proposed budget and floor plans. A lender or tile-insurance officer may review the documents. A package of condominium bills has been introduced in the Illinois house of representatives that would require the builder deliver a detailed prospectus for review by the secretary of state's office. In Florida this year, the legislature will consider bills that would create a condominium-regulatory agency and require a prospectus for each project.

The federal government also is said to be taking a look at condominium regulation. Condominium owners in Miami say they were interviewed late last year by representatives of the Federal Trade Commission regarding alleged industry abuses there, but the agency refuses to confirm or deny that it is investigating this field. Some experts have urged the Securities and Exchange Commission to extend its present regulation of condominiums, which now covers only those built as investments to be rented out rather than lived in year-round. But a commission spokesman says, "We haven't any interest in regulating primary living units."

Meanwhile, more condominiums are expected to be built this year than in any previous year. With housing starts predicted to be off 15% to 20% this year from last years 2.05 million units, the National Association of Home Builders says condominium starts will increase 4% from a year ago to 230,000 individual units. It isn't clear how many condominiums there are nationally, however, because they, along with rental units, are reported as apartments. But some experts estimate that there are more than two million individual condominium units, up from only 300,000 in 1970.

In addition to condominiums, there are also cooperative apartments, in which each resident is a shareholder in a corporation that owns the building. These are popular in New York City, but have never caught on in a big way elsewhere. Even along posh Fifth Avenue, however, Realtors say condominiums are beginning to cut into the cooperative market. Like the condominium owner, the cooperative-apartment owner is responsible for paying a share of the maintenance costs of the building and can be subject to escalating fees. Generally, however, cooperative owners haven't been subjected to the same abuses as their condominium counterparts.

Condominium activity has been so strong recently that some analysts fear overbuilding. "In Chicago, San Diego, Miami and Seattle, there are substantial inventories of unsold condominiums," says George P. Jahn, vice president of Advance Mortgage Corp. of Detroit. "Where there has been heavy condominium building, there's a shortage of rentals, and some cities are swinging back. Detroit went from a 60% condominium market to at least 60% rental late last year."

THE URGE TO SELL

Developers are anxious to fill their buildings. In Atlanta, some condominiums are being rented with options to buy. In Chicago, builders are offering cash discounts or premiums. In San Diego, some are picking up closing costs. One hotel in Palm Beach, Fla., that is converting to a condominium says it will pay for two weeks' vacation for those who "try before they buy." To get a competitive market edge, Louis R. Silverman, president of a Chicago development and condominium brokerage firm, is guaranteeing that maintenance assessment fees won't rise for two years.

What can condominium buyers do to protect themselves from high-pressure selling tactics? Here are some of the things, real-estate men advise:

The buyer should check into the background and reputation of the developer and take a look at his other projects. The purchaser should read whatever legal documents are presented. He should make sure there is a detailed operating budget clearly spelling out monthly assessments and what services will be received in return. The purchaser should find out who will manage the building and should ask if the developer has provided reserve funds to correct any minor construction flaws that might be discovered after the buyer moves in.

Developers, however, aren't ready to accept full blame for the problems. Many people still don't understand what condominiums are and the way of life they involve, the developers say. "Many first-time condominium buyers are apartment renters who buy with unrealistic expectations," says William D. Sally, vice president of Baird & Warner Inc., a Chicago real-estate firm. "Some don't realize they're responsible for the interiors of their apartments and a proportionate share of the common areas. If the faucet leaks, they can't tell the landlord anymore to fix it."

David Froberg, president of Manageers Inc., a suburban Chicago property-management firm, says there are other problems as well. "Condominium living sometimes means bowing to the will of the majority as determined by the elected board of directors who run the project," Mr. Froberg says. "But this can be trouble if you own a dog and the majority bans pets or if the board decides to raise your assessment fee to pay for new tennis courts and you don't play tennis."

SOLZHENITSYN'S NEW LETTER EXPLAINS CALL ON SOVIETS TO ABANDON AGGRESSION AND LAY DOWN ARMS

Mr. HELMS. Mr. President, Alexander Solzhenitsyn has been reunited with his family in Zurich, and, to judge from the news accounts, it was a joyful reunion. When Solzhenitsyn was arrested on February 12, it appeared highly doubtful that he would ever see his family again. But the worldwide outpouring of protest forced the rulers of the Soviet Union to expel this champion of human rights rather than kill him, or send him to a lingering death in Siberia.

Once he arrived in the West, there remained a lingering doubt that his family actually would be allowed to come out, as promised. The illness of his young son, the problem of gathering together the author's books and manuscripts, the stress and difficulties which Mrs. Solzhenitsyn faced in attempting all alone to cope with the Soviet bureaucracy all seemed to conspire to induce uncertainty.

Without the concerted protest of the Western world, Solzhenitsyn's life, and more important, his witness, could not have been preserved. Throughout the whole dialog on human rights in the Soviet Union, progress has been achieved in direct ratio to the intensity and multiplicity of protest from the outside. When the strength of public objection is lowered, then oppression increases; when international dissent is registered loud and clear, then the Soviets must act to accommodate world opinion.

This was one of the reasons that I introduced Senate Joint Resolution 188, to confer honorary U.S. citizenship upon Alexander Solzhenitsyn. Solzhenitsyn is a man who deserves that honor simply on behalf of the struggle which he himself has conducted against tyranny. But at the same time, when we honor him for that struggle, we are also protesting against the general deprivation of human rights in the Soviet Union. We are, in effect, making a significant and official gesture on behalf not only of Solzhenitsyn, but also on behalf of all the oppressed peoples in the Soviet Union.

To date, 37 Senators have joined in cosponsoring this resolution. But we should make this declaration unequivocal. Without the support of 37 Senators and without the support of similar protests, throughout the world, it is doubtful that Solzhenitsyn would now be reunited in freedom. But much more needs to be done. Insofar as the Soviets must react to such protest from the U.S. Senate, we are encouraging reform within the So-

viet Union, and setting up the conditions under which a true détente is possible.

Solzhenitsyn himself indicates that this is true in a second letter which I received from him just last week. In speaking of his letter to the rulers of Russia, Solzhenitsyn wrote to me as follows:

This program originated in the basic general premise that whole nations, just like individual persons, can reach their high spiritual purposes only by means of voluntary self-restraint in their external affairs and by intensive concentration on their "inner development." This program, therefore, proposed that my country refrain unilaterally from any external conquests, from violence against any neighboring states, from any world-wide claims, from any world contention, and in particular from the arms race—a proposal which I made on such a scale and with such an utter completeness of rejection that it surpasses anything that is today hoped for in terms of moderate, mutual "reduction of tensions." Some commentators have interpreted this as "nationalism," but it is the dynamic opposite of "nationalism."

Mr. President, what Solzhenitsyn is telling us is that the way to reduce tensions is to remove the cause of tensions, and, in particular, the aggressive Soviet interest in world domination. We must not expect such a major change to come about suddenly or of its own accord; it will only come about by supporting those elements in the Soviet Union that want such a change to come about. It can come about, despite superficial external appearances. Solzhenitsyn is the link to the progressive elements advocating change. In his recent letter to me, he writes:

I am very much disturbed by the present conditions and trends of development in both our countries. As far as my country is concerned—and this is a fact not clearly visible from the outside—despite all its external physical power, my country is confronted with a dilemma: Either we will have a physical catastrophe (and before that, a spiritual catastrophe) or we will have a non-bloody, non-violent moral reform. As for myself and for my political friends in my country (from which I have been temporarily banished, but banished only physically), we come to the conclusion that the road to a humane future cannot be opened by a physical upheaval of power. The world has just gone through an entire era of such victorious revolutions and has now arrived at the point of chaos and disintegration.

Mr. President, these are constructive elements in Soviet society. In the long run, it is only by cooperation with such currents in Soviet development that we can achieve the hope of lasting peace. Nuclear arms are symptoms of antagonism, and the elimination of symptoms alone will never cure the problem. I call upon all Senators who have not yet cosponsored Senate Joint Resolution 188 to consider doing so now. Strong support of Senate Joint Resolution 188 is the best possible vehicle to respond to the humanitarian urgings of Solzhenitsyn. It gives him world stature to work for disarmament in his country, and it is a ringing endorsement by the Congress of the United States for his plan for peace. Here is a peace plan that will not cost the world one cent, and will actually remove the need for the arms race. Cosponsorship and endorsement of Senate Joint Resolution 188 will actually give Solzhenitsyn the tool that he needs for effective action. His letter to me closes in this fashion:

And if in the future we want to experience not destructive revolutions, but constructive ones, then they must be moral revolutions—or rather new phenomena which cannot be foreseen in clear and precise forms at present. But let us hope that the world will find these forms better and higher than those of the past, and will be able to utilize them for the good, and not for blood.

Mr. President, it is no secret that the Soviet Union's leaders are hoping that they have turned aside the peaceful revolution urged by Solzhenitsyn by expelling him from his country. They are boasting to Western newsmen that the excitement over his expulsion has ebbed and that they have successfully defused a potentially damaging situation by expelling him. Indeed, a long article appeared in the New York Times of April 1 detailing this boast of the Soviets.

But as Solzhenitsyn says, his banishment is only a fiction. He may be physically banished, but his great influence, his leadership, and his symbolism remain in his native land. Indeed, I predict that the last has not yet been heard of Solzhenitsyn in Moscow. We cannot allow the Soviets to get away with their boast. There is no longer any reason to delay in cosponsoring Senate Joint Resolution 188. Solzhenitsyn is safe, his family is safe; it is only the world that remains in danger. We must grasp the opportunity now to work for lasting peace.

Mr. President, I ask unanimous consent that the article "Protests Ebbing on Solzhenitsyn," from the New York Times, be printed in the RECORD at the conclusion of my remarks.

Mr. President, I also ask unanimous consent that the current list of the 37 cosponsors of Senate Joint Resolution 188 be printed in the RECORD at the conclusion of my remarks.

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

[From the New York Times, Apr. 1, 1974]

PROTESTS EBBING ON SOLZHENITSYN: WESTERN DIPLOMATS CONCEDE THAT EXPULSION TACTIC IS A SUCCESS FOR KREMLIN

(By Hedrick Smith)

Moscow, March 31.—Despite the initial shock in the West over the forced exile of Aleksandr I. Solzhenitsyn, the Soviet leadership has been successful in ridding itself of the country's most celebrated dissenter without serious policy repercussions. After the expulsion six weeks ago, protests were raised by Western intellectuals and even some Government figures. But the Solzhenitsyn affair has not become a point of contention in any important East-West negotiations, or in discussions on the issues of human rights or freer flow of ideas between East and West.

The banishment of the 55-year-old author has demoralized a number of his friends and other iconoclastic Soviet intellectuals. They say privately that they fear official reprisals, now that Mr. Solzhenitsyn's protective presence—and the world attention— has been removed.

The authorities let his wife depart last week with her family and her famous husband's archives without problems or harassment. They had evidently calculated that this would quickly close the case and hasten the decline of Russia's most powerful and controversial writer of mid-century into oblivion in the West.

THE ONE RISK

The one risk for Moscow is that it will face both propaganda and policy repercussions later when Mr. Solzhenitsyn's book "The Gulag Archipelago, 1918–1956" comes out in large editions in the West.

By sentencing its author to permanent exile, the Kremlin gave the book far wider publicity and attention than it would otherwise have gotten and probably insured that this devastating account of the Soviet prison system—before, during and after Stalin—will be one of the most widely read books in a decade.

Some Western diplomats suggest that this could have repercussions, reinforcing the skepticism of some Western political factions toward détente with Moscow, and reviving suspicions about Stalinism, much as did the invasion of Czechoslovakia in 1968.

Only a few copies of the small Paris edition of "Gulag" are reportedly circulating here in Moscow, but interest in the work is intense among intellectuals and young people.

Black market prices run from 30 to 80 rubles (about $39 to $104). Waiting lists to read the circulating copies are said to be long. People reportedly devour the 606 pages in two or three days, not only because of the pressures of demand but also, some confess privately, a bit out of fear of being caught with such risky literary contraband in their possession.

SOME PARTIES PROTEST

Some Communist parties in places such as Sweden, Italy, and Yugoslavia have protested. L'Unita, the Italian Communist party newspaper, chastised Moscow for not having let Mr. Solzhenitsyn publish his book in the Soviet Union and then doing ideological battle with him. Unita condemned the use of "administrative measures" in a cultural matter, and even hinted that the Kremlin's handling of the affair showed signs of Stalinist tactics.

By and large, Western diplomats privately concede, the bold stroke of expelling Mr. Solzhenitsyn has been a success for the Kremlin. Privately, Russian dissidents voice some surprise that the protest in the West died down so quickly.

At the preparatory talks in Geneva for a European security conference, where human rights and freer movement of people and ideas are central points of controversy between negotiators from East and West, Mr. Solzhenitsyn's expulsion had been expected to stir a broad reaction. But reports from Geneva indicate that the matter has not even come up in the negotiations.

Mr. Solzhenitsyn's banishment was unique in that he had refused to bow to intense and unrelenting official pressures, refused to quit his homeland voluntarily, and had to be deported with an escort of eight security agents.

But the Soviet technique of exiling dissenters, even of having the secret police propose exile coupled with the threat of repressions and punishment, has become a fairly widespread tactic of the Kremlin for coping with domestic dissent over the last two years.

Less celebrated iconoclasts, also under great pressures, have reluctantly accepted exile abroad or to camps in Siberia or other punishment.

Mr. Solzhenitsyn is now following in a great Russian tradition of dissenters in exile,

many of whom had great influence on their countrymen despite the physical separation.

Before parting, Mrs. Solzhenitsyn asserted that this would be her husband's lot. "They can separate a Russian writer from his native land," she said "but no one has the power and strength to sever his spiritual link with it, to tear Solzhenitsyn away from Russia."

LIST OF COSPONSORS OF S.J. RES. 188

Mr. Helms of North Carolina.
Mr. Bartlett of Oklahoma.
Mr. Beall of Maryland.
Mr. Bennett of Utah.
Mr. Brock of Tennessee.
Mr. Buckley of New York.
Mr. Curtis of Nebraska.
Mr. Dole of Kansas.
Mr. Dominick of Colorado.
Mr. Fannin of Arizona.
Mr. Gurney of Florida.
Mr. Hansen of Wyoming.
Mr. Hatfield of Oregon.
Mr. Hruska of Nebraska.
Mr. Javits of New York.
Mr. McIntyre of New Hampshire.
Mr. Packwood of Oregon.
Mr. Schweiker of Pennsylvania.
Mr. Thurmond of South Carolina.
Mr. Weicker of Connecticut.
Mr. Nelson of Wisconsin.
Mr. Nunn of Georgia.
Mr. Ribicoff of Connecticut.
Mr. Tower of Texas.
Mr. Bayh of Indiana.
Mr. Bible of Nevada.
Mr. Domenici of New Mexico.
Mr. Hart of Michigan.
Mr. Hollings of South Carolina.
Mr. McGee of Wyoming.
Mr. Pell of Rhode Island.
Mr. Scott of Pennsylvania.
Mr. Williams of New Jersey.
Mr. Brooke of Massachusetts.
Mr. Jackson of Washington.
Mr. Moss of Utah.
Mr. Taft of Ohio.

INDIAN SELF-DETERMINATION AND EDUCATION ASSISTANCE ACT

Mr. KENNEDY. Mr. President, I would like to comment briefly on the appropriately named Indian Self-Determination and Education Assistance Act—S. 1017. This bill in many ways constitutes an answer to demands made by American Indians for many years. It represents the manifestation of a professed Federal policy of "self-determination without termination," and it reflects a congressional initiative toward shaping Federal programs more responsively and more responsibly to the needs of the Indian people.

We in Congress, as well as the members of the Indian community, recognize the important work of the chairman, members of the Interior Committee, and their hard-working staff. This bill constitutes the fruitful results of their efforts.

Many of us are familiar with recent history of S. 1017. In this regard, I want to commend the Senator from South Dakota (Mr. ABOUREZK), as well as the Senator from Washington (Mr. JACKSON) and the Senator from Arizona (Mr. FANNIN), for making an earnest endeavor to resolve the difficulties associated with the controversial part A of title II. In my opinion, the decision to substitute for that provision a legislative directive to the Secretary of the Interior, in consultation with the Secretary of Health, Education, and Welfare, to conduct further study of the educational needs of Indians is the wisest possible course. It eliminates the problems inherent in the proposed language containing formulas which would have an unpredictable impact on Johnson-O'Malley expenditures. And it acknowledges the need to reform the JOM program meaningfully while setting some time deadlines for the development of that reform.

The required approval of programs by local Indian parent committees will be a first for BIA-administered programs. And I am pleased to see the directive that funds provided under title II must be in addition to and supplemental to those made available under the Indian Education Act.

I fully support this valuable legislation.

WHY FERTILIZER IS SCARCE

Mr. DOMENICI. Mr. President, those of us who represent States with significant amounts of agriculture have been aware of the impending fertilizer shortage for some time now. A good analysis of the current scarcity of fertilizer and future prospects for increasing the supply is found in the Morgan Guaranty Survey for March 1974. I ask unanimous consent that the article "Why Fertilizer Is Scarce" appearing in this publication be printed in the RECORD to enable all who have an interest in the scarcity of fertilizer to benefit from this analysis.

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

WHY FERTILIZER IS SCARCE

With the approach of the spring planting season, a scarcity of fertilizers is creating problems for the nation's farmers. Many are scrambling to lay in supplies, and there are frequent reports of dealers jacking up prices to "scalper" levels.

The basic problem is that domestic fertilizer demand has soared to unprecedented levels this year, partly as a result of a major shift in U.S. agricultural policy that is encouraging farmers to put millions of formerly idle acres into production. And, although fertilizer output is expected to be higher this year than last, the demand surge has outstripped industry capacity to produce as much nitrogen and phosphate—two of the three main plant nutrients—as farmers seem to want.

Since fertilizer use and crop production are closely linked, the fertilizer gap is causing widespread political and economic concern. Not only are expected carry-overs of U.S. food stocks low this year, but world demand for U.S. food products has been running at high levels. Moreover, the U.S. cannot rely to any significant extent on fertilizer imports to offset shortfalls in domestic production, since both nitrogen and phosphates are in tight supply worldwide. Indeed, many other countries have been clamoring to buy U.S. fertilizers.

Experts disagree, however, as to how serious the shortage is, because of different assumptions as to supply and demand. Given the impossibility of predicting precisely how much fertilizer farmers would buy if it were amply available, there are particularly wide differences of opinion as to how large demand really is.

It's nonetheless clear that the basic change in this country's agricultural policy effected last year, with the aim of encouraging maximum food production, is a key element in the surging demand for fertilizers. What happened was that the Administration, abandoning the decades-old policy of paying farmers to set cropland aside, lifted most restrictions on the amount of land that can be cultivated. And, in a related move, Congress passed legislation that will put a floor under farm incomes in times of low commodity prices. Cultivated acreage consequently has increased substantially.

In the 1972–73 crop year farmers harvested nearly 10% more land—or some 28 million more acres—than in the previous year. And a survey made as of March 1 of planting intentions for sixteen major crops during the 1973–74 crop year indicated that farmers are planning to put an additional 17 million acres into production this year. Since land that has been set aside usually is the poorest, it requires more fertilizer than land that has been in use. And according to the Fertilizer Institute, a trade association, much of the additional acreage put into crops in 1973 was inadequately fertilized owing to poor weather.

The flush cash position of farmers also is pushing up demand. At $26 billion in 1973 net farm income was not only a third higher than the year before but the highest on record. Too, with the prospect that farm commodities will fetch good prices this year, farmers are encouraged to apply fertilizer in liberal doses—as was illustrated by experience last autumn. Noting that the fertilizer industry never has enjoyed a strong market in the wheat belt, the president of the Fertilizer Institute told a Senate subcommittee last month: "With wheat now selling at $5.00 at the country elevator, I can hardly describe what occurred to us last fall when the winter crop was put in. We simply couldn't meet the demand from a suddenly created new large market."

Taking account of enlarged acreage and farmer affluence, the Department of Agriculture has estimated that demand this year could rise 12% for nitrogen nutrients to 9.3 million tons; 9% for phosphates to 5.5 million tons, and 8% for the third major nutrient, potash, to 4.7 million tons. In comparison, the historical trend over the past 25 years has been for U.S. consumption of all three main nutrients combined to rise at a rate of between 5% and 6% a year.

The difference between total requirements (demand plus handling losses) and net supply (which allows for exports and imports), according to the Agriculture Department's calculations, could amount to 5% for nitrogen, or a deficit of 450,000 tons, and about 12%–15% for phosphates, or a shortage of some 835,000 tons. For potash, an industry with excess capacity, the Department forecasts a surplus of 815,000 tons. The Fertilizer Institute, in contrast, is projecting a nitrogen deficit of nearly 1.5 million tons, about triple the Department's estimate.

A ROSY CROP FORECAST

Despite the fertilizer shortage, significantly, the Agriculture Department expects over-all crop production to increase this year and indeed recently asserted that food supplies will be "ample." In a report issued earlier this month, its specialists predicted for instance, that corn output will rise from 5.6 billion bushels last year to 6.7 billion this year and that the wheat crop will rise from 1.7 billion bushels to 2.1 billion.

Besides expectations that additional acreage will be planted this year, one reason for the Department's encouraging assessment of the food-production outlook is its belief that farmers have tended to overuse phosphate in recent years and thus have built up the level of this nutrient in soil, with the result that they may not need to use as much in the short run. Department specialists thus do not expect a shortfall in phosphates of the dimensions they project to have a greatly adverse effect on yields. The impact of the nitrogen shortage conceivably could be great-

er because this nutrient does not build up. Despite that fact, however, Department specialists believe that a nitrogen shortage may be less serious in its consequences than many fear. This, they say, is partly because nitrogen use actually will rise this year by some 6% over use last year; and while application rates may be lower in some instances than farmers would like, this should have a "negligible impact on yield." The reason for this, according to the Department, is that the relatively low cost of nitrogen fertilizers in recent years has caused many farmers to use them "beyond the optimal level, where yield increases are small relative to the added increments of fertilizer applied."

The Department's optimistic crop forecasts are viewed with skepticism by some private analysts who have suggested that the agency is overly optimistic about the effects of the fertilizer shortage on output. Other private analysts tend to believe that there is a reasonably good chance that the projections will turn out to be pretty much on the mark. Even if the U.S. is headed for a bountiful crop year with "ample" food supplies, however, it is clear that crops could have been even more abundant had there been sufficient fertilizer available to satisfy farmers' desires. In view of world food and fertilizer demand, this shortfall in potential U.S. crop output could have far-reaching consequences.

Spokesmen for the Agriculture Department, to be sure, are emphasizing that all forecasts hinge critically on the assumption that transportation bottlenecks will not severely impede fertilizer distribution in the weeks immediately ahead—something that is by no means certain because a shortage of rail cars is now evident in some key areas. Fertilizer-industry spokesmen cite the phosphate-producing areas of Florida and several Middle Western states as particular trouble spots. The car shortage is considered a critical problem at the Agriculture Department, and Secretary Earl L. Butz, stressing the importance of getting supplies to farmers during the planting season, recently requested the Interstate Commerce Commission to make an additional 4,000 rail cars available to assure "essential and immediate delivery." It now appears that this problem will be eased somewhat in the near future since the ICC acted promptly to meet part of the Secretary's request, ordering railroads to deliver 1,100 freight cars in April for use in moving fertilizer from Florida to other parts of the country.

The car shortage is causing particular concern because under the best of circumstances less fertilizer will be available for application this spring than last, owing to a significant departure from normal patterns of fertilizer use. Ordinarily, usage is highly seasonal, with minor application in the fall and major use in the spring. This year, however, farmers—to judge from general sales figures and from what is known about fertilizer usage in connection with the winter wheat crop—evidently put down considerably more fertilizer than usual in the fall and winter, partly in anticipation of a shortage. Underscoring the lessened availability of fertilizer this spring, producer inventories, which normally are accumulating prior to the spring season, were 45% lower at the end of January than a year ago, according to figures recently released by the Fertilizer Institute. The inventory situation would be less worrisome if fertilizer producers were not operating pretty much flat out.

A key reason U.S. producers lack sufficient productive capacity to cope more adequately with this year's demand is that during the 1960s the fertilizer industry went through a cycle of overexpansion, glut, and depressed prices. Between the first half of the decade and the late 1960s production capacity for ammonia—the basis of most nitrogen nutrients—approximately doubled; and the same was true of capacity of phosphoric acid—an intermediate product for most phosphate fertilizers that is considered a good barometer of industry capacity. As a result, by the late 1960s the U.S. fertilizer industry's production far exceeded consumption and prices plummeted, hitting bottom in 1969 and 1970. For instance, average producer prices for ammonia (f.o.b. plant), which in 1967 and 1968 were in the vicinity of $90 a ton, fell to between $20 and $25 a ton in 1969.

THE BASIC PROBLEM

In the resulting shakeout some firms that had entered the field during the boom, notably oil companies, withdrew from the business, while other producers closed old plants and stopped serving their least profitable markets. These problems, of course, stifled incentives to begin enlarging capacity in contemplation of future demand increases. Too, the government's resort to price controls in 1971 further discouraged investment, since profit-margin restraints under Phases II and III were based on years when prices were depressed. As a consequence of both the lean years and price controls, there has been a sharp slowdown in addition to capacity in recent years. According to estimates of the Tennessee Valley Authority, a center of scientific and economic research in the fertilizer field, phosphoric-acid capacity rose 16% between 1969 and 1973, while ammonia capacity increased only 5% during the period.

While this is the basic problem, a number of other factors unquestionably have played a part in creating the fertilizer shortage. Perhaps the most important is that a severe shortage of natural gas—the result in part of regulatory policies that have kept prices artifically low, thus deterring gas producers from bringing new supplies on stream—has impeded production of ammonia. Ammonia is made by combining nitrogen from the air with hydrogen from a hydrocarbon, and in this country natural gas is the feedstock for essentially all production. With delivery curtailments having become progressively more severe since 1970, the gas shortage has interrupted ammonia production at existing plants and discouraged producers from investing in new facilities.

The adoption of stiffer pollution-control standards by all levels of government also has contributed to the fertilizer shortage. Particularly important, expansion of phosphate rock production, the basic material for phosphate nutrients, has been delayed in Florida and other major quarrying areas by industry's inability to meet environmental specifications.

A BULGE IN EXPORTS

Another aspect of the problem is that the combination of U.S. price controls and the dollar's depreciation vis-à-vis other currencies had the inadvertent effect of stimulating U.S. fertilizer exports last year. With U.S. prices well below those in world markets, exports of nitrogen and phosphate nutrients rose some 30%, from 2.1 million tons in the 1971–72 year to 2.8 million tons in the year ended June 30, 1973. This represented a drain on domestic inventories and contributed significantly to the shortage problem.

Faced with an outcry over impending fertilizer shortages as this crop year began, the Cost of Living Council finally acceded to industry requests for price decontrol last October 25, noting it anticipated that with decontrol "needed fertilizer supplies will return to the domestic market." In return for pricing leeway, the Council asked for and received a commitment from some 40 major producers to make an additional 1.5 million tons of nutrient available to the domestic market before the end of the fertilizer year this June 30. The industry in effect agreed to channel all possible tonnage not already committed by export contracts to American farmers. As a result, the government forecosts an export rise this year limited to 8%.

The Council's decontrol action was a constructive first step in beginning to correct the imbalance between supply and demand, since it permitted producers to raise prices substantially. Ammonia, for instance, was quoted last October at $62.50 a ton delivered east of the Rockies but by mid-December the price was in the range of $95 to $125 a ton—about twice the level at the time of decontrol. By early January spot and new-contract prices for a broad range of nitrogen and phosphate fertilizers had risen 70%–100% above levels before decontrol.

However, pricing freedom was relatively short-lived. In January the Cost of Living Council, concerned over the rate of domestic price increase, induced producers to observe "voluntary" restraint on further price increases until the end of June. One consequence of voluntarism is that a black or "grey" market has emerged in this country, since retailers are not bound by restraint. Thus with the posted price of ammonia, for instance, in the neighborhood of $120 a ton in some areas, the product reportedly has been retailing for $200 a ton or more. Another consequence is that there still is a large spread between domestic and export prices because the latter have climbed steeply in recent months in response to international demand pressures.

PROSPECTS FOR A TURNAROUND

Despite current demand-supply imbalances, indications are that the phosphate shortage in the U.S. will lessen significantly in another year and perhaps even be eliminated entirely. Renewed optimism about the industry's growth prospects has prompted a number of U.S. producers of fertilizer and fertilizer ingredients to take expansion plans off shelves. In the case of phosphoric acid, for instance, expansion plans, if they all materialize, would boost capacity more than 30% by 1975. While there is some doubt in the industry that all of this plant actually will be built, enough seems assured to suggest that the phosphate shortage could actually give way to a situation of some overcapacity before the end of calendar 1975. In view of the difficulties phosphate rock producers have been experiencing in expanding rock output under Florida's environmental regulations, the higher level of phosphoric acid production probably will be achieved in part by a reduction of rock exports—which in recent years have amounted to about a third of U.S. production.

The nitrogen outlook, in contrast, is for domestic shortages to persist more or less indefinitely even if the U.S., a net exporter of these nutrients, curbs foreign sales somewhat. This reflects the fact that few industry analysts expect natural gas to become available in sufficient quantities to meet demand in the foreseeable future. Thus many analysts project that this country shortly will become a net importer of nitrogen—a not too happy prospect for the near future since nitrogen shortages are worldwide.

The outlook is brighter, however, if one takes a somewhat longer look into the future. A number of ammonia plants—which usually take about three years to bring on stream—are either being built or planned in Canada, Mexico, and the West Indies in large part with a view to supplying the U.S. market. The most ambitious projects are planned in Canada, and a considerable amount of new capacity is expected to come on stream within three years or so. Some analysts thus think that the nitrogen supply siuation in the U.S. will begin to turn around within the next few years. Optimism, to be sure, is tempered because in many cases construction schedules have been held up by difficulties in obtaining equipment. While industry expansion plans are encouraging, it is difficult to

establish a timetable of additions to nitrogen capacity.

Meanwhile, until domestic supplies of fertilizer are brought back into more comfortable balance with demand, it would be most unfortunate if short-sighted interference by government with U.S. fertilizer pricing were to result in the adoption of illiberal trade policies. Significantly, pressure does seem to be building up for imposition of a formal embargo on U.S. fertilizer exports. Such action could be very damaging to countries cut off from U.S. supplies, particularly in the underdeveloped world where the shortage of fertilizer is more serious than it is here. Restrictive actions based on immediate self-interest inevitably would tarnish this country's trade reputation—as did last year's soybean episode—and also would entail the risk of retaliation. This could be harmful to the U.S. not only because this country imports more nutrient than it exports (4.4 million tons coming in vs. 3.7 million tons going out last year), largely reflecting U.S. reliance on Canada for over half of its potash supply; it could be harmful also because, as the article beginning on page 9 discusses, this country relies extensively on other countries for a long list of essential raw materials. Inviting retaliation would be folly.

NEED FOR IMPROVED RAIL SERVICE IN RHODE ISLAND

Mr. PELL. Mr. President, I take this opportunity to bring to the attention of my colleagues an excellent statement made recently to the Rail Services Planning Office of the U.S. Interstate Commerce Commission.

This statement was presented by Mr. Barry Schiller, representing the Ecology Action for Rhode Island Transportation Committee, and by Mrs. Josephine Milburn representing the Rhode Island Association of Railroad Passengers.

This statement emphasizes the need for improved rail service in my home State. It underscores my own convictions that we should be thinking in terms of the increased potentials of railroad usage and of the contributions which improved service can bring to our economy and to our ecology, rather than in terms of curtailments and possible abandonment of service.

Mrs. Milburn and Mr. Schiller, representing separate but closely related groups, have provided us with compelling arguments for better services applicable to all the areas concerned by the history-making legislation we passed in the Senate at the close of last year.

Mr. President, I ask unanimous consent that their statement be printed in full in the RECORD at the conclusion of these remarks.

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

STATEMENT BY BARRY SCHILLER, ECOLOGY ACTION FOR RHODE ISLAND TRANSPORTATION COMMITTEE AND JOSEPHINE MILBURN, RHODE ISLAND ASSOCIATION OF RAILROAD PASSENGERS

As representatives of the above organizations, we must express great concern over the widespread rail abandonment suggested in the Secretary of Transportation's report, "Rail Service in the Midwest and Northeast Region." This is hard to understand in light of the well publicized energy crisis, and in light of the fact that many of our cities, *including Providence,* already face transportation controls due to high air pollution. We note the claim that rail freight uses energy about three times as efficiently as trucking, with little of the air pollution. It is not just shifting some of the existing freight to trucking that concerns us, but such widespread abandonment will ensure that many regions of the country will forever have to depend on highway traffic only, with all the environmental consequences. This is hardly planning for a future where air and energy resources must be carefully conserved. Indeed, it is our observation that the report was based entirely on short term economic consequences, with environmental and passenger considerations at best an afterthought, though a goal of the Regional Rail Reorganization Act is to maintain ambient air quality and give consideration to other environmental impacts.

In Rhode Island we are even concerned about the nine per cent of the rail freight that the report admits would be shifted to trucking. Such a shift could only add to the demand for building some controversial and environmentally destructive highways in this state (I–84 and I–895). The February truck strike showed us how much even Rhode Island's long distance food supply depends on trucking. When the electric company in Providence wanted to bring in coal for generating power they arranged to have it trucked in. All this would lead us to have expected that the U.S. DOT would try to increase, rather than decrease the use of rail freight service here.

In particular here in Rhode Island, we see no reason to abandon any trackage at this time. We are especially concerned about the following: (a) A gross error, misplacing Cranston, R.I. (population about 75,000) on the wrong side of the bay. This was not even corrected on the "Correction Sheet." This puts the reliability of the whole report in some doubt. However, it is its negative attitude toward rail service, rather than errors of this type, that is the primary reason we lack confidence in the U.S. DOT. (b) Elimination of competition in the Boston-Albany corridor. Apparently much Rhode Island freight connects with this corridor, and the quality of service has been found to be a function of this competition. Any hopes to increase rail service then will depend on maintaining this competition. (c) We object to any potential abandonment of branches serving Quonset Point (as shown on zone 27 maps) and Newport (as shown on zone 18 maps). With the Navy pull-out surely much of the land in these areas will be used for industry. Already there have been proposals for refineries and a steel mill! Like the Cranston error (which was also on all zone 27 maps), this indicates report from Washington did not consider local needs, nor did it plan ahead for increasing the role of rail transport. (d) The report apparently took no note of passenger service outside of the Boston-Washington corridor. However, some of the proposals made could affect existing service such as Cincinnati-Chicago and New York-Chicago, and New York-Montreal, which would have to be eliminated if potentially excess lines in Vermont were abandoned. Also, some New England groups support reinstating Boston-Chicago service, the possibility of which could be affected by proposed abandonments in the Boston-Albany corridor. In addition, the proposed abandonments could eliminate the possibility of commuter service on such lines as Providence-Bristol, and could also eliminate the chance of ever restoring rail service to Cape Cod, which would be of great interest to Rhode Islanders. However, the report did not consider any of this.

Government has spent much money to improve water, air, and highway transportation. We have read that 366 billion was spent on this in the year ending in 1971. Of this, only an insignificant 200 million (about one-half of 1/10 of 1%) went for rail. All this has been to the detriment of rail service. Even now we see the claim that only 6% of the total transportation budget is for public transportation, with over 20 billion still being spent for highways. Surely with rail's many environmental advantages it is not unreasonable to expect the U.S. government to take some leadership in improving, rather than greatly contracting our railroad service.

Finally, though the Regional Rail Reorganization Act sought to ensure public input, we have found great difficulty in obtaining copies of the report on which we were asked to comment. Hopefully in the future more effort will be made to make public input easier.

COLLEGE OF ST. FRANCIS MARATHON TEAM

Mr. STEVENSON. Mr. President, today I wish to pay tribute to the first collegiate institution to field a varsity marathon team. Illinois is the home of the College of St. Francis in Joliet, Ill.

Marathan running is not a new sport, Mr. President. It has a long history stretching back to the ancient Greeks. Collegiate institutions have long employed marathon running as a part of their distance running programs. However, before St. Francis fielded its team, there had never been a varsity marathon team. Since the formation of the St. Francis team last winter by track coach Tom Brunick, a number of other colleges and universities have expressed interest in marathon teams.

Mr. President, the development of a new sport is a rare occurrence. Competitive road running over distances of 5 to 20 miles—which is what marathon running is—represents such an occurrence. More and more young athletes will compete in this sport on the varsity level. And the institution which deserves credit for being the first to field a varsity marathon team is the College of St. Francis.

NEW MEDICARE HELP FOR BREAST CANCER VICTIMS

Mr. PERCY. Mr. President, I am pleased to report some helpful news for women who suffer probably the most dreaded female disease—breast cancer. Earlier this year I was appalled by the information that our medicare program considered breast prostheses for post-mastectomy patients as a "cosmetic device" for which it will not pay. Through the good offices of the Senate Finance Committee, I contacted the Social Security Administration and immediately received assurances that medicare policy in this regard would be modified.

I am happy to report that the Social Security Administration has honored its assurances to me. According to the February 1974, part B, Intermediary Manual Revision Transmittal No. 374, section 6109A, medicare now covers breast prostheses as a legitimate medical necessity.

I ask unanimous consent that the relevant section of the transmittal be printed in the RECORD.

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

SOCIAL SECURITY ADMINISTRATION,
Baltimore Md., February 1974.

PART B, INTERMEDIARY MANUAL REVISION TRANSMITTAL NO. 374

New material: Sec. 6109, Page No. 26.9–26.10 (2 pp.), Replaced pages 26.9–26.10 (2 pp.)

New material: Table of Contents, Coverage Issues Appendix, Page No. (1 p.), Replaces pages (1 p.).

New material: Sec. 30–4 (Cont.)—30–6, Page No. (1 p.), Replaces pages (1 p.).

Section 6109A, Prosthetic Devices has been revised to reflect a change which permits payment for breast prostheses (including a surgical brassiere) for postmastectomy patients. This instruction supersedes question and answer 15 of Intermediary Letter No. 324. Carriers are not expected to search their files for claims denied under the previous policy. However, any such claims which come to the attention of the carrier should be reopened to pay benefits due under this new policy.

This revision also incorporates in this subsection the change effected by the 1972 Amendments presently contained in § A6109 covering colostomy bags and supplies directly related to colostomy care as prosthetic devices. The revision makes it clear that the term "colostomy" includes other ostomies.

Section 30–6, Cardiac Pacemakers, is a new section that has been added to the Coverage Issues Appendix on the coverage of long-term pacemakers. While this policy is retroactive to January 1, 1973, it should be applied only to claims not yet adjudicated and to claims denied after the effective date which come to the carrier's attention. Files should not be searched to locate previously denied claims.

THOMAS M. TIERNEY,
Director,
Bureau of Health Insurance.

INFLATION AND THE ELDERLY

Mr. HUMPHREY. Mr. President, it was April 1972, just 2 years ago, that Herbert Stein, the administration's principal economic adviser, told a Joint Economic Committee hearing the following:

> Food prices will fluctuate, as they always do, but the worst of the rise is behind us.

The worst was not behind us, of course. Things got worse. But a year later, in April 1973, Treasury Secretary Shultz and Cost of Living Director Dunlop—two of this administration's other principal economic advisers—had the following reassurances for the American people:

> It is important to understand that the recent spurt in food prices is not a permanent thing—food prices will level off during the second half of 1973.

Today we know all too well that these rosy forecasts were totally wrong. Food prices rose about 20 percent in 1973, and they are rising again this year.

Last year the administration sought to minimize problems faced by American consumers by citing figures to show that while our inflation was bad, it was less bad than that of some other countries. Well, from the Wall Street Journal on March 13 comes the news that the rate of inflation we are experiencing in the United States is "by far the sharpest" of most other countries. Most countries in Western Europe, including France, Germany, Belgium, Austria, the Netherlands, Norway, and Sweden all have lower rates of inflation than we do.

The Bureau of Labor Statistics has recently reported that in the last 4 years American consumers have experienced the following inflationary squeeze:

Rents have increased 18 percent;

The cost of medical care has jumped 22.5 percent; and

Food prices have skyrocketed 40 percent.

As is always the case, however shocking these figures may be, they simply cannot communicate to us the grinding hardship this inflation imposes on some people. The elderly, in particular, are vulnerable to the galloping costs of rents, medical care and food. And all too frequently, the elderly are among those least able to bear such burdens.

The New York Times of Sunday, March 31, gives us a glimpse of the despair felt by the elderly on fixed incomes as the relentless inflation eats away at their living standards.

It is criminal and disgraceful, Mr. President, that Americans who have given productive years to this country must look forward to days when they can barely afford one good meal a day; when they are driven to pilfer small canned foods to stave off hunger; when the extent of recreation and pleasure is a bus ride on a 10-cent senior citizens' bus ticket.

Yet such miseries are commonplace, and they are documented in this article which I commend to the attention of every person in this Chamber.

Listen to these older Americans, and let me ask if we are doing enough to rescue them from desperation:

"What am I to do if it gets worse?" asks one old man battling food costs. He has already give up vegetables, he says. Now he wonders "Maybe I'll give up my life."

"When you get up in the sixties" says another man, "you live on memories." This man admits he cannot buy new clothes until next year.

An elderly widow cuts back on her food purchases because, after she pays her rent, she has only $37.50 left for medicines, clothes and food. She exists on bread and eggs. "I can't buy more than the money I have, can I?" she asks.

These are the voices of the elderly around this country today, Mr. President. As a New York official quoted in the article says, if we saw a movie where people who reached a certain age were reduced to such a pitiable state of helplessness and poverty, we would be horrified. And we should be ashamed.

Mr. President, I ask unanimous consent that the article, entitled "Millions of Elderly Suffer as Cost of Living Mounts," appearing in the March 31, 1974, issue of the New York Times, be printed in the RECORD.

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

MILLIONS OF ELDERLY SUFFER AS COST OF LIVING MOUNTS

(By Andrew M. Malcolm)

CHICAGO, March 30.—Mrs. Estelle Gilder, is a 64-year-old Phoenix widow who has decided to leave all of her electric lights off permanently to save money.

Mrs. Gilder is blind and doesn't really need the lights. They just made her feel secure. But hers is a classic case among millions of elderly Americans living on fixed incomes, the American who always suffer the most during an inflationary period and especially so during an intense one like this.

These senior citizens now find themselves caught between static or slowly growing incomes and rapidly mounting prices for food, clothing and housing. Such cost-of-living increases have now reached a 10 per cent annual rate, the Federal Government said last week.

As a result, many senior citizens now say they are doing without new clothes, cutting back or eliminating social activities and reducing—in some cases drastically—their spending for food.

Numerous social workers express fears as nutritionally unbalanced eating and postponed medical care take their toll on the health of many of the elderly.

FOOD AID IN DEMAND

Some social agencies report growing numbers of elderly seeking financial help to buy food. And in New York City there are reports of more shoplifting by the elderly of such items as cans of tuna fish, cartons of milk and packets of meat.

"It's like I'm standing still and everything else is moving forward in such a hurry," said Mrs. Gilders.

The cost squeeze, to be sure, has yet to plunge all the elderly into poverty. For some, increased costs mean no more than skipping a vacation trip this spring.

Next month almost 16-million elderly will get some relief in the form of a 6.6 per cent increase in their Social Security checks, with an additional increase of 4.5 per cent scheduled in July. That will make the average monthly benefit $186, or $86 more than the check for December, 1969.

From the same time through January, 1974, the Bureau of Labor Statistics reports, the cost of medical care increased 22.5 per cent, rent went up 18 per cent and food costs jumped almost 40 per cent.

The result has been some pinched budgets and even hunger. "Only the Lord is keeping us going with these prices," said Mrs. Minnie Hause, an 81-year-old housewife who lives near Atlanta and is outraged at the price of beans for her husband's favorite soup.

"They cost 71 cents a pound now," she said. "I didn't buy them. Seventy-one cents a pound. Can you imagine?"

The couple live on a $223-a-month Social Security check in a house they built 30 years ago. Last year propane gas to heat that home cost 23 cents a gallon; now it's 42 cents.

"I eat one good meal a day," said James Marcellino, a 65-year-old Clevelander. "I used to eat ham and pork chops and all that good stuff, but I can't afford that. So I eat out of cans now—corn, tuna fish and like that."

He isn't bitter, though. "When you get up in the sixties," he said, "you live on memories. I have no social life. But I get a movie pass once a month. He figures he can buy some new clothes perhaps next year.

GUARANTEED INCOME URGED

Mrs. Mary E. Carlstrom in Seattle is 65 too. "I feel I'm luckier than many," said Mrs. Carlstrom, a widow for 10 years. "I've got my health, a wonderful family and since September my house has been paid off."

She watches pennies, nonetheless, and has not replaced the worn wheels on her little grocery cart. On nice days she takes advantage of the city's 10-cent senior citizen bus fare and goes for a long ride for fun. She hasn't got the money, though, to repair her cracked chimney.

Nearby, Bob Doupe, a state public assistance officer, says the fastest growing case load is for non-welfare elderly seeking food help. One recent month the number of cases jumped from 750 to 1,000 and there is now a month's wait to apply.

"Fifty or sixty or even a hundred dollars a month isn't enough for people to live on," said Fred Yaeger, who runs New York City's program for the aged in the Bronx.

"What they need," he added, "is a guaranteed income, special housing and elimination of the ripoffs of old people like the high prices of drugs."

Nelson Burros, cochairman of the Bronx Committee on Aging, added: "If we saw a movie where people who reached a certain age were not allowed to work and were not rewarded for surviving that long, why, we'd just be horrified."

Mrs. Tilly Bendat is a 77-year-old Bronx widow who gets $150 a month Social Security and pays $112.10 a month rent. Her additional money under a new Federal Supplemental Security Income program has never begun.

"I used to love to dance and sing and feel good," she said. "Now I never go any place." Her basic foods are bread and eggs. "I can't buy more than the money I have, can I?" she said.

Mrs. Lena Weiner, who is 76, buys a pound of chopped meat and stretches it out over a week. She eats a lot of soup. And she buys day-old bread and damaged tins of food. "It's nothing to be ashamed of," she says.

Morris Nanfman, also 76 and from New York, has given up fresh vegetables. "What am I going to do if it gets worse?" he asks. "I'm already living on savings. Maybe I'll give up my life."

In Nebraska, 72-year-old Herb Diener says the going is getting tougher. "The groceries is going sky high," says the former farmer. He lives in an old school house and runs the town recreation hall in Franklin, earning 2.5 cents per hand for each card player. "Sometimes," he says proudly, "I make $2 or $3 a day here."

For others, it is more a matter of economies. Near Cedar Rapids, Iowa, Mrs. Shirley Eden has given up costly sea foods and plans for a new car.

In Westmont, N.J., the Joseph Dunns no longer eat desserts or frequent restaurants. They shop for specials at area shopping centers and recently repaired their television set instead of buying a new one as recommended by the repairman. Philadelphia area senior citizens have formed 135 cooperative buying and home repairing clubs to help each other stretch dollars.

In Sun City, Ariz., Mrs. Elsie Olander, wife of a retired Chicago fireman makes more clothing and buys less beef. "Prices don't go up pennies anymore," she said, "they go up a bundle. Last month puffed rice went from 61 cents to 75 cents. Why is that?"

Mrs. Wylma Sidle is an 81-year-old Atlanta widow who like many of the elderly has reduced her outings because of rising gasoline prices. In addition she eats a lot of eggs and cheese and little meat. "And some angle food cake," she said, "that's a cheap dessert that many people don't know about."

OIL PRICE CONTROL AUTHORITY IN S. 3267, THE STANDBY ENERGY EMERGENCY AUTHORITIES ACT

Mr. JACKSON. Mr. President, on March 6 the President vetoed S. 2589, the Energy Emergency Act. The President's veto message was based upon the administration's opposition to the oil price rollback provisions of section 110.

Although there was strong bipartisan support for the price rollback, the attempt to override the veto failed by eight votes in the Senate.

Yesterday I introduced S. 3267, the Standby Energy Emergency Authorities Act. This new bill does not contain the oil price rollback provision which led to the President's veto.

My position and my preference would be to roll back oil prices by legislation, as was provided for in S. 2589. A legislative rollback is necessary because the administration, in the face of crippling inflation largely caused by unconscionably high oil prices, has consistently refused to comply with the provisions of the Petroleum Allocation Act which require price ceilings on all oil except oil produced by stripper wells.

Congress supported my position by voting to roll back oil prices to reasonable levels when the Energy Emergency Act was passed.

Passage of another oil price rollback provision, in my view, is desirable. It makes sense as a matter of national energy policy, economic policy, and foreign policy.

An oil price rollback would reverse crippling inflationary pressures. It would reduce consumer energy costs for gasoline, diesel, propane, heating oil, and electricity. It would prevent further windfall profits to the major oil companies. It would let Americans establish prices at levels which are fair to domestic oil producers and fair to the consuming public. It would end the setting of domestic oil prices by a cartel of foreign producing nations—producing nations, I might add, which have a community of interest in high prices with the major international oil companies.

The President's veto and the Senate's failure to override the veto on March 6, however, are a political reality.

The President has made it clear that he will not impose ceilings on oil prices. The President will, however, veto any bill which rolls back prices or establishes specific price ceilings.

And, apparently, there are not enough votes in the Senate to make a congressional decision on oil prices stick.

Section 128 of the bill I introduced yesterday seeks to deal with the critical problem of runaway oil prices in a manner which will avoid a veto, yet which will still bring a strong measure of rationality to the administration of the oil price control authority in the Emergency Petroleum Allocation Act.

Section 128 does not set specific prices, nor does it roll back the prices of the categories of oil which have been deregulated—new oil, released oil, and stripper well oil.

Section 128 does, however, require that all existing prices—controlled and uncontrolled—be justified. This justification process must deal with the relationship of price to supply, to demand, to inflation, to employment, and to consumer cost.

Mr. President, it is my view that any intellectually honest effort to justify deregulated domestic oil prices will conclude that price restraints and price ceilings for all oil are necessary.

The oil companies themselves, their trade associations, knowledgeable economists, and most energy policy officials in the Government concluded long ago that oil prices are too high. The consensus is that a price of $5 to $7 per barrel will bring forth all the new oil supply that a price of $9 and $10 will. There is general agreement that letting domestic prices rise to the price level established by the Arab cartel serves no useful purpose. This policy cannot be justified on economic or any other grounds.

Congress must act in this area because the administration has made it plain that they will not act.

Congress must bring to a halt the erosion of the family budget and the stimulus to accelerated nationwide inflation which is resulting from the unchecked upward movement of petroleum prices.

Mr. President, the forces of the free market will not halt inflation. The oil companies and the producing nations will not protect American consumers. The administration will not act on either of these problems.

Congress can and must act to halt inflation and to protect the consumer.

In the past 6 months, the wholesale price index for crude oil and refined petroleum products has risen by over 50 percent. Fuel price increases represented 27 percent of the total increase in the cost of living during the past year.

Within the past year, gasoline costs to consumers have risen 3 times, and fuel oil 6 times as fast as the costs of all other goods and services.

Already Mr. Simon is predicting gasoline prices as high as 80 cents a gallon in the next few months. Thus in less than a year, consumers face a doubling of petroleum costs; yet, they can still expect to experience inadequate supplies.

Clearly, this is an outrageous situation. It is one thing to pay higher prices in return for secure sources of unlimited energy. It is another to pay the same exorbitant prices and to remain energy deficient.

The President rejected the price rollback provisions of the Energy Emergency Act, but the Emergency Petroleum Allocation Act did become law in November, 1973, over his signature and is in fact law. Section 4 of the Allocation Act requires the President to specify prices or a manner of determining prices for "all crude oil, residual fuel oil and refined petroleum products produced in or imported into the United States."

The administration has ignored the clear language and intent of the law in exempting from price control imported oil, new oil, and the so-called released oil.

S. 3267 reiterates the intention of the law that all crude oil and petroleum products be subject to price controls. This legislation does not require a rollback of prices to any specified level, and it allows the President broad latitude in determining specific ceilings. It does, however, require him to support any price ceiling or change in a price ceiling with a detailed analysis of the impact of prices upon supply and demand, upon consumers and upon employment.

S. 3267 also ends the exemption from regulation of that 14 percent of domestic oil which comes from wells that produce less than 10 barrels per day This exemption was twice voted by Congress in the mistaken anticipation that it would provide a price incentive for stripper wells or perhaps 50 cents or $1 per barrel. Since the exemption was enacted last

fall, the average price of such crude oil has, however, risen from $4.25 to $10.35 per barrel. The exception has itself been a major source of price increases for petroleum products, and now promises to undermine the competitive position of independent refiners and marketers in the mid-Continent area who depend disproportionately upon stripper oil.

Spokesmen for the administration have repeatedly identified the stripper well exemption as a major and troublesome loophole and have requested that it be ended. I am happy to accommodate them on this matter.

The bill also provides specific relief for consumers who have been victimized by increases in propane prices, wholly out of proportion to the increase in its raw material costs. The administration has ignored the intention of the Allocation Act that the prices of all propane raw materials be controlled, whether they come from oil wells, gas wells, or refineries. S. 3267 makes this intention absolutely clear. It also requires, in contrast to the administration's current regulations, that price passthroughs be allocated among the various petroleum products, including propane, according to their historical price relationships.

Mr. President, testimony before the Subcommittee on Multinational Corporations of the Foreign Relations Committee has revealed that the multinational oil companies are making unbelievable windfall profits on their overseas producing operations. Aramco, a wholly owned affiliate of four U.S. majors, is now recording net profits of $4.50 per barrel, up from $1.25 1 year ago. Under the administration's exemption of imported oil from all controls, these exorbitant profits are first, passed through directly as "costs" to American consumers; second, the inflated price of imported oil establishes the price for uncontrolled domestic oil. And third, these exaggerated prices produce, in addition, a tax windfall for the multinational companies at the expense of the U.S. Treasury, by increases in their depletion deductions and foreign tax credits.

S. 3267 will limit the domestic price passthroughs on oil imported by the multinationals to the net cost increases that result from actual higher taxes and royalties paid to foreign governments. The owners of Aramco and the companies of the Iranian consortium, for example, would no longer be able to passthrough as a "cost" to American consumers 6 to 8 cents per gallon in windfall foreign profits.

This limitation on passthroughs of foreign costs is intended to prevent price escalation that results from the self-dealing of the international majors. The provision applies only to transactions among affiliated companies. It does not, therefore, undermine the ability of independent refiners and marketers, or of the majors, for that matter, to buy crude oil at arms-length at whatever is the prevailing price in the world market.

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

Mr. President, this provision is designed to insure that U.S. based oil companies that operate abroad operate under the same rules as oil companies which operate solely in the United States. This provision is designed to close loopholes which allow international oil companies to produce undue profits for foreign subsidiaries and affiliates by manipulating artificial prices.

Mr. President, I urge early Senate action on S. 3267.

Mr. President, I ask unanimous consent to print in the RECORD my letter of February 2, 1974, to Mr. William Simon, pointing out that the President's failure to control all oil prices is contrary to law. I have yet to receive an answer to my letter. The reason, I suspect, is that the only answer which could be given is that the President's decision to decontrol, to deregulate, oil prices was and is contrary to the act.

Mr. President, I ask unanimous consent that section 128, "Petroleum Price Control Authority", be printed in the RECORD.

U.S. SENATE,
Washington, D.C., February 2, 1974.

Hon. WILLIAM E. SIMON
Administrator, Federal Energy Office, Washington, D.C.

DEAR MR. SIMON: At the conclusion of the testimony of Administration witnesses at the Committee's hearings on Friday, February 1, 1974, on S. 2885, a bill I introduced to roll back and establish price ceilings for crude oil and refined petroleum products, questions were raised concerning the Administration's authority to exempt new oil, released oil, and State royality oil from the regulations implementing the price ceiling provisions of the Emergency Petroleum Allocation Act.

Legal Counsel to the Committee has advised me that the Administration is in apparent violation of the pricing requirements of Section 4 of the Allocation Act. Section 4 (a) of the Act provides that "the President *shall* promulgate a regulation providing for the mandatory allocation" of crude oil and petroleum products "in amounts . . . and at prices specified in (or determined in a manner prescribed by) such regulation" (emphasis added).

Section 4(b)(1)(F) provides that the regulation "*shall* provide for" . . . "equitable distribution of crude oil, residual fuel oil, and refined petroleum products at *equitable prices* among all regions and areas of the United States and sectors of the petroleum industry . . ." (emphasis added).

Section 4(e) provides one exception to this requirement that all oil prices be placed under price ceilings. Section 4(e)(2) provides that the regulation promulgated under Section 4(a) on allocations and on prices "shall not apply to the first sale of crude oil . . ." from stripper wells.

Section 4(e)(1) provides a procedure for suspending allocation authority *if* the President makes and transmits to the Congress a finding that mandatory allocation is no longer needed to achieve the purposes of the Act. This procedure *does not* permit suspension of the Act's requirement that oil prices be "specified in (or determined in a manner prescribed by)" the regulation required under section 4(a) of the Act.

I would appreciate it if you would furnish me with a report and a legal memorandum on this matter. I am specifically interested in your views as to the legal authority for exempting new oil, released oil, and State royalty oil from the price requirements of the Emergency Petroleum Allocation Act.

As I understand it, the Administration's position on allowing major exemptions to price ceilings may be based in part upon an interpretation of the Conference Report on the Allocation Act which was contained in a letter of November 13, 1973, to me from Dr. John T. Dunlop, Director of the Cost of Living Council. Dr. Dunlop's letter dealt with his understanding of provisions of the Report dealing with stripper wells, pricing and personnel. In connection with the adoption of the Conference Report, I had Dr. Dunlop's letter together with other materials printed in the Congressional Record and indicated general concurrence in Dr. Dunlop's interpretation.

On further review of the clear meaning of the Act and Dr. Dunlop's November 13 interpretation it is my view that the Act does not permit these exceptions to the price requirements of the Act. To the extent I expressed concurrence in Dr. Dunlop's interpretation of the pricing authority and directive in the Act I was in error. In any event, the concurrence of any single member of Congress in an interpretation of the law does not change the meaning or requirements of the law.

I do concur in Dr. Dunlop's statement in his letter that ". . . the administering agency which has been delegated price control authority under both statutes would be obligated to comply with the provisions of both."

I appreciate your assistance in this matter and I assure you of my cooperation and assistance in achieving a new level of stability and reasonableness in petroleum prices. As you know, the Conference Committee will meet on Monday on S. 2589, the Energy Emergency Act, to work out a resolution of the controversy over the wildfall profit provisions of the Conference Report. As you know, I and other members of the Conference Committee will be proposing language to mandate a price ceiling for oil which has been exempted from price controls. I have directed the Committee staff to meet with representatives of your office to discuss how this can best be achieved. Meetings were held last night and a further meeting is scheduled at noon today.

With best regards,
Sincerely yours,

HENRY M. JACKSON,
Chairman.

SEC. 128. PETROLEUM PRICE CONTROL AUTHORITY

(a) Section 4 of the Emergency Petroleum Allocation Act of 1973 is further amended by adding at the end of such section the following new subsection:

"(j)(1) No later than 30 days after the date of enactment of this subsection, the President shall exercise his authority under this Act and the Economic Stabilization Act of 1970, as amended, so as to specify (or prescribe a manner for determining) equitable ceiling prices for all first sales or exchanges of crude oil, natural gas liquids and condensate (or classifications thereof) produced in or imported into the United States.

"(2) The regulation under subsection (a) of this section shall be amended so as to provide, with respect to the prices of imported crude oil, natural gas liquids, condensate, residual fuel oil or refined petroleum products, produced or refined by any person importing such product into the United States, or purchased or exchanged by him (directly or indirectly) from an affiliate, no more than a dollar-for-dollar passthrough of net increases in foreign taxes and in royalties paid to non-affiliates for such crude oil, natural gas liquids or condensate, or in the actual price paid at the first purchase from a non-affiliate of such crude oil, natural gas liquid, condensate, residual fuel oil or refined petroleum products. The calculation of

any net increase in taxes, royalties or prices at first purchase under this paragraph shall take into consideration any reduction, by virtue of increases in foreign taxes, royalties or prices, of the liability of the importer or his affiliates for United States income taxes.

"(3) The regulation under subsection (a) of this section shall be amended so as to provide that any increase or reduction, relative to prices prevailing on May 15, 1973, in the price of crude oil, natural gas liquids and condensates (or any classification thereof) produced in or imported into the United States, resulting from the provisions of this subsection, is passed through so as to cause a dollar-for-dollar increase or reduction in the price of any residual fuel oil or refined petroleum product (including propane) derived from such crude oil, natural gas liquids or condensate. Such passthrough of price increases or reductions shall, to the extent practicable and consistent with the objectives of subsection (b) of this section, be allocated among products refined from such crude oil, natural gas liquids or condensate on a proportional basis, taking into consideration historical price relationships among such products.

"(4) Every establishment of or change in a ceiling price (or manner of determining the ceiling price) specified pursuant to this subsection, and every ceiling price (or manner of determining a ceiling price) or exemption from ceiling prices that is in effect on the date of enactment of this subsection, shall be transmitted to Congress no later than the effective date of such change, or in the case of every such ceiling price (or manner for specifying such a ceiling price) or exemption from ceiling prices in effect on the date of enactment of this subsection, no later than 30 days after that date. Every such transmittal shall be accompanied and supported by a detailed statement setting forth—

"(i) the additional qualities of crude oil, natural gas liquids or condensate, residual fuel oil or refined petroleum products, if any, that can reasonably be expected to be produced;

"(ii) the expected effect, if any, upon the demand for crude oil, natural gas liquids or condensate, residual fuel oil or refined petroleum products, or

"(iii) the expected impact upon the economy as a whole, including the impact upon consumers, the general price level and the profitability of and employment in industry and business;

"(iv) any expected significant problems of enforcement or administration; and

"(v) the expected impact on the preservation of existing competition within the petroleum industry resulting from said ceiling price, manner for specifying a ceiling price, or (in the case of the regulation in effect upon upon the date of this subsection) exemption from ceiling prices.

"(5) For the purpose of this subsection, the term 'equitable ceiling price' means a price which is reasonable, taking into consideration the need to obtain sufficient supplies of crude oil, residual fuel oil, and refined petroleum products, and to permit the attainment of the objectives of subsection (b) of this section, balanced against the need to control inflation of basic and essential goods and services and hold down costs to industrial and individual consumers.

AMERICAN ASSOCIATION OF HOMES FOR THE AGING

Mr. CLARK. Mr. President, today marks the beginning of the American Association of Homes for the Aging's 2d annual legislative workshop. The goal of the workshop and the goal of the Association is to improve the quality of life for Americas' 1 million institutionalized elderly.

For years, the American Association of Homes for the Aging has demonstrated its concern and care for this country's aged and, as a group, they have played a major role in helping older people become valuable members of their communities.

At the opening of the association's session today, Senator THOMAS EAGLETON gave an eloquent address on the problems of the aging. As a member of the Senate Special Committee on Aging and Chairman of the Senate Labor and Public Welfare's Subcommittee on Aging, Senator EAGLETON has proved himself an extremely important and effective spokesman for this Nation's older population. His work in the Senate on behalf of the elderly has been translated into a stronger Older Americans Act, a highly successful nutrition program for older Americans and, hopefully, a National Institute on Aging. Because of his hard work and years of dedication to his State's and this Nation's elderly, the American Association of Homes for the Aging presented Senator EAGLETON with its distinguished service award.

Mr. President, I want to welcome the American Association of Homes for the Aging legislative workshop to Washington, and I would ask that Senator EAGLETON's remarks before that group be printed in the RECORD.

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

REMARKS OF SENATOR THOMAS F. EAGLETON

As you open your Second Annual Legislative Workshop, I appreciate the opportunity to be here and talk with you about a subject of mutual interest—the care of our elderly citizens.

Of 21 million Americans age 65 or over, some 16 million have the good fortune to be able to live with a relatively high degree of independence. It is estimated that about 4 million are either homebound or need special supportive services. The remaining one million are institutionalized.

As Chairman of the Subcommittee on Aging, and as Senate sponsor of the recent amendments to the Older Americans Act, I am especially interested in the development of those services which many of the 20 million noninstitutionalized elderly may need in their communities and homes.

And I want to report to you briefly on the progress being made under recently enacted legislation.

As many of you know, the new Title III of the Older Americans Act emphasizes the development and coordination of social services for the elderly on an areawide basis. Each state is to be divided into planning and service areas and then, beginning with areas of greatest need, area plans will be developed and funded.

As of this week, 135 area agencies on aging have approved and funded plans. This number is expected to accelerate in the next few weeks and reach 300 by July 1st. The President's budget for fiscal 1975 includes funds to add an additional 100 area agencies next year. Ultimately, about 600 area plans will serve elderly people across the country.

The nutrition program, under Title VII of the Older Americans Act, is now well underway. 665 projects have been funded. About 145,000 meals are being served daily and that number should rise to 200,000 by summer.

Authorization for the nutrition program expires on June 30. The House of Representatives has passed a bill extending the program for three years and increasing the authorization to $150 million next year, $200 million in fiscal 1976, and $250 million in fiscal 1977.

The Senate Subcomittee on Aging will hold hearings within the next few weeks to review the operation of the program and determine whether any changes should be made in the legislation as it is extended for another three years.

In the jargon of the day, home care and community services are often referred to as "alternatives to institutionalization." And sometimes there is a clear inference that such alternatives are inherently "good" and institutional care is inherently "bad".

Well, who can—and who wish to—remain in their own homes and communities should have the supportive services that will enable them to do so. And we must do much more than we have in the past to make those services available. This is the central thrust of the expanded and strengthened Older Americans Act.

But no one knows better than you in this room that there are now—and will always be elderly people who need institutional care. For these people the alternatives are quite simply poor nursing home care or the kind of quality care to which your organization is dedicated.

Our goal must be to make available a full range of services, living arrangements, and levels of care so that each elderly person may have access to the kind of support or care that he or she requires. Homes for the aging are, of course, a vital link in this chain.

This is not a partisan organization, and I am not here this morning to make a political speech. But I must say that this Administration has in no respect been more callous than in its disregard for the housing needs of older Americans.

It has been estimated that there are at least 6 million elderly people in this nation living in substandard housing. In some parts of the country, one or more persons are on the waiting list for every existing unit of elderly housing.

Whatever one may think of the wisdom of suspending some of our housing programs, the moratorium imposed in January 1973 was certainly indiscriminate in its failure to take into account the proven value and success of housing programs for the elderly.

And, of course, what was perhaps the most popular and successful of those programs—the Section 202 direct loan program—was phased out much earlier, shortly after the Administration took office.

Under a major housing bill passed by the Senate on March 11, housing for the elderly would again become available under revised public housing and rental assistance programs.

In addition, the bill authorizes an expanded Section 202 program and creates a new funding mechanism under which funds for these loans would be channeled through a special revolving fund outside of the annual budgetary process.

With enactment of this legislation, hopefully later this year, we can again approach the goal of 120,000 new units of elderly housing annually as recommended by the White House Conference on Aging.

One of the major legislative issues in the months ahead—reflected in its place on your program later this month—is the matter of health insurance.

Frankly, in my judgment, the implementation of any comprehensive national health insurance program is still some years in the future. In the interim, however, we must make greatly needed improvement in Medicare.

High on my own list of priorities is the coverage of prescription drugs—a proposal that the Senate has now approved twice—and the elimination of the Part B premium.

This premium is a monthly drain on the income of the elderly, a burden that increases

year by year, and there is no reason why a person should not be able to pay for all of his Medicare protection during his working years.

Another matter demanding priority attention is the coverage of physicians' bills. In recent testimony before a Senate committee, Secretary Weinberger reported that the percentage of doctors accepting assignment of Medicare bills has now dropped below 50 per cent. This means that Medicare patients of those doctors are paying, on the average, 15 per cent of their bills on top of the 20 per cent co-insurance required in the Medicare law.

As you well know, Medicare now covers only a small fraction of the nursing home costs of the elderly. The extended care benefit should be broadened to cover a greater share of convalescent costs, and the prior-hospitalization requirement should be eliminated.

Finally, I am confident that Congress will not approve any proposals—no matter in what guise they are put forward—that would impose larger out-of-pocket charges on the average Medicare beneficiary.

The American Association of Homes for the Aging is regarded by members of Congress—and deservedly so—as an organization dedicated first and foremost to quality care for all of our nation's elderly citizens. In the months ahead, we will continue to work with Ted Olson and the other members of your fine Washington staff toward that objective.

For it is my conviction that we cannot be a truly civilized nation until we more adequately care and provide for those among us who can no longer provide for themselves—not as a duty grudgingly performed—not just because if we are fortunate we will one day be old ourselves—but simply because they are human beings, our brothers, God's children, and His work must be our own.

THE PARIS AGREEMENT AND U.S. POLICY TOWARD INDOCHINA

Mr. KENNEDY. Mr. President, because troubling questions persist in many quarters over the character and objective of our country's policy toward Indochina following the cease-fire agreement, I wrote a letter of inquiry to Secretary of State Kissinger on March 13. This past week, on March 25, I received a definitive reply to my questions concerning U.S. policy toward Indochina.

Secretary Kissinger's letter is a welcome but disturbing clarification of our present policy in Indochina. I am distressed that the Secretary seems to propound a new rationalization for our continued heavy involvement in the area.

Apparently, the administration now views the Paris Agreement on Ending the War and Restoring the Peace as creating new American commitments to South Vietnam. From presumed commitments under the SEATO Treaty, the Gulf of Tonkin Resolution, and the President's power to protect our troops, we have now moved to "commitments" under the Paris Agreement—which was never submitted to the Senate as a treaty for ratification.

Mr. President, this shatters the hope of most Americans that the Paris Agreement—and the return of our servicemen and prisoners of war—finally signaled the end to America's heavy involvement in Indochina. It shatters the hope that we could finally disengage from our direct and often manipulative involvement in the remaining political and military confrontations of the area, and finally end our master-client relationship with the Government of South Vietnam.

Rather than chart a new beginning, the administration's interpretation of the Paris Agreement is perpetuating old relationships and continuing old policies—as if nothing had changed.

But the administration's commitments in Indochina are costing the American taxpayer some $3 billion this year. In light of pressing needs and inflation here at home, and other urgent priorities overseas, the administration's dollar commitment in Indochina borders on fiscal irresponsibility, and is contrary to the new directions set by Congress last year.

Mr. President, I would like to share this important policy statement by Secretary Kissinger with my colleagues in the Senate, and I ask unanimous consent that our exchange of correspondence be printed in the RECORD.

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

U.S. SENATE,
Washington, D.C., March 13, 1974.

Hon. HENRY A. KISSINGER,
Secretary of State,
Department of State,
Washington, D.C.

DEAR MR. SECRETARY: As you know, there is continuing and, I feel, growing congressional and public concern over the course of American policy toward Indochina. Inquiry by the Subcommittee on Refugees and other committees of the Congress, an unclassified cable of March 6 from Ambassador Graham Martin in Saigon, other statements by officials in the Executive Branch, the supplemental appropriation request for the current fiscal year and the anticipated requests for FY 1975, news dispatches from the field, and various private reports, raise troubling questions for many Americans over the character and objective of our policy towards Indochina and over the kinds and levels of our current involvement in South Vietnam, Cambodia and Laos.

In light of the growing concern over American policy toward Indochina and the contradictory and incomplete information currently available, I would like to request comprehensive comment and review on the following items:

1) the general character and objectives of American policy towards Indochina as a whole and towards each government or political authority in the area:

2) the general content and nature of existing obligations and commitments to the governments in Saigon, Phnom Penh and Vientiane;

3) the kinds, categories and levels of support and assistance given or projected to the governments in Saigon, Phnom Penh and Vientiane for fiscal year 1973 through 1975—including (a) a breakdown of the number, distribution, activities and agency/departmental association of official American personnel, as well as those associated with private business and other organizations under contract to the United States government; and (b) a breakdown from all sources of humanitarian assistance, police and public safety oriented assistance, general supporting and economic development assistance, and military assistance;

4) the current status and problems of reported efforts to establish an international consortium for general reconstruction assistance to the area;

5) the current status and problems of the Administration's stated intention to encourage internationalizing humanitarian assistance to the area;

6) the current status of negotiations between Washington and Hanoi on American reconstruction assistance to North Vietnam;

7) the Department's assessment on the implementation of the ceasefire agreements for both Vietnam and Laos;

8) the Department's assessment of the overall situation in Cambodia and the possibility for a ceasefire agreement; and

9) recent diplomatic initiatives, involving the United States, aimed at a reduction of violence in Indochina and a greater measure of normalization in the area.

In addition to the above areas of inquiry, I would also appreciate very much the Department's comments on a series of recommendations contained in a recent report based on the Subcommittee's Study Mission to Indochina last year. Lengthy excerpts from this report, including some of the recommendations, were issued in late January and informally made available to officials in the Executive Branch. The recommendations focus on the relief and rehabilitation of war victims, but also include comment and suggestions on the broader aspects of United States policies and programs in the area.

In light of persisting hopes among all our citizens for peace in Indochina, and to clarify our country's commitments and continuing involvement in the area, I feel it would be extremely helpful if definitive information on our government's policy, involvement and future planning could be made available to the Subcommittee. I am hopeful, Mr. Secretary, that the Subcommittee can anticipate a response at an early date, and that appropriate officials from the Executive Branch will also be available for consultations or hearings.

In conclusion, let me express my personal dismay over a theme in Ambassador Martin's cable of March 6. For him to suggest a tie between alleged decisions in Hanoi and the views of Members of Congress and their staffs about the course of American policy towards South Vietnam and Indochina, is the worst kind of innuendo and regretably ignores the many legitimate questions and concerns of the Congress and the American people over our commitments to the governments of Indochina and over the continuing level of our involvement in the political and military confrontations of the area. I would appreciate very much your comment on the Ambassador's cable.

Many thanks for your consideration and I look forward to hearing from you soon.

Sincerely.

EDWARD M. KENNEDY,
Chairman, Subcommittee on Refugees.

THE SECRETARY OF STATE,
Washington, D.C., March 25, 1974.

Hon. EDWARD M. KENNEDY,
Chairman, Subcommittee on Refugees,
Committee on the Judiciary,
U.S. Senate.

DEAR MR. CHAIRMAN: In response to your letter of March 13 on various aspects of United States policy toward Indochina, I am enclosing our comment on the nine specific items you have outlined. I hope this information will be useful to you. As to the recommendations of the Subcommittee's Study Mission to Indochina last year, which were enclosed with your letter, I have asked Governor Holton to review these and to prepare our comments for submission to you as soon as possible.

Your letter also expresses concern over a March 6 cable by Ambassador Martin commenting on a recent press article on the United States role in Viet-Nam. I do not believe the Ambassador is suggesting a cause-and-effect relationship between decisions in Hanoi and the views of any individual Member of Congress or their staffs. What he is describing is a very real and sophisticated propaganda effort by North Viet-Nam to bring to bear on a wide spectrum of Amer-

icans its own special view of the situation in Indochina. The Ambassador believes, and in this he has our full confidence and support, that we must counter these distortions emanating from Hanoi and continue to provide the best answers to the concerned questions many Americans have about our Indochina policy.

Warm regards,

HENRY A. KISSINGER.

COMMENT OF INDOCHINA POLICY

1) "The general character and objectives of American policy towards Indochina as a whole and toward each government or political authority in the areas;"

There are two basic themes in our policy toward Indochina. The first is our belief that a secure peace in Indochina is an important element in our efforts to achieve a worldwide structure of peace. Conversely, we believe that an evolution toward peace in other troubled areas helps bring about the stability for which we strive in Indochina. Consequently, our Indochina policy has been geared to bring about the conditions which will enable the contending parties to find a peaceful resolution of their differences.

A resolution of differences can, of course, be achieved by other than peaceful means. For example, North Viet-Nam might seek to conquer South Viet-Nam by force of arms. Such a resolution, however, would almost certainly be a temporary one and would not produce the long-term and stable peace which is essential. Therefore, a corollary to our search for peace, and the second theme of our policy, is to discourage the takeover of the various parts of Indochina by force. Forcible conquest is not only repugnant to American traditions but also has serious destabilizing effects which are not limited to the area under immediate threat.

We would stress the point that the United States has no desire to see any particular form of government or social system in the Indochina countries. What we do hope to see is a free choice by the people of Indochina as to the governments and systems under which they will live. To that end we have devoted immense human and material resources to assist them in protecting this right of choice.

Our objective with regard to the Government of Viet-Nam, the Government of the Khmer Republic and the Royal Lao Government is to provide them with the material assistance and political encouragement which they need in determining their own futures and in helping to create conditions which will permit free decisions. In Laos, happily, real progress has been made, partly because of our assistance. The Vientiane Agreement and Protocols give clear evidence of the possibility for the peaceful settlement our policies are designed to foster. We have supported the Royal Lao Government and, when it is formed, we will look with great sympathy on the Government of National Union. We welcome a peaceful and neutral Laos and, where appropriate, we will continue to encourage the parties to work out their remaining problems.

In Cambodia we are convinced that long-term prospects for stability would be enhanced by a cease-fire and a negotiated settlement among the Khmer elements to the conflict. Because such stability is in our interests we are providing diplomatic and material support to the legitimate government of the Khmer Republic, both in its self-defense efforts and in its search for a political solution to the war.

Our objective in Viet-Nam continues to be to help strengthen the conditions which made possible the Paris Agreement on Ending the War and Restoring Peace in Viet-Nam. With this in mind we have supported the Republic of Viet-Nam with both military and economic assistance. We believe that by providing the Vietnamese Government the necessary means to defend itself and to develop a viable economy, the government in Hanoi will conclude that political solutions are much preferable to renewed use of major military force. The presence of large numbers of North Vietnamese troops in the South demonstrates that the military threat from Hanoi is still very much in evidence. Because of that threat we must still ensure that the Republic of Viet-Nam has the means to protect its independence. We note, however, that the level of violence is markedly less than it was prior to the cease-fire and believe that our policy of support for South Viet-Nam has been instrumental in deterring major North Vietnamese offensives.

Our objective with regard to the Democratic Republic of Viet-Nam, and its southern arm, the Provisional Revolutionary Government, is to encourage full compliance with the Paris Agreement. We have been disappointed by North Viet-Nam's serious violations of important provisions of the Agreement. However, we still believe that the Agreement provides a workable framework for a peaceful and lasting settlement, and we will continue to use all means available to us to support the cease-fire and to encourage closer observance of it. Our future relations with Hanoi obviously depend in large part on how faithfully North Viet-Nam complies with the Agreement.

We have also undertaken our assistance to Laos and support for the Royal Lao Government because of our own broad national interests, not because of any formal commitment to that country. The most important and visible for our interests is our desire for a just settlement of the tragic war in Indochina. Laos plays a key role in this effort to achieve the peace. Indeed, Laos is the bright spot in Indochina where the fruits of our efforts to assist and support the Royal Laos Government are most clearly seen. A cease-fire based on an agreement worked out by the two Lao parties has endured for more than a year. The two parties have together organized joint security forces in the two capital cities of Vientiane and Luang Prabang and a coalition government may not be far away. We feel that these large steps toward a lasting peace in Laos would probably not have succeeded but for our steadfast support for the efforts of the Royal Lao Government.

2) "The general content and nature of existing obligations and commitments to the governments in Saigon, Phnom Penh and Vientiane;"

The U.S. has no bilateral written commitment to the Government of the Republic of Viet-Nam. However, as a signator of the Paris Agreement on Ending the War and Restoring Peace in Viet-Nam, the United States committed itself to strengthening the conditions which made the cease-fire possible and to the goal of the South Vietnamese people's right to self-determination. With these commitments in mind, we continue to provide to the Republic of Viet-Nam the means necessary for its self-defense and for its economic viability.

We also recognize that we have derived a certain obligation from our long and deep involvement in Viet-Nam. Perceiving our own interest in a stable Viet-Nam free to make its own political choices, we have encouraged the Vietnamese people in their struggle for independence. We have invested great human and material resources to support them in protecting their own as well as broader interests. We have thus committed ourselves very substantially, both politically and morally. While the South Vietnamese Government and people are demonstrating increasing self-reliance, we believe it is important that we continue our support as long as it is needed.

Our relations with the Government of the Khmer Republic also do not stem from a formal commitment but are based on our own national interests. Recognizing that events in Cambodia relate directly to the bitter hostilities in other parts of Indochina, we have sought to help create stability in that country as a part of our effort to encourage the development of peace in the entire region. We, therefore, support the legitimate government of Cambodia, in the hope that its increasing strength will encourage the Khmer Communists toward a political settlement rather than continued conflict.

3) "The kinds, categories and levels of support and assistance given or projected to the governments in Saigon, Phnom Penh and Vientiane for the fiscal year 1973 through 1975—including (a) a breakdown of the number, distribution, activities and agency/departmental association of official American personnel, as well as those associated with private business and other organizations under contract to the United States government; and (b) a breakdown from all sources of humanitarian assistance, police and public safety oriented assistance, general supporting and economic development assistance, and military assistance;"

(a) *U.S. Economic Assistance*

Our annual Congressional Presentation books provide the data requested here in considerable detail. These Congressional Presentation books for FY 1975 will shortly be delivered to the Congress. We provide these first, as a matter of course, to the authorizing and appropriations Committee of the Senate and the House and then routinely make them available to all Members as well as the interested public. We will be happy to provide your Subcommittee on Refugees with copies as soon as available.

The Congressional Presentation books focus, of course, on our proposals for the coming year, FY 1975, but also contain data on both the current fiscal year, FY 1974, and the preceeding, FY 1973. This year, as last, we are preparing a separate book providing the details of our economic assistance programs for the Indochina countries.

These Congressional Presentation books form a partial basis, of course, for extensive Hearings held each year by the authorizing committees in the Senate and House, and then by the appropriations committees. We would expect the question you pose, as well as many others, to be further explored in considerable depth during the course of these Hearings.

(b) *U.S. Military Assistance*

Our military assistance to South Viet-Nam and Laos is provided under MASF. The breakdown of this assistance for the period you requested is as follows:

Ceiling and new obligational authority

Fiscal year 1973, $2.735 billion, $2.563 billion.

Fiscal year 1974, $1.126 billion, $907.5 million.

Fiscal year 1975, $1.6 billion (requested), $1,450 billion. (Viet-Nam only; Laos will be included under MAP for FY–75.)

The level of official U.S. military/civilian personnel in South Viet-Nam during the same period is as follows:

Military and civilian

January, 1973, 23,516 (Assigned), 730.
January, 1974, 221 (Authorized), 1200.
June, 1974, 221 (Authorized), 936.

The number of U.S. civilian contractors has declined from 5,737 in January, 1973, to 2,736 in January, 1974. This number is expected to decrease further to 2,130 by June 1974. We do not yet have a projected level of U.S. civilian contractors for FY 1975.

Our military assistance to Cambodia is furnished under MAP. This assistance totaled $148.6 million in FY 1973 and $325 million in FY 1974. The level of our military assistance for FY 1975 is now under review. The amount to be proposed will be included in the Congressional presentation documents

on military assistance which we expect to submit to Congress shortly.

U.S. military and civilian personnel in Cambodia during the period you requested is as follows:

	Military	Civilian
December, 1972	112	53
December, 1973	113	55
December, 1974	113	(1)

[1] Data not available.

U.S. military and civilian personnel in Laos during the period you requested is as follows:

	Military	Civilian
December, 1972	185	457
December, 1973	180	424
December, 1974	30 [2]	(1)

[1] Data not available.

[2] Based on the assumption that a coalition government will be formed in Laos before the end of this year.

"The current status and problems of reported efforts to establish an international consortium for general reconstruction assistance to the area."

In April 1973, President Thieu asked the International Bank for Reconstruction and Development (IBRD) to help form an aid group for the Republic of Viet-Nam. The IBRD agreed to make the effort, providing that this would be acceptable to the Bank membership and that the group could be organized in association with both the IBRD and the Asian Development Bank. In May the World Bank sent a study mission to Viet-Nam to review the situation. In August, Japan suggested that the Bank arrange a preliminary meeting to exchange views on aid to the countries of Indochina. The Japanese also proposed that the member countries discuss the formation of a loose Indochina consultative group for the area wide coordination, with sub-groups for any of the four countries concerned which might request such a group and where conditions were satisfactory.

An initial meeting was held at the Bank's Paris office in October. The United States supported the Bank's efforts as well as the Japanese proposal. The Bank sent a second mission to Viet-Nam in November and subsequently proposed that a follow-on meeting be held in February of this year to discuss the formation of the Indochina consultative group. However, the reactions of participating countries to the energy crisis and to the Congressional decision on IDA replenishment led the Bank to postpone the meeting, tentatively until late Spring. In February, at the request of the Lao Government, a World Bank team also visited Laos to assess the situation and to discuss a possible consultative group for that country.

The United States continues to support efforts to form a Indochina consultative group. We also favor the proposal that there be sub-groups for each recipient country to which donors may contribute as they wish. The sub-groups would be formed when considered appropriate by donors and at the request of the recipient. We remain in close consultation with the World Bank and other interested parties on this matter. We are hopeful that a second meeting of participants might be held in the near future and that such a meeting might lead to the establishment of the groups in question. A reversal of the negative Congressional action on IDA replenishment would clearly enhance the possibility of success in this regard.

5) "The current status and problems of the Administration's stated intention to encourage internationalizing humanitarian assistance to the area;"

In addition to U.S. bilateral humanitarian assistance to the Indochina countries which totals $111.4 million for FY 1974, the Department and the Agency for International Development (AID) continue to encourage other donors, including international organizations, to provide such assistance. AID made a grant of $2 million on November 1, 1973, to the Indochina Operations Group of the International Committee of the Red Cross and discussions are continuing about an additional grant to that organization. UNICEF has recently completed its study of the problems in the Indochina countries and has just submitted its proposed program to possible donor countries. We have encouraged UNICEF in its study and are pleased that it is now prepared to expand its activities in all three countries.

The World Health Organization has had meaningful programs in Laos, Cambodia, and Viet-Nam which supplement and do not overlap with activities supported by the United States. We have encouraged that organization to play an even more important role, particularly in the malaria control program, and we at the same time would phase out of our activities in that field.

Our discussions with the Indochina countries have stressed the desirability of establishing plans and priorities for programs and projects which require assistance so that other donor countries and organizations can fit their assistance efforts into the host country requirements.

6) "The current status of negotiations between Washington and Hanoi on American reconstruction assistance to North Viet-Nam."

Following the conclusion of the Peace Agreement last year, preliminary discussions of post-war reconstruction were held in Paris between U.S. and North Vietnamese members of the Joint Economic Commission. These talks have been suspended since last July. The Administration's position, which we believe is shared by the great majority of members of Congress, is that the U.S. cannot at this time move forward with an assistance program for North Viet-Nam. To date, North Viet-Nam has failed substantially to live up to a number of the essential terms of the Agreement, including those relating to the introduction of troops and war materiel into South Viet-Nam, the cessation of military activities in Cambodia and Laos, and the accounting for our missing-in-action. Should Hanoi turn away from a military solution and demonstrate a serious compliance with the Agreement, then we would be prepared, with the approval of Congress, to proceed with our undertaking regarding reconstruction assistance to North Viet-Nam.

7) "The Department's assessment on the implementation on the cease-fire agreements for both Viet-Nam and Laos;"

The cease-fire in Viet-Nam has resulted in a substantial decrease in the level of hostilities; for example, military casualties since the cease-fire have been about one-third the level of casualties suffered in the years preceding the Paris Agreement. Nonetheless, it is unfortunately evident that significant violence continues to occur and that the cease-fire is far from scrupulously observed. The fundamental problem is that the North Vietnamese are still determined to seize political power in the South, using military means if necessary. To this end they have maintained unrelenting military pressure against the South Vietnamese Government and have continued widespread terrorism against the population. In particularly flagrant violation of the Agreement North Viet-Nam has persisted in its infiltration of men and materiel into the South, bringing in more than one hundred thousands troops and large quantities of heavy equipment since the cease-fire began. South Vietnamese forces have reacted against these attacks by North Vietnamese forces and several sizable engagements have taken place.

Despite these serious violations, we continue to believe that the Paris Agreement has already brought substantial benefits and continues to provide a workable framework for peace. After more than a quarter century of fighting it would have been unrealistic to expect that the Agreement would bring an instant and complete end to the conflict. What it has done, however, is to reduce the level of violence significantly and provide mechanisms for discussion. The two Vietnamese parties are talking to each other and are achieving some results, even if these results are much less than we would like to see. The final exchange of prisoners which was completed on March 7 is illustrative.

We assess the cease-fire agreement in Laos as being so far largely successful. The level of combat was reduced substantially immediately following the cease-fire and has since fallen to a handful of incidents per week. There is hope that if developments continue as they have, the Laos cease-fire will work and the Lao, through their own efforts, will be able to establish a coalition government and a stable peace in their country.

8) "The Department's assessment of the overall situation in Cambodia and the possibility for a ceasefire agreement."

Despite continued pressure by the Khmer insurgents, now generally under the control of the Khmer Communist Party, the Khmer armed forces have successfully repulsed two major insurgents operations, one against Kompong Cham and, more recently, against Phnom Penh, with no US combat support. Serious military problems remain, and continued hard fighting during the next few months is expected, both in the provinces and around the capital.

A broadened political base, a new Prime Minister and a more effective cabinet offer signs of improvements in the civil administration. The enormous dislocation of the war, destroying production, producing over a million refugees and encouraging spiralling inflation, face the leaders of the Khmer Republic with serious problems.

Nonetheless, we are convinced that with US material and diplomatic support the Khmer Republic's demonstration of military and economic viability will persuade their now intransigent opponents to move to a political solution of the Cambodian conflict. The Khmer Republic's Foreign Minister on March 21 reiterated his government's position that a solution for Cambodia should be peaceful and not forced by arms or capitulation. Instead, his government will continue to seek talks with the other side. His government hopes their efforts for peace will achieve some results after the current insurgent offensive.

9) "Recent diplomatic initiatives, involving the United States, aimed at a reduction of violence in Indochina and a greater measure of normalization in the area."

Since the signing of the Viet-Nam cease-fire agreement, the United States has been in constant liaison with the interested parties, including those outside of the Indochina area. While it would not be useful to provide details of all of these contacts, we can assure the Congress that we have used every means at our disposal to encourage a reduction in the level of violence and an orderly resolution of the conflict. We believe these measures have had some success. The level of fighting is down substantially from 1972 and the Vietnamese parties have taken at least beginning steps toward a satisfactory accommodation. Further, the interested outside parties remain basically committed to building on the framework of the cease-fire agreement.

When Hanoi established a pattern of serious violations of the Agreement shortly after its conclusion, Dr. Kissinger met with Special Adviser Le Duc Tho and negotiated the Paris Communique of June 13, 1973, with a view to stabilizing the situation. Secretary Kissinger returned to Paris in December, 1973, to again discuss with Special Adviser Tho the status of the implementation of the Agreement. We will continue to maintain

such contacts with Vietnamese and other parties in the hope that Hanoi will eventually be persuaded that its interests lie in peaceful development rather than in conflict.

In Laos we have offered every encouragement to an evolution toward peace. At this time the Laotian parties are making great progress in the formation of a government of national union. We can help in this regard with our sympathy and encouragement while properly leaving the issue in the hands of those most interested, the Lao people.

The Government of the Khmer Republic, with our complete endorsement, has made notable efforts to terminate the hostilities in that country. Following the cease-fire in Viet-Nam, the Cambodian Government unilaterially ceased hostile activity by its forces in the hope that the other side would respond. Unfortunately that striking gesture was rebuffed. On frequently occasions thereafter the Khmer Republic made proposals designed to move the conflict from the battlefield to political fora, with our strong support in each instance. Although all of those proposals have been ignored by the Khmer Communists, we continue to hope that the current relative military balance will make apparent to the other side what the Khmer Republic has already perceived, that peace is a far more hopeful prospect for Cambodia than incessant conflict.

THE VICE PRESIDENT VISITS SOUTH CAROLINA

Mr. HOLLINGS. Mr. President, recently, we in South Carolina had the very special honor of a visit from the Vice President of the United States. Having had the good fortune of accompanying the Vice President to the State, I can report firsthand the warmth and affection which greeted him every step of the way.

One purpose of the Vice President's visit to Charleston was to accept an honorary degree from the Citadel. The degree was conferred at a full dress review of the corps of cadets on the afternoon of March 15.

The other purpose of Vice President FORD'S visit was to participate in the annual celebration of the Hibernian Society of Charleston. The Vice President was our special speaker for this occasion, and he did a magnificent job.

At the outset of his presentation, Vice President FORD presented a plaque designating Hibernian Hall a National Historic Landmark, in recognition of the historical significance of that grand old building.

The Vice President then delivered a memorable address—an address which made a deep impression on all who heard it. Mr. FORD spoke forcefully and movingly of the strengths of America, his confidence in the future, and his pride in being an American. He reminded us that amidst all our national difficulties, the heart and soul of America is clean and strong. It is obvious that our Vice President does not flinch from the future. He welcomes challenge, and he believes that through unity and strength, America can retain her greatness.

Mr. President, I believe this speech merits a wide audience, and for this reason I ask unanimous consent that it be printed in the RECORD. I congratulate the Vice President for a very fine talk, and I thank him again for coming to South Carolina.

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

REMARKS BY VICE PRESIDENT GERALD R. FORD

CHARLESTON, S.C.,
March 16, 1974.

Thank you very, very much Senator Fritz Hollings, Monsignor Smith, General Clark, my former colleague, Mendel Davis, distinguished guests, members of the Hibernian Society of Charleston, it is truly a very great privilege and a very high honor to have the opportunity of participating in this auspicious occasion tonight. I have two duties to perform tonight and I hope you will enjoy both of them. First, I have here a document which reads as follows: Hibernian Hall has been designated a National Historic Landmark. It goes on to say: "This site possesses national significance in commemorating the history of the United States," signed by the Director of the National Park Service and the Secretary of the Interior, the Honorable Rogers C. B. Morton, I congratulate you and give it to your President, Mr. Riddock. (Applause)

Obviously my first chore met with some approval. I hope my speech does as well. One of the many things I admire about South Carolina is its respect for tradition. For instance, 113 years ago Charleston fired on Fort Sumter. And as I look about me tonight—it's great to see that Charleston's biggest guns are still getting loaded.

When Senator Hollings invited me, he said to come down early and play a little golf this morning. The weather would be perfect . . .

Now I don't want to criticize the weather man who gave Senator Hollings this forecast, but I think the weather man's last job was lookout on the Titanic.

I'm really sorry my dear friend Senator Thurmond isn't here tonight. He's one of my favorite, and I emphasize, one of my most envied friends. I honestly think Strom is going to live to be a hundred, and when he does go, it's going to be from terminal ecstasy.

Your club has many distinctions. You have surmounted the problems they have in Ireland by taking turns in your Presidency, alternating between Catholic and Protestant administrations. I understand you also have some Jewish Hibernians. And maybe some Moslem Hibernians. Because when I got up this morning, the first thing I saw was a full tanker go by my window.

Now the State Department tells me you have a relatively strange language called geechy. Maybe I should have brought Henry Kissinger along to translate. But I have a better authority, and that is my dear friend, Fritz Hollings, who in a bi-partisan spirit would help me if the need arises, and obviously it has.

As a Republican, I am grateful to the Hibernian Society for providing accommodation to the 1860 Democratic Convention. Stephen Douglas came here, divided his Party, and made it possible for Abraham Lincoln to win the Presidency. And I wonder in all sincerity if I could ask a favor? Could you arrange to be the host in the 1976 Democratic Convention?

Since October 12th there has been a great change in the Ford family. Our problems, our lifestyle have all been somewhat revised. But let me tell you a story that actually happened on that day somewhat momentous to us. The President had asked Senator Scott and me to come down to the White House that morning to fill him in on how the procedure would take place in the House and the Senate for the confirmation of the new Vice President. Senator Scott and I talked to the President about what the procedure would be. He didn't tell us who the nominee would be, but he did indicate that the person he would nominate at 9:00 that night would be called at precisely 7:30 that evening. Senator Scott and I went back to the Senate and the House and finished our day's labor. I went home and sat down to dinner with my wife and our 16-year-old daughter and at 7:35 the downstairs phone rang—we have five extensions on that telephone. We have two teenage children and I think you understand. . . . The phone rang and it was our oldest son who is a theological student up in Boston, and he had heard on some radio or television program that his old man might be so nominated. When my wife was talking to Mike, the upstairs phone rang—an unlisted number. Our 16-year-old daughter dashed like a shot to the upstairs telephone, which has no extension. She's unlisted it for certain purposes. . . . She answered the phone and she yelled down with a plaintive voice, "Dad, the President wants to talk to you." So I dashed upstairs and got on the phone and the operator said the President wanted to talk to me. He came on the line and said, "Jerry, I've got some good news for you, but I want you to get Betty on the line so that she can hear it at the same time"—So here I am—on a phone with no extensions and the President wants to talk to both of us, and I tried to explain hurriedly what the problem was, and finally I said, "Mr. President, can you hang up and call back on the other line."

Well, he did—and I went downstairs and got Betty off the other phone. The President didn't change his mind in the 30 seconds that elapsed and here I am.

On a more serious note, however, I want to share with you my concern for the two-party system and the need for preserving it. The American scene requires the diversity and choice of two viable and distinctive parties to preserve our free heritage.

I am glad to be here tonight because you are so vividly demonstrating what is right with America. Just as we are celebrating the accomplishments of the fabled Saint Patrick in driving the snakes out of Ireland, let us join to drive out the demons of doubt and despair that are haunting America.

The United States temporarily ran short of gasoline. But we never ran short of the will and ability to surmount difficulties. And we will not. We are on the right track. We know where we are going. And we have what it takes to get us there—American initiative, know-how, courage, patriotism, and pride in our selves and in the United States of America.

I am proud to be an American. I believe that American free enterprise and individual incentive have made the United States the greatest nation on earth. I am proud to be a part of an administration that extricated us from the war in Vietnam, achieving peace with honor and liberating our brave men who suffered so long as prisoners of war. And it also fills me with encouragement that our nation is moving toward new and peaceful relationships with the Soviet Union and the People's Republic of China.

By a masterpiece of diplomacy, we separated the armies of Egyptians and Israelis, averting a catastrophe that could have inflamed the whole world.

Just as we have progressed in our dealings with other nations, we will resolve transitory difficulties at home. We will maintain economic growth while winding down inflation. We will surmount the short-term impact of the energy crisis and achieve self-sufficiency for our long-term needs.

We will reduce federal control and open a new era of achievement in state and local governments. With revenue sharing, we are letting power flow back to the people.

We should never forget—a government big enough to give us everything we want—is a government big enough to take from us everything we have.

Yes, I believe in our government as a structure of laws designed to protect individual freedoms. This is a government of separate

but equal branches, of checks and balances. Our strength lies in direct representation in the Congress, in the co-equal power the Legislative Branch shares with the Executive Branch.

The body politic of America is healthy. It contains the strength to heal itself and to find renewed vigor and energy. At the very moment that we are addressing ourselves to problems within our government, we are moving ahead both at home and abroad to assure a better life for all Americans. We are promoting international peace by nurturing the Middle East settlement and cooperating with others to resolve the international problem.

I believe that we are entering, in this last quarter of the 20th century, an era of peace and progress. To have peace, we must be capable of defense to deter aggression. That is why in moments of stress we are glad of the great tradition and capacity of defense here in Charleston. History teaches strength means peace—and military weakness invites war.

After all, South Carolina is the birthplace of Charles Pinkney who cried out those historic words "Millions for defense but not one cent for tribute!"—and nobody has ever improved on the words or the wisdom of that thought.

As I familiarize myself with my duties as Vice President, I believe more than ever that we must look forward rather than backward. Of course we learn from the past and cherish our great history. But we live for the present and future. I do not believe in replaying last Saturday's game but in training hard for next Saturday's. I tend to forget the bad plays and remember the scoring ones. The upcoming game is always the best of all.

When I became Vice President, I pledged to use whatever reputation for truth and fairness I acquired in the House along with whatever capacities for friendship and reasonable compromise I might possess to make this government work better for the good of all Americans. I refer not only to the differences between the House and Senate, between the Congress and the Executive Branch, but also among the individuals of both parties whom I am proud to count as my friends.

While this is not a spectacular role for the next three years, it is a necessary one. I envisage a role that involves solid and responsible work for the future, at home and abroad, while meditating and moderating differences, remaining flexible, to keep America great. I shall remain my own man. The only pledge by which I have bound myself in accepting the President's trust is the commitment by which we are all bound, before God and the Constitution, to do our best for America.

I share these thoughts with you because I am so honored and pleased to be with a society such as the Hibernians on this joyous occasion.

It was Thomas Jefferson who said that America needs an aristocracy based on talent and virtue. The Hibernian Society has filled that need. But as we proceed, we should remember, I believe, the things that unite us as Americans as far more enduring than the things that divide us. The Hibernians cherish this great tradition. And as we get into one political campaign or another, and it gets hotter and hotter, let us remember to singe but never to burn. Then we also might remember that not just the hippies, but all of us would rather make love than war. I think we should also remember that both Democrats and Republicans are striving together to make a more perfect union, with liberty and justice for all. And let us remember more importantly than almost anything else, our unwritten contract of respect for the convictions of others—and faith in the decency of others. This respect and this appreciation allows Americans the luxury of rugged political competition. And let's all, regardless of political affiliation, work to banish war from our shrinking globe and hate from our expanding hearts, to make this whole planet as full of friendship and felicity as this room tonight. I thank you and extend heartiest best wishes to all the Hibernians.

AMERICAN CATTLE INDUSTRY IN TROUBLE

Mr. CLARK. Mr. President, the American cattle industry is in trouble. This will soon mean more trouble for the American consumer, because it promises higher beef prices in the coming months. This story, which has been told to me many times in Iowa in the past few months, has been set forth in an excellent article in the April 1 New York Times. I 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:

AMERICAN CATTLE INDUSTRY IN TROUBLE

(By William Robbins)

HAWARDEN, IOWA, March 30.—The boom is over for cattlemen. The steadily growing profits they were enjoying until a few months ago have turned to heavy losses, wiping out much of their capital and, in many instances, wiping out small investors entirely.

The results, observed in the heart of cattle country between here and the high plains of the Texas Panhandle, appear ominous for consumers.

Vernon Eilts, who farms 1,500 rolling acres around a white frame house just east of here, has plowed up two of his principal cattle-feeding pens. He will grow corn there instead of cattle this year, and he has cut his stock from 3,000 head to 1,000.

"And I don't have any faith. I'll make out on those," Mr. Eilts said.

His action in plowing up the two pens is symbolic of what is happening throughout the nation's major producing areas. The result will mean less beef for urban tables in a few months and, the cattlemen and others say, the likelihood of a new spurt in prices for shoppers.

"Placements"—that is, young cattle put in feed lots for fattening—are down 20 per cent from a year ago, according to the Department of Agriculture.

Cattle on feed—those that are being fattened in the pens that are in use—are down only 1 percent from last year. That means that an oversupply of fat cattle is waiting to go to market.

As the cattle are moved out, at losses ranging above $100 a head, feed lot operators are reluctant and often financially unable to replace the numbers sold.

At the same time, many stockmen who normally supply them with "feeders"—young cattle that are ready to go into the fattening pens—are unwilling to sell at the prices to which their livestock has fallen.

A shortage of cattle placed on feed now would normally be reflected in stores in late summer and early fall.

RECORDS POINT TO PROBLEMS

From Texas to Iowa, pieces of the picture of a troubled industry emerged from records opened by feed lot operators, showing prices and costs, from computer printouts revealing the same details for pens of cattle fattened by larger operators and from similar data carried in the heads of farmers.

There is little cheer in Happy, Tex., for Foster Parker. The figures he displayed in his loss books showed loss after loss for the 5,000-head feed lot he operates on a ranch near Amarillo, the center of the big cattle-feeding operations of the high plains.

The book showed, as his latest results, a pen of cattle sold at a loss of $171.68 a head.

The arithmetic on such a loss was simple. He had bought the young cattle in September at 58 cents a pound. To fatten them, it had cost him 54.2 cents for each pound gained. When they were fat and ready for market they brought 51 cents a pound.

A neighbor at Herford, just beyond the treeless horizon, told how he had tried to avoid such losses with a pen of 167 cattle. The man, Ernest Latta, who is vice president and general manager of the big Deaf Smith Feed Yards, Inc., had held the cattle beyond maturity while feed costs mounted, hoping all the while for a rise in the market.

When he sold them on March 13, his figures showed, the loss was $316.81 a head, or a total of $52,917, including interest.

INVESTORS PULLING BACK

But the yard that Mr. Latta operates is primarily a caretaker of cattle owned by others. He fattens feeders for ranchers, individual investors or groups that form themselves into corporations or investment clubs.

The ranks of such investors are thinning, however, as their equity evaporates with increasing losses.

"Every pen you ship out is another empty pen," Mr. Latta said.

The bigger the operators grow, the heavier become their losses. Up in the major feeding region around Greeley, near Denver, is one of the two yards run by Monfort of Colorado, the largest of all feed lot operators. It stretches for a square mile from the site of the company's towering grain elevators.

The pens are a scene of constant activity, where comboys carry lariats on their saddles cut out cattle in a manner reminiscent of the Old West—except for the deep muck in which their horses slide. But Monfort has lost nearly $10 million on feeding operations in the six months ended March 2, according to a report just sent to stockholders. The feeding losses were cut to $3.6 million by a tax refund and other income, including that of a meat packing division for which Monfort fattens the cattle.

"STRATEGY OF SURVIVAL"

The company normally feeds about 225,000 cattle. It now is fattening 180,000. The Monfort operations are thus following a pattern that is similar to those of smaller feed lots.

"Most people we talk to are practicing a strategy of survival," said Samuel Addoms, Monfort's executive vice president.

Total losses for the industry have been estimated at more than $1 billion thus far by the American National Cattlemen's Association.

The cattlemen's troubles started, they say—and Secretary of Agriculture Earl L. Butz agrees—when the Nixon Administration last March 29 imposed a price freeze on food. By August, with costs of grain being steadily driven upward by increasing exports and with heavy investment in livestock, they faced losses if they sold at prices that packing plants could pay.

Late in July the Administration announced the end of the price freeze on most foods but said it would continue the ceiling on beef through Sept. 12. Many feed lot operators attempted to avoid losses by postponing sales until after the freeze, hoping for a raise in prices. Many packing plants closed.

With backed-up supplies glutting markets after the freeze, prices declined sharply. They had only begun to rise again and lift the cattlemen's hopes when the February truck strike interrupted deliveries and forced packing plants to close again.

Once more inventories backed up and prices dropped.

Many cattlemen believe that the failure of supermarkets to reflect the decline has aggravated their troubles by restraining consumption. They note that until recent

weeks retail prices have remained level, or nearly so, through each decline in prices of live steers, according to statistics of the Department of Agriculture.

The spread between cattle prices and retail prices has widened sharply since the end of the freeze.

Retail prices reported by the New York State Department of Agriculture appear to support the cattlemen's contention. Prices of a typical cut—top or bottom round—showed a range of $1.59 to $2.09 when a survey of New York City stores was taken in September, shortly after the end of the price freeze. At the time, wholesale carcasses were selling for 72 cents a pound. Six months later, March 11–14, with carcasses ranging from 65 to 70 cents, the retail range in New York City had risen. It was $1.69 to $2.39 for the same cut. However, a March 27 report showed New York prices down sharply.

"Sometimes these price ranges defy explanation," Phillip Bradway, the department's chief marketing official, said in a telephone interview.

Spokesmen for the supermarkets deny any efforts at profiteering.

Clarence Adamy, president of the National Association of Food Chains, told a Senate hearing recently that it took about three weeks for a wholesale price decline to work its way through the distribution system to the meat counter.

And Timothy D. McEnroe, the organization's director of public relations, told a reporter in Washington that 13 supermarket chains had lost $250-million last August and September when they bought cattle at prices that the closed packing plants had refused to pay. They had it slaughtered to provide beef at ceiling prices for their customers. It has taken some time to recover those losses, he said.

Normally, he noted, "supermarkets don't buy cattle; they buy carcasses."

Figures compiled by Mr. McEnroe's office show that packing plants have shared in the widening spread between cattle market prices and retail prices.

Mr. Addoms, the Montfort official, acknowledged: "Processing margins have been very attractive in the last six months."

A man recognized by other cattlemen as among the most knowledgeable believes it may be a long time before the industry recovers it balance. He is W. D. Farr, a former president of the Cattlemen's Association, who has a 50,000-head feed yard at Greeley but now leaves many of his pens empty.

He predicts that stockmen this summer, in an effort to stave off losses, will continue to let cattle graze rather than move them into feed lots.

"Then," he said, "we won't need all the feeders we'll have this fall.

"They are mad," he added, "and people who are mad don't think straight."

If his fears are correct, they indicate problems for communities like Hawarden.

Harlan Hummel, a lumber dealer who is the town's former mayor, said he had $80,000 in orders canceled by distressed cattlemen in the first quarter of this year.

STANDBY ENERGY EMERGENCY AUTHORITIES ACT

Mr. JACKSON, Mr. President, on March 28, I introduced S. 3267, the Standby Energy Emergency Authorities Act.

I ask unanimous consent that the text of that bill, a short summary, and a longer summary of its major provisions, be printed in the RECORD, so that the Members of the Senate may have copies available for their review.

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

MEMORANDUM

APRIL 1, 1974.

To Members, Committee on Interior and Insular Affairs.

From Senator Henry M. Jackson.

Re Summary of Major Provisions of S. 3267 as compared with the Conference Report on S. 2589.

In preparation for the Committee's consideration of S. 3267, the Standby Energy Emergency Authorities Act, I have directed the staff to prepare a brief summary of the major differences between the provisions of S. 3267 and the Conference Report on S. 2589.

This summary is, in effect, a brief version of the comparative print prepared for Committee use during mark-up sessions. It follows below for your convenient quick reference.

No provision is made for establishing an FEA.

S. 103. Implementation of end use rationing authority is subject to Congressional approval in S. 3267; not so in S. 2589.

S. 106. Materials allocation authority is provided in S. 3267; in S. 2589 authority is provided only for a contingency plan for such allocation.

No provision is made for price rollback on crude oil petroleum products.

S. 114. S. 3267, like S. 2589, provides for grants to states to extend unemployment assistance to persons unemployed due to energy shortage who have exhausted normal eligibility for unemployment assistance. However, S. 3267 requires that the Labor Department and the States promulgate regulations and criteria under which such assistance be granted; S. 2589 had no such requirement.

S. 119. Loans to homeowners and small businesses for energy-saving improvements have been eliminated in S. 3267; informational provisions regarding small businesses have been retained in S. 3267.

The provision concerning use of federal facilities in the private energy distribution system has been eliminated in S. 3267.

S. 122. Broader authority for gathering energy-related information is provided in S. 3267 than was found in S. 2589.

S. 127. S. 3267 requires development of more long range contingency plans for the exercise of the energy conservation and rationing authorities provided in the bill.

S. 128. S. 3267 requires the President to exercise his existing price control authorities to specify equitable ceiling prices for all first sales or exchanges of crude oil produced or imported in the U.S., with no more than a dollar for dollar passthrough of actual costs permitted on refined products.

In Titles II and III, certain due dates for study reports have been extended to reflect delay in implementation of S. 3267.

SUMMARY OF MAJOR PROVISIONS OF THE STANDBY ENERGY EMERGENCY AUTHORITIES ACT (S. 3267)

TITLE I—STANDBY ENERGY EMERGENCY AUTHORITIES

Sec. 101. Findings and purposes.

Sec. 102. Definitions.

Sec. 103. End-use Rationing.—The bill gives standby rationing authority to the President to be implemented subject to Congressional approval. This authority may only be exercised on a finding that all other actions are not sufficient to preserve public health, safety and welfare and accomplish the national goals listed in the Emergency Petroleum Allocation Act. No rationing program may impose a tax or fee.

Sec. 104. Energy Conservation Plans.—The Administrator of the FEA is authorized to issue regulations restricting public and private consumption of energy (such as limitations on business hours, bans on ornamental lighting, etc.). All such regulations are subject to Congressional veto. (Regulations submitted to the Congress by simple resolution in either House.)

Sec. 105. Coal Conversion and Allocation.—The Administrator is required, where practicable, to order major fuel burning installations to convert to coal, if they have the capability and necessary plant equipment to do so. The Administrator also is directed to require that fossil-fuel-fired electric power plants in the early planning process be designed and constructed so as to be capable of using coal. The Administrator is authorized to prescribe a system for allocation of coal to users in order to carry out this Act.

Sec. 106. Materials Allocation.—The Administrator is required to develop a plan for the allocation of supplies of materials and equipment necessary for energy production. This plan may be placed into effect at any time following submission to the Congress. Also, the Emergency Petroleum Allocation Act is amended to give priority in the allocation program for the production of minerals which are essential to the requirements of the United States.

Sec. 107. Federal Actions to Increase Available Domestic Petroleum Supplies.—The Administrator is authorized to require designated domestic oil fields to be produced at their maximum efficient rate of production (that is, the maximum rate at which production may be sustained without detriment to the ultimate recovery of oil and gas under sound engineering and economic principles). In certain instances the Administrator may require designated fields to be produced in excess of their maximum efficient rate. The Administrator may also order refineries to adjust their operations to produce greater amounts of specified refined products.

Sec. 108. Other Amendments to the Emergency Petroleum Allocation Act of 1973.—The Petroleum Allocation Act is amended to require adjustments in the allocation program to reflect regional disparities in use, population growth or unusual factors influencing use (including unusual changes in climatic conditions), and to provide priority allocations to fuel and mineral producers.

Sec. 109. Protection of Franchised Dealers.—Major oil companies are prevented from unreasonably canceling, failing to renew, or otherwise terminating their franchise agreement with retailers of petroleum products. Wronged retailers may apply to Federal court for damages or injunctive relief.

Sec. 110. Prohibitions on Unreasonable Actions.—Actions taken under this Act and under the Emergency Petroleum Allocation Act are held to a standard of reasonableness. Inequitable discriminations among users are expressly prohibited. Also the Administrator is cautioned to assure that his regulations do not impose unreasonably disproportionate burdens on any sector of industry. Regulatory actions are required to be supported by economic analysis. [See also section 105(d)]

Sec. 111. Regulated Carriers.—Within 45 days of enactment, the CAB, the FMC, and the ICC are required to report to the appropriate committees of Congress on the need for additional regulatory authority in order to conserve fuel during the emergency period. Also the ICC is directed to initiate expedited proceedings to eliminate the so-called "Gateway" requirements which cause excessive travel by certificated motor common carriers.

Sec. 112. Antitrust Provisions.—A limited exemption from the antitrust laws is created for those engaged in voluntary action under-

taken to achieve the purposes of this Act. Detailed provisions control the availability of this antitrust defense.

Sec. 113. Exports.—The Administrator is authorized to restrict exports of coal, petroleum products, and petrochemical feedstocks. Restrictions on the export of such products are required if either the Secretary of Commerce or the Secretary of Labor certifies that such exports would contribute to unemployment in the United States. Also the Secretary of Commerce's authority to control exports of these products is expanded in certain respects.

Sec. 114. Employment Impact and Unemployment Assistance.—The President is required to minimize adverse impacts of actions taken pursuant to this Act upon employment. The Secretary of Labor is authorized to make grants in accordance with regulations prescribed by him, to states to provide unemployment assistance for those whose unemployment results from energy shortages, and who have exhausted their eligibility for unemployment benefits or have exhausted their rights to such assistance.

Sec. 115. Use of Carpools.—The Secretary of Transportation is directed to establish an office to assist in carpool promotion throughout the nation. The Secretary is to lend technical assistance to state and local agencies and is authorized to provide grants for the development and conduct of carpool promotion programs. As an example to the rest of the nation, the President is directed to require agencies of government to use economy model motor vehicles. Moreover, with certain exceptions, the use of limousines by members of the Executive Branch below the level of cabinet officer is expressly prohibited.

Sec. 116. Administrative Procedure and Judicial Review.—Special administrative procedure and judicial review sections have been included to meet the special purposes of this Act, but do not apply to actions taken under the Emergency Petroleum Allocation Act. Under their terms, proposed rules or orders must be issued so as to provide a minimum of ten days for comment by interested persons. However, if any rule or order is likely to have a substantial impact on the nation's economy, a public hearing must be held no later than 45 days after implementation of the rule or order. Provisions must be made to provide procedures for making special hardship or other adjustments in the Administrator's regulations. Judicial review is to be obtained in the Circuit Courts of Appeal.

Sec. 117. Prohibited Acts.—It is a prohibited act for any person to violate a provision of Title I of this Act or a rule, regulation or order issued thereunder.

Sec. 118. Enforcement.—Violators may be subject to a civil penalty of $2,500 for each violation and a criminal penalty for willful violations of up to $5,000. Repeated violators who have already been subjected to a civil penalty may, if they continue to violate the Act, be fined up to $50,000 or imprisoned not more than six months, or both. Private injunctive actions are authorized.

Sec. 119. Small Business Information.—Small Business shall, to the maximum extent feasible, be fully informed and shall be consulted concerning provisions of programs provided for in this Act.

Sec. 120. Delegation of Authority and Effect on State Law.—The Administrator is given broad authority to delegate his functions within the Federal Energy Emergency Administration and to officers of state and local boards. State laws or programs which are inconsistent with provisions of this Act or any regulation, order or rule thereunder are preempted.

Sec. 121. Grants to States.—The Administrator is authorized to make grants to states to implement and enforce various provisions of this Act. Also, he may issue grants to states for the purpose of assisting them in the development and enforcement of state or local energy conservation programs which are the basis of an exemption from Federal programs.

Sec. 122. Energy Information Reports.—The Administrator is directed to issue regulations calling for full energy information from those engaged in the exploration, development, processing, refining, or transporting of any petroleum product, natural gas, or coal. These reports are required to be made every 60 days. A summary analysis of those engaged in the exploration, development, processing, refining, or reports are required to be made every 60 days. A summary analysis of the data shall be available to the Congress or any committee of Congress upon request of its chairman and may be revealed to the Attorney General, the Secretary of the Interior, the Federal Trade Commission, the Federal Power Commission, or the General Accounting Office when necessary to carry out those agencies' duties and responsibilities.

Sec. 123. Intrastate Gas.—Nothing in this Act shall expand the authority of the Federal Power Commission with respect to sales of nonjurisdictional natural gas.

Sec. 124. Expiration.—Title I authority is terminated at midnight June 30, 1975.

Sec. 125. Authorizations of Appropriations.—There are authorized to be appropriated to the Federal Energy Emergency Administration $75 million for the remaining portion of fiscal year 1974 and $75 million for fiscal year 1975. For the purpose of making grants to states, there are authorized to be appropriated $50 million for the remainder of fiscal year 1974 and $75 million for fiscal year 1975. To provide unemployment assistance authorized under section 116 of the bill, there is authorized to be appropriated $500 million for the remainder of fiscal year 1974. A $5 million authorization has been included to permit the funding of the carpool promotion program.

Sec. 126. Severability.

Sec. 127. Contingency Plans.—The President is required to develop and transmit to Congress contingency plans for the exercise of the rationing and conservation authorities provided for in this Act.

Sec. 128. Petroleum Pricing Authority.—The President is required to exercise his authority under this Act and the Economic Stabilization Act, as amended, to specify justified equitable ceiling prices for all first sales or exchanges of crude oil produced in or imported into the U.S. No more than a dollar-for-dollar passthrough of net increases in foreign taxes, and royalties and actual paid prices to non-affiliates, will be permitted on any refined petroleum products.

TITLE II—COORDINATION WITH ENVIRONMENTAL PROTECTION REQUIREMENTS

Sec. 201. Suspension Authority.—The EPA Administrator is authorized to suspend air pollution requirements for stationary sources until November 1, 1974, if sources cannot obtain clean fuels.

Coal conversion.—Sources which convert to the burning of coal are exempted from any pollution requirement which would prevent burning of coal. Exemption is effective until January 1, 1979, and may be extended for one more year. Exemption may be overridden if conversion to coal results in significant threat to health.

Sec. 202. Implementation Plan Revisions.—The EPA is required to review and consider revision of state air pollution control plans for any area in which coal conversion takes place.

Transportation controls.—All EPA parking surcharges are banned. A one-year delay of all EPA parking management regulations is authorized. EPA is required to study the necessity and cost of these requirements and exclusive carpool/bus lanes.

Sec. 203. Motor Vehicle Emissions.—The Conference bill postpones new car emission standards one year and authorizes a second year of postponement if the Administrator finds that it is necessary to prevent a significant increase in fuel use.

Sec. 204. Conforming Amendments.

Sec. 205. Protection of Public Health and Environment.—The Federal Energy Emergency Administrator is required to the maximum extent feasible to allocate low sulfur fuels to areas designated by the Administrator of EPA as having the greatest need. A $3.5-million study of the health effects of sulfur oxides is authorized. A one-year delay in the requirement for filing "environmental impact" statements under NEPA is authorized for actions taken under this Act.

Sec. 206. Energy Conservation Study.—The Administrator of the FEEA is required to report to Congress within six months on methods of energy conservation. The Secretary of Transportation must submit to Congress within 90 days an "Energy Mass Transportation Assistance Plan". By December 31, 1974, the Secretary of DOT is also required to report on the possibility of developing a high speed ground transportation system between Canada and Mexico in the West.

Sec. 207. Reports.—The Administrator of EPA is required to report to Congress on the implementation of the Clean Air Act Amendments by January 1, 1975.

Sec. 208. Fuel Economy Study.—The Administrator of EPA and the Secretary of DOT are required to report to Congress within four months on the feasibility of improving fuel economy of new cars by 20 percent between 1974 and 1980.

TITLE III—STUDIES AND REPORTS

Sec. 301 Agency Studies Are Required.—A number of Agency studies are required concerning the need for developing both near-term increases in energy supply or reductions in energy consumption and longer term methods for achieving these same objectives.

A list of the studies follow:

1. Effect of rulings and regulations issued pursuant to the Economic Stabilization Act on production FEEA)
2. Development of incentives to increase energy supply and reduce consumption (Secretary of the Treasury and Director of the Cost of Living Council)
3. The impact of energy shortages on employment (FEEA)
4. Comprehensive review of U.S. exports and foreign investment policies (Secretaries of the Interior and Commerce)
5. A plan to provide Federally sponsored incentives for increased use of mass transit—to be submitted to the Congress for approval (FEEA)
6. The potential for further development of hydroelectric power resources (FEEA)
7. Methods for accelerated leasing of energy resources on public lands (Secretary of the Interior)
8. Energy facility siting problem (FEEA)
9. The potential for conversion of coal to synthetic oil or gas (FEEA)

Sec. 302. Reports of The President to Congress.—The President is required to report to the Congress every 60 days on the implementation and administration of this Act and the Emergency Petroleum Allocation Act of 1973, and provide Congress with an assessment of the results attained thereby.

S. 3267

A bill to provide standby emergency authority to assure that the essential energy needs of the United States are met, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act, including the following table of contents, may be cited as the "Standby Energy Emergency Authorities Act".

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TITLE III—STUDIES AND REPORTS

Sec. 301. Agency studies.
Sec. 302. Reports of the President to Congress.

TITLE I—STANDBY ENERGY EMERGENCY AUTHORITIES

SEC. 101. FINDINGS AND PURPOSES.

(a) The Congress hereby determines that—

(1) current energy shortages have the potential to create severe economic dislocations and hardships;

(2) such shortages and dislocations could jeopardize the normal flow of interstate and foreign commerce;

(3) disruptions in the availability of imported energy supplies, particularly petroleum products, pose a serious risk to national security, economic well-being, and health and welfare of the American people;

(4) because of the diversity of conditions, climate, and available fuel mix in different areas of the Nation, governmental responsibility for developing and enforcing energy emergency authorities lies not only with the Federal Government, but with the States and with the local governments;

(5) the protection and fostering of competition and the prevention of anticompetitive practices and effects are vital during periods of energy shortages.

(b) The purposes of this Act are to grant specific temporary standby authority to impose end-use rationing and to reduce demand by regulating public and private consumption of energy, subject to congressional review and right of approval or disapproval and to authorize certain other specific temporary emergency actions to be exercised, to assure that the essential needs of the United States for fuels will be met in a manner which, to the fullest extent practicable: (1) is consistent with existing national commitments to protect and improve the environment; (2) minimizes any adverse impact on employment; (3) provides for equitable treatment of all sectors of the economy; (4) maintains vital services necessary to health, safety, and public welfare; and (5) insures against anticompetitive practices and effects and preserves, enhances and facilitates competition in the development, production, transportation, distribution, and marketing of energy resources.

SEC. 102. DEFINITIONS.

For purposes of this Act:

(1) The term "State" means a State, the District of Columbia, Puerto Rico, or any territory or possession of the United States.

(2) The term "petroleum product" means crude oil, residual fuel oil, or any refined petroleum product (as defined in the Emergency Petroleum Allocation Act of 1973).

(3) The term "United States" when used in the geographical sense means the States, the District of Columbia, Puerto Rico, and the territories and possessions of the United States.

(4) The term "Administrator" means the Administrator of the Federal Energy Administration established by H.R. 11793, Ninety-third Congress (popularly known as the Federal Energy Administration Act of 1974) if H.R. 11793 is enacted; except that until such Administrator takes office, such term means any officer of the United States designated by the President.

SEC. 103. END-USE RATIONING.

Section 4 of the Emergency Petroleum Allocation Act of 1973 is amended by adding at the end thereof the following new subsection:

"(h)(1) The President may promulgate a rule which shall be deemed a part of the regulation under subsection (a) and which shall provide, consistent with the objectives of subsection (b), for the establishment of a program for the rationing and ordering of priorities among classes of end-users of crude oil, residual fuel oil, or any refined petroleum product, and for the assignment to end-users of such products of rights, and evidences of such rights, entitling them to obtain such products in precedence to other classes of end-users not similarly entitled.

"(2) The rule under paragraph (1) of this subsection shall take effect only if the President finds that, without such rule, all other practicable and authorized methods to limit energy demand will not achieve the objectives of subsection (b) of this section and of the Standby Energy Emergency Authorities Act.

"(3) The President shall, by order, in furtherance of the rule authorized pursuant to paragraph (1) of this subsection and consistent with the attainment of the objectives in subsection (b) of this section, cause such adjustments in the allocations made pursuant to the regulation under subsection (a) as may be necessary to carry out the purposes of this subsection.

"(4) The President shall provide for procedures by which any end-user of crude oil, residual fuel oil or refined petroleum products for which priorities and entitlements are established under paragraph (1) of this subsection may petition for review and reclassification or modification of any determination made under such paragraph with respect to his rationing priority or entitlement. Such procedures may include procedures with respect to such local boards as may be authorized to carry out functions under this subsection pursuant to section 120 of the Standby Energy Emergency Authorities Act.

"(5) No rule or order under this section may impose any tax or user fee, or provide for a credit or deduction in computing any tax.

"(6) At such time as he finds that it is necessary to put a rule under paragraph (1) of this subsection into effect, the President shall transmit such rule to each House of Congress and such rule shall take effect in the same manner as an energy conservation plan prescribed under section 104 of the Standby Energy Emergency Authorities Act and shall be deemed an energy conservation plan for purposes of section 104(c), notwithstanding the provisions of section 104(a)(1)(B). Such a rule may be amended as provided in section 104(a)(4) of such Act."

SEC. 104. ENERGY CONSERVATION PLANS.

(a)(1)(A) Pursuant to the provisions of this section, the Administrator may promulgate, by regulation, one or more energy conservation plans in accord with this section which shall be designed (together with actions taken and proposed to be taken under other authority of this or other Acts) to result in a reduction of energy consumption to a level which can be supplied by available energy resources. For purposes of this section, the term "energy conservation plan" means a plan for transportation controls (including but not limited to highway speed limits) or such other reasonable restrictions on the public or private use of energy (including limitations on energy consumption of businesses) which are necessary to reduce energy consumption.

(B) No energy conservation plan may impose rationing or any tax or user fee, or provide for a credit or deduction in computing any tax.

(2) An energy conservation plan shall become effective as provided in subsection (b). Such a plan shall apply in each State, except as otherwise provided in an exemption granted pursuant to such plan in cases where a comparable State or local program is in effect, or where the Administrator finds special circumstances exist.

(3) An energy conservation plan may not deal with more than one logically consistent subject matter.

(4) An amendment to an energy conservation plan, unless the Administrator determines such an amendment does not have significant substantive effect, shall be transmitted to Congress and shall be effective only in accordance with subsection (b), except that such an amendment may take effect immediately or on a date stated in such an amendment if the Administrator determines that a delay of 15 calendar days of continuous session of the Congress after the date on which such an amendment is transmitted to the Congress would seriously impair the operation of the plan or be inconsistent with the purposes of this Act, but if either House of the Congress, before the end of the first period of 15 calendar days of continuous session after the date of submission of such an amendment, passes a resolution stating in substance that such House does not favor such an amendment, such an amendment shall cease to be effective on the date of passage of such resolution. Any amendment which the Administrator determines does not have significant substantive effect and any rescission of a plan may be made effective in accordance with section 553 of title 5, United States Code.

(5) Subject to subsection (b)(3), an energy conservation plan shall remain in effect for a period specified in the plan unless earlier rescinded by the Administrator, but shall terminate in any event no later than 6 months after such plan first takes effect or June 30, 1975, whichever first occurs.

(b)(1) For purposes of this subsection, the term "energy conservation plan" includes an amendment to an energy conservation plan which has significant substantive effect.

(2) The Administrator shall transmit any energy conservation plan (bearing an identification number) to each House of Congress on the date on which it is promulgated.

(3)(A) Except as provided in subparagraph (B), if an energy conservation plan is transmitted to the Congress such plan shall take effect at the end of the first period of 15 calendar days of continuous session of Congress after the date on which such plan is transmitted to it unless, between the date of transmittal and the end of the 15-day period, either House passes a resolution stating in substance that such House does not favor such plan.

(ii) An energy conservation plan described in subparagraph (A) may be implemented prior to the expiration of the 15-calendar-day period after the date on which such plan is transmitted, if each House of Congress approves a resolution affirmatively stating in substance that such House does not object to the implementation of such plan.

(4) For the purpose of paragraph (3) of this subsection—

(A) continuity of session is broken only by an adjournment of Congress sine die; and

(B) the days on which either House is not in session because of an adjournment of more than 3 days to a day certain are excluded in the computation of the 15-day period.

(5) Under provisions contained in an energy conservation plan, a provision of the plan may take effect at a time later than the date on which such plan otherwise takes effect.

(c)(1) This subsection is enacted by Congress—

(A) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such it is deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of resolutions described by paragraph (2) of this subsection; and it supersedes other rules only to the extent that it is inconsistent therewith; and

(B) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of that House.

(2) For purposes of this subsection, the term "resolution" means only a resolution of either House of Congress described in subparagraph (A) or (B).

(A) A resolution the matter after the resolving clause of which is as follows: "That the ——— does not object to the implementation of energy conservation plan numbered ——— submitted to the Congress on ———, 19 .", the first blank space therein being filled with the name of the resolving House and the other blank space being appropriately filled; but does not include a resolution which specified more than one energy conservation plan.

(B) A resolution the matter after the resolving clause of which is as follows: "That the ——— does not favor the energy conservation plan numbered ——— transmitted to Congress on ———, 19 .", the first blank space therein being filled with the name of the resolving House and the other blank spaces therein being appropriately filled; but does not include a resolution which specifies more than one energy conservation plan.

(3) A resolution once introduced with respect to an energy conservation plan shall immediately be referred to a committee (and all resolutions with respect to the same plan shall be referred to the same committee) by the President of the Senate or the Speaker of the House of Representatives, as the case may be.

(4) (B) If the committee to which a resolution with respect to an energy conservation plan has been referred has not reported it at the end of 5 calendar days after its referral, it shall be in order to move either to discharge the committee from further consideration of such resolution or to discharge the committee from further consideration of any other resolution with respect to such energy conservation plan which has been referred to the committee.

(B) A motion to discharge may be made only by an individual favoring the resolution, shall be highly privileged (except that it may not be made after the committee has reported a resolution with respect to the same energy conservation plan), and debate thereon shall be limited to not more than one hour, to be divided equally between those favoring and those opposing the resolution. An amendment to the motion shall not be in order, and it shall not be in order to move to reconsider the vote by which the motion was agreed to or disagreed to.

(C) If the motion to discharge is agreed to or disagreed to, the motion may not be renewed, nor may another motion to discharge the committee be made with respect to any other resolution with respect to the same plan.

(5)(A) When the committee has reported, or has been discharged from further consideration of, a resolution, it shall be at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion shall be highly privileged and shall not be debatable. An amendment to the motion shall not be in order, and it shall not be in order to move to reconsider the vote by which the motion was agreed to or disagreed to.

(B) Debate on the resolution shall be limited to not more than ten hours, which shall be divided equally between those favoring and those opposing the resolution. A motion further to limit debate shall not be debatable. An amendment to, or motion to recommit, the resolution shall not be in order, and it shall not be in order to move to reconsider the vote by which the resolution was agreed to or disagreed to; except that it shall be in order to substitute a resolution disapproving a plan for a resolution not to object to such plan, or a resolution not to object to a plan for a resolution disapproving such plan.

(6)(A) Motions to postpone, made with respect to the discharge from committee, or the consideration of a resolution and motions to proceed to the consideration of other business, shall be decided without debate.

(B) Appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to a resolution shall be decided without debate.

(7) Notwithstanding any of the provisions of this subsection, if a House has approved a resolution with respect to an energy conservation plan, then it shall not be in order to consider in that House any other resolution with respect to the same plan.

(d)(1) Any energy conservation plan or rationing rule, which the Administrator submits to the Congress pursuant to subsection (b) of this section shall state any findings of fact on which the action is based, and shall contain a specific statement explaining the rationale for such plan or rule.

(2) To the greatest extent practicable, any energy conservation plan or rationing rule which the Administrator submits to the Congress pursuant to subsection (b) of this section shall also be accompanied by an evaluation prepared by the Administrator of the potential economic impacts, if any, of the proposed plan or rule. Such evaluation shall include an analysis of the effect, if any, of such plan or rule on—

(A) the fiscal integrity of State and local government;

(B) vital industrial sectors of the economy;

(C) employment, by industrial and trade sector, as well as on a national, regional, State, and local basis;

(D) the economic vitality of regional, State, and local areas;

(E) the availability and price of consumer goods and services;

(F) the gross national product;

(G) competition in all sectors of industry;

(H) small business; and

(I) the supply and availability of energy resources for use as fuel or as feedstock industry.

SEC. 105. COAL CONVERSION AND ALLOCATION

(a) The Administrator shall, to the extent practicable and consistent with the objectives of this Act, by order, after balancing on a plant-by-plant basis the environmental effects of use of coal against the need to fulfill the purposes of this Act prohibit, as its primary energy source, the burning of natural gas or petroleum products by any major fuel-burning installation (including any existing electric powerplant) which, on the date of enactment of this Act, has the capability and necessary plant equipment to burn coal. Any installation to which such an order applies shall be permitted to continue to use coal or coal byproducts as provided in section 119(b) of the Clean Air Act. To the extent coal supplies are limited to less than the aggregate amount of coal supplies which may be necessary to satisfy the requirements of those installations which can be expected to use coal (including installations to which orders may apply under this subsection), the Administrator shall prohibit the use of natural gas and petroleum products for those installations where the use of coal will have the least adverse environmental impact. A prohibition on use of natural gas and petroleum products under this subsection shall be contingent upon the availability of coal, coal transportation facilities, and the maintenance of reliability of service in a given service area. The Administrator shall require that fossil-fuel-fired electric powerplants in the early planning process, other than combustion gas turbine and combined cycle units, be designed and constructed so as to be capable of using coal as a primary energy source instead of or in addition to other fossil fuels. No fossil-fuel-fired electric powerplant may be required under this section to be so designed and constructed, if (1) to do so would result in an impairment of reliability or adequacy of service, or (2) if an adequate and reliable supply of coal is not available and is not expected to be available. In considering whether to impose a design and construction requirement under this subsection, the Administrator shall consider the existence and effects of any contractual commitment for the construction of such facilities and the capability of the owner or operator to recover any capital investment made as a result of the conversion requirements of this section.

(b) The Administrator may, by rule, prescribe a system for allocation of coal to users thereof in order to attain the objectives specified in this section.

SEC. 106. MATERIALS ALLOCATION.

(a) Beginning 60 days after the date of enactment of this Act, the Administrator may, by rule or order, require the allocation of, or the performance under contracts or orders (other than contracts of employment) relating to, supplies of materials and equipment if he makes the findings required by subsection (c) of this section.

(b) Not later than 30 days after the date of enactment of this Act the Administrator shall report to the Congress with respect to the manner in which the authorities contained in subsection (a) will be administered. This report shall include but not be limited to the manner in which allocations will be made, the procedure for requests and appeals, the criteria for determining priori-

ties as between competing requests, and the office or agency which will administer such authorities.

(c) The authority granted in this section may not be used to control the general distribution of any supplies of materials and equipment in the marketplace unless the Administrator finds that—

(1) such supplies are scarce, critical, and essential to maintain or further exploration, production, refining, and required transportation of energy supplies and for the construction and maintenance of energy facilities, and

(2) maintenance or furtherance of exploration, production, refining, and required transportation of energy supplies and the construction and maintenance of energy facilities during the energy shortage cannot reasonably be accomplished without exercising the authority specified in subsection (a) of this section.

SEC. 107. FEDERAL ACTIONS TO INCREASE AVAILABLE DOMESTIC PETROLEUM SUPPLIES.

(a) The Administrator may, by rule or order, until June 30, 1975, require the following measures to supplement domestic energy supplies:

(1) the production of designated domestic oilfields, at their maximum efficient rate of production, which is the maximum rate at which production may be sustained without detriment to the ultimate recovery of oil and gas under sound engineering and economic principles. Such fields are to be designated by the Secretary of the Interior, after consultation with the appropriate State regulatory agency. Data to determine the maximum efficient rate of production shall be supplied to the Secretary of the Interior by the State regulatory agency which determines the maximum efficient rate of production and by the operators who have drilled wells in, or are producing oil and gas from such fields;

(2) if necessary to meet essential energy needs, production of certain designated existing domestic oilfields at rates in excess of their currently assigned maximum efficient rates. Fields to be so designated, by the Secretary of the Interior or the Secretary of the Navy as to the Federal lands or as to Federal interests in lands under their respective jurisdiction, shall be those fields where the types and quality of reservoirs are such as to permit production at rates in excess of the currently assigned sustainable maximum efficient rate for periods of ninety days or more without excessive risk of losses in recovery; and

(3) the adjustment of processing operations of domestic refineries to produce refined products in proportions commensurate with national needs and consistent with the objectives of section 4(b) of the Emergency Petroleum Allocation Act of 1973.

(b) Nothing in this section shall be construed to authorize the production from any naval petroleum reserve now subject to the provisions of chapter 641 of title 10, United States Code.

SEC. 108. OTHER AMENDMENTS TO THE EMERGENCY PETROLEUM ALLOCATION ACT OF 1973.

(a) Section 4 of the Emergency Petroleum Allocation Act of 1973 (as amended by section 103 of this Act) is further amended by adding at the end of such section the following new subsection:

"(i) If any provision of the regulation under subsection (a) provides that any allocation of residual fuel oil or refined petroleum products is to be based on use of such a product or amounts of such product supplied during a historical period, the regulation shall contain provisions designed to assure that the historical period can be adjusted (or other adjustments in allocations can be made) in order to reflect regional disparities in use, population growth or unusual factors influencing use (including unusual changes in climatic conditions), of such oil or product in the historical period. This subsection shall take effect 30 days after the date of enactment of the Standby Energy Emergency Authorities Act. Adjustments for such purposes shall take effect no later than 6 months after the date of enactment of this subsection. Adjustments to reflect population growth shall be based upon the most current figures available from the United States Bureau of the Census."

(b) Section 4(g)(1) of the Emergency Petroleum Allocation Act of 1973 is amended by striking out "February 28, 1975" in each case the term appears and inserting in each case "June 30, 1975".

(c) Section 4(b)(1)(G) of the Emergency Petroleum Allocation Act of 1973 is amended to read as follows:

"(G) allocation of residual fuel oil and refined petroleum products in such amounts and in such manner as may be necessary for the maintenance of exploration for, and production or extraction of—

"(i) fuels, and

"(ii) minerals essential to the requirements of the United States,

and for required transportation related thereto,".

(d) The Administrator shall, within 30 days from the date of the enactment of this Act, report to the Congress with respect to shortages of petrochemical feedstocks, of steps taken to alleviate any such shortages, the unemployment impact resulting from such shortages, and any legislative recommendations which he deems necessary to alleviate such shortages.

SEC. 109. PROTECTION OF FRANCHISED DEALERS.

(a) As used in this section:

(1) The term "distributor" means a person engaged in the sale, consignment, or distribution of petroleum products to wholesale or retail outlets whether or not it owns, leases, or in any way controls such outlets.

(2) The term "franchise" means any agreement or contract between a refiner or a distributor and a retailer or between a refiner and distributor, under which such retailer or distributor is granted authority to use a trademark, trade name, service mark, or other identifying symbol or name owned by such refiner or distributor, or any agreement or contract between such parties under which such retailer or distributor is granted authority to occupy premises owned, leased, or in any way controlled by a party to such agreement or contract, for the purpose of engaging in the distribution or sale of petroleum products for purposes other than resale.

(3) The term "refiner" means a person engaged in the refining or importing of petroleum products.

(4) The term "retailer" means a person engaged in the sale of any refined petroleum product for purposes other than resale within any State, either under a franchise or independent of any franchise, or who was so engaged at any time after the start of the base period.

(b)(1) A refiner or distributor shall not cancel, fail to renew, or otherwise terminate a franchise unless he furnishes prior notification pursuant to this paragraph to each distributor or retailer affected thereby. Such notification shall be in writing and sent to such distributor or retailer by certified mail not less than 90 days prior to the date on which such franchise will be canceled, not renewed, or otherwise terminated. Such notification shall contain a statement of intention to cancel, not renew, or to terminate together with the reasons therefor, the date on which such action shall take effect, and a statement of the remedy or remedies available to such distributor or retailer under this section together with a summary of the applicable provisions of this section.

(2) A refiner or distributor shall not cancel, fail to renew, or otherwise terminate a franchise unless the retailer or distributor whose franchise is terminated failed to comply substantially with any essential and reasonable requirement of such franchise or failed to act in good faith in carrying out the terms of such franchise, or unless such refiner or distributor withdraws entirely from the sale of refined petroleum products in commerce for sale other than resale in the United States.

(c)(1) If a refiner or distributor engages in conduct prohibited under subsection (b) of this section, a retailer or a distributor may maintain a suit against such refiner or distributor. A retailer may maintain such suit against a distributor or a refiner whose actions affect commerce and whose products with respect to conduct prohibited under paragraph (1) or (2) of subsection (b) of this section, he sells or has sold, directly or indirectly, under a franchise. A distributor may maintain such suit against a refiner whose actions affect commerce and whose products he purchases or has purchased or whose products he distributes or has distributed to retailers.

(2) The court shall grant such equitable relief as is necessary to remedy the effects or conduct prohibited under subsection (b) of this section which it finds to exist including declaratory judgment and mandatory or prohibitive injunctive relief. The court may grant interim equitable relief, and actual and punitive damages (except for actions for a failure to renew) where indicated, in suits under this section, and may, unless such suit is frivolous, direct that costs, including reasonable attorney and expert witness fees, be paid by the defendant. In the case of actions for a failure to renew, damages shall be limited to actual damages including the value of the dealer's equity.

(3) A suit under this section may be brought in the district court of the United States for any judicial district in which the distributor or the refiner against whom such suit is maintained resides, is found, or is doing business, without regard to the amount in controversy.

(d) The provisions of this section expire at midnight, June 30, 1975, but such expiration shall not affect any pending action or pending proceeding, civil or criminal, not finally determined on such date, nor any action or proceeding based upon any act committed prior to midnight, June 30, 1975, except that no suit under this section, which is based upon an act committed prior to midnight, June 30, 1975, shall be maintained unless commenced within 3 years after such act.

SEC. 110. PROHIBITION ON UNREASONABLE ACTIONS.

(a) Action taken under authority of this Act, the Emergency Petroleum Allocation Act of 1973, or other Federal law resulting in the allocation of petroleum products and electrical energy among classes of users or resulting in restrictions on use of petroleum products and electrical energy, shall be equitable, shall not be arbitrary or capricious, and shall not unreasonably discriminate among classes of users, unless the Administrator determines such a policy would be inconsistent with the purposes of this Act and publishes his finding in the Federal Register. Allocations shall contain provisions designed to foster reciprocal and nondiscriminatory treatment by foreign countries of United States citizens engaged in commerce.

(b) To the maximum extent practicable, any restriction on the use of energy shall be designed to be carried out in such manner so as to be fair and to create a reasonable distribution of the burden of such restriction on all sectors of the economy, without imposing an unreasonably disproportionate share of such burden on any specific industry, business or commercial enterprise, or on any individual segment thereof and shall give

due consideration to the needs of commercial, retail, and service establishments whose normal function is to supply goods and services of an essential convenience nature during times of day other than conventional daytime working hours.

SEC. 111. REGULATED CARRIERS.

(a) The Interstate Commerce Commission shall, by expedited proceedings, adopt appropriate rules under the Interstate Commerce Act which eliminate restrictions on the operating authority of any motor common carrier of property which require excessive travel between points with respect to which such motor common carrier has regularly performed service under authority issued by the Commission. Such rules shall assure continuation of essential service to communities served by any such motor common carrier.

(b) Within 45 days after the date of enactment of this Act, the Civil Aeronautics Board, the Federal Maritime Commission, and the Interstate Commerce Commission shall report separately to the appropriate committees of the Congress on the need for additional regulatory authority in order to conserve fuel during the period beginning on the date of enactment of this Act and ending on June 30, 1975, while continuing to provide for the public convenience and necessity. Each such report shall identify with specificity—

(1) the type of regulatory authority needed;

(2) the reasons why such authority is needed;

(3) the probable impact on fuel conservation of such authority;

(4) the probable effect on the public convenience and necessity of such authority; and

(5) the competitive impact, if any, of such authority.

Each such report shall further make recommendations with respect to changes in any existing fuel allocation programs which are deemed necessary to provide for the public convenience and necessity during such period.

SEC. 112. ANTITRUST PROVISIONS.

(a) Except as specifically provided in subsection (1), no provision of this Act shall be deemed to convey to any person subject to this Act any immunity from civil and criminal liability or to create defenses to actions under the antitrust laws.

(b) As used in this section, the term "antitrust laws" means—

(1) the Act entitled "An Act to protect trade and commerce against unlawful restraints and monopolies", approved July 2, 1890 (15 U.S.C. 1 et seq.), as amended;

(2) the Act entitled "An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes", approved October 15, 1914 (15 U.S.C. 12 et seq.), as amended;

(3) the Federal Trade Commission Act (15 U.S.C. 41 et seq.), as amended;

(4) sections 73 and 74 of the Act entitled "An Act to reduce taxation, to provide revenue for the Government, and for other purposes", approved August 27, 1894 (15 U.S.C. 8 and 9), as amended; and

(5) the Act of June 19, 1936, chapter 592 (15 U.S.C. 13, 13a, 13b, and 21a).

(c)(1) To achieve the purposes of this Act, the Administrator may provide for the establishment of such advisory committees as he determines are necessary. Any such advisory committees shall be subject to the provisions of the Federal Advisory Committee Act of 1972 (5 U.S.C. App. 1), whether or not such Act or any of its provisions expires or terminates during the term of this Act or of such committees, and in all cases shall be chaired by a regular full-time Federal employee and shall include representatives of the public. The meetings of such committees shall be open to the public.

(2) A representative of the Federal Government shall be in attendance at all meetings of any advisory committee established pursuant to this section. The Attorney General and the Federal Trade Commission shall have adequate advance notice of any meeting and may have an official representative attend and participate in any such meeting.

(3) A full and complete verbatim transcript shall be kept of all advisory committee meetings, and shall be taken and deposited, together with any agreement resulting therefrom, with the Attorney General and the Federal Trade Commission. Such transcript and agreement shall be made available for public inspection and copying, subject to the provisions of section 552 (b)(1) and (b)(3) of title 5, United States Code.

(d) The Administrator, subject to the approval of the Attorney General and the Federal Trade Commission, shall promulgate by rule, standards and procedures by which persons engaged in the business of producing, refining, marketing, or distributing crude oil, residual fuel oil or any refined petroleum product may develop and implement voluntary agreements and plans of action to carry out such agreements which the Administrator determines are necessary to accomplish the objectives stated in section 4(b) of the Emergency Petroleum Allocation Act of 1973.

(e) The standards and procedures under subsection (d) shall be promulgated pursuant to section 553 of title 5, United States Code. They shall provide, among other things, that—

(1) Such agreements and plans of action shall be developed by meetings of committees, councils, or other interested segments of the petroleum industry and of groups which include representatives of the public, of industrial, municipal, and private consumers, and shall in all cases be chaired by a regular full-time Federal employee;

(2) Meetings held to develop a voluntary agreement or a plan of action under this subsection shall permit attendance by interested persons and shall be preceded by timely and adequate notice with identification of the agenda of such meeting to the Attorney General, the Federal Trade Commission and to the public in the affected community;

(3) Interested persons shall be afforded an opportunity to present, in writing and orally, data, views, and arguments at such meetings;

(4) A full and complete verbatim transcript shall be kept of any meeting, conference, or communication held to develop, implement, or carry out a voluntary agreement or a plan of action under this subsection and shall be taken and deposited, together with any agreement resulting therefrom, with the Attorney General and the Federal Trade Commission. Such transcript and agreement shall be available for public inspection and copying, subject to provisions of sections 552 (b)(1) and (b)(3) of title 5, United States Code.

(f) The Federal Trade Commission may exempt types or classes of meetings, conferences, or communications from the requirements of subsections (c)(3) and (e)(4), provided such meetings, conferences, or communications are ministerial in nature and are for the sole purpose of implementing or carrying out a voluntary agreement or plan of action authorized pursuant to this section. Such ministerial meeting, conference, or communication may take place in accordance with such requirements as the Federal Trade Commission may prescribe by rule. Such persons participating in such meeting, conference, or communication shall cause a record to be made specifying the date such meeting, conference, or communication took place and the persons involved, and summarizing the subject matter discussed. Such record shall be filed with the Federal Trade Commission and the Attorney General, where it shall be made available for public inspection and copying.

(g)(1) The Attorney General and the Federal Trade Commission shall participate from the beginning in the development, implementation, and carrying out of voluntary agreements and plans of action authorized under this section. Each may propose any alternative which would avoid or overcome, to the greatest extent practicable, possible anticompetitive effects while achieving substantially the purposes of this Act. Each shall have the right to review, amend, modify, disapprove, or prospectively revoke, on its own motion or upon the request of any interested person, any plan of action or voluntary agreement at any time, and, if revoked, thereby withdraw prospectively the immunity which may be conferred by subsection (i) of this section.

(2) Any voluntary agreement or plan of action entered into pursuant to this section shall be submitted in writing to the Attorney General and the Federal Trade Commission twenty days before being implemented, where it shall be made available for public inspection and copying.

(h)(1) The Attorney General and the Federal Trade Commission shall monitor the development, implementation, and carrying out of plans of action and voluntary agreements authorized under this section to assure the protection and fostering of competition and the prevention of anticompetitive practices and effects.

(2) The Attorney General and the Federal Trade Commission shall promulgate joint regulations concerning the maintenance of necessary and appropriate documents, minutes, transcripts, and other records related to the development, implementation, or carrying out of plans of action or voluntary agreements authorized pursuant to this Act.

(3) Persons developing, implementing, or carrying out plans of action or voluntary agreements authorized pursuant to this Act shall maintain those records required by such joint regulations. The Attorney General and the Federal Trade Commission shall have access to and the right to copy such records at reasonable times and upon reasonable notice.

(4) The Federal Trade Commission and the Attorney General may each prescribe such rules and regulations as may be necessary or appropriate to carry out their responsibilities under this Act. They may both utilize for such purposes and for purposes of enforcement, any and all powers conferred upon the Federal Trade Commission or the Department of Justice, or both, by any other provision of law, including the antitrust laws; and wherever such provision of law refers to "the purposes of this Act" or like terms, the reference shall be understood to be this Act.

(i) There shall be available as a defense to any civil or criminal action brought under the antitrust laws in respect of actions taken in good faith to develop and implement a voluntary agreement or plan of action to carry out a voluntary agreement by persons engaged in the business of producing, refining, marketing, or distributing crude oil, residual fuel oil, or any refined petroleum product that—

(1) such action was—

(A) authorized and approved pursuant to this section, and

(B) undertaken and carried out solely to achieve the purposes of this section and in compliance with the terms and conditions

of this section, and the rules promulgated hereunder; and

(2) such persons fully complied with the requirements of this section and the rules and regulations promulgated hereunder.

(j) No provision of this Act shall be construed as granting immunity for, nor as limiting or in any way affecting any remedy or penalty which may result from any legal action or proceeding arising from, any acts or practices which occurred: (1) prior to the enactment of this Act, (2) outside the scope and purpose or not in compliance with the terms and conditions of this Act and this section, or (3) subsequent to its expiration or repeal.

(k) Effective on the date of enactment of this Act, this section shall apply in lieu of section 6(c) of the Emergency Petroleum Allocation Act of 1973. All actions taken and any authority or immunity granted under such section 6(c) shall be hereafter taken or granted, as the case may be, pursuant to this section.

(l) The provisions of section 708 of the Defense Production Act of 1950, as amended, shall not apply to any action authorized to be taken under this Act or the Emergency Petroleum Allocation Act of 1973.

(m) The Attorney General and the Federal Trade Commission shall each submit to the Congress and to the President, at least once every 6 months, a report on the impact on competition and on small business of actions authorized by this section.

(n) The authority granted by this section (including any immunity under subsection (i)) shall terminate on June 30, 1975.

(o) The exercise of authority provided in section 111 shall not have as a principal purpose or effect the substantial lessening of competition among carriers affected. Actions taken pursuant to that subsection shall be taken only after providing from the beginning an adequate opportunity for participation by the Federal Trade Commission and the Assistant Attorney General in charge of the Antitrust Division, who shall propose any alternative which would avoid or overcome, to the greatest extent practicable, any anticompetitive effects while achieving the purposes of this Act.

SEC. 113. EXPORTS.

(a) The Administrator is authorized by rule or order, to restrict exports of coal, natural gas, petroleum products, and petrochemical feedstocks, and of supplies of materials and equipment which he determines to be necessary to maintain or further exploration, production, refining, and required transportation of domestic energy supplies and for the construction and maintenance of energy facilities within the United States, under such terms and conditions as he determines to be appropriate and necessary to carry out the purpose of this Act.

(b) In the administration of the restrictions under subsection (a) of this section, the Administrator may request and, if so, the Secretary of Commerce shall, pursuant to the procedures established by the Export Administration Act of 1969 (but without regard to the phrase "and to reduce the serious inflationary impact of abnormal foreign demands" in section 3(2)(A) of such Act), impose such restrictions on exports of coal, natural gas, petroleum products, and petrochemical feedstocks, and of supplies of materials and equipment which the Administrator determines to be necessary to maintain or further exploration, production, refining, and required transportation of domestic energy supplies and for the construction and maintenance of energy facilities within the United States, as the Administrator determines to be appropriate and necessary to carry out the purposes of this Act.

(c) Rules or orders of the Administrator under subsection (a) of this section and actions by the Secretary of Commerce pursuant to subsection (b) of this section shall take into account the historical trading relations of the United States with Canada and Mexico.

SEC. 114. EMPLOYMENT IMPACT AND UNEMPLOYMENT ASSISTANCE.

(a) The President shall take into consideration and shall minimize, to the fullest extent practicable, any adverse impact of actions taken pursuant to this Act upon employment. All agencies of Government shall cooperate fully under their existing statutory authority to minimize any such adverse impact.

(b)(1) The Secretary of Labor shall make grants, in accordance with regulations prescribed by him, to States to provide cash benefits to any individual who is unemployed as a result of disruptions, dislocations, or shortages of energy supplies and resources, and who is not eligible for unemployment assistance or who has exhausted his rights to such assistance (within the meaning of paragraph (4)(B)).

(2) Regulations of the Secretary of Labor under paragraph (1) may require that States enter into agreements as a condition of receiving a grant under this subsection, and such regulations—

(A) shall provide that—

(i) a benefit under this subsection shall be available to any individual who is unemployed as a result of disruptions, dislocations, or shortages of energy supplies and resources and who is not eligible for unemployment assistance (without regard to whether such unemployment commenced before or after the date of enactment of this Act).

(ii) a benefit provided to such an individual shall be available to such individual for any week of unemployment which begins after the date on which this Act is enacted and before July 1, 1975, in which such individual is unemployed;

(iii) the amount of a benefit with respect to a week of unemployment shall be equal to—

(I) in the case of an individual who has exhausted his eligibility for unemployment assistance, the amount of the weekly unemployment compensation payment for which he was most recently eligible; or

(II) in the case of any other individual, an amount which shall be set by the State in which the individual was last employed at a level which shall take into account the benefit levels provided by State law for persons covered by the State's unemployment compensation program, but which shall not be less than the minimum weekly amount, nor more than the maximum weekly amount, under the unemployment compensation law of the State; and

(B) may provide that individuals eligible for a benefit under this subsection have been employed for up to 1 month in the 52-week period preceding the filing of a claim for benefits under this subsection.

(3) Unemployment resulting from disruptions, dislocations, or shortages of energy supplies and resources shall be defined in regulations of the Secretary of Labor. Such regulations shall provide that such unemployment includes unemployment clearly attributable to such disruptions, dislocations or shortages, fuel allocations, fuel pricing, consumer buying decisions influenced by such disruptions, dislocations, or shortages, and governmental action associated with such disruptions, dislocations, or shortages. The determination as to whether an individual is unemployed as a result of such disruptions, dislocations, or shortages (within the meaning of such regulations) shall be made by the State in which the individual was last employed in accordance with such industry, business, or employer certification process or such other determination procedure (or combination thereof) as the Secretary of Labor shall, consistent with the purposes of paragraph (1) of this subsection, determine as most appropriate to minimize administrative costs, appeals, or other delay, in paying to individuals the cash allowances provided under this section.

(4) For purposes of this subsection—

(A) an individual shall be considered unemployed in any week if he is—

(i) not working,

(ii) able to work, and

(iii) available for work,

within the meaning of the State unemployment compensation law in effect in the State in which such individual was last employed, and provided that he would not be subject to disqualification under that law for such week, if he were eligible for benefits under such law;

(B)(1) the phrase "not eligible" for unemployment assistance means not eligible for compensation under any State or Federal unemployment compensation law (including the Railroad Unemployment Insurance Act (45 U.S.C. 351 et seq.)) with respect to such week of unemployment, and is not receiving compensation with respect to such week of unemployment under the unemployment compensation law of Canada; and

(ii) the phrase "exhausted his rights to such assistance" means exhausted all rights to regular, additional, and extended compensation under all State unemployment compensation laws and chapters 85 of title 5, United States Code, and has no further rights to regular, additional, or extended compensation under any State or Federal unemployment compensation law (including the Railroad Unemployment Insurance Act (45 U.S.C. 451 et seq.)) with respect to such week of unemployment, and is not receiving compensation with respect to such week of unemployment under the unemployment compensation law of Canada.

(c) On or before the sixtieth day following the date of enactment of this Act, the President shall report to the Congress concerning the present and prosective impact of energy shortages upon employment. Such report shall contain an assessment of the adequacy of existing programs in meeting the needs of adversely affected workers and shall include legislative recommendations which the President deems appropriate to meet such needs, including revisions in the unemployment insurance laws.

SEC. 115. USE OF CARPOOLS.

(a) The Secretary of Transportation shall encourage the creation and expansion of the use of carpools as a viable component of our nationwide transportation system. It is the intent of this section to maximize the level of carpool participation in the United States.

(b) The Secretary of Transportation is directed to establish within the Department of Transportation an "Office of Carpool Promotion" whose purpose and responsibilities shall include—

(1) responding to any and all requests for information and technical assistance on carpooling and carpooling systems from units of State and local governments and private groups and employees;

(2) promoting greater participation in carpooling through public information and the preparation of such materials for use by State and local governments;

(3) encouraging and promoting private organizations to organize and operate carpool systems for employees;

(4) promoting the cooperation and sharing of responsibilities betwen separate, yet proximately close, units of government in coordinating the operations of carpool systems; and

(5) prompting other such measures that the Secretary determines appropriate to achieve the goal of this subsection.

(c) The Secretary of Transportation shall encourage and promote the use of incentives such as special parking privileges, special

roadway lanes, toll adjustments, and other incentives as may be found beneficial and administratively feasible to the furtherance of carpool ridership, and consistent with the obligations of the State and local agencies which provide transportation services.

(d) The Secretary of Transportation shall allocate the funds appropriated pursuant to the authorization of subsection (f) according to the following distribution between the Federal and State or local units of government:

(1) The initial planning process—up to 100 percent Federal.

(2) The systems design process—up to 100 percent Federal.

(3) The initial startup and operation of a given system—60 percent Federal and 40 percent State or local with the Federal portion not to exceed 1 year.

(e) Within 12 months of the date of enactment of this Act, the Secretary of Transportation shall make a report to Congress of all his activities and expenditures pursuant to this section. Such report shall include any recommendations as to future legislation concerning carpooling.

(f) The sum of $5,000,000 is authorized to be appropriated for the conduct of programs designed to achieve the goals of this section, such authorization to remain available for 2 years.

(g) For purposes of this section, the terms "local governments" and "local units of government" include any metropolitan transportation organization designated as being responsible for carrying out section 134 of title 23, United States Code.

(h) As an example to the rest of our Nation's automobile users, the President of the United States shall take such action as is necessary to require all agencies of Government, where practical, to use economy model motor vehicles.

(i) (1) The President shall take action to require that no Federal official or employee in the executive branch below the level of Cabinet officer be furnished a limousine for individual use. The provisions of this subsection shall not apply to limousines furnished for use by officers or employees of the Federal Bureau of Investigation, or to those persons whose assignments necessitate transportation by limousines because of diplomatic assignment by the Secretary of State.

(2) For purposes of this subsection, the term "limousine" means a type 6 vehicle as defined in the Interim Federal Specifications issued by the General Service Administration, December 1, 1973.

(3) (A) The President shall take action to insure the enforcement of 31 U.S.C. 638a.

(B) No funds shall be expended under authority of this or any other Act for the purpose of furnishing a chauffeur in a vehicle operated in violation of section 638a of title 31, United States Code, or this Act.

SEC. 116. ADMINISTRATIVE PROCEDURE AND JUDICIAL REVIEW.

(a) (1) Subject to paragraphs (2), (3), and (4) of this subsection, the provisions of subchapter II of chapter 5 of title 5, United States Code, shall apply to any rule, regulation, or order under this title or under section 4(h) of the Emergency Petroleum Allocation Act of 1973; except that this subsection shall not apply to any rule, regulation, or order issued under the Emergency Petroleum Allocation Act of 1973 (as amended by this title) other than section 4(h) thereof, nor to any rule under section 111 of this title.

(2) Notice of all proposed substantive rules and orders of general applicability described in paragraph (1) shall be given by publication of such proposed rule or order in the Federal Register. In each case, a minimum of 10 days following such publication shall be provided for opportunity to comment; except that the requirements of this paragraph as to time and notice and opportunity to comment may be waived where the President finds that strict compliance would seriously impair the operation of the program to which such rule or order relates and such findings are set out in detail in such rule or order. In addition, public notice of all rules or orders promulgated by officers of a State or political subdivision thereof or to State or local boards pursuant to this Act shall to the maximum extent practicable be achieved by publication of such rules or orders in a sufficient number of newspapers of statewide circulation calculated to receive widest possible notice.

(3) In addition to the requirements of paragraph (2), unless the President determines that a rule or order described in paragraph (1) is not likely to have a substantial impact on the Nation's economy or upon a significant segment thereof, an opportunity for oral presentation of views, data, and argument shall be afforded. To the maximum extent practicable, such opportunity shall be afforded prior to the implementation of such rule or order, but in all cases such opportunity shall be afforded no later than 45 days after the implementation of any such rule or order. A transcript shall be kept of any oral presentation.

(4) Any officer or agency authorized to issue rules or orders described in paragraph (1) shall provide for the making of such adjustments, consistent with the other purposes of this Act or the Emergency Petroleum Allocation Act of 1973 (as the case may be), as may be necessary to prevent special hardships, inequity, or an unfair distribution of burdens and shall in rules prescribed by it establish procedures which are available to any person for the purpose of seeking an interpretation, modification, or rescission of, or an exception to or exemption from, such rules and orders. If such person is aggrieved or adversely affected by the denial of a request for such action under the preceding sentence, he may request a review of such denial by the officer or agency and may obtain judicial review in accordance with subsection (b) or other applicable law when such denial becomes final. The officer or agency shall, in rules prescribed by it, establish appropriate procedures, including a hearing where deemed advisable, for considering such requests for action under this paragraph.

(b) (1) Judicial review of administrative rulemaking of general and national applicability done under this title may be obtained only by filing a petition for review in the United States Court of Appeals for the District of Columbia within thirty days from the date of promulgation of any such rule or regulation, and judicial review of administrative rulemaking of general, but less than national applicability done under this title may be obtained only by filing a petition for review in the United States Court of Appeals for the appropriate circuit within thirty days from the date of promulgation of any such rule or regulation, the appropriate circuit being defined as the circuit which contains the area or the greater part of the area within which the rule or regulation is to have effect.

(2) Notwithstanding the amount in controversy, the district courts of the United States shall have exclusive original jurisdiction of all other cases or controversies arising under this title, or under regulations or orders issued thereunder, except any actions taken by the Civil Aeronautics Board, the Interstate Commerce Commission, the Federal Power Commission, or the Federal Maritime Commission, or any actions taken to implement or enforce any rule or order by any officer of a State or political subdivision thereof or State or local board which has been delegated authority under section 120 of this Act except that nothing in this section affects the power of any court of competent jurisdiction to consider, hear, and determine in any proceeding before it any issued raised by way of defense (other than a defense based on the constitutionality of this title or the validity of action taken by any agency under this title). If in any such proceeding an issue by way of defense is raised based on the constitutionality of this Act or the validity of agency action under this title, the case shall be subject to removal by either party to a district court of the United States in accordance with the applicable provisions of chapter 89 of title 28, United States Code.

(3) This subsection shall not apply to any rule, regulation, or order issued under the Emergency Petroleum Allocation Act of 1973 or to any rule under section 111 of this title.

(4) The finding required by section 4(h)(2) of the Emergency Petroleum Allocation Act of 1973 shall not be judicially reviewable under this subsection or under any other provision of law.

(c) The Administrator may by rule prescribe procedures for State or local boards which carry out functions under this Act or the Emergency Petroleum Allocation Act of 1973. Such procedures shall apply to such boards in lieu of subsection (a), and shall require that prior to taking any action, such boards shall take steps reasonably calculated to provide notice to persons who may be affected by the action, and shall afford an opportunity for presentation of views (including oral presentation of views where practicable) at least 10 days before taking the action. Such boards shall be of balanced composition reflecting the makeup of the community as a whole.

(d) In addition to the requirements of section 552 of title 5, United States Code, any agency authorized by this title of the Emergency Petroleum Allocation Act of 1973 to issue rules or orders shall make available to the public all internal rules and guidelines which may form the basis, in whole or in part, for any rule or order with such modifications as are necessary to insure confidentiality protected under such section 552. Such agency shall, upon written request of a petitioner filed after any grant or denial of a request for exception or exemption from rules or orders, furnish the petitioner with a written opinion setting forth applicable facts and the legal basis in support of such grant or denial. Such opinions shall be made available to the petitioner and the public within 30 days of such request and with such modifications as are necessary to insure confidentiality of information protected under such section 552.

SEC. 117. PROHIBITED ACTS.

It shall be unlawful for any person to violate any provision of title I of this Act (other than provisions of this Act which make amendments to the Emergency Petroleum Allocation Act of 1973 and section 111) or to violate any rule, regulation (including an energy conservation plan), or order issued pursuant to any such provision.

SEC. 118. ENFORCEMENT.

(a) Whoever violates any provision of section 117 shall be subject to a civil penalty of not more than $2,500 for each violation.

(b) Whoever willfully violates any provision of section 117 shall be fined not more than $5,000 for each violation.

(c) It shall be unlawful for any person to offer for sale or distribute in commerce any product or commodity in violation of an applicable order or regulation issued pursuant to this Act. Any person who knowingly and willfully violates this subsection after having been subjected to a civil penalty for a prior violation of the same provision of any order or regulation issued pursuant to this Act shall be fined not more than $50,000 or imprisoned not more than 6 months, or both.

(d) Whenever it appears to any person authorized by the Administrator to exercise

authority under this Act that any individual or organization has engaged, is engaged, or is about to engage in acts or practices constituting a violation of section 117, such person may request the Attorney General to bring an action in the appropriate district court of the United States to enjoin such acts or practices, and upon a proper showing a temporary restraining order or a preliminary or permanent injunction shall be granted without bond. Any such court may also issue mandatory injunctions commanding any person to comply with any provision, the violation of which is prohibited by section 117.

(e) Any person suffering legal wrong because of any act or practice arising out of any violation of section 117 may bring an action in a district court of the United States, without regard to the amount in controversy, for appropriate relief, including an action for a declaratory judgment or writ of injunction. Nothing in this subsection shall authorize any person to recover damages.

SEC. 119. SMALL BUSINESS INFORMATION

In order to achieve the purposes of this Act—

(1) the Small Business Administration (A) shall to the maximum extent possible provide small business enterprises with full information concerning the provisions of the programs provided for in this Act which particularly affect such enterprises, and the activities of the various departments and agencies under such provisions, and (B) shall, as a part of its annual report, provide to the Congress a summary of the actions taken under programs provided for in this Act which have particularly affected such enterprises;

(2) to the extent feasible, Federal and other governmental bodies shall seek the views of small business in connection with adopting rules and regulations under the programs provided for in this Act and in administering such programs; and

(3) in administering the programs provided for in this Act, special provision shall be made for the expeditious handling of all requests, applications, or appeals from small business enterprises.

SEC. 120. DELEGATION OF AUTHORITY AND EFFECT ON STATE LAW.

(a) The Administrator may delegate any of his functions under the Emergency Petroleum Allocation Act of 1973 or this Act to any officer or employee of the agency which he heads as he deems appropriate. The Administrator may delegate any of his functions relative to implementation and enforcement of the Emergency Petroleum Allocation Act of 1973 or this Act to officers of a State or political subdivision thereof or to State or local boards of balanced composition reflecting the makeup of the community as a whole. Such officers or boards shall be designated and established in accordance with regulations which the Administration shall promulgate under this Act. Section 5 (b) of the Emergency Petroleum Allocation Act of 1973 is repealed effective on the effective date of the transfer of functions under such Act to the Administrator pursuant to subsection (c) of this section.

(b) No State law or State program in effect on the date of enactment of this Act, or which may become effective thereafter, shall be superseded by any provision of this Act or any regulation, order, or energy conservation plan issued pursuant to this Act except insofar as such State law or State program is inconsistent with the provisions of this Act, or such a regulation, order, or plan.

(c) Effective on the date on which the Administrator of the Federal Energy Administration (established by H.R. 11793, Ninety-third Congress) first takes office, all functions, powers, and duties of the President under the Emergency Petroleum Allocation Act of 1973 (as amended by this Act), and of any officer, department, agency, or State (or officer thereof) under such Act (other than functions vested by section 6 of such Act in the Federal Trade Commission, the Attorney General, or the Antitrust Division of the Department of Justice), are transferred to the Administrator. All personnel, property, records, obligations, and commitments used primarily with respect to functions transferred under the preceding sentence shall be transferred to the Administrator.

SEC. 121. GRANTS TO STATES.

Any funds authorized to be appropriated under section 125(b) shall be available for the purpose of making grants to States to which the Administrator has delegated authority under section 120 of this Act, or for the administration of appropriate State or local energy conservation programs which are the basis of an exemption made pursuant to section 104(a)(2) of this Act from a Federal energy conservation plan which has taken effect under section 104 of this Act. The Administrator shall make such grants upon such terms and conditions as he may prescribe by rule.

SEC. 123. ENERGY INFORMATION REPORTS.

(a) For the purpose of assuring that the Administrator, the Congress, the States, and the public have access to and are able to obtain reliable energy information throughout the duration of this Act, the Administrator, in addition to and not in limitation of any other authority, is authorized to request, acquire, and collect such energy information as he determines to be necessary to assist in the formulation of energy policy or to carry out the purposes of this Act or the Emergency Petroleum Allocation Act of 1973.

(b) In carrying out the provisions of subsection (a) the Administrator shall have the power to—

(1) require, by rule, any person who is engaged in the production, processing, refining, transportation by pipeline or distribution (other than at the retail level) of energy resources to submit reports;

(2) sign and issue subpenas for the attendance and testimony of witnesses and the production of relevant books, records, papers, and other documents;

(3) require of any person, by general or special order, answers in writing to interrogatories, requests for report, or other information; and such answers or submissions shall be made within such reasonable period and under oath or otherwise as the Administrator may determine; and

(4) to administer oaths.

(c) For the purpose of verifying the accuracy of any energy information requested, acquired, or collected by the Administrator, officers or employees duly designed by him upon presenting appropriate credentials and a written notice to the owner, operator, or at reasonable times and in a reasonable manner, any facility, or business premises, to inventory and sample any stock of energy resources therein, and to examine and copy records, reports, and documents relating to energy information.

(d)(1) The Administrator shall exercise the authorities granted to him under subsection (b) to develop within 30 days after the date of enactment of this Act, as full and accurate a measure as is reasonably practicable of—

(A) domestic reserves and production;

(B) imports; and

(C) inventories;

of petroleum products, natural gas, and coal.

(2) for each calendar quarter beginning with the first complete calendar quarter following the date of enactment of this Act, the Administrator shall develop and publish quarterly reports containing the following:

(A) Report of petroleum product, natural gas, and coal imports; relating to country of origin, arrival point, quantity received, geographic distribution within the United States.

(B) Report of crude oil activity; relating capacity of producers' allocations to refiners, and fuels to be made.

(C) Report of inventories, nationally, and by region and State—

(i) for various refined petroleum products, relating refiners, refineries, suppliers to refiners, share of market, and allocation fractions;

(ii) for various refined petroleum products, previous quarter deliveries and anticipated 3-month available supplies;

(iii) for refinery yields of the various refined petroleum products, percent of activity, and type of refinery;

(iv) with respect to the summary of anticipated monthly supply of refined petroleum products, amount of set aside for assignment by the State, anticipated State requirements, excess or shortfall of supply, and allocation fraction of base year; and

(v) with respect to liquefied petroleum gas by State and owner: quantities stored, and existing capacities, and previous priorities on types, inventories of suppliers, and changes in supplier inventories.

(3) In developing the energy information called for in this section, the Administrator may, if he determines that it would not be practicable to do otherwise, use the statistical method of "sampling".

(e) In order to avoid or minimize duplicative reporting, the Administrator may request and acquire energy information from any other department or agency of Federal Government, except that any such department or agency shall refuse to supply such information if its disclosure to the Administrator would otherwise be prohibited by law.

(f) Any person required to submit energy information to the Administrator under this section may at the time he submits such information request the Administrator to declare such information, in whole or in part, to be confidential and to not disclose such information except as permitted under subsection (d)(2). The Administrator shall, within 10 days after receipt of such request, initiate and (except where good cause is stated) complete within 30 days thereafter, an administrative proceeding affording an opportunity for hearing under sections 556 and 557 of title 5, United States Code, to determine whether such information concerns or relates to trade secrets or other matter referred to in section 1905 of title 18, United States Code, within the meaning of such section 1905.

(g)(1) Information determined by the Administrator to concern or relate to trade secrets or other matter referred to in section 1905 of title 18, United States Code, shall be kept confidential and not be disclosed except that disclosure may be made (A) to other officers or employees concerned with carrying out this Act and the Emergency Petroleum Allocation Act of 1973 concerned with the formulation of energy policy, (B) when relevant, in any proceeding under this Act or the Emergency Petroleum Allocation Act of 1973, or (C) to the committees of Congress upon request of the chairman of any such committee.

(2) Such information when disclosed in a proceeding under this Act or the Emergency Petroleum Allocation Act of 1973 shall be disclosed by the Administrator in a manner which preserves confidentiality to the extent practicable without impairing the proceeding and such information when submitted to the committees of Congress upon request

shall not be disclosed except by authority of the committee.

(3) Paragraph (2) of this subsection shall govern disclosure of such information by committees of the Congress and is enacted by the Congress—

(A) as an exercise of the rulemaking power of the Senate and House of Representatives, respectively, and as such shall be considered as a part of the rules of each House, respectively, or of that House to which it specifically applies, and such rule shall supersede other rules only to the extent that they are inconsistent therewith, and

(B) with full recognition of the constitutional right of either House to change such rule (so far as it relates to the procedure in such House) at any time, in the same manner, and to the same extent as in the case of any other rule of such House.

(h) As used in this section—

(1) the term "Federal agency" shall have the meaning of the term "executive agency" as defined in section 105 of title 5, United States Code;

(2) the term "energy information" includes all information in whatever form on mineral fuel reserves, exploration, extraction, and natural energy resources (to include petrochemical feedstocks) wherever located; production, distribution, and consumption wherever carried on; and includes matters such as corporate structure and proprietary relationships, costs, prices, capital investment and assets and other matters directly related thereto, wherever they exist; and

(3) the term "person" means any natural person, corporation, partnership, association, consortium, or any entity organized for a common business purpose; wherever situated, domiciled or doing business, who directly or through other persons subject to their control do business in any part of the United States, its territories and possessions, or the District of Columbia.

(i) Information obtained by the Administrator under authority of this Act, shall be available to the public in accordance with the provisions of section 552 of title 5, United States Code.

SEC. 123. INTRASTATE GAS.

Nothing in this Act shall expand the authority of the Federal Power Commission with respect to sales of nonjurisdictional natural gas.

SEC. 124. EXPIRATION.

The authority under this title to prescribe any rule or order to take other action under this title, or to enforce any such rule or order, shall expire at midnight, June 30, 1975, but such expiration shall not affect any action or pending proceedings, civil or criminal, not finally determined on such date, nor any action or proceeding based upon any act committed prior to midnight, June 30, 1975.

SEC. 125. AUTHORIZATIONS OF APPROPRIATIONS.

(a) There are authorized to be appropriated to the Administrator to carry out his functions under this Act and under other laws, and to make grants to States under section 121, $75,000,000 for the fiscal year ending June 30, 1974, $75,000,000 for the fiscal year ending June 30, 1975.

(b) For the purpose of making payments under grants to States under section 121, there are authorized to be appropriated $50,000,000 for the fiscal year ending June 30, 1974, and $75,000,000 for the fiscal year ending June 30, 1975.

(c) For the purpose of making payments under grants to States under section 114, there is authorized to be appropriated $500,000,000 for the fiscal year ending June 30, 1974.

SEC. 126. SEVERABILITY.

If any provision of this Act, or the application of any such provision to any person or circumstance, shall be held invalid, the remainder of this Act, or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

SEC. 127. CONTINGENCY PLANS.

(a) In order to fully inform the Congress and the public with respect to the exercise of authorities under sections 103 and 104 of this Act, the Administration shall, to the maximum extent practical, develop contingency plans in the nature of descriptive analyses of:

(1) the manner of implementation and operation of any such authority;

(2) the anticipated benefits and impacts of the provision of any plan;

(3) the role of State and local government;

(4) the procedures for appeal and review; and

(5) the Federal officers or employees who will administer any plan.

(b) Any contingency plans which describe the exercise of any authority under section 103 or 104 of this Act shall be transmitted to the Congress not later than the date on which any plan or rule relating to such contingency plan is transmitted to the Congress pursuant to the provisions of such sections.

SEC. 128. PETROLEUM PRICE CONTROL AUTHORITY.

(a) Section 4 of the Emergency Petroleum Allocation Act of 1973 is further amended by adding at the end of such section the following new subsection:

"(j) (1) No later than 30 days after the date of enactment of this subsection, the President shall exercise his authority under this Act and the Economic Stabilization Act of 1970, as amended, so as to specify (or prescribe a manner for determining equitable ceiling prices for all first sales or exchanges of crude oil, natural gas liquids, and condensate (or classifications thereof) produced in or imported into the United States.

"(2) The regulation under subsection (a) of this section shall be amended so as to provide, with respect to the prices of imported crude oil, natural gas liquids, condensate, residual fuel oil, or refined petroleum products, produced or refined by the person importing such product into the United States, or purchased or exchanged by him (directly or indirectly) from an affiliate, no more than a dollar-for-dollar passthrough of net increases in foreign taxes and in royalties paid to nonaffiliates for crude oil, natural gas liquids, or condensate, or in the actual price paid at the first purchase from a nonaffiliate of such crude oil, natural gas liquids, condensate, residual fuel oil, or refined petroleum products. The calculation of any net increase in taxes, royalties, or prices at first purchase under this paragraph shall take into consideration any reduction, by virtue of increases in foreign taxes, royalties, or prices, upon the liability of the importer or his affiliates for United States income taxes.

"(3) The regulation under subsection (a) of this section shall be amended so as to provide that any increase or reduction, relative to prices prevailing on May 15, 1973, in the price of crude oil, natural gas liquids, and condensates (or any classification thereof) produced in or imported into the United States, resulting from the provisions of this subsection, is passed through so as to cause a dollar-for-dollar increase or reduction in the price of any residual fuel oil or refined petroleum product (including propane) derived from such crude oil, natural gas liquids, or condensate. Such passthrough of price increases or reductions shall, to the extent practicable and consistent with the objectives of subsection (b) of this section, be allocated among products refined from such crude oil, natural gas liquids, or condensate on a proportional basis, taking into consideration historical price relationships among such products.

"(4) Every establishment of or change in a ceiling price (or manner of determining the ceiling price) specified pursuant to this subsection, and every ceiling price (or manner of determining a ceiling price) or exemption from ceiling prices that is in effect on the date of enactment of this subsection, shall be transmitted to Congress no later than the effective date of such change, or in the case of every such ceiling price (or manner for specifying such a ceiling price) or exemption from ceiling prices in effect on the date of enactment of this subsection, no later than 30 days after that date. Every such transmittal shall be accompanied and supported by a detailed statement setting forth—

"(i) the additional qualities of crude oil, natural gas liquids, or condensate, residual fuel oil, or refined petroleum products, if any, that can reasonably be expected to be produced;

"(ii) the expected effect, if any, upon the demand for crude oil, natural gas liquids, or condensate, residual fuel oil, or refined petroleum products, or

"(iii) the expected impact upon the economy as a whole, including the impact upon consumers, the general price level, and the profitability of and employment in industry and business;

"(iv) any expected significant problems of enforcement or administration; and

"(v) the expected impact on the preservation of existing competition within the petroleum industry resulting from said ceiling price, manner for specifying a ceiling price, or (in the case of the regulation in effect upon the date of this subsection) exemption from ceiling prices.

"(5) For the purpose of this subsection, the term 'equitable ceiling price' means a price which is reasonable, taking into consideration the need to obtain sufficient supplies of crude oil, residual fuel oil, and refined petroleum products, and to permit the attainment of the objectives of subsection (b) of this section, balanced against the need to control inflation of basic and essential goods and services and hold down costs to industrial and individual consumers.

"(6) Section 4(e)(2) of the Emergency Petroleum Allocation Act of 1973 and section 406 of Public Law 93-153 are repealed."

TITLE II—COORDINATION WITH ENVIRONMENTAL PROTECTION REQUIREMENTS

SEC. 201. SUSPENSION AUTHORITY.

Title I of the Clean Air Act (42 U.S.C. 1857 et seq.) is amended by adding at the end thereof the following new section:

"ENERGY EMERGENCY AUTHORITY

"SEC. 119. (a)(1)(A) The Administrator may, for any period beginning on or after the date of enactment of this section and ending on or before November 1, 1974, temporarily suspend any stationary source fuel or emission limitation as it applies to any person, if the Administrator finds that such person will be unable to comply with such limitation during such period solely because of unavailability of types or amounts of fuels. Any suspension under this paragraph and any interim requirement on which such suspension is conditioned under paragraph (3) shall be exempted from any procedural requirements set forth in this Act or in any other provision of local, State, or Federal law, except as provided in subparagraph (B).

"(B) The Administrator shall give notice to the public of a suspension and afford the public an opportunity for written and oral presentation of views prior to granting such suspension unless otherwise provided by the Administrator for good cause found and published in the Federal Register. In any case, before granting such a suspension he shall give actual notice to the Governor of the State, and to the chief executive officer of

the local government entity in which the affected source or sources are located. The granting or denial of such suspension and the imposition of an interim requirement shall be subject to judicial review only on the grounds specified in paragraphs (2)(B) and (2)(C) of section 706 of title 5, United States Code, and shall not be subject to any proceeding under section 304(a)(2) or 307 (b) and (c) of this Act.

"(2) In issuing any suspension under paragraph (1) the Administrator is authorized to act on his own motion without application by any source or State.

"(3) Any suspension under paragraph (1) shall be conditioned upon compliance with such interim requirements as the Administrator determines are reasonable and practicable. Such interim requirements shall include, but need not be limited to, (A) a requirement that the source receiving the suspension comply with such reporting requirements as the Administrator determines may be necessary, (B) such measures as the Administrator determines are necessary to avoid an imminent and substantial endangerment to health of persons, and (C) requirements that the suspension shall be inapplicable during any period during which fuels which would enable compliance with the suspended stationary source fuel or emission limitations are, in fact, reasonably available to that person (as determined by the Administrator). For purposes of clause (C) of this paragraph, availability of natural gas or petroleum products which enable compliance shall not make a suspension inapplicable to a source described in subsection (b)(1) of this section.

"(4) For purposes of this section:

"(A) The term 'stationary source fuel or emission limitation' means any emission limitation, schedule, or timetable for compliance, or other requirement, which is prescribed under this Act (other than section 303, 111(b), or 112) or contained in an applicable implementation plan, and which is designed to limit stationary source emissions resulting from combustion of fuels, including a prohibition on, or specification of, the use of any fuel of any type or grade or pollution characteristic thereof.

"(B) The term 'stationary source' has the same meaning as such term has under section 111(a)(3).

"(b)(1) Except as provided in paragraph (2) of this subsection, any fuel-burning stationary source—

"(A) which is prohibited from using petroleum products or natural gas as fuel by reason of an order issued under section 105 (a) of the Standby Energy Emergency Authorities Act, or

"(B) which (i) the Administrator of the Environmental Protection Agency determines began conversion to the use of coal as fuel during the 90-day period ending on December 15, 1972, and (ii) the Administrator of the Federal Energy Administration determines should use coal after November 1, 1974, after balancing on a plant-by-plant basis the environmental effects of such conversion against the need to fulfill the purposes of the Standby Energy Emergency Authorities Act,

and which converts to the use of coal as fuel, shall not, until January 1, 1979, be prohibited, by reason of the application of any air pollution requirement, from burning coal which is available to such source. For purposes of this paragraph, the term 'began conversion' means action by the owner or operator of a source during the 90-day period ending December 15, 1973 (such as entering into a contract binding on the operator of the source for obtaining coal, or equipment or facilities to burn coal; expending substantial sums to permit such source to burn coal; or applying for an air pollution variance to enable the source to burn coal) which the Administrator finds evidences a decision (made prior to December 15, 1973) to convert to burning coal as a result of the unavailability of an adequate supply of fuels required for compliance with the applicable implementation plan, and a good faith effort to expeditiously carry out such decision.

"(2)(A) Paragraph (1) of this subsection shall apply to a source only if the Administrator finds that emissions from the source will not materially contribute to a significant risk to public health and if the source has submitted to the Administrator a plan for compliance for such source which the Administrator has approved, after notice to interested persons and opportunity for presentation of views (including oral presentation of views). A plan submitted under the preceding sentence shall be approved only if it provides (i) for compliance by the means specified in subparagraph (B), and in accordance with a schedule which meets the requirements of such subparagraph; and (ii) that such source will comply with requirements which the Administrator shall prescribe to assure that emissions from such source will not materially contribute to a significant risk to public health. The Administrator shall approve or disapprove any such plan within 60 days after such plan is submitted.

"(B) The Administrator shall prescribe regulations requiring that any source to which this subsection applies submit and obtain approval of its means for and schedule of compliance. Such regulations shall include requirements that such schedules shall include dates by which such source must—

"(i) enter into contracts (or other enforceable obligations) which have received prior approval of the Administrator as being adequate to effectuate the purposes of this section and which provide for obtaining a long-term supply of coal which enables such source to achieve the emission reduction required by subparagraph (C), or

"(ii) if coal which enables such source to achieve such emission reduction is not available to such source, (I) enter into contracts (or other enforceable obligations) which have received prior approval of the Administrator as being adequate to effectuate the purposes of this section and which provide for obtaining a long-term supply of other coal or coal by-products, and (II) take steps to obtain continuous emission reduction systems necessary to permit such source to burn such coal or coal by-products and to achieve the degree of emission reduction required by subparagraph (C) (which steps and systems must have received prior approval of the Administrator as being adequate to effectuate the purposes of this section).

"(C) Regulations under subparagraph (B) shall require that the source achieve the most stringent degree of emission reduction that such source would have been required to achieve under the applicable implementation plan which was in effect on the date of enactment of this section (or if no applicable implementation plan was in effect on such date, under the applicable implementation plan which takes effect after such date). Such degree of emission reduction shall be achieved as soon as practicable, but not later than January 1, 1979; except that, in the case a source for which a continuous emission reduction system is required for sulfur-related emission, reduction of such emissions shall be achieved on a date designated by the Administrator (but not later than January 1, 1979). Such regulations shall also include such interim requirements as the Administrator determines are reasonable and practicable including requirements described in clauses (A) and (B) of subsection (a)(3).

"(D) The Administrator (after notice to interested persons and opportunity for presentation of views, including oral presentations of views, to the extent practicable) (i) may, prior to November 1, 1974, and shall thereafter prohibit the use of coal by a source to which paragraph (1) applies if he determines that the use of coal by such source is likely to materially contribute to a significant risk to public health; and (ii) may require such source to use coal of any particular type, grade, or pollution characteristic if such coal is available to such source. Nothing in this subsection (b) shall prohibit a State or local agency from taking action which the Administrator is authorized to take under this subparagraph.

"(3) For purposes of this subsection, the term 'air pollution requirement' means any emission limitation, schedule, or timetable for compliance, or other requirement, which is prescribed under any Federal, State, or local law or regulation, including this Act (except for any requirement prescribed under this subsection or section 303), and which is designed to limit stationary source emissions resulting from combustion of fuels (including a restriction on the use or content of fuels). A conversion to coal to which this subsection applies shall not be deemed to be a modification for purposes of section 111(a)(2) and (4) of this Act.

"(4) A source to which this subsection applies may, upon the expiration of the exemption under paragraph (1), obtain a one-year postponement of the application of any requirement of an applicable implementation plan under the conditions and in the manner provided in section 110(f).

"(c) The Administrator may by rule establish priorities under which manufacturers of continuous emission reduction systems shall provide such systems to users thereof, if he finds that priorities must be imposed in order to assure that such systems are first provided to users in air quality control regions with the most severe air pollution. No rule under this subsection may impair the obligation of any contract entered into before enactment of this section. No State or political subdivision may require any person to use a continuous emission reduction system for which priorities have been established under this subsection except in accordance with such priorities.

"(d) The Administrator shall study, and report to Congress not later than 6 months after the date of enactment of this subsection with respect to—

"(1) the present and projected impact on the program under this Act of fuel shortages and of allocation and end-use allocation programs;

"(2) availability of continuous emission reduction technology (including projections respecting the time, cost, and number of units available) and the effects that continuous emission reduction systems would have on the total environment and on supplies of fuel and electricity;

"(3) the number of sources and locations which must use such technology based on projected fuel availability data;

"(4) priority schedule for implementation of continuous emission reduction technology based on public health or air quality;

"(5) evaluation of availability of technology to burn municipal solid waste in these sources; including time schedules, priorities analysis of unregulated pollutants which will be emitted and balancing of health benefits and detriments from burning solid waste and of economic costs;

"(6) projections of air quality impact of fuel shortages and allocations;

"(7) evaluation of alternative control strategies for the attainment and maintenance of national ambient air quality standards for sulfur oxides within the time frames prescribed in the Act, including associated considerations of cost, time frames, feasibility, and effectiveness of such alternative control strategies as compared to stationary source fuel and emission regulations;

"(8) proposed allocations of continuous

emission reduction technology for nonsolid waste producing systems to sources which are least able to handle solid waste byproduct, technologically, economically, and without hazard to public health, safety, and welfare; and

"(9) plans for monitoring or requiring sources to which this section applies to monitor the impact of actions under this section on concentration of sulfur dioxide in the ambient air.

"(e) No State or political subdivision may require any person to whom a suspension has been granted under subsection (a) to use any fuel the unavailability of which is the basis of such person's suspension (except that this preemption shall not apply to requirements identical to Federal interim requirements under subsection (a)(1)).

"(f)(1) It shall be unlawful for any person to whom a suspension has been granted under subsection (a)(1) to violate any requirement on which the suspension is conditioned pursuant to subsection (a)(3).

"(2) It shall be unlawful for any person to violate any rule under subsection (c).

"(3) It shall be unlawful for the owner or operator of any source to fail to comply with any requirement under subsection (b) or any regulation, plan, or schedule thereunder.

"(4) It shall be unlawful for any person to fail to comply with an interim requirement under subsection (i)(3).

"(g) Beginning January 1, 1975, the Administrator shall publish at no less than 180-day intervals in the Federal Register the following:

"(1) A concise summary of progress reports which are required to be filed by any person or source owner or operator to which subsection (b) applies. Such progress reports shall report on the status of compliance with all requirements which have been imposed by the Administrator under such subsections.

"(2) Up-to-date findings on the impact of this section upon—

"(A) applicable implementation plans, and

"(B) ambient air quality.

"(h) Nothing in this section shall affect the power of the Administrator to deal with air pollution presenting an imminent and substantial endangerment to the health of persons under section 303 of this Act.

"(i)(1) In order to reduce the likelihood of early phaseout of existing electric generating facilities during the energy emergency, any electric generating powerplant (A) which, because of the age and condition of the plant, is to be taken out of service permanently no later than January 1, 1980, according to the power supply plan (in existence on the date of enactment of the Standby Energy Emergency Authorities Act) of the operator of such plant, (B) for which a certification to that effect has been filed by the operator of the plant with the Environmental Protection Agency and the Federal Power Commission, and (C) for which the Commission has determined that the certification has been made in good faith and that the plan to cease operations no later than January 1, 1980, will be carried out as planned in light of existing and prospective power supply requirements, shall be eligible for a single 1-year postponement as provided in paragraph (2).

"(2) Prior to the date on which any plant eligible under paragraph (1) is required to comply with any requirement of an applicable implementation plan, such source may apply (with the concurrence of the Governor of the State in which the plant is located) to the Administrator to postpone the applicability of such requirement to such source for not more than 1 year. If the Administrator determines, after balancing the risk to public health and welfare which may be associated with a postponement, that compliance with any such requirement is not reasonable in light of the projected useful life of the plant, the availability of rate base increases to pay for such costs, and other appropriate factors, then the Administrator shall grant a postponement of any such requirement.

"(3) The Administrator shall, as a condition of any postponement under paragraph (2), prescribe such interim requirements as are practicable and reasonable in light of the criteria in paragraph (2).

"(j)(1) The Administrator may, after public notice and opportunity for presentation of views in accordance with section 553 of title 5, United States Code, and after consultation with the Federal Energy Administration, designate persons to whom fuel exchange orders should be issued. The purpose of such designation shall be to avoid or minimize the adverse impact on public health and welfare of any suspension under subsection (a) of this section or conversion to coal to which subsection (b) applies or of any allocation under the Standby Energy Emergency Authorities Act or the Emergency Petroleum Allocation Act of 1973.

"(2) The Administrator of the Federal Energy Administration shall issue exchange orders to such persons as are designated by the Administrator under paragraph (1) requiring the exchange of any fuel subject to allocation under the preceding Acts effective no later than 45 days after the date of the designation under paragraph (1), unless the Administrator of the Federal Energy Administration determines, after consultation with the Administrator, that the costs of consumption of fuel, resulting from such exchange order, will be excessive.

"(3) Violation of any exchange order issued under paragraph (2) shall be a prohibited act and shall be subject to enforcement action and sanctions in the same manner and to the same extent as a violation of any requirement of the regulation under section 4 of the Emergency Petroleum Allocation Act of 1973."

SEC. 202. IMPLEMENTATION PLAN REVISIONS.

(a) Section 110(a) of the Clean Air Act is amended in paragraph (3) by inserting "(A)" after "(3)" and by adding at the end thereof the following new subparagraph:

"(B)(1) For any air quality control region in which there has been a conversion to coal under section 119(b), the Administrator shall review the applicable implementation plan and no later than 1 year after the date of such conversion determine whether such plan must be revised in order to achieve the national primary standard which the plan implements. If the Administrator determines that any such plan is inadequate, he shall require that a plan revision be submitted by the State within 3 months after the date of notice to the State of such determination. Any plan revision which is submitted by the State after notice and public hearing shall be approved or disapproved by the Administrator, after public notice and opportunity for public hearing, but no later than 3 months after the date required for submission of the revised plan. If a plan provision (or portion thereof) is disapproved (or if a State fails to submit a plan revision), the Administrator shall, after public notice and opportunity for a public hearing, promulgate a revised plan (or portion thereof) not later than 3 months after the date required for approval or disapproval.

"(2) Any requirement for a plan revision under paragraph (1) and any plan requirement promulgated by the Administrator under such paragraph shall include reasonable and practicable measures to minimize the effect on the public health of any conversion to which section 119(b) applies."

(b) Subsection (c) of section 110 of the Clean Air Act (42 U.S.C. 1857 C-5) is amended by inserting "(1)" after "(c)"; by redesignating paragraphs (1), (2), and (3) as subparagraphs (A), (B), and (C), respectively; and by adding the following new paragraph:

"(2)(A) The Administrator shall conduct a study and shall submit a report to the Committee on Interstate and Foreign Commerce of the United States House of Representatives and the Committee on Public Works of the United States Senate not later than 6 months after the date of enactment of this paragraph, on the necessity of parking surcharge, management of parking supply, and preferential bus/carpool lane regulations as part of the applicable implementation plans required under this section to achieve and maintain national primary ambient air quality standards. The study shall include an assessment of the economic impact of such regulations, consideration of alternative means of reducing total vehicle miles traveled, and an assessment of the impact of such regulations on other Federal and State programs dealing with energy or transportation. In the course of such study, the Administrator shall consult with other Federal officials including, but not limited to, the Secretary of Transportation, the Administrator of the Federal Energy Administration, and the Chairman of the Council on Environmental Quality.

"(B) No parking surcharge regulation may be required by the Administrator under paragraph (1) of this subsection as a part of an applicable implementation plan. All parking surcharge regulations previously required by the Administrator shall be void upon the date of enactment of this subparagraph. This subparagraph shall not prevent the Administrator from approving parking surcharges if they are adopted and submitted by a State as part of an applicable implementation plan. The Administrator may not condition approval of any applicable implementation plan submitted by a State on such plan's including a parking surcharge regulation.

"(C) The Administrator is authorized to suspend until January 1, 1975, the effective date or applicability of any regulations for the management of parking supply or any requirement that such regulations be a part of an applicable implementation plan approved or promulgated under this section. The exercise of the authority under this subparagraph shall not prevent the Administrator from approving such regulations if they are adopted and submitted by a State as part of an applicable implementation plan. If the Administrator exercises the authority under this subparagraph, regulations requiring a review or analysis of the impact of proposed parking facilities before construction which take effect on or after January 1, 1975, shall not apply to parking facilities on which construction has been initiated before January 1, 1975.

"(D) For purposes of this paragraph, the term 'parking surcharge regulation' means a regulation imposing or requiring the imposition of any tax, surcharge, fee, or other surcharge on parking spaces, or any other area used for the temporary storage of motor vehicles. The term 'management of parking supply' shall include any requirement providing that any new facility containing a given number of parking spaces shall receive a permit or other prior approval, issuance of which is to be conditioned on air quality considerations. The term 'preferential bus/carpool lane' shall include any requirement for the setting aside of one or more lanes of a street or highway on a permanent or temporary basis for the exclusive use of buses and/or carpools."

SEC. 203. MOTOR VEHICLE EMISSIONS.

(a) Section 202(b)(1)(A) of the Clean Air Act is amended by striking out "1975" and inserting in lieu thereof "1977"; and by inserting after "(A)" the following: "The regulations under subsection (a) applicable to emissions of carbon monoxide and hydrocarbons from light-duty vehicles and engines manufactured during model years 1975 and

1976 shall contain standards which are identical to the interim standards which were prescribed (as of December 1, 1973) under paragraph (5)(A) of this subsection for light-duty vehicles and engines manufactured during model year 1975."

(b) Section 202(b)(1)(B) of such Act is amended by striking out "1976" and inserting in lieu thereof "1978"; and by inserting after "(B)" the following: "The regulations under subsection (a) applicable to emissions of oxides of nitrogen from light-duty vehicles and engines manufactured during model years 1975 and 1976 shall contain standards which are identical to the standards which were prescribed (as of December 1, 1973) under subsection (a) for light-duty vehicles and engines manufactured during model year 1975. The regulations under subsection (a) applicable to emissions of oxides of nitrogen from light-duty vehicles and engines manufactured during model year 1977 shall contain standards which provide that emissions of such vehicles and engines may not exceed 2.0 grams per vehicle mile."

(c) Section 202(b)(5)(A) of such Act is amended to read as follows:

"(5)(A) At any time after January 1, 1975, any manufacturer may file with the Administrator an application requesting the suspension for 1 year only of the effective date of any emission standard required by paragraph (1)(A) with respect to such manufacturer for light-duty vehicles and engines manufactured in model year 1977. The Administrator shall make his determination with respect to any such application within 60 days. If he determines, in accordance with the provisions of this subsection, that such suspension should be granted, he shall simultaneously with such determination prescribed by regulation interim emission standards which shall apply (in lieu of the standards required to be prescribed by paragraph (1)(A) of this subsection) to emissions of carbon monoxide or hydrocarbons (or both) from such vehicles and engines manufactured during model year 1977."

(d) Section 202(b)(5)(B) of the Clean Air Act is repealed and the following subparagraphs redesignated accordingly.

SEC. 204. CONFORMING AMENDMENTS.

(a)(1) Section 113(a)(3) of the Clean Air Act is amended by striking out "or" before "112(c)", by inserting a comma in lieu thereof, and by inserting after "hazardous emissions)" the following: ", or 119(f) (relating to priorities and certain other requirements)".

(2) Section 113(b)(3) of such Act is amended by striking out "or 112(c)" and inserting in lieu thereof ", 112(c), or 119(f)".

(3) Section 113(c)(1)(C) of such Act is amended by striking out "or section 112(c)" and inserting in lieu thereof ", section 112(c), or section 119(f)".

(4) Section 114(a) of such Act is amended by inserting "119 or" before "303".

(b) Section 116 of the Clean Air Act is amended by inserting "119 (b), (c), and (e)," before "209".

SEC. 205. PROTECTION OF PUBLIC HEALTH AND ENVIRONMENT.

(a) Any allocation program provided for in title I of this Act or in the Emergency Petroleum Allocation Act of 1973, shall, to the maximum extent practicable, include measures to assure that available low sulfur fuel will be distributed on a priority basis to those areas of the country designated by the Administrator of the Environmental Protection Agency as requiring low sulfur to avoid or minimize adverse impact on public health.

(b) In order to determine the health effects of emissions of sulfur oxides to the air resulting from any conversions to burning coal to which section 119 of the Clean Air Act applies, the Department of Health, Education, and Welfare shall, through the National Institute of Environmental Health Sciences and in cooperation with the Environmental Protection Agency, conduct a study of chronic effects among exposed populations. The sum of $3,500,000 is authorized to be appropriated for such a study. In order to assure that long-term studies can be conducted without interruption, such sums as are appropriated shall be available until expended.

(c) No action taken under this Act shall, for a period of 1 year after initiation of such action, be deemed a major Federal action significantly affecting the quality of the human environment within the meaning of the National Environmental Policy Act of 1969 (83 Stat. 856). However, before any action under this Act that has a significant impact on the environment is taken, if practicable, or in any event within 60 days after such action is taken, an environmental evaluation with analysis equivalent to that required under section 102(2)(C) of the National Environmental Policy Act, to the greatest extent practicable within this time constraint, shall be prepared and circulated to appropriate Federal, State, and local government agencies and to the public for a 30-day comment period after which a public hearing shall be held upon request to review outstanding environmental issues. Such an evaluation shall not be required where the action in question has been preceded by compliance with the National Environmental Policy Act by the appropriate Federal agency. Any action taken under this Act which will be in effect for more than a 1-year period (other than action taken pursuant to subsection (d) of this section) or any action to extend an action taken under this Act to a total period of more than 1 year shall be subject to the full provisions of the National Environmental Policy Act of 1969 notwithstanding any other provision of this Act.

(d) Notwithstanding subsection (c) of this section, in order to expedite the prompt construction of facilities for the importation of hydroelectric energy thereby helping to reduce the shortage of petroleum products in the United States, the Federal Power Commission is hereby authorized and directed to issue a Presidential permit pursuant to Executive Order 10485 of September 3, 1953, for the construction, operation, maintenance, and connection of facilities for the transmission of electric energy at the borders of the United States without preparing an environmental impact statement pursuant to section 102 of the National Environmental Policy Act of 1969 (83 Stat. 856) for facilities for the transmission of electric energy between Canada and the United States in the vicinity of Fort Covington, New York.

SEC. 206. ENERGY CONSERVATION STUDY.

(a) The Administrator of the Federal Energy Administration shall conduct a study on potential methods of energy conservation and, not later than 6 months after the date of enactment of this Act, shall submit to Congress a report on the results of such study. The study shall include, but not be limited to, the following:

(1) the energy conservation potential of restricting exports of fuels or energy-intensive products or goods, including an analysis of balance of payments and foreign relations implications of any such restrictions;

(2) federally sponsored incentives for the use of public transit, including the need for authority to require additional production of buses or other means of public transit and Federal subsides for the duration of the energy emergency for reduced fares and additional expenses incurred because of increased service;

(3) alternative requirements, incentives, or distincentives for incerasing industrial recycling and resource recovery in order to reduce energy demand including the economic costs and fuel consumption tradeoff which may be associated with such recycling and resource recovery in lieu of transportation and use of virgin materials;

(4) the costs and benefits of electrifying rail lines in the United States with a high density of traffic, including (A) the capital costs of such electrification, the oil fuel economies derived from such electrification, the ability of existing power facilities to supply the additional powerland, and the amount of coal or other fossil fuels required to generate the power required for railroad electrification, and (B) the advantages to the environment of electrification of railroads in terms of reduced fuel consumption and air pollution and disadvantages to the environment from increased use of fossil fuel such as coal; and

(5) means for incentives or disincentives to increase efficiency of industrial use of energy.

(b) Within 90 days of the date of enactment of this Act, the Secretary of Transportation, after consultation with the Federal Energy Administrator, shall submit to the Congress for appropriate action an "Emergency Mass Transportation Assistance Plan" for the purpose of conserving energy by expanding and improving public mass transportation systems and encouraging increased ridership as alternatives to automobile travel.

(c) Such plan shall include, but shall not be limited to—

(1) recommendations for emergency temporary grants to assist States and local public bodies and agencies thereof in the payment of operating expenses incurred in connection with the provision of expanded mass transportation service in urban areas;

(2) recommendations for additional emergency assistance for the purchase of buses and rolling stock for fixed rail, including the feasibility of accelerating the timetable for such assistance under section 142(a)(2) of title 23, United States Code (the "Federal Aid Highway Act of 1973"), for the purpose of providing additional capacity for and encouraging increased use of public mass transportation systems;

(3) recommendations for a program of demonstration projects to determine the feasibility of fare-free and low-fare urban mass transportation systems, including reduced rates for elderly and handicapped persons during nonpeak hours of transportation;

(4) recommendations for additional emergency assistance for the construction of fringe and transportation corridor parking facilities to serve bus and other mass transportation passengers;

(5) recommendations on the feasibility of providing tax incentives for persons who use public mass transportation systems.

(d) In consultation with the Federal Energy Administrator, the Secretary of Transportation shall make an investigation and study for the purpose of conserving energy and assuring that the essential fuel needs of the United States will be met by developing a high-speed ground transportation system between the cities of Tijuana in the State of Baja California, Mexico, and Vancouver in the Province of British Columbia, Canada, by way of the cities of Seattle in the State of Washington, Portland in the State of Oregon, and Sacramento, San Francisco, Fresno, Los Angeles, and San Diego in the State of California. In carrying out such investigations and study the Secretary shall consider, but shall not be limited to—

(1) the efficiency of energy utilization and impact on energy resources of such a system, including the future impact of existing transportation systems on energy resources if such a system is not established;

(2) coordination with other studies undertaken on the State and local levels; and

(3) such other matters as he deems appropriate.

The Secretary of Transportation shall re-

port the results of the study and investigation pursuant to this Act, together with his recommendations, to the Congress and the President no later than December 31, 1974.

SEC. 207. REPORTS.

The Administrator of the Environmental Protection Agency shall report to Congress not later than January 31, 1975, on the implementation of sections 201 through 205 of this title.

SEC. 208. FUEL ECONOMY STUDY.

Title II of the Clean Air Act is amended by redesignating section 213 as section 214 and by adding the following new section:

"FUEL ECONOMY IMPROVEMENT FROM NEW MOTOR VEHICLES

"SEC. 213. (a)(1) The Administrator and the Secretary of Transportation shall conduct a joint study, and shall report to the Committee on Interstate and Foreign Commerce of the United States House of Representatives and the Committees on Public Works and Commerce of the United States Senate within 120 days following the date of enactment of this section, concerning the practicability of establishing a fuel economy improvement standard of 20 percent for new motor vehicles manufactured during and after model year 1980. Such study and report shall include, but not be limited to, the technological problems of meeting any such standard, including the leadtime involved; the test procedures required to determine compliance; the economic costs associated with such standards, including any beneficial economic impact; the various means of enforcing such standard; the effect on consumption of natural resources, including energy consumed; and the impact of applicable safety and emission standards. In the course of performing such study, the Administrator and the Secretary of Transportation shall utilize the research previously performed in the Department of Transportation, and the Administrator and the Secretary shall consult with the Administrator of the Council on Environmental Quality, and the Secretary of the Treasury. The Office of Management and Budget may review such report before its submission to Congress but the Office may not revise the report or delay its submission beyond the date prescribed for its submission and may submit to Congress its comments respecting such report. In connection with such study, the Administrator may utilize the authority provided in section 307(a) of this Act to obtain necessary information.

"(2) For the purpose of this section, the term 'fuel economy improvement standard' means a requirement of a percentage increase in the number of miles of transportation provided by a manufacturer's entire annual production of new motor vehicles per unit of fuel consumed, as determined for each manufacturer in accordance with test procedures established by the Administrator pursuant to this Act. Such term shall not include any requirement for any design limiting the manufacturer's discretion in deciding how to comply with the fuel economy improvement standard by any lawful means."

TITLE III—STUDIES AND REPORTS

SEC. 301. AGENCY STUDIES.

The following studies shall be conducted, with reports on their results submitted to the Congress:

(1) Within 60 days after the date of enactment of this Act:

(A) The Administrator shall conduct a review of all rulings and regulations issued pursuant to the Economic Stabilization Act to determine if such rulings and regulations contributed to or are contributing to the shortage of fuels and of materials associated with the production of energy supplies.

(B) The President shall undertake a comprehensive survey of all Federal departments and agencies to identify and recommend to the Congress specific proposals to significantly increase energy supply or to reduce energy demand through conservation programs.

(C) All independent regulatory commissions shall undertake a survey of all activities over which they have jurisdiction to identify and recommend to the Congress and to the President specific proposals to significantly increase energy supply or to reduce energy demand through conservation programs.

(D) The Secretary of the Treasury and the Director of the Cost of Living Council shall recommend to the Congress specific incentives to increase energy supply, reduce demand, to encourage private industry and individual persons to subscribe to the goals of this Act. This study shall also include an analysis of the price-elasticity of demand for gasoline.

(E) The Administrator shall report to the Congress concerning the present and prospective impact of energy shortages upon employment. Such report shall contain an assessment of the adequacy of existing programs in meeting the needs of adversely affected workers, together with legislative recommendations appropriate to meet such needs, including revisions in the unemployment insurance laws.

(F) The Secretary of the Interior and the Secretary of Commerce are directed to prepare a comprehensive report of (1) United States exports of petroleum products and other energy sources, and (2) foreign investment in production of petroleum products and other energy sources to determine the consistency or lack thereof of the Nation's trade policy and foreign investment policy with domestic energy conservation efforts. Such report shall include recommendations for legislation.

(2) Within 6 months after the date of enactment of this Act:

(A) The Administrator shall develop and submit to the Congress a plan for providing incentives for the increased use of public transportation and Federal subsidies for maintained or reduced fares and additional expenses incurred because of increased service for the duration of the Act.

(B) The Administrator shall recommend to the Congress actions to be taken regarding the problem of the siting of energy producing facilities.

(C) The Administrator shall conduct a study of the further development of the hydroelectric power resources of the Nation, including an assessment of present and proposed projects already authorized by Congress and the potential of other hydroelectric power resources, including tidal power and geothermal steam.

(D) The Administrator shall prepare and submit to Congress a plan for encouraging the conversion of coal to crude oil and other liquid and gaseous hydrocarbons.

(E) The Secretary of the Interior shall study methods for accelerating leases of energy resources on public lands including oil and gas leasing onshore and offshore, and geothermal energy leasing.

SEC. 302. REPORTS OF THE PRESIDENT TO CONGRESS

The President shall report to the Congress every sixty days beginning June 1, 1974, on the implementation and administration of this Act and the Emergency Petroleum Allocation Act of 1973, together with an assessment of the results attained thereby. Each report shall include specific information, nationally and by region and State, concerning staffing and other administrative arrangements taken to carry out programs under these Acts and may include such recommendations as he deems necessary for amending or extending the authorities granted in this Act or in the Emergency Petroleum Allocation Act of 1973.

Mr. JACKSON. Mr. President, I would also like to give notice to the Members of the Senate and other interested parties that the Senate Interior Committee will hold hearings on S. 3267, on Thursday, April 4, at 10 a.m. in room 310, Senate Office Building.

MINIMUM WAGE CONFERENCE REPORT

Mr. BIDEN. Mr. President, I was pleased by the recent resounding vote of support given to passage of the minimum wage conference report. Like many of my colleagues, I felt that passage of this measure was overdue. Despite the delay in passing this minimum wage bill, I feel that the compromise should help in offsetting the inflationary spiral. One significant feature of this legislation is that coverage is extended to an additional 7 million people. These people include household domestic workers, seasonal laborers, and some public employees. In addition, the compromise bill provides the first minimum wage increase since 1966, raising the hourly wage in steps for most workers from $1.60 to $2 and eventually to $2.30 an hour on January 1, 1976. This is significant because of skyrocketing inflation which has boosted the cost of living by more than 43 percent since 1966.

The House of Representatives and the Senate have now cleared the way for the President promptly to sign the bill into law which would allow the increased minimum wage to go into effect May 1st. I would only like to add that I consider the enactment of this bill into law of vital necessity as a means of alleviating some of the burdens on working men and women in Delaware and elsewhere.

VIETNAM VETERANS DAY

Mr. McINTYRE. Mr. President, the U.S. Congress and the President have appropriately proclaimed March 29 as Vietnam Veterans Day. But what is really needed now are not long speeches and proclamations of great honors. This has already been done.

Today I urge the U.S. Senate to take speedy action on the important veterans legislation pending before this body. It is urgently needed. There are 6.5 million veterans of the Vietnam era, 2.6 million of whom served in Vietnam; 56,000 lost their lives in Southeast Asia and 331,611 were wounded or disabled, 23,214 totally disabled. Between 90,000 and 100,000 are crowding Veterans' Administration hospitals.

But, Mr. President, figures do not begin to tell the full story of Vietnam's toll.

Fighting the most unpopular war in history and returning home to a country that does not want to think about Vietnam any more and has not provided adequate benefits for these veterans has disenchanted and embittered thousands upon thousands of them. This is wrong.

I believe Congress bears a responsibility to assist these brave men in their determination to return to a productive and full life. An unemployed and untrained veteran is of little value to him-

self or his country. Thus far the Vietnam veteran has received too little too late. The administration, after years of opposing needed increases in benefits for Vietnam veterans, is finally waking up. But once again what the administration is offering is less than what is needed to get the job done.

This is why I am cosponsoring measures that will do more for the Vietnam veteran. Increasing educational benefits and extending the eligibility period for using these benefits is a must. Also, the spiraling cost of living mandates that benefits be increased to afford the disabled veteran an honorable and decent standard of living.

Mr. President, the least we can do for veterans who have been robbed of glory and gratitude is to match the benefits we provided others after earlier wars. These measures I am sponsoring will help meet that goal. I therefore urge the Senate to adopt this badly needed legislation without delay.

THIS LAW COULD GIVE US BACK OUR GOVERNMENT

Mr. KENNEDY. Mr. President, in the April issue of Reader's Digest there is an article entitled "This Law Could Give Us Back Our Government." Written by Mr. James N. Miller, the article discusses some of the uses to which the Freedom of Information Act has been put by citizens wishing to obtain more information about what their Government is doing.

Mr. Miller reports a Harris poll showing that 71 percent of the people agree with the statement that:

A lot of the problems connected with government could be solved if there weren't so much secrecy on the part of government officials.

After reviewing the many bureaucratic obstacles placed in the way of citizens who invoke the FOIA in their efforts to penetrate Government secrecy, Mr. Miller concludes that:

The FOIA is probably the most powerful weapon we have for restoring the faith of the people in their government.

Mr. President, I ask unanimous consent that the article referred to be printed in the RECORD.

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

THIS LAW COULD GIVE US BACK OUR GOVERNMENT

(By James Nathan Miller)

A year and a half ago, a Seattle couple named Philip and Sue Long won a profoundly significant victory against the U.S. Internal Revenue Service. They forced the agency—one of our most powerful and secretive bureaucracies—to release facts and figures about its operation that it had rarely, if ever, divulged to an outsider.

The importance of the victory goes far beyond the Longs and the IRS. For the law that the Longs used in their battle—a seven-year-old, blandly titled statute called the Freedom of Information Act (FOIA)—can be used against every federal bureaucracy. And though relatively few people have used it so far, there is hope that large numbers will soon start to exploit the law's explosive power—the power to force bureaucrats to deal openly with the public.

Before looking at the battle between the Longs and the IRS, it's essential to observe how widely secrecy is used by our government agencies to keep their activities screened from public view. Examples:

Privacy. Last year, Hospital Practice magazine requested copies of survey reports that the Social Security Administration had drawn up on nursing homes around Washington, D.C., that accepted Medicare patients. No, said SSA; revealing the reports would invade the "confidentiality" of its file.

The Lie. When a citizens' group asked to see letters of complaint about airline service that the Civil Aeronautics Board had received from the public, CAB refused. Authors would be subject to "possible harassment" by the airlines, said CAB. Looking into the matter further, the citizens' group discovered it was CAB policy to forward all complaining letters to the airlines involved—without deleting the authors' names or addresses.

Trade Secrets. Last year, Consumers Union, publisher of Consumer Reports, asked the Food and Drug Administration to make public a study of the effect on mice of melengestrol acetate (MGA), an additive in cattle feed suspected to be cancer-producing. FDA refused, saying that because the study had been made by MGA's manufacturer, it was a "trade secret."

Delay—In 1970, when the Nixon Administration was pressuring Congress to approve government financing of a supersonic transport plane, anti-SST forces requested that the White House release a study known as the Garwin Report, which had been made in 1969 by a group of top scientists for the Office of Science and Technology at the President's request. Because the report was designed to be a totally objective evaluation by the country's leading experts of the SST's economics and possible environmental effects, anti-SST forces asked that it be made public.

The Administration refused. Only after a court order was the report released, revealing that the advisory group had found the project economically unsound and environmentally dangerous and had recommended its abandonment. But by that time—17 months after the original request—the information was useless, since the disclosure came five months after Congress had voted to kill the project.

CITIZENS' RIGHT-TO-KNOW

These cases are merely a sampling. In big matters and small, the secrecy mania has created what might be called, with only slight exaggeration, "government of, by and for the bureaucrats." Little wonder that a recent Harris poll showed that 71 percent of the people agree with the statement that, "a lot of the problems connected with government could be solved if there weren't so much secrecy on the part of government officials."

This new public awareness of the problem has come, of course, mainly as a result of the Watergate revelations. But it is important to realize that the *motives* for the Watergate cover-up—the concealment of actual crimes—were far different from the motives of the typical bureaucratic secret-keeper. Indeed, what makes secrecy so common throughout the bureaucracy is that the motives for it are usually ones that honest men can rationalize as being in the public interest. One major motive is the desire to get the job done without the second-guessing of foolish citizen-amateurs who "don't really understand the problem."

Take, for instance, the Social Security Administration's refusal to reveal its nursing-home surveys to *Hospital Practice* magazine. Says Ronald Plesser, a lawyer for Ralph Nader, who handled the case against the agency: "After we won the suit, I asked an SSA representative why they'd made us sue for information that was so obviously of legitimate public concern. He said that HEW felt the public wouldn't be able to put the information in perspective. 'Take a problem like cockroaches, for example,' he said. 'You and I know that every institutional kitchen has some cockroaches—but what would it look like if the *public* read that government money was going to institutions with cockroaches in the kitchen?'"

Another major reason for secrecy is fear that "outsiders," if given the inside facts, *might* actually discover bungling or worse. Here, for instance, is how a top official of the Federal Aviation Administration explained his refusal to release airline-safety statistics to Nader: "I suppose he wants to review these reports and when he gets something exciting, say, 'Aha!'"

It's a perfect illustration of why we need a strong public-disclosure act. For it is precisely that—the citizen's right to search through his government for things to say "Aha!" about—that is our strongest guarantee of a government responsive to the public will.

POWER TO THE PUBLIC

It was specifically to strengthen this right that Congress, in 1966, passed the FOIA. Up to that time, if you asked for information from a government official, first you had to prove that you had some direct interest; then the official was supposed to hand it over—*unless* he decided that there was "good cause" or that it was "in the public interest" not to. In the early 1960s, when Congress held hearings on the idea of closing these gaping loopholes, federal agencies were unanimous in their opposition. Their spokesmen drew a lurid picture of government work coming to a stop as people poured in off the streets, clogging offices and bogging down officials with inconsequential questions.

But Congress rejected the arguments and passed the FOIA. It was, in the words of a House report, "milestone legislation"; for it gave the public two unprecedented new powers. First, it said that a citizen no longer had to prove any special interest in a piece of information. "Any person," says the law, can demand it. Second, it said that if a citizen takes an agency to court to get information, all he has to prove is that it was denied him; then the burden of proof is on the government to show a legitimate reason for the denial.

When legitimate reasons are there? In addition to the obvious one of protecting national security, the law provides eight other exemptions from the disclosure requirement—mainly the protection of trade secrets, of personal records of government employes, of investigatory files and of the kind of internal memoranda that are part of the preliminary idea-swapping that goes on in any office trying to reach a decision. In other words, the law recognizes that even government workers can't operate efficiently in a fishbowl.

While the bureaucracy has exploited these exceptions for all they are worth (protection of "national security," has probably been the most often abused), the FOIA is probably the most powerful weapon we have for restoring the faith of the people in their government. It has already forced the Agriculture Department to reveal warning letters it sent to companies suspected of violating meat and poultry laws, the CAB to release facts on aircraft mishaps, and the Atomic Energy Commission to admit its serious concern about the safety of atomic plants.

AGAINST BLUNT ODDS

Which brings us back to the case of Phil and Sue Long and their battle with the IRS. Phil, 57, earns about $8000 a year in sales and in managing a group of working-class apartment houses in Seattle. Early in 1970 IRS informed him that he owed, in 1966–68 taxes, almost twice as much as he had already paid.

Because IRS's case against him involved a rarely used technical finding, Phil deter-

mined to find out how it had handled similar cases in the past. Whether his suspicion was justified has not yet been determined (his case is still on appeal), but one fact quickly became clear beyond doubt: The IRS regards information about its own internal workings is no business of the public.

Virtually whatever the Longs asked for IRS found a reason for refusing. When they requested samples of certain forms the agency issues to the public without charge, they got them only after waiting seven months and paying $162.75 for the six days' time IRS claimed it had spent on a "records search" in its warehouses. Traveling to Washington, D.C., to push their case for access to information, the Longs arranged a meeting with IRS officials, at which they submitted 20 specific requests for sections from the IRS Manual. When, as requested, they came back the next day, they were handed a manila envelope containing 20 sheets of paper—each one a copy of Form 2584, stating "Thank you for your letter. It is receiving our attention and we will send you a reply as soon as possible."

At one meeting the Longs attended in Washington, a top IRS official bluntly stated the odds against them: "You realize, of course, that we have over 600 lawyers in this department." But, using the FOIA as their weapon, the Longs sued—and won. On August 9, 1972, the judge, citing "the public's right to know," ordered IRS to hand over all the requested material. It was the most massive disclosure order ever to hit IRS, and since then the agency has made important changes in its public-informational policies.

OPEN THE STOREHOUSE

Unfortunately, very few people have done what the Longs have. Since the FOIA went into effect seven years ago, fewer than 200 reported cases have been brought under its provisions, and about half of these were by companies seeking commercial information. The main public-interest users so far have been Nader and a handful of Washington citizen groups. Thus an enormous storehouse of information still lies locked in bureaucratic filing cabinets. Here are three suggestions for getting at that information.

Write your Congressman. This spring, Congress will vote on several much-needed strengthening amendments for FOIA. One would make it harder to claim "national security" as a secret-keeping excuse. Another would require a government agency to pay "reasonable attorney fees and other litigation costs" whenever it loses a case under the act—a significant encouragement to citizens to do what the Longs did, and to lawyers to take their cases.

Get the law working at the grassroots level. Here are a few points to keep in mind about the FOIA. Before approaching an agency for information, it's essential to learn both your rights under the act and how to counter, in advance, the main tactics the bureaucrats will use against you. (Write to the Freedom of Information Clearinghouse, P.O. Box 19367, Washington, D.C. 20036, for its leaflet, "The Freedom of Information Act: What It Is and How to Use It.") Also, keep in mind that, though a lawsuit may be beyond the resources of most individuals (estimated cost: $2,500 to $5,000), it is certainly not out of the question for civic groups, since the legal issues under FOIA are fairly simple and the burden of proof is on the government.

It is by no means always necessary to go to court, however. For instance, when the Corps of Engineers refused a conservation group's request for the names of polluters of New York harbor, the group wrote a strongly worded letter to the head of the agency (with carbons to the President and to New York newspapers), threatening to sue under FOIA. Within about a month, they had the information.

Educate reporters. One of the sorriest aspects of our present secrecy-in-government crisis has been the almost total neglect of the FOIA by reporters, whose editors contributed greatly to passage of the law. To date, only a half dozen cases have been brought by newsmen. Networks, newspapers and magazines should, as a group, finance a Freedom of Information legal office whose job would be to educate the nation's reporters on their rights under the law and to argue their cases in court. For, if the FOIA could enable two citizens like Phil and Sue Long to do what they did to the IRS, imagine the secret the nation's press could blast loose if reporters really started to use this explosive weapon.

PRISONERS OF PEACE

Mr. McGOVERN. Mr. President, last May I gave a major speech on the Senate floor on the subject of the treatment accorded Vietnam era veterans. Partly as a reaction to the homecoming of the prisoners of war a month earlier, I chose to call the young veterans who were not imprisoned, "prisoners of peace," to dramatize the lack of attention being given to their educational and vocational training needs.

The idea of that speech and the title itself were picked up and elaborated on in an excellent article in Penthouse magazine. I wish to share this article with my Senate colleagues and I ask unanimous consent that the article entitled "Prisoners of Peace," by Tim O'Brien be printed in the RECORD, along with the two items I have marked to be included.

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

PRISONERS OF PEACE

(By Tim O'Brien)

We marched in herds. Six million of us. Singing our songs. Young blood. Muscles firm, good wind in our lungs, strong teeth, quick flesh, prime meat.

"What is the spirit of the bayonet?" the drill sergeants called.

"The spirit of the bayonet is to kill! To kill!" we shouted it out, loud and clear.

We were dressed in green. Toted rifles, legweary and soul-weary. Afraid. Embittered. Enraged. Curious. Adventure-seeking. Learning the skills of battle, kicking up the American soil in preparation for the Asian war.

"All right, trainee. You see this? This here's an M-16. You know what it's for? It's for killing Cong. It don't kill nothin' but Cong. You shoot a GI with it and it won't kill him. You shoot a dink with it, it'll splatter him across the rice paddy, and it'll make fertilizer out of him."

We were America's sons. We marched through Fort Polk's Tiger Land, the rain of Fort Lewis, the dust of Fort Sill, the prairie country of Fort Leavenworth. Fort Dix and Fort Carson and Fort Benning.

We marched to the quick-kill range, marched to bayonet training.

"Dig low. Crouch and dig. Dinks are hard to kill. They ain't got no blood. You gotta stick 'em good."

"Yes, Drill Sergeant," we shouted.

We marched to morning chow and we marched to our bunks at night. Singing all the while....

If I die before I wake,
Pray to God my soul to take.
If I die on the Russian front,
Bury me with a Russian ———.
If I die before I die in a combat zone.
Box me up and ship me home.

The lyrics of our marching songs never made much sense. Neither did the war.

"Why you goin' to Nam?" the drill sergeant asked a black recruit.

"Don't rightly know," the recruit said. "Kill commies, I guess . . . . I give up. You tell me. I don't know nothing about big politics. Why am I going?"

"I'm asking you why!"

The black recruit scratched his head. "Look, Sarge. You don't want me to go? Just tell me. I won't go. But don't ask me for reasons. I haven't got any."

"———," said the drill sergeant. "——— Gimme fifty, trooper."

The recruit dropped to his belly and gave him fifty push-ups.

They wanted us to go. The big, gruesome They. Not many of us understood why, we still don't, but they wanted us to go.

We went. Some out of fear, some out of love of battle, some for glory, some in a trance.

VIETNAM, MAY 3, 1969

"Incoming!"

"Jesus, it's a war!"

The village trembled.

Mortar rounds exploded inside the perimeter. We cradled our rifles, curled in our foxholes, ducked our heads—"pray to God my soul to take," we sang, "box me up and ship home."

Some of the huts caught fire. A Vietnamese woman ran out of one. She was on fire, too. The mortar rounds exploded everywhere—zinging sounds, red flashes, shrapnel, terror. The woman rolled in the dusty village square. She put out her fire, and then while the mortar rounds came in she tried to save her hut.

She screamed for help.

The mortar rounds kept dropping. One landed by a cow and blew it to pieces, and hunks and globs of flesh spun through the village, which trembled.

The woman was still screaming for help. She beat her burning hut with a blanket.

"Sin loi," Josh said. Everyone laughed. "Sin loi, old woman. Sorry to ruin your day."

We fired M-60 machine guns blindly into the paddy. We called for artillery support. The paddies turned black, smoke rolled through the village. The stink was awful.

"Send a platoon out after them," the company commander said.

"No way," a platoon sergeant muttered.

Another round exploded. Everyone shut up and waited for it to end.

"Jesus, they've got us bracketed," Josh said.

"Ought to beat feet. Ought to make tracks out of here," the medic said.

It was a large, sprawling village, built of mud and grass. It was being blown apart and we were inside it.

"Jesus, they're attacking their own village," Kansas said. "Must want to kill us bad."

"No ethics," a black soldier said.

"That's the problem with this war, no ——— ethics," and everyone laughed and ducked and was afraid.

Darkness settled in. The company commander ordered us to evacuate, so we crawled on hands and knees through hedgerows. The mortar rounds stalked us. One exploded near the second platoon. Two men screamed. But they could walk. They stumbled along after us.

The smell was awful. Cordite, burning grass—a stink that went to our bones and made them stink, too.

A chicken had been killed. It was a mush of tissue and its feathers blew about, getting in our eyes, sticking to our clothes.

The war was a roller-coaster ride. Carnival noises in the background, blinking lights and animal smells, blinding speed, pure

motion, carny hawkers screaming in the background, shrill voices, up and down zoom, swoosh, hang on for dear life, hang on to your hat, hang on to your head. The war rattled us, bucked and squealed. It ran crazy on its track, well-oiled and in high gear. Somewhere off on the sidelines, down below in the crowd were our families—blurred faces crying for us, cheering for us, taunting us, everyone holding his breath. Clenched fists held up to us. The tears of our mothers, the hard memories of our fathers. The roller coaster went wild and we hung on. Our girl friends were watching us—fine curled hair, little thighs, warm eyes. Our hometowns, our friends, our neighbors. They wanted us to go. Some of us went believing in the war, learning later. Some of us never learned. Some of us, the dead and the crippled, learned the hard way. But we went.

As wars go, it was a quick one. A one-year tour. Bang, bang, bang. We were drafted, we enlisted. We fought. We were home again. A fast ride, little time for thought. One moment we were at war; three hours later we were in a World Airways jet (recorded music, stewardesses with gorgeous boobs—many of us had missed big all-American boobs). The stewardesses served coffee and roast beef, we howled, we took a last look at Vietnam. Then we were flying east toward home—Seattle or Oakland.

"Will you look down there! It's the golden arches, it's a McDonald's! We're home!" The plane erupts. Joy! We'd been saved! We were the winners.

The engines roared in deceleration, pressing us against our seat belts. The ride was over. Pandemonium. Kiss the stewardess, rub against her.

We got off the plane. Some of us touched the tarmac runway with our hands. Touched America.

No crowd, no music or confetti. It was midnight. We glided through the night, into buses, to the mustering-out station.

Silently, America absorbed us. In the dead of night, we melted into her.

"Got any problems you want to talk over?" the army shrink said.

"No, sir. Not that I can think of."

It was 3 A.M. We were in herds again, waiting in lines. The processing station was brightly lit, deadly quiet.

"You're sure?" the shrink said.

"Yes, sir. If I think of any problems I'll write you a letter."

We wanted to go home. We wanted no delays, no more orders, no more sergeants and officers.

"Good," the shrink said. He wiped his brow, yawned. "Good. . . . Next!"

"Thank you, sir."

"Quite all right, son."

We left the army in taxicabs.

We rode alone. We wanted to talk to the cab driver—"Hey, man! It's me. I'm home." But even then we sensed America's indifference. The cab driver yawned. It was not quite dawn.

The airline terminal was brightly lit, hollow and empty. We boarded flights that took us to Minnesota and Detroit and Atlanta and Denver and Arkansas and Vermont.

We're home now: 2.6 million veterans of Vietnam; 3.3 million veterans of the Southeast Asian theater; 6.5 million veterans of what people in Washington, D.C., call the Vietnam era. We're all home. Where you are, we are. You may not recognize us, but we're there. We are young. Some of us have nightmares: giant Cobra gunships chasing us through the shadows of the valley of death. Many of us don't have jobs, many of us want to go to school but can't afford it. Many of us are hooked on heroin. If the Pentagon's statistics are correct, quite a number of us are killers.

Who are we? We're called the invisible army. The silent army. The Vietnam ghosts. The forgotten army, the discarded army, the lost army, the betrayed army. We are all those things and we are none of them. We are individuals.

So many of us are loners. Like wolves. A capacity for fierceness. Naturally shy, unsocial. Stalking under the moon. Loners.

We went to war alone. No troop trains pulling out of New York City. No units marching to war together and marching home together. No unit colors flying.

Loners in war, we are loners in peace. We lick our wounds in isolated, shadowed dens. Shy away from our old herds. We are bewildered, out of key, out of joint, out of tune with the Song of America. All this is called the Post-Vietnam Syndrome, or by its initials, PVS. The scientific meaning of PVS is unclear, but it's as good a term as any to cover the sensation of aloneness, of estrangement, that hangs over many of us day and night. PVS is both cause and effect. It's a cause of joblessness, rootlessness, and drug addiction. And it's an effect of the war, an artifact, a quicksand of memories that doesn't let go. But what PVS finally boils down to is aloneness. Loners in war, we are loners in peace.

But we were loners even in battle. Isolated battles, private little wars waged by private men. Companies and squads, platoons and five-man teams. Ambushes. Midnight hunts. Good friends tracking the fox. Where were the parades? Where the hell was everyone? Where was Patton? Where was Bradley? Where was Ike?

We are losers.

That's what we're called: "Losers." Winning is what America is used to, winning is the name of the game, the score of the gore. We did the best we could, fought the war to a stalemate, but we're still losers. Losers and Loners. "Candy———," World War II vets call us.

We are also silent.

Among ourselves we will sometimes talk about the war, but even then we don't say the important things. We don't mention the terrible fear, the smell of a corpse, the smell of burning grass or red clay. We don't talk about the silence that hangs after a firefight, the sound of a Cobra gunship buzzing out death, the stink of napalm. The feel of war.

We meet in bars. "Haven't tasted beer this bad since that stuff in Nam—Tiger Beer. Now that was awful beer!"

"Were you in Nam?"

"Yeah. Sorry. Didn't mean to mention it."

"That's all right. I was there, too."

"No ———? Who were you with?"

A moment of silence.

"Americal Division."

"Jesus. You poor guy. Let me get you a beer."

"Thanks."

Americal. The most inefficient, unlucky American unit ever to hit a Vietnam battlefield.

We drink our beer and watch the girls float about the bar. Not much to say. One guy fought his war, the other guy fought his. War stories buzz in our brains—we remember, we get sad.

"See some bad ——— over this?"

"Yeah. A little."

"Me too. You a grunt?"

"Yeah." There is an awful pride in it. To have been an infantryman—a "leg"—is to have been a soldier. Nothing else is impressive. We want to say more, we look at each other, but it falls dead. "Well." We smile. "Think I'll hustle me a woman. Peace."

"Peace, brother."

Over three million soldiers, sailors and fliers served in the Southeast Asian theater. Do numbers say anything?

Arms lost in battle—about 800.

Hands lost in battle—about 170.

Multiple amputations—1,081.

Genitals lost in battle—"no official statistics," says the Veterans Administration.

Vietnam-era veterans crowding VA hospitals last year—90,000 to 100,000. (The VA says it keeps no official statistics.)

Vietnam vets with less-than-honorable discharges because of drug habits—about 18,000.

Vietnam vets hooked on heroin—anywhere from 60,000 to 200,000, depending on various estimates.

Dead by hostile fire—46,092.

Dead by nonhostile cause—10,317. (Peterson was playing with a hand grenade, pitching it into the sea to kill fish. It exploded early, and his groin opened. Dead by a nonhostile cause.)

Wounded in action—153,311. (The grenade sailed out of the bushes and hung in the air like a football. We all jumped, but Clauson didn't jump fast enough and it exploded while he stood with his mouth open, his teeth showing. Wounded in action.)

Wounded by nonhostile cause—150,341. ("Stupid, stupid Tully," one soldier said. "He's not stupid," another said. "He's gonna go home. Home, man. Takes guts to blow a ——— hole in your foot." The other soldier nodded. "Yeah." Wounded by nonhostile cause.)

Legs lost in Vietnam battle—about 4,500. (Red legs and brown legs and ivory legs. Red inside—red meat, white bone. Parts of the legs are still lying in the minefields of the Batangan Peninsula.)

Vietnam-era vets classified as 100 percent disabled—23,214. (Meaning 23,214 of us are so messed up we can't earn money, can't hold a job. Money, the measure of all things.)

Total number of disabled Vietnam-era vets—331,611.

Vietnam-era vets classified as 100 percent disabled for psychological or neurological reasons—13,167.

"You know," a man at the VA says, "all these aren't Vietnam casualties. Some of them lost hands after the war. Poor circulation and things like that."

Dr. Marc J. Musser, the VA's medical director, says that "because of technology recently developed by the VA, the spinal-cord-injured veteran of the Vietnam era is, almost from the beginning, more independent and mobile than was the spinal-cord-injured veteran of previous wars."

The man at the VA continues: "A lot of these are multiple amputations, you know. That means it doesn't hit as many GI's."

"But don't multiple amputations mean it's worse for the guy who does get amputated?"

"Well, sure. But you have to remember the numbers. The numbers are the important thing."

What are the real numbers, the grand total, box score, misery index: 300,000? 500,000? 800,000? Do we count families, friends, girl friends—all paying, all in misery? A million? Five million? The score of the gore.

The VA, because it is "not necessary for the records," does not separate actual Vietnam vets from the big, deceptive category called "Vietnam-era" veterans. This classification trick allows the agency to downgrade hospitalization and disability figures by saying, "Oh, a lot of them are old soldiers who happened to leave the army during the Vietnam War years." Or another favorite VA line, "Oh, a lot of those guys served in Germany or Korea during the war." Either way, it's a part of the agency's way of saying, "Dont trust the numbers, even if they're ours."

We're your army. What's left of it. Not much, perhaps, but we're all you have.

We're nothing special. If America peeked in a mirror, it would see the face of the Vietnam veteran. We are mean, irrational, stupid, arrogant, evil.

And we are also brave, kind, thrifty, reverent—Boy Scouts.

General Karl von Clausewitz, Prussian military genius: "War is fought by human beings." That's all we are.

If we are warriors, then the farmer in Wisconsin is also a warrior. So is the businessman in Chicago, the editor in New York. The American Republic will soon be two hundred years old and already she has fought ten full-fledged wars. More than 28,000,000 living Americans are ex-soldiers. One-fourth of all living American males.

Vietnam veterans are not freaks.

America may be no more warlike than the rest of the world, but she is no less. Nations fight, Hobbes and Machiavelli and other great thinkers tell us. America is a nation. America fights.

Von Clausewitz: "War is part of the intercourse of the human race."

We are veterans.

We are members of the human race.

VIETNAM. MAY 3, 1969

Off in the distance, about a click away, the village was still burning. It would burn forever.

We made our camp in the paddies.

It was dark—no moon, no stars. The village fire was red and yellow and bright, making a lot of noise.

We heard the huts collapsing.

Cows and chickens and dogs were trapped in the fire, howling animal howls.

We dug in. It was tough—the paddy was soggy and our foxholes filled quickly with water.

We lay in the water and were afraid. The fire died, the night became black. Smoke from the burning village rolled over us. We smelled it, breathed it. It filled our bodies.

"Absolute silence," the company commander intoned. He gave those kinds of orders. Authoritative voice: "Absolute silence." The order was passed down to us by platoon sergeants.

We were frightened, but it was not hard to sleep. Being frightened made it easier—easier to pretend. A way to escape. Dream of Maryland, dream of ice cream and hot rods, Watts and Central Park. The nervous system absorbs only so much war, so much horror, then it takes no more.

And we slept.

Near dawn, a short barrage of mortar rounds fell on us.

"Like a farm rooster," Kansas said. "Like getting woke up by a damn rooster."

"Don't Charlie sleep?"

"He's taking this here war too damn seriously. Gonna get somebody killed."

"Won't be me," said Josh. He was sure of it: it would not be him.

The mortaring ended at daylight. We ate C-Rations—jungle junk—ham and eggs mashed into a brown tin can, coming to us with the love and best wishes of the fine folks in East Orange, Indiana. We ate, then we packed our gear and waded across the paddy, back toward the village. Midway across the paddy, we stopped to clean our weapons. There wasn't enough gun grease to go around, so we used spit.

First platoon then fanned out along the western edge of the village. Third platoon fanned out along the southern edge. The rest of us pushed in from the north and east. We moved slowly. The notion was to confront the enemy or force him back into the waiting blocking force.

The village was desolate. Carcasses of cattle and chickens and dogs were strewn about. Only two or three huts still stood. The rest of the place was smouldering junk.

No people. No children, no mama-sans or poppa-sans.

A black soldier stepped on a booby trap. It wasn't much of an explosion. But it blew him into a tree, killed him.

Two of his friends cried.

There was nothing to shoot at. A deserted village, except for the mines and the booby traps.

It had been three days, and we hadn't seen the enemy. Three days of searching the village, with these results: four shredded arms, two dead soldiers, one pair of bloody legs. We could only cry and get angry.

A dust-off chopper was called in, and the black soldier's friends carried him to it and dumped him into the cabin. Then we stood back and held our bush hats on our heads. The chopper roared, moved up, then it dipped its nose and flew away.

We continued through the village. We found nothing. The day went on, became hot; we rested in the ruins and took a resupply of C-Rations and bags of iced Coke and beer.

Then we waded back into the paddy and dug in for the night.

"Something has to happen," Josh said softly. "We have to find Charlie, he's out there somewhere."

"I hope we never find him," Kansas said.

"Hope we lose our maps and lose our way and stumble our way across Vietnam, into Cambodia, into Burma, into India. I hope we end up in the Bombay Hilton."

"Dream on."

"I will. What else can I do?" Kansas shrugged.

"Dream on. Me. I'd rather just go out guns blazing till it's either me or Charles. No more of this mine stuff. Just me and Charles, winner take the works."

Who are we, the veterans of Vietnam? What are our thoughts now that we are home? What do we want? Are we bitter? Or are we thankful it's over, happy to be home with our lungs and hearts still working?

Are these the questions?

Or is this the question: Do any questions matter? Does anyone care? Should we ask questions?

Dr. Gordon Livingston, an army psychiatrist: "Today's veterans are survivors of what happened in Vietnam and have become a crucible for all of society's doubts and misgivings about our involvement in Vietnam."

The Educational Testing Service, Princeton, New Jersey, reports that our national newspapers—and the editors and journalists who man them—have decided vets do not make good copy. "Veterans," a Washington editor says, "are not sexy. Who cares?"

The *New York Times*, our liberal watchdog; published sixteen times more "veterans stories" after World War II than in the latter years of Vietnam.

"Forget it!"

In 1946, popular magazines printed over five hundred articles about veterans. In 1972, they printed less than fifty.

Ask a college teacher for advice: "Forget it," he says. "War's over. You can't fight it anymore, you can't battle what happened."

Forget it.

Ask an uncle for advice, or a cousin, or a buddy: "Stop crying. Wise up."

Forget it.

Ask a magazine editor about doing a story on the problems of veterans: "We're winding down the Vietnam War."

Ask a major book publisher: "Vietnam books don't sell. It's that simple. They don't sell. No one wants to read about it."

Forget it! Forget it!

"War's over. For Pete's sake, the war is over, over, over, over."

"I'll throw up if I hear another word about Vietnam. The word makes me vomit: *Vietnam*. It's an ugly word. *Vietnam* translated into English means boredom, despair, frustration. I hate the word *Vietnam*. Ban it. Cross it off our maps. Throw it out of the dictionaries. Find people who use it, toss them into the clink, throw away the key, flush it down the toilet." The shoe salesman spits into the street to emphasize the point.

"But what about the guys who fought the war? What about them?"

"I don't know. Do you know any?"

"A few. Not many."

"Poor guys."

"Yeah."

"Some of them are freaks, though. I've read about it. Dope. Loonies. They scare me."

"Wouldn't want your daughter——"

"Don't have a daughter."

"Oh."

Even the American Legion and the Veterans of Foreign Wars, our Washington power bases, seem to be forgetting. Big bellies, grand words, big smiles, big conventions. The Educational Testing Service study sets out the documentation in very scholarly words, very careful words. It concludes that, when it comes to care and concern for the Vietnam veteran by the organizations representing him in Washington, he is at a "distinct disadvantage" to the World War II veteran. The Vietnam veteran understands the American Legion and the VFW. "They don't care, they don't honestly care. Not when it comes to action. Not when it comes to lobbying full-time for a decent GI Bill."

So we are not joiners. The statistics say that relatively few of us join these organizations. We have no place in the American Legion. The very words—American Legion—make many of us shudder. A place to go to play bingo, to wallow in pride and self-congratulation. But we have no victories to celebrate till we die; we did not win; our war, it is said, was not a just war. We are loners. Loners and losers.

VIETNAM, MAY 4, 1969

"Hey, Kansas. Kansas! It's morning, wake up, man."

The earth's revolution slowly turned us into the sun. The light hit the tips of trees, then spread out over the rice paddy, and the war was with us again.

We paid no attention.

We lay on our ponchos, closed our eyes. Black flies . . . we woke up slowly . . . moved in slow motion, in funny jerks . . . ate peaches . . . popped open cans of beer . . . languished. Finally the orders were given. We filed across the paddy, toward the village, that same village, and the day began.

Slocum hit the mine. It was a dull thud, not much noise, but it tore up his leg.

"Echo 34, this is Apple 34. Request urgent dust-off, repeat urgent. Grid 765756. Repeat—urgent! U.S. casualty. Mine. Grid 765756. Repeat—urgent!"

"It's all right, man," a soldier told Slocum. "You're on the way home now, it's all over. Hang in there, baby. War's over."

Slocum hurt bad. It may have been shock or it may have been courage, but he made no noise. Everyone was proud of him. His leg and foot looked bad. A splinter of white bone dangled.

The chopper settled down. Slocum was carried aboard. Then we set off again for the village.

"Where's Charlie?" Josh asked. "I wonder where Charlie is. Think he's watching us? Think he saw Slocum hit that mine?"

"Who knows."

"I wonder, I wonder where ol' Charles is."

"You're standing on him," said Kansas.

"You crazy? I'm standing in water."

"You got it, man. You're standing on Charlie. This is his water, baby. His dirt."

"I'm scared," Josh said. It was the bravest thing said all day.

We marched through the minefields of Quang Nhai province. Shoulders hunched, eyes pinned to the dirt. Step on a crack, you'll break your mother's back. Where to put our feet? Where to sit, where to stand, where to rest, where to run, where to stop, where to start? Bouncing-betties. Toe poppers. Booby-trapped artillery rounds. Booby-trapped mortar rounds and grenades. And we had nothing to shoot at. Charlie breathed down our necks breathed in the night, and all we could do was walk as in a nightmare, legs filled with concrete. Charlie the phantom. The Erlkönig demon of Vietnam.

We wondered what our legs would look

like after they stumbled upon Charlie's mine.

Would we feel the fragments enter our flesh? Would we cry? Would we pass out? Would we die quickly? Would the bone show through the meat? Would we know we were dying? Would we see pity on our friends' faces? Would we have gallant last words? Would we whimper and beg for morphine? Would anyone remember?

The federal government says it remembers. President Nixon told us in 1970 when he sent us into Cambodia that he would do everything possible "for my boys."

The Veterans Administration says it remembers. Plenty of rhetoric flows out of the VA's huge granite building in downtown Washington.

"They've forgotten," says a Vietnam vet. "Plain and simple, they've forgotten. Nixon, through his groupies in Congress, has threatened to veto any GI Bill increases over 8 percent. The VA wouldn't even support that much. It's a bunch of scrambled red tape. Hell, when they wanted us to go to Vietnam they didn't worry about spending a little money, they didn't waste time. But when it comes to helping us now—now that we've fought their ——— war for them—now they won't support a decent GI Bill, now they won't support a decent GI Bill, now they cut disability payments."

Or another vet, Jim Mayer, a cripple who's learned to walk on two legs that don't always work well. Mayer is the head of the National Association of Collegiate Veterans. He tugs and pushes in behalf of veterans, day after day, but is caught in the whirlpool of Washington politics. "The VA," Mayer says, "is no longer the advocate of adequate benefits for the soldiers who fight this country's wars."

Political maneuvering. Quiet budget-cutting.

The VA says it is an independent agency. Above petty politics? Then why did it hire a dozen ex-employes of the Committee to Re-Elect the President? Their credentials? One headed up the "Veterans for Nixon" committee. Another worked on "security operations" for James McCord of Watergate fame.

The VA says it helps crippled, shattered vets. Then why did VA Administrator Donald E. Johnson connive with Nixon's budget-cutters to slash disability payments to about two hundred thousand Vietnam veterans, a move that was stopped only by congressional outrage?

The VA says it provides adequate educational benefits. Then why did the agency disavow a study, which it commissioned itself from the Educational Testing Service, that concluded that not enough was being done?

Seven blocks from the VA, a black veteran and a white veteran sit at a table. They show their arms. The wounds are there. Bandages won't help. Medics are useless. The wounds are self-inflicted. Heroin.

"Okay, I'm hooked," the white vet says. "Why am I hooked, what's the reason? Aside from the personal stuff—and I don't want to get personal because that's important only for me—aside from my suffering, why did I get hooked? I'll give it to you as straight as I give it to myself. I'm weak. Basically, I'm weak. But every weak man don't get hooked on horse. Where did I get hooked? Nam. Why Nam? Cheap stuff, good stuff. Why Nam? I'll give you one word: despair. Now that's a big word, it's damn near the biggest word I know. I got hooked for jollies, to ward off the despair."

"Can't blame it all on Nam," the black soldier says. "It was the feeling over there. I can't describe it. The writer here will have to describe it."

Even writers despair of describing it. But the numbers speak. A Louis Harris survey in 1971 found that about 26 percent of Vietnam-era veterans had used drugs after returning from the war. About 5 percent had used heroin. About 7 percent had used heroin or cocaine. In real numbers, around 325,000 Vietnam-era vets have taken heroin since being discharged. The New York City Mayor's Office for Veterans Action estimates that between 30,000 and 45,000 Vietnam vets in the city are heroin addicts. So while no one knows the exact number, it is likely that between 150,000 and 200,000 Vietnam-era veterans are poking needles into their arms.

"Now, the VA and some other people scoff at the high numbers," says the white vet. "But when you talk to the VA people, they'll tell you they don't really know how many vets are on horse or coke or other stuff. And they'll say it with a smile, making it all seem better. And what galls me is that they didn't have problems finding us when it came to drafting us, but when it comes to finding out if we've been strung out on dope—then they can't find us and count us and help us.

"I don't just walk into the VA center and say, 'Hey, I'm hooked on horse.' I aint proud of it. They gotta go out and look for us, talk to every ——— vet if they have to, study every ——— one, and when they find one in the gutter begging for the needle, they gotta help him.

"Hell, I don't know. It may cost more than it did to run the war. But nobody screamed about inflation then."

A VA study of recently discharged Vietnam vets found that 51.6 percent of us have readjustment problems. What's the readjustment problem? The official definition is probably something like this: "Difficulty finding oneself" or "Alienation" or "identity crisis."

"What it really means," the black vet says, "is the war screwed our heads on backwards."

Marc Musser, the VA's medical director, says it this way: "Three out of five young veterans interviewed [by a local VA office] were embittered, unsettled, generally distrustful, and showed inability to find meaning in life."

"Hell," the black vet says. "It isn't an inability to find meaning in life. There ain't no meaning in life. Ask Carl M. Wilson."

"Who's Carl M. Wilson?"

"A vet."

"What would he say?"

"Nothing. He's dead."

"Oh."

"Yep."

They call it Post-Vietnam Syndrome, PVS.

Phil was born in Denver, lived a middle-class life, and was drafted eight days after he graduated from college. Purple Heart, Bronze Star, Air Medal, Silver Star.

"I'd been out for maybe three months. Then one night I was walking home. A car went by and boom! it backfired.

"I hit the dirt and just lay there in the gutter. Maybe ten seconds I lay there, sweating like a bull. Hell, I went home shaking. Thought I'd forgotten all about the war. Thought I'd readjusted."

For Phil that was just the beginning. His wife divorced him—impossible to live with, she said. He lost interest in his job and quit.

"I was constantly depressed. Wanted to break windows or slam myself against brick walls, that kind of feeling. I never understood it, I still don't understand it. I thought I was fine.

"For three months it was like I'd never been in the army, no nightmares, no problems. Then that car backfired and it all hit me. It's a kind of quivering feeling. I feel violent and sad at the same time."

Other cases?

Medal of honor winner Dwight Johnson. Came home a hero. Black, bright, beautiful. No criminal record. No drug history. Shot to death holding up a Detroit liquor store. It got him a page-one splash in the New York Times.

Medal of Honor winner Richard Penry. His high school counselor said he was "quite talented in art" and that his character "was above reproach." After his platoon came under heavy mortar fire, he single-handedly stopped an attack of thirty of the enemy and carried eighteen wounded men to an evacuation site. He went home saying that he was determined not to let the Medal or the war change his life. Two years later he was arrested, charged with selling cocaine to an undercover agent. One column on page 18 of the Times.

De Mau Mau. Black Vietnam veterans, angry, militant. Members charged with murder in Chicago and Boston.

An ex-prisoner of war. Came home to ticker tape. A few weeks later he killed himself.

PVS? Some depression. Some bitterness. Some loneliness. Some anger. Some guilt. It hits from the blind side, creeps up unseen. Psychologists are unsure about it.

Dr. Herbert Freudenberger, a New York psychoanalyst: "You don't see many Vietnam veterans bragging about their war experiences at neighborhood bars like their dads did after World War II. It's as if they never went to Vietnam.

"In treatment, you almost have to drag it from them. They never come right out and say what's bugging them. They'll insist they're bothered by their inability to find jobs or something like that. Finally, after a long time, the truth about Vietnam will come pouring out."

Or New York University psychoanalyst Dr. Chaim Shatan: "Vietnam vets have consigned their war memories to 'a dead place in their souls.'"

"I ache," says Phil from Denver. "God, I ache. But I don't know where."

Surely there should be nothing unusual about readjustment problems. Surely returning soldiers must suffer. Isn't war terrible? Doesn't it traumatize? Doesn't it upset values?

Surprisingly the answer is no, not always.

Veterans returning from World War II—a right war, a just war, a won war—appear to have glided back into peace like a dove landing on a golf course. Easily and gently.

Again, technical language from the Education Testing Service: "Instead of shaking or altering fundamental values (as some had predicted) the (World War II) experience had actually reinforced a number of traditional values." World War II vets came back with memories of pretty girls of Paris, thankful girls of Rome. Memories of St. Lo and Guadalcanal and the Bulge. They came home, the ETS study says, with increased religious faith, they came home more independent. They came home optimistic.

Those were our fathers.

Our fathers came home from a war that in many ways was more grisly and horrible than our war. They adjusted, they eased into the mainstream, they were not hooked on horse, they did not smoke dope, they did not whimper, they did not suffer from a Post-World War II Syndrome.

"——— ———," we are called. "Softies."

We are judged by better times.

"Hell," the World War Twoers say, "we had it tough. I mean tough. No hot chow delivered on a platter to us, no cold beer, no cold soda in the field. ——— ———.

Wake up. Get with it. Get a job. Go to school. Readjust. Get well.

Forget it.

VIETNAM, MAY 5, 1969

The jets were our magic wands. They came out of the sun, swept in low. They passed over the village, and the village magically blew apart and disappeared.

We watched the bombing from the paddy.

"Hit it again!" a soldier screamed. "Blast hell out of the place!"

The jets came again. Bombs fell out of their bellies, spinning awkwardly, dropping slowly at first, then hurtling down. The village blew apart. Napalm made huge balloons of black smoke. Then the jets swept in a third time, dropping bombs into the black

smoke. There was more black smoke, blacker black smoke. The jets came in again and again and again.

"Jesus," someone said. "They're not bombing a village. They're bombing smoke."

The jets swept in again. Bombs danced in the air. The ground trembled. The paddy trembled.

"Holy Mother of Jesus," someone said.

The jets kept coming. The earth trembled, our legs couldn't hold us to it.

The jets came some more. The smoke absorbed the bombs. There was no village, just smoke.

"Mercy," a soldier said. "Mercy, mercy."

The jets came again.

"Mercy, mercy," the soldier kept saying.

Finally, the jets ran out of bombs. They buzzed over us, dipped their wings.

"Saddle up," the company commander said.

We walked into the village. For the fifteenth time, the fiftieth time—we'd lost track. The village was not burning—there was nothing to feed a fire.

"Search everything," the CO said.

"What's there to search, man?" a black soldier whispered. "What the hell's there to search?"

We threw grenades into holes in the ground, threw grenades into piles of rubble and made the rubble into dust. We threw grenades into the dust and blew it away, cleansing the place.

A soldier found a bunker. A bomb had fallen on it and the entrance was blocked. We dug out the dirt and threw grenades into the bunker. Then someone crawled inside. When he came out he was crying.

"What the hell's wrong?"

"There's someone inside."

"So?"

She's alive. There's nothin' left of her body, but her head's okay, and it's a woman, an old lady, and she's alive. I can't believe she's alive.

"Frag her."

"You kidding me?"

"Well, go in and get her. Bring her out."

"She'll fall apart in my hands. How do you carry slush? She's slush."

Some soldiers went into the bunker and brought her out. She was hurt bad, but she was not slush. Medics washed the blood off her, and she did not look so bad. She was wrinkled and very dark, very old. The medics wrapped her in bandages.

"She must be made of stone," a medic said.

"——— gook. You can't kill gooks."

The old lady was conscious. The pain must have been horrible, but if you looked at her face, it was a picture of grief, suffering, and sorrow. Years of war, perhaps. A magic wand passed over her village and her village evaporated.

"*Nuoc?*" a medic asked. "Water?"

She shook her head. She sat on her haunches. She rocked to and fro.

"Get her to lie down, for Pete's sake," a medic said.

"She's gonna die."

"Well, get her to lie down. Who wants to die sitting on their haunches?"

When the dust-off chopper came, four soldiers carried her aboard. One of them came back bleeding. "The old witch bit me," he said. "She bit me, she bit me!" He held up his hand. "Can you believe it?"

The medic put a Band-Aid on his hand. "Took guts, though," he said.

The village was ours. It wasn't a village anymore, but it was ours.

Harvard Square is a frantic, sloppy, gray place in the winter. Mostly young people. If you are twenty-five, you feel old. Out of place. Blank stares. Automobiles grind the snow to slush, blacken it. Busy intellectuals, pimply-faced sophomores, cussing cops, street hawkers, street beggars. The high ground of America, the pinnacle. And if you stand for five minutes in front of the Harvard Coop, you'll see maybe a dozen army jackets. Most are worn by nonveterans—college kids striving for the down-and-out, been-through-it-all look. Pretenders.

A few of the coats are worn by bona fide vets. But few, very few. In 1971–72, Harvard College's 6,000 students included only 89 vets. In 1947–48, there were 5,600 students at Harvard. More than 3,300 of them were veterans.

The Ivy League.

We were not from the Ivy League.

The National League of Cities-U.S. Conference of Mayors reports that the economic and political elite did not fight the Vietnam War. Who fought it? "Lower-income men served in their place."

Middle-class America. Hard-hat America. Working America. Center America. Blue-collar America.

Where were the sons of the Bundy brothers and Dean Rusk and the Rostow brothers and Robert McNamara and all the others? Where were the sons of the best and the brightest? Did they have sons? Did they send them? Where were they? Were they at Stanford or Princeton or Harvard? Take your choice, you can't go much wrong.

Vietnam. Lyndon Johnson decided not to call up the reserves. It would alert Middle America to what was happening, it would hit too many draft-dodging kids.

So the war was fought largely by draftees. Draftees who couldn't fork out college tuition—who couldn't use influence to slip into the reserves.

Who fought the war? Sons of factory workers. Sons of insurance salesmen. Sons of farmers. "Blue-collar workers and white-collar employes"—their sons fought the war, says a Ralph Nader study.

But who fought the war? Who actually fought the thing?

Kids. Millions of kids.

Few "lifers" fought in the ground war in Vietnam. Few men who were full-fledged professional soldiers. Too few master sergeants or first sergeants or sergeant majors or even staff sergeants. We were an army of PFC's and Spec. 4's. And we were led by greenhorn lieutenants and captains.

"Lifers get medals, PFC's get killed," was the saying.

"Lifers get drunk, PFC's get killed," was the saying.

"Lifers get rich, PFC's get killed," was the saying.

The Pentagon said that draftees had nearly three times the chance of getting killed than enlistees had.

Where were the lifers? In Saigon. In Da Nang. In Chu Lai. In Long Binh. Running the NCO clubs, often getting rich doing so. Sitting in front of fans, cooling themselves with Budweiser and Pabst. Chasing Vietnamese hooch maids. Telling each other war stories. Playacting. Collecting combat pay.

"I remember the day the war ended," an ex-Marine says. "God, I remember it. An E–8 [master sergeant] lined us up in a row and he told us a cease-fire had been signed. He told us we were going home. He told us we'd done our job, we served America well. We were legitimate citizens, he told us.

"Well, try to get a job. Try to get a decent job, I mean. Not just some piddling thing pushing groceries around a supermarket.

"Don't write that I'm complaining. I'm not complaining—put that down. I'm not complaining. Just say I'm disappointed. Okay? Disappointed. That tells the story."

Are veterans important? Do we matter?

Plato once established a perfect city, which he called "The Republic." It was a perfect city only on paper—it never happened. But no matter. In that city he created a class of warriors and called them "the guardians."

Guardians. Supremely educated, supremely skilled. To guard the perfect city. To maintain its perfection. To protect it against the barbarians. To preserve its strength and integrity and fiber.

Plato insisted that the guardians be honored citizens. He gave them a preeminence and privileges that he denied to all others. The guardians were to be "an admixture of gold and silver," and the city would "honor such ones and lead them up."

Are veterans important? Must we honor veterans?

"Look," a young Vietnam vet says. "There's one lesson we've all learned. You can't sell bulls ——— twice. Did you hear that? I'll say it again: you can't sell bulls ——— twice. That's one thing we've learned. You want soldiers to fight other wars? You want me to fight another war? Well, I'm gonna need some persuading. All of us are gonna need some persuading. Cut out this patriotic stuff. Nixon tells us how great we were, how honorable we were. If soldiering is so goddamn honorable, then—goddamn it!—I wanna be honored. You can't sell bull——— twice.

"Plato's guardians may have been made out of gold and silver," he says. "America's veteran is treated like dirt. Someday that's gonna mean trouble."

What the war comes down to, now that it's over for us, is a batch of war stories.

There are good war stories and bad ones. Good war stories have only one theme, and that theme is courage. Here are two good war stories:

McWilliams, Cary M. Age: Twenty-five. Race: Caucasian. Rank: Private E–1. Discharge classification: Undesirable.

A tall, blond, slow-moving man, McWilliam's quiet demeanor and polite handshake seems anything but undesirable.

"I was a believer from the start," McWilliams says. "I still believe in this country, I still believe it's right to fight against tyranny. So I actually felt I was part of something when I went to Nam. I mean, I didn't love the idea of killing people, but if the cause was right, I thought it had to be done.

"Well, maybe it was six months before I began to change in my thinking. No one thing changed me. All sorts of stuff. Anyway, after six or seven months I decided I'd had it. I was in a mortar platoon, and I just didn't see why I should be dropping rounds on innocent people. I know it happens in war, and we did our best to shoot at only the enemy, but you never see your rounds fall, especially when they're falling on a village.

"Well, I told the CO I'd had it. I was very polite, and he was very polite. He said he understood my problem, and he gave me a three-day pass, but when I came back I told him the same thing: I wasn't going to shoot anymore.

"I was plenty scared. I knew I was going to catch all sorts of hell. And I don't blame the CO. He had to do what he did. You have to have some discipline. I signed all sorts of papers, one thing led to another." He shrugs.

In 1969, the military gave "less-than-honorable" discharges to 33,010 servicemen. In 1972, they handed out 87,960 hunks of "bad paper."

General, Undesirable, Bad Conduct, and Dishonorable. All bad paper.

Dishonorable and bad conduct discharges require action by a military court-martial. The other two don't.

"If I had it to do over again," McWilliams says, "I'd have fought against my undesirable. Is it really undesirable to get fed up with killing people? It wasn't like I was a coward or a crook or something. I was just fed up with killing." But McWilliams waived his rights to counsel or to submit statements in his own behalf. He took his medicine. Now he finds it's sour stuff.

"I don't know, maybe I deserve it. It's a helluva thing trying to explain it to your folks. I don't mind the unemployment part—

it took a while, but I finally got a guy to hire me. But telling my folks. . . .

"Somehow, I guess I failed." He stands up. A very strong, very straight man. "I guess going into the army was the worst thing ever happened to me. But I'm going to live it down. That's all I can do now. Live it down.

"God, what a nightmare. You should have seen my Dad's eyes. I felt like a bum."

Muller, Robert O. Age: Twenty-eight. Race: Caucasian. Rank: First Lieutenant, U.S.M.C. Discharge classification: Honorable.

Bright and engaging, Muller was twenty-two when he became a Marine lieutenant. He was twenty-three when a bullet paralyzed him from the chest down.

"When I joined the Marines I had absolutely no political awareness at all. I was physically fit, so I said 'I'll go.' I knew that businesses and corporations were after Marine officers. I thought I'd use the Marines as a stepping stone for the future. Develop my credentials of leadership. I said to myself, 'If you're gonna go, go all the way. Go Marine.'

"I served as a platoon leader and all that crap for four months, then I was transferred to an ARVN [South Vietnamese army] battalion. And it was the ——— ARVN's that fight. The ——— ARVN's literally ran away every time—every ——— time we hit the ———. We had to force them to fight.

"So I thought, 'What am I doing here, putting my butt on the line? You don't think politics, man; you think survival. And the ARVN's were cutting and running and my chances of survival were disappearing.

"So. You want to hear about the Big Moment? Okay. Quang Tri province. A real bad place. Terrible. That's where I got it.

"We had a big operation, trying to trap an NVA [North Vietnamese Army] regiment. I was adviser for a reinforced ARVN battalion. We had this company of Marine tanks with us. We came to a hill where the NVA had left behind a suicide squad to slow up our progress. I called in artillery and jets and really KO'd the hill pretty good. The ARVN wouldn't advance: they'd take a little fire, then they'd retreat. We sent the tanks up ahead and they spent half their load of ammo, then they came back and said they actually *saw* the NVA up there, bleeding from the concussions they'd got from the bombs. But the NVA kept fighting. And, hell, the ARVN kept running.

"So I popped up on a tank and said, 'Okay, let's go! Let's get 'em!' And once we started taking the fire, the ARVN ran again. And there I was on this tank, and the ARVN was running.

"Then I was shot. A bullet through both lungs, it severed the spinal cord on the way out.

"Did it hurt? It hurt. But it was too monumental to say it just hurt. You have to get shot to know. Lots of colors, a thud, I was off the tank and lying on the ground and looking up at the sky.

"I remember I was on the ground. 'I don't believe it.' That's what I thought. 'I just ——— don't believe it. I'm hit. I just ——— don't believe it.' Then I thought about my girl. 'She'll kill me.' I thought. There I was lying dying, and thought, 'She'll kill me,' I didn't tell her I was infantry. I told her I was in supply, because she hated the war. Then I thought, 'I don't gotta worry about it, because I'm gonna die.' As I was fading out I thought, 'I'm gonna die. On this ——— piece of earth I'm gonna die.' Then I passed out.

"An Australian adviser to the ARVN's came and got me and dragged me down the hill. The ——— ARVN's wouldn't come get me.

"Am I bitter now? I would be a liar to say I'm not bitter. You got to understand something. When I went over there I knew what the statistics were. They told us in training that 60 percent of the guys in Marine Corps line units were hit. It was worse for the officers; even worse. I was odds-on to get hit over there. But that didn't stop me from going, because I believed that we had a ——— purpose for being there. So I can't say I'm bitter because I got shot. Because I accepted the fact it might happen: getting shot for freedom and democracy and that whole American trip.

"What I'm bitter about is that we weren't fighting for freedom or democracy. It was for nothing, nothing, absolutely nothing.

"How would you like to get shot for absolutely nothing?

"I don't know. All I can say is that the war's over, but the suffering hasn't even started yet. People think the suffering is over? Tell them to visit me. They can look at me, and I'll tell them: the suffering hasn't even started."

VIETNAM, MAY 6, 1969

Josh stared into the shadows. The stars disappeared under heavy clouds, the Southern Cross evaporated.

Kansas was sleeping.

There were no sounds.

Josh was tired. He saw white spots glittering in the darkness, in his brain, and he closed his eyes and rested.

There was a slight sizzling sound. A grenade sailed out of the darkness. The night stopped. The grenade lay there for three seconds, the fuse burning down to the primer. Then it exploded, and Josh and Kansas were dead.

More powerful than war stories are peace stories. As numbly as we went to war, we came home even more numb. But now it's wearing off. The pain is coming. Our souls are uneasy, unanchored on the base of American values. We are thinking long, hard thoughts. It's coming back to us. We hurt. Not all of us, of course. Many of us found jobs, came home clean, plugged into the machine. But more and more of us are hurting. Dope. Sleeplessness. Unemployment. Guilt. Despair. Bitterness.

"People are worried about our prisoners of war," Cary McWilliams says. "Wait till they hear from us prisoners of peace."

AN OPEN LETTER TO AMERICA

There are too many days when Vietnam and all its misery just won't let me be! My mind flashes back to battlefields—the insufferable heat and searing, burning-flesh smells of dying people in places that were combat zones to me, but home to those who lived and died there.

Sometimes my whole body tenses, every muscle tightens, and the slightest noise jerks me into the all-too-familiar tension of another fight for survival. Every soldier knows the minute-by-minute anxiety that comes with fire fights, exploding napalm, mortar shells, and the sound of ricochet bullets you just knew were meant for you. "Victory" doesn't even cross your mind. Survival does. The fantasy of winning the great battles played up in every book, marching song, and war movie, crumbles when a buddy's leg twitches and separates from the rest of his body. The childhood romance of being a combat soldier breaks up so brutally. War toys don't bleed and scream and die.

But I am home again, here in New York City, not back in the Nam! And yet, all too often these days, the flashbacks explode in my head and I realize that I'm still in combat. Whenever I find out that proposed GI benefits fail to clear even subcommittees of Congress; that disability payments and ratings are tampered with; that no housing exists, that there are no jobs, no redemption for guys with bad-discharge papers . . . then I know that you can't come home again.

So I and thousands of guys like me are still fighting. The stakes are the same. Only the hometowns, cities, and farmlands of the America we so dearly longed for in war now become our combat zones. But the rules of engagement are no longer known to us. And we have very few allies. The deafening silence of our elected leaders is only surpassed by the tremendous public indifference towards truly bringing us home. Physically touching "America" does not mean escaping memories of death and war—even if TV has stopped covering it. We shout that we're back, but only a few loved ones respond. We try to convey what America has done to her sons by training them to kill for a war without victory or honor. And as the Israelis and Arabs lock horns, and the North Vietnamese move once again down the Ho Chi Minh Trail, I sense the impending repacking of duffle bags for another long journey to be taken by another army of America's sons.

Can a country sell fantasy twice—in the same generation? I pray to God not, but I know that it is very possible.

It is for America and all her sons and daughters not yet "wasted" in battle that the true story of the Vietnam vets must be told—no matter how long it takes.

TV, radio, newspapers, and other national media have never given Vietnam vets the attention they deserve. Editors are saying the war is over, it's too depressing, nobody gives a damn—let's cover something else. But Penthouse believes there's a story to be told—like it is. This series—The Vietnam Veteran—will tell the whole story and will not stop until something is done by all of us.

Only then can we come home again.

CARL M. A. MCCARDEN,
Project Consultant.

THE FORGOTTEN MAN

"To hell with them."

On the surface, such a statement would be considered about the most unpatriotic assertion that could be aimed at our fighting men today.

Yet that is the attitude being displayed daily by apathetic Americans—and these men realize it.

The statement itself—"to hell with them"—was borne by men who sorrowfully consider this our attitude toward them and their welfare.

They believe that they are forgotten men, fighting to halt aggression halfway round the world, and receiving little or no recognition for it. As evidenced by this statement, which is generally accepted by the GI as matter-of-fact, the morale of our servicemen is not as high as it should be.

The average American offers the returning veteran no encouragement, much less praise and commendation for the superb task he has completed as part of the greatest fighting force today.

Men over there die in accidents, guerrilla raids, and on patrol, but there will be little reward for their sacrifices when they return home—unless Americans change their attitude.

We are not necessarily a forgetful people. We just have to be reminded. Our organizations, such as churches, lodges, and civic groups, should take it upon themselves to furnish these reminders, for it is only through group action that community recognition of the veteran can be assured.

Since man can recall, it has always been customary to welcome home the victorious warriors of battle. The crews of the galleons of early Rome, the knights of King Arthur, the minutemen of America, and the world war GI's of the 20th century all received the highest form of commendation during their respective eras.

But the veteran today is, in a sense, a forgotten man. His overall absence from society and from the community is not so noticeable; it often passes without public attention, as though he were on vacation somewhere. And he can be expended—there is always someone on hand to fill his place in the social and business world.

Since his absence did not create a manpower shortage as it did in World War II, his

value is appreciably lower as far as the businessman is concerned. In most instances, the veteran is in his early twenties, having no more background than a high school education.

Because whatever talents he possesses can and often have been substituted for during his service, his value may not be considered so highly, and the cheers not so loud, and the open arms not so many as for the returning World War II veteran.

But that is all wrong. The veteran needs the attention, consideration, and helping hand that is so sorely absent when he returns home today.

As an example of the public's failure to recognize the "jobs well done" of these forgotten veterans, I want to tell you a true story.

An American Legion post held a night of recognition for returned local veterans. A famous general of one of our services, a native of that town, was the main speaker. But the general spoke not to an armory full of citizens, but mostly to empty seats. His speech was heard by more veterans than townspeople, the turnout was so poor.

The veterans received their Certificates of Honor, but the hollow absence was to them a true indication of the fact that their return was unhonored and unsung in the hearts and minds of their lifelong neighbors in that community.

But that is only one town, one occasion, and one example. There are many. Since the war first began, hundreds of thousands of American fighting men have become casualties. Many have returned to civilian life with permanent injuries. Yet their identity as heroes remains unknown in their own communities.

Millions of men have been discharged from the war. They wear no lapel buttons setting them apart from nonveterans, nor does their service to their country set them apart in any other way. If any public recognition has been made in their home community, it is small, and soon forgotten.

What happens when they return home? Their families greet them enthusiastically. They have been missed there. Maybe a neighbor says, "It's good to see you back, Joe," or the bartender at the neighborhood pub sets him up to an extra drink. But that isn't enough.

Where is the public response that so enthusiastically welcomed home our doughboys, gobs, the leathernecks of World War I and our GI's of World War II?

It is understandable that due to absence of rationing, personal sacrifice, and suffering, the apathetic American has no eye-opener, no individual loss to remind him that his nephew or the next-door neighbor's boy is away fighting for his life.

We all share in this stigma of general apathy in this question-mark war. How can these men be expected to cheer over a war that has never been officially declared, a war from which their return is marked by no homecoming ceremony or other public recognition?

Can you blame our troops for low morale? They are dying and shedding their blood in a hopeless war, while they are forgotten at home.

I urge all community groups—luncheon, civic, labor, business, social, church, and school—to make it part of their current activities to welcome back all returning veterans, to express their appreciation of the great services these veterans have rendered, and to assist them in every way in their readjustment to normal lives.

It's a long and hard and tragic journey from war to our Main Streets. Let there be a genuine and warm handclasp at the end of this tough trail for all the gallant fighting men who comeback. Hospitality and friendliness must begin at home, and the veteran has earned them!

(These remarks are taken from an address delivered by a department commander of the Iowa American Legion on April 8, 1953. They refer to another war, another generation of veterans. But their haunting and prophetic meaning is more stark, more real, and more imperative today than when these words were first spoken two decades ago. The man who gave the speech is now charged with insuring that the Vietnam-era veteran will not be "the forgotten man": Administrator of the Veterans Administration, Donald E. Johnson.)

THE NIXON ADMINISTRATION'S RECORD

In his address to the nation on March 24, 1973, President Nixon said of the Vietnam veterans: "We must demonstrate the gratitude we feel by the actions we take. We must honor them with the respect they have earned and the affection they deserve." This is how the Administration's gratitude has been demonstrated:

In early 1973 the Office of Management and Budget released a proposal to *reduce* disability compensation rates by $160 million for severely disabled Vietnam-era veterans. Congressional and public outcries forced the Administration to withdraw its proposal.

In 1972 the President pocket vetoed the Health Care and Expansion Act, which would have provided $113 million for veteran health care needs. The following year a similar bill was passed with reduced benefits of $65 million.

Two hundred seventy-five thousand Vietnam-era veterans are unemployed. The unemployment rate for veterans aged twenty to twenty-four is consistently higher than the rate for nonveterans of the same age.

In 1971 the Emergency Employment Act was passed by Congress to help find jobs for Vietnam veterans. In the two years of its existence, the act provided government jobs for over 75,000 vets. Yet Nixon opposed allocating any funds to implement the Emergency Employment Act in fiscal year 1974. (Now he is supporting the act because he fears the energy crisis will create a sharp rise in joblessness.)

Congress appropriated $25 million in October 1972 for the Veterans Cost of Instruction Program, designed to help colleges and universities recruit and establish special veterans programs. Nixon impounded the funds in February 1973, but was forced by a federal district court to release the money.

Although Vietnam-era veterans account for approximately 20 percent of the participants in all of America's armed conflicts, they received only 3.7 percent of the Veterans Administration's expenditures through June 1972. By comparison, World War II veterans account for 40 percent of all participants, and they have received nearly 50 percent of the VA's expenditures.

Mr. McGOVERN. I would also like to announce that Senator METZENBAUM has asked to be named as a cosponsor of S. 2789, the Vietnam veterans GI bill. The Senate's newest Member thus becomes the 39th Senator associated with the bill I introduced last December with Senators MATHIAS, INOUYE, and DOLE. The response to the legislation demonstrates beyond any doubt the commitment felt by the Congress to release the "prisoners of peace" from the restrictions of inadequate educational benefits and the stigma of an unpopular war.

COMMENTS INTRODUCING ATOMIC ENERGY COMMISSION'S SUBPANEL IX REPORT

Mr. ABOUREZK. Mr. President, I ask unanimous consent to print in the RECORD a copy of part of the Atomic Energy Commission's Subpanel IX report.

This report, the result of an 18-month study by the Government's own scientific experts in the field, presents substantial and convincing evidence that solar energy development is now feasible with current technology. Yet, the findings of this subpanel were almost completely ignored and even openly misrepresented by AEC Chairman Dixy Lee Ray in her December 1, 1973 report to the President.

By contrast to the withheld AEC report, public statements by the AEC lead us to believe that solar energy production is not economically feasible in the foreseeable future. Dr. Barry Commoner, chairman of the Scientists' Institute for Public Information stated in New York City on March 30 that:

> The AEC has just issued an Environmental Impact Statement on the nuclear breeder reactor program—which by law is supposed to make available to the public all information that compares the effects and feasibility of alternative power sources. The AEC has failed to meet this obligation, for its statement omits vital scientific information that was in the possession of the AEC months before the impact statement was released. The information omitted from the AEC's public statement shows that in 1986, the earliest time when, according to AEC projections, commercial breeder power could be produced, economically competitive electricity from solar power plants could be available to communities and large industrial plants.
>
> As a result, the public is being seriously misled about the feasibility of solar power and prevented from responding effectively to the AEC's plan to rely on nuclear reactors for future power sources. The facts in the AEC's possession conflict specifically with its public statements regarding the expected cost of silicon cells, the most promising technique for producing solar electric power. For example, the breeder impact statement claims that "the outlook appears to be that solar energy has little potential as an economical major source of electricity for several decades . . . Thus the conclusion is drawn that the use of solar energy will not materially reduce the need for alternative electric energy sources in the foreseeable future."

I also ask unanimous consent to print in the RECORD a copy of a press release containing many of Dr. Commoner's observations in his New York City address.

In addition, Mr. President, it seems to me that an AEC which is committed to massive atomic energy production and an oil industry which is committed to massive oil and coal production are working to make sure that competitive massive solar energy production does not come about for a long, long time. While the AEC is trying to deceive the public into thinking that solar energy is "way down the road" and "decades away," Exxon, Gulf, and Shell have bought up solar power companies and are doing whatever is necessary to make that prophecy come true.

The facts show that Exxon Corp. has recently bought the Solar Power Corp. of Braintree, Mass., while Shell now controls a company called Solar Energy Systems and Gulf is developing solar energy technology through its Gulf General Atomics subsidiary.

Major oil companies already largely

control coal, oil shale, uranium—nuclear fuel—and geothermal steam. If they do gain control of solar energy they will further eliminate all interfuel competition.

It is clear to me that this Government's current commitment to nuclear power presents a grave risk to the health and safety of the American people, a risk which need not be taken. I also ask unanimous consent to print in the RECORD an article from the March 31, 1974, issue of the New York Times. This article points out that:

The Vermont Yankee nuclear power plant has been closed down again for what officials describe as some routine tests to determine whether parts of the key element in controlling the nuclear reactions were put in upside down.

Human error is going to occur in every kind of technology produced by man. But when it occurs in a technology with the potential danger to human health and safety as nuclear power poses, the risks are clearly not worth the benefits which supposedly result.

It is perhaps because the Atomic Energy Commission has such an enormous investment in the proliferation of nuclear powerplants that solar energy is receiving such minimal attention. I have requested the General Accounting Office to investigate the AEC's role in an apparent attempt to deny to the American people information which proves that solar energy is feasible with current technology.

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

SUBPANEL IX.—SOLAR AND OTHER ENERGY SOURCES

(By Alfred J. Eggers, Jr.)

SECTION 1—OVERVIEW

1. Program Goal

To develop, at the earliest feasible time, those applications of solar energy that can be made economically competitive and environmentally acceptable as alternative energy sources.

2. Background and Approach

The sun is an inexhaustible source of an enormous amount of clean energy available nearly everywhere in the world. The technical feasibility of using solar energy for terrestrial applications is well established. On the other hand, solar energy is diffuse (17 watts/ft, twenty-four hour average in the U.S.) and variable (from zero to a maximum and back to zero each twenty-four hours). These two factors of low energy density and variability, combined with the ready availability of inexpensive fossil fuels, have until now, discouraged the development of systems suitable for widespread use. However, a recent study conducted by leading university, industry and government experts[1] concluded that a substantial development program could achieve the technical and economic objectives necessary for practical systems. In certain areas, practical systems are already in operation, e.g., domestic hot water heaters, remotely located buoy power systems, house heating systems, and waste conversion plants.

Solar energy can be used to generate electric power, to heat and cool buildings and to produce renewable supplies of clean hydrocarbon fuels. It is proposed to conduct six, phased subprograms covering the three areas. The six subprograms are:

1. Heating, and Cooling of Buildings (HCB)
2. Solar Thermal Conversion Systems (STC)
3. Wind Electric Power Systems (WEP)
4. Bioconversion to Fuels (BCF)
5. Ocean Thermal Electric Power Systems (OTEP)
6. Photovoltaic Electric Power Systems (PEP)

It is important to recognize that each of the above subprograms can make a substantial contribution without which the full potential of solar energy will not be realized.

Three of the four electric power generation system concepts, STC, WEP, and PEP, may require some form of energy storage for most effective central power station applications in order to compensate for the variable solar insolation. This energy storage requirement can be met by a variety of systems, e.g., pumped hydroelectric concepts, advanced pneumatic and electro-chemical systems or alleviated by utility grid operating procedures. The fourth system concept, OTEP, is unique in that it does not require energy storage or collectors since the ocean provides these functions.

While as many concepts and approaches as appear useful will be investigated in the early research and technology phases of each subprogram, only the most promising will be pursued to the point of demonstration. Special attention will be devoted to assuring that refinement and/or the development of advanced systems will be conducted and funded by industry at a later date. Concurrently with the technology development, an incentive research and development program would be carried out. This program would provide an evaluation of the policy alternatives concerning legal, regulatory, and institutional barriers and issues, and evaluate incentives additional to those intrinsic to the technological program elements. Incentives to be considered and evaluated in this program to overcome any initially unattractive features or startup costs of large scale development 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. A significant portion of the overall program is designed to provide incentives to motivate industry to develop solar energy systems.

Figure 1 lists the resources required for the period FY 75–FY 79 for two program levels; the minimum viable (~$400 million), and an accelerated, orderly program (~$1 billion) having a high probability of early success.

FIGURE 1.—SOLAR ENERGY PROGRAM RESOURCES

[In millions of dollars]

Program	1975	1976	1977	1978	1979	Totals
Heating and cooling:						
a. Accelerated	17.8	35.7	50.7	57.5	42.6	204.3
b. Minimum	8.1	20.0	22.0	19.0	17.8	86.9
Solar thermal:						
a. Accelerated	31.1	51.1	59.0	60.0	74.0	275.2
b. Minimum	15.8	16.8	31.5	43.0	38.0	145.1
Wind energy:						
a. Accelerated	8.5	17.3	23.5	33.9	23.0	106.2
b. Minimum	3.8	5.4	7.1	6.9	3.7	26.9
Bioconversion:						
a. Accelerated	12.1	17.3	23.7	30.1	40.6	123.8
b. Minimum	8.5	10.5	10.5	10.5	12.5	52.5
Ocean-thermal:						
a. Accelerated	8.6	19.2	16.4	28.8	26.5	99.5
b. Minimum	4.0	4.5	7.6	12.2	13.0	41.3
Photovoltaic:						
a. Accelerated	28.3	48.3	63.9	54.1	53.1	247.7
b. Minimum	10.3	10.3	11.0	13.2	12.4	57.2
Totals:						
a. Accelerated	106.4	188.9	237.2	264.4	259.8	1,056.7
b. Minimum	50.5	67.5	89.7	104.8	97.4	409.9

3. Significance and Benefits

At an average energy conversion efficiency of 5%, less than 4% of the U.S. continental land mass could supply 100% of the Nation's current energy needs. Thus, solar energy could contribute significantly to the national goal of permanent energy self-sufficiency while minimizing environmental degradation. In addition, this technology will be an exportable item for use by other energy deficient areas of the world. Although the full impact of solar energy probably won't occur until the turn of the century, the economic viability of several of the applications, e.g., heating and cooling of buildings (HCB), wind electric power (WEP) and bioconversion to fuels (BCF) could be developed and demonstrated in the next five years. Ultimately, practical solar energy systems could easily contribute 15–30% of the Nation's energy requirements.[2]

In most cases, photovoltaics being the primary exception, the development of practical systems will not require high technology. Thus, the research and development costs for solar energy should be very small in relation to the value of the energy saved. Current estimates indicate that the value of the fossil fuel to be saved in one subprogram area alone, i.e., HCB, would equal the cost of the entire accelerated ($1 billion) R&D program seven years after practical systems become commercially available.

Since solar energy systems are capital intensive and practical systems have not yet been developed, federal involvement in the development program is warranted.

4. Program Plan Summary

A. Heating and Cooling of Buildings (HCB):

Approximately 25% of the Nation's current energy consumption is used for HCB purposes. For maximum utilization, solar HCB systems including domestic hot water systems suitable for both new construction and existing buildings must be investigated. Ultimately, 30–50% of the national heating and cooling energy requirement could be furnished by solar energy with the accompanying benefits of fuel savings, reduced pollution, and independence from complex energy transmission and distribution systems.

No major technical barriers exist to prevent the development of practical systems. Most of the technical problems to be solved involve the development of low-cost per unit of energy components. Specifically, the collectors and cooling systems require the most improvement, but appear amenable to a determined development program.

There are major uncertainties with regard to public acceptance, legal rights to unshaded sun, the establishment of a supporting industry, and methods of marketing and financing high, first cost solar HCB systems. However, it seems probable that with the development of economically competitive systems, the benefits associated with solar HCB systems will provide major incentives for solving or accommodating these problems.

Two program levels are projected, (see Figure 1). The accelerated program is aimed at achieving commercial availability by 1979 and requires a budget of $204 million through FY 1979. The minimum viable program, $87M through FY 79 eliminates three out of five demonstration programs, reduces the number of pilot plant experiments from fifteen to ten, reduces component research and technology efforts from $114M to $5M, and for the most part eliminates parallel efforts. The end result is a relatively high risk program with an undesirable lower probability of success.

B. *Solar Thermal Conversion Systems (STC):*

Approximately 20% of the U.S. current energy consumption is used to generate electric power. Ultimately STC systems could provide 10–20% of the electric power requirement. In addition, the STC solar collection subsystem developed for electric power gen-

[1] Solar Energy as a National Resource, NSF/NASA Solar Energy Panel, December 1972.

[2] Ibid, p. 10.

eration could provide thermal energy for process heat for decentralized (local) and/or centralized applications.

There appear to be no major fundamental barriers requiring basic research. On the other hand, material and equipment development is required to obtain competitive performance and economics. The key technology areas include low cost, high temperature (focusing and tracking) collectors, thermal energy storage and distribution and alternate system concept trade-offs. In addition, there are problems to be defined and resolved arising from the large areas of land required, (10–20 square miles per 1000 Mwe).

The two program levels, with the accelerated program at approximately $275M and the minimum viable at approximately $145M, are shown in Figure 1. The accelerated program includes four different power plant pilot and demonstration projects and a research and technology program aimed at proving technical and economic feasibility by 1985. The minimum viable program eliminates one power plant project, and reduces the research and technology program from $64M to $32M. This program requires 1–2 years longer and lowers the probability of success.

C. *Wind Electric Power (WEP):*

The maximum electric energy that can be practically extracted from the winds available to the U.S. has not been determined. However, areas of the continental U.S., the Aleutian arc and off the eastern seaboard have been identified for which it is estimated that 1–2 x 10^{12} kilowatt-hours per year could be generated by wind systems by the year 2000.[3] The total U.S. production was 1.6 x 10^{12} KW-hrs in 1969 and is projected to grow to 8 x 10^{12} KW-hrs by 2000. Thus, significant amounts of electric energy are potentially available from the wind.

Based on world wide experience to date, no major technical barriers to the development of practical systems are foreseen. The specific goal of the accelerated program ($106 million) is to have cost effective, 10 Mwe systems in operation by 1979, leading to the demonstration of 100 Mwe systems by 1981. The program includes a subsystem and component cost reduction program, research on and the collection of wind characteristics, user requirements, legal, environmental, institutional and aesthetic issues, optimization of design concepts, and the testing of single and multi-rotor systems of increasing size and performance, culminating in 10 and 100 Mwe projects. The minimum viable program ($27 million) maintains the same subelement structure but reduces the research and technology program from $20 million to $5.0 million, reduces the number of and delays the 10 Mwe system projects by one year, and delays the 100 Mwe project by four years.

The WEP program will yield definitive test data by 1976–77 as to whether practical systems can be developed. Should the early data be favorable, then a crash program may well be in order to significantly advance the rate and level of impact on the national energy problem.

D. *Bioconversion to Fuels (BCF):*

BCF systems offer the potential of furnishing replenishable supplies of clean hydrocarbon fuels. Estimates of the potential production capability range as high as 50% of the current gas or oil requirements. However, the extent to which these projections can be fulfilled will depend basically upon the amount of land available and the efficiency and economy of biomass production from that land.

The major problems to be solved involve increasing the energy yield of the production process and trying to accelerate and reduce the costs of the various conversion processes. The accelerated program ($124 million) is aimed at demonstrations of conversion plants of up to 100 tons/day capacity as well as developing high yield energy crops by 1980. In addition, a goal has been established for the practical production of hydrogen by photosynethetic and biochemical methods in the same time period.

The minimum viable program ($53 million) stretches out the program 3–5 years and reduces the number of demonstration plants from eight to four.

As in the case of the wind system program, the bioconversion program will yield early definitive test data as to whether practical systems can be developed. Thus, a crash program may well be in order at a later date.

E. *Ocean Thermal Electric Power (OTEP):*

In 1929, Claude demonstrated using a 22 Kw unit that the thermal difference between the surface and deep ocean waters can be used to generate electric power. Although the feasibility of the concept was established, the project did not result in a practical system. Modern technology together with the nearly unlimited availability of ocean thermal energy makes this concept of interest. The accelerated program ($100 million) is intended to demonstrate the practical feasibility of converting ocean thermal energy into electricity by 1985. Both near-shore and ocean pilot plant and demonstration projects will be conducted at 10 Mwe and 100 Mwe respectively. System reliability and economic viability will be determined, along with an associated assessment of the technology and environmental impacts. The potential for production of protein and fresh water as valuable by-products will be investigated. Engineering problems to be solved include the development of deep water pipes of large e.g., 50 foot diameter, along with methods for their deployment and the design of appropriate heat exchangers and pumping systems. A selection must be made between an open or a closed thermodynamic cycle and as to the means for transmitting energy from ocean locations to land. In addition, legal questions associated with operations in international waters must be examined.

The minimum viable program ($41M) would confine the demonstration program to only one near-shore pilot plant/test facility. Consequently, the feasibility determination and ultimate commercial implementation of ocean plants would be delayed.

F. *Photovoltaic Electric Power (PEP):*

As noted previously, some 20% of the current U.S. energy consumption is used to generate electric power by a total installed capacity near 400,000 megawatts. This level is projected to double over the next decade and become a larger portion of the U.S. energy consumption. Terrestrial photovoltaic systems could provide 10–20% of the electric power requirement. These systems may be employed for central station power systems and as local systems, for example, on rooftops to provide for heating and cooling of buildings. In addition there is the longer range potential of space systems (synchronous satellites) providing as much as power as desired.

The major obstacle to be overcome is the development of the technology and processes which will permit the production of very large quantities of photovoltaic arrays at low costs, e.g., at $0.10–0.30 per ft^2.

The accelerated program focuses on the exploration and exploitation of selected single crystal, thin film, and new concept approaches which are intended to establish a high degree of confidence in successfully accomplishing the low cost objective. The minimum viable program would force a substantial and very premature reduction in the number of options to be investigated and would stretch out the program from 3 to 8 years.

SECTION 3—SOLAR THERMAL CONVERSION

I. Subprogram summary

A. Introduction:

1. Solar Thermal Conversion (STC) systems collect solar radiation and convert it to thermal energy and electric power. The heat is transferred to a working fluid for use in a solar thermal electric conversion system or, in a solar total energy system, for delivering both electrical and thermal energy.

2. The objective of the Solar Thermal Sub-Program is to provide the full system capability for the widespread production of supplementary electric energy in the late 1980's and with the potential for meeting baseload electric energy requirements for electric utilities, and providing total energy systems for military and other installations. In order to meet the baseload power plant and total energy system requirements, storage technology must be developed. There are no fundamental technical limitations that would prevent substantial application of solar thermal conversion systems. The primary questions concerning application have stemmed from energy costs as compared to those for conventional fossil fuel or nuclear sources. Cost estimates to date for solar thermal systems have been very preliminary and have generally estimated the costs of solar thermal systems for baseload application (including energy storage). Recent cost estimates for STC systems for plants operating in a load following mode (intermediate and peaking power) indicate that energy costs in the 1980 time period will be competitive with fossil fuel sources particularly in the southwestern U.S. In addition, cost projections for solar total energy systems operating in the 1980s also appear to be competitive with conventional energy sources.

B. *R&D Programs:*

1a. Accelerated/Orderly Program. The 5 year scope of the proposed Accelerated/Orderly program in solar thermal conversion includes:

i. A Central Receiver, Load Following Power Plant Project including design, fabrication and testing of a 10 Mwe pilot plant, and design, fabrication and assembly of equipment for a 100 Mwe demonstration plant.

ii. A Solar Total Energy System for Community or Military Base Applications including design, fabrication and testing of 200 Kwe, 2 Mwth (delivered) pilot plant and design fabrication and assembly of equipment for a 10 Mwe, 200 Mwth (delivered) demonstration plant.

iii. A Distributed Collector, Load Following Power Plant Project including design, fabrication, and testing of a 10 Mwe pilot plant.

iv. A Solar Total Energy System for an Industrial Load Center including design, fabrication, and testing of a 200 Kwe, 2 Mwth (delivered) pilot plant and design, fabrication, and assembly of equipment for a 5 Mwe, 50 Mwth (delivered) demonstration plant.

v. An Advanced Research and Technology sub-program element which will address: (a) critical technology problems stemming from each project, (b) environmental and technology assessment issues, (c) solar insolation measurement requirements and development of new instrumentation and (d) advanced energy storage subsystem research and development problems.

1b. Minimum Viable Program. The 5-year scope of the Minimum Viable Program on Solar Thermal Conversion includes:

i. A Central Receiver, Load Following Power Plant Project as proposed in the Accelerated program but pilot and demonstration plant schedules delayed 1 year.

ii. A Solar Total Energy System for Community or Military Base Application as proposed in the Accelerated program but pilot and demonstration plant schedules delayed six months.

[3] Ibid. Table 24. p. 69.

iii. A Distributed Collector Research and Development effort through bench model testing as proposed only.

iv. This option completely eliminated.

v. An Advanced Research and Technology (ART) sub-program element which will address the same issues as proposed in the Accelerated program; however, funding for the ART is lower by approximately a factor of two.

2. The Minimum Viable Program stretches the scheduled operation of the pilot and demonstration plants for each system by 6 months to a year, eliminates one of the electrical load following pilot plants, and eliminates a potentially important solar total energy option. In addition, greater risks must be accepted during the R&D program due to the reduction of the ART program by a factor of 2. The summary budget comparison of the two options is:

FISCAL YEAR

[Millions of dollars]

	1975	1976	1977	1978	1979	Total 1975–79	Runout to completion	Total
Program alternative:								
Accelerated orderly	33.1	51.1	57.0	60.0	74.0	275.2	84.0	359.2
Minimum viable	15.8	16.8	31.5	43.0	38.0	145.1	113.0	239.1

C. *Implementation:*

1. It is projected that solar thermal electric conversion and solar total energy systems could deliver 40,000 Mwe and 8,000 Mwth by the year 2000. Ultimately solar thermal conversion systems could be expected to supply 30% of the Nation's electrical energy, and 50% of the Nation's energy for residential, commercial, and industrial needs.

2. Earliest commercial application of solar thermal conversion systems is expected to be in the 1983–1988 time frame. Growth of the application is projected to be 40,000 Mwe by the year 2000 and 8,000 Mwth annually for the succeeding 25 years.

3. The major barrier to implementation is expected to be the high capital investment presently projected for solar thermal conversion systems.

II. Status of the technology

A. *Present Status:*

The utilization of solar energy for electrical power production by thermal conversion processes is essentially nonexistent. Solar furnaces and other collector configurations built in this country and abroad, have achieved temperatures necessary for power generation; however, these programs have been limited to power production in the Kwe range. The thermal conversion technology is generally consistent with present power plant operating regimes. Total energy concepts using fossil fuels have been demonstrated in over 500 installations. The use of solar energy as the energy source necessitates a re-examination of each subsystem and component to maximize thermal energy efficiency.

B. *Barriers to Implementation:*

There are no fundamental technical barriers requiring basic research. A multiplicity of system concepts must be studied and several systems must be tested to verify overall performance and economics. A major factor limiting performance is the low power plant capacity factor attendant with utilization unless thermal storage is provided.

C. *Ongoing R&D Efforts to Overcome Barriers:*

1. The present R&D efforts on solar thermal electric power plants are being conducted at three levels. The major mission level effort is to define the function and scale of solar thermal power plants. System level efforts include technical and economic parametric studies of a variety of solar thermal conversion concepts, and system point-designs involving parabolic trough collection and central receivers. Subsystem and component R&D activities include development of scale model collectors and high efficiency solar absorption coatings. NSF funding for FY 1973 was $1.4M and $2.5M is projected for FY 1974. NASA funding for 1973–74 is $.2M.

The solar total energy concept is being examined in house at AEC and DOD laboratories and under DOD contracts.

2. Some of the foreign efforts directly applicable to solar thermal conversion include:

USSR—analysis, design and testing of central receiver systems and components.

France—a one Mwth solar furnace is in operation, with elements common with the central receiver solar thermal system.

Israel—specialized solar thermal power system operating in the Kwe range have been built and operated.

Italy—a solar thermal central receiver/boiler in the 100 Kwth range has been built and operated.

III. Rationale for Federal involvement

A. Federal involvement is necessary in order to stimulate research and development of solar thermal systems on a timely basis. History has shown that complex systems involving many disciplines require federal sponsorship of R&D until the economics are proven. The federal government, through tax structure, regulation, and a variety of incentives and disincentives is already involved in all other means for electric power generation. There is a rapidly expanding market for electric power and total energy systems. Federal action can help determine the mix of electric power generation and total energy methods which will be utilized to meet future energy needs.

B. Government actions such as enforcement of EPA standards, elimination of depletion allowance on fossil fuels, and decreasing subsidies for nuclear energy could be as effective in stimulating R&D on solar thermal conversion systems in the private sector as direct subsidy.

C. The industry has tended to respond to fuel price changes over the long term. Thus, natural gas and fuel oils have displaced coal. The scarcity of gas and petroleum suggests coal will make a comeback in central power plan and industrial applications. Present projections indicate that fossil fuel costs may double within the next ten years. Doubling the price of fuel increases production costs by up to 33% and the cost to the consumer. by approximately 10%.

Solar thermal systems must have projected costs competitive with these production costs to attract industry. In the residential sector. price increases in these fuels are effected more directly to the consumer. Total solar energy systems will have a more favorable economic position.

D. It is not yet clear what additional government actions are required to support the R&D program. The Federal Power Commission should issue recommended accounting standards and review their regulatory requirements for the utility industry. The Environmental Protection Agency should perform land-use tradeoffs including assessment of the environmental impact of solar energy utilization.

IV. Criteria and Priorities

A. *The Major Criteria for Setting Project Priorities Are:*

1. Projects which are expected to result in cost competitive solar thermal systems in the mid 1980's with projected production costs of 25–45 mils/Kwhr for electrical systems and delivered costs of $2–3 per million BTU for total energy systems.

2. Projects which can provide the basis for systems which in wide scale utilization could provide up to 30% of the total electrical energy requirements and 50% of the thermal energy requirements of the Nation.

3. Projects which are oriented toward reducing fossil fuel (natural gas and fuel oil) consumption; specifically intermediate and peaking electrical power plants and systems which can provide both electrical and thermal enregy.

4. Projects which cover a broad range of collection/conversion approaches (with collector temperatures from 400° to 1000°F).

B. *General Strategic Considerations:*

1a. Timing:

The accelerated program is believed to be extremely urgent and an aggressive program has been laid out to demonstrate competitive solar thermal conversion systems by 1985. Since no fundamental technical limitations exist for solar thermal systems, it is necessary that demonstration plants be constructed within the next 5–7 years in order to assess the economics of these plants.

1b. The rationale for the accelerated program is:

i. Two Solar Thermal Conversion options should be carried at least through pilot plant operation for the electrical power plant applications, one based on optical transmission/central receiver (expected temperature 1000°F), and the second based on distributed collection/thermal transmission (expected temperature 600°F). Although either or both of these options may prove to be economically competitive in electrical load following applications, only a single 100 Mwe demonstration plant is proposed within this program.

ii. Two solar total energy options should be carried through demonstration plants, the first oriented toward a military base or community total energy requirement, the second toward an industrial application requiring process heat and relatively low electrical energy requirements.

iii. An advanced Research and Technology program is necessary to address technical problems which develop during the project efforts and begin research and development of second generation subssytems particularly energy storage.

1c. The rationale for the minimum viable program:

The minimum viable program includes the same projects as the accelerated program with the exception of the total energy system for the industrial user. In addition, the projects are stretched out and both the Distributed Collection and the Advanced Research and Technology subprograms are reduced in scope and funding. The industrial total energy system was eliminated to reduce cost. If viability is demonstrated for solar energy utilization, the private sector is likely to support this concept.

2. Application of Criteria

Priority listing of program elements are as follows:

a. Central Receiver Load Following Power Plant Project;

b. Solar Total Energy System for Community or Military Base Application;

c. Distributed Collector Load Following Power Plant Project;

d. Advanced Research and Technology Subprogram; and

e. Solar Total Energy System for an Industrial Load Center.

V. Alternative R&D Programs

Both the accelerated and a minimum viable program are presented and discussed below:

A. *Schedules and Milestones:*

1. Milestones:

Milestones and power levels of pilot plants and demonstration plants are presented Fig. 8, 10 for the two program alternatives. Bench model and pilot plant decisions will be made primarily by government agencies. However, it is anticipated that private industry, particularly the utilities, will participate in the decision to proceed with the Demonstration Plant. Some joint Government/private sector funding is anticipated for Demonstration Plant development.

2. Parallel Programs:

The Accelerated program has two electrical generation system and two total energy system options conducted in parallel. The electrical systems differ in collection temperature and consequently in system hardware requirements. The total energy concepts differ in the ratio of electric to thermal load requirements and also in application targets. Consequently, they also have different system hardware requirements. These options will all be carried through the pilot plant stage in order to compare their relative economic potentials. In the Minimum Viable Program the two electric power plant options have been maintained but only a single pilot and demonstration plant will be developed within the scope of this program. One of the total energy options, i.e., the industrial load center application has been deleted.

3. Likelihood of Success:

It is anticipated that all milestones will be reached successfully. The consequence of failure is the loss of money spent to that milestone in the project.

B. *Cost and Budget Projections:*

1. Projected Total Cost:

Costs to meet each milestone starting from FY 75 are summarized below:

CUMULATIVE COST TO DECISION POINT

[Millions of dollars]

Program element	Bench model		Pilot plant		Demonstration plant	
	Accelerated	Minimum	Accelerated	Minimum	Accelerated	Minimum
Central receiver	10.4	12.5	28.4	30.5	95.4	97.5
Solar total energy (C/M)	8.3	10.3	16.3	19.3	93.3	96.3
Distributed collector	12.2	13.3	47.2	32.3	0	0
Solar total energy (IND)	8.3	0	16.3	0	61.3	0

2. The budget presented herein assumes that the federal government will finance the entire program as proposed. However, private sector financial participation in the Demonstration Plant development is likely; possible up to 25% to 50% of the costs. There is the potential of the Electric Power Research Institute sharing in the Demonstration Power Plant sponsorship and an interest has already been expressed by an electric utility to participate in the total energy demonstration plants.

Private industry will be involved in the development of system components and Demonstration Plant efforts will be predominantly contracted to industry.

3. Federal outlays required in FY 75 through FY 79 for both the Accelerated and Minimum Viable Programs are presented in Figs. 7 and 9.

4. The major uncertainty in funding levels are associated with the power level and cost of the pilot and demonstration plants. If it is determined that smaller plants would provide meaningful technical and economic data these costs could be substantially reduced.

C. Other Requirements:

1. Manpower Needs:

It is estimated that the total manpower needs of the Accelerated program in the years FY 75–79 are 7000 manyears. The manpower needs for the Minimum Viable Program effect for the years FY 75–79 are 3400 manyears.

2. Facilities:

No new facilities are required for either the Accelerated or Minimum Viable Programs assuming the work will be conducted at existing government facilities.

D. Management Plan:

The management plan will coordinate federal government, private industry, and academic research efforts with the intent of transferring the design and development effort to industry at the earliest possible time. National laboratories will be utilized to manage, at a Field Center Level, the individual elements of the subprogram. These laboratories will conduct research and manage specific projects based on detailed Program Development Plans. Coordination and involvement of the three major research groups mentioned above is already underway. It is planned that, as demonstration and development projects mature, private and public utilities will assume an increasing share of the fiscal management responsibilities.

E. Alternatives and Criteria:

1a. The major alternative system which has been considered, but not proposed, is the utilization of solar thermal conversion systems for base electrical power. This application is not projected to be cost competitive with other base plant sources in the 1980s. Some other alternative projects will be assessed within the Advanced Research and Technology subprogram including a) Solar Augmentation for Geothermal Power Plants, b) an integrated solar energy system utilizing integral photovoltaic converters for electric energy and thermal collection for space conditioning, c) utilization of solar thermal energy in a solar chemical reactor, and d) projected high temperature uses of the optical transmission/central collector concept including production of snythetic fuels from coal. These projects will include analysis and limited laboratory experimentation only during the period of FY 1975 through 1979.

2a. Criteria:

The major criteria which have been employed in defining the accelerated program are:

i. Develop solar thermal conversion electrical general systems for load following (intermediate and peaking power) applications with system projected generation costs of 25–45 mils/kwhr in the mid 1980's.

ii. Develop total solar energy systems for community, military base or industrial applications with system projected energy costs of $2–3 per million BTU in the mid 1980's.

iii. Develop systems which, in widespread application, could provide up to 30% of the total electrical energy requirements and 50% of the thermal energy requirements of the Nation.

iv. Develop systems which are oriented toward reducing fossil fuel (natural gas and fuel oil) consumption.

v. Propose a set of options which cover a broad range of collection/conversion approaches with collector temperatures from 400°F to 1000°F.

3. Dependence of Other R&D to Progress in This Technology The successful implementation of the solar thermal conversion technology is not dependent on any research or development effort not included with the development program. However, the work underway in solar heating and cooling of buildings is applicable to the solar total energy concepts.

No other R&D efforts depend on the success of this R&D program.

4. Acceptability of R&D Program.

The only known environmental problem associated with the program is the waste heat disposal problem common to all thermal power plants.

Public acceptance is anticipated for all four concepts. Each of the concepts lends itself to operation as a utility thereby shifting the higher initial cost from the consumer. Environmental impact statements will be required prior to construction of Pilot and Demonstration Plants for each of the program elements.

VI. Implementation of plan

A. *Direct Benefits of Implementation:*

1. Implementation will stimulate several industries. Among these are:

a. glass or plastic sheets (for reflectors);

b. aluminum and silver coating (for reflectors); and

c. heat pipes (potentially for heat transmission).

2. Solar Thermal Conversion has the potential for capturing up to 30% of the electrical capacity and up to 50% of the residential/commercial space conditioning market.

3. As solar thermal succeeds in penetrating the energy market, the dependence on foreign energy resources—oil and gas—is reduced. These resources now become available to satisfy transportation and petrochemical requirements.

4. Reliability and security of a solar thermal system is comparable to that of fossil fuel and nuclear plants.

5. Solar thermal conversion to electricity decreases the dependence of the national energy system on fossl and nuclear fuels. This dependence is further decreased by solar thermal total energy systems which would provide space conditioning of residential and commercial buildings.

B. *Economics of Implementation:*

1. It is projected that Solar Thermal Conversion systems will produce electricity in the southwestern United States for 25–45 mills/Kwhr. Slightly higher costs will be expected in the southeastern United States.

2. Costs:

a. The cost estimate presented above is based on the following capital cost estimates for solar thermal conversion system.

	Kwe
Collector & Receiver	$250–350
Boiler-Turbine-Generator	100–150
High Temperature Store (3 hour capacity)	100–300
Total Capital Cost	[1] 450–800

Although operating and maintenance (O&M) cost estimates are not available, it appears realistic that O&M cost of 2 to 3 mills/Kwh can be achieved.[2] The projected useful life of the system is 25 years and a cost of capital equal to 15 percent was used to obtain energy cost estimates. There are no significant energy (fuel) inputs required to operate the system. As such, it will compete against alternative means of generating peak

[1] These estimates do not include R&D costs.

[2] This cost is approximately twice that required for conventional systems.

and intermediate electric power, e.g., gas turbines, diesel, or fuel oil plants. The cost of generating conventional peak power is estimated to be 25 mills/Kwh for 1975 and 30 mills/Kwh by 1985.[3]

b. The total solar energy system is used to provide industry, electricity, heating, cooling, and domestic hot water.

As a result, it is difficult to calculate a single cost for energy delivered by the system. The equivalent delivered energy cost is estimated to be $2 to 3/M BTU. Specific analyses have indicated that systems designed for 20—2000 housing unit subdivisions can be competitive with conventional energy systems by the late 1980s, assuming collector costs of $4/sq. ft. and a capitalization rate of 8%. Economic viability at higher capitalization rates is feasible if collector costs can be reduced. The system evaluated provided 67% of the communities energy demand for a capital of $65,000 for 20 houses or an additional cost of $1000 to $1500 per residence over conventional systems. Operating costs of .5 mils/Kwh were assumed.

Similar analyses conducted for military installations indicate even better relative economics. One study indicates that collector costs of $6—8/sq. ft. are acceptable for military installations assuming a 6½% capitalization factor. These systems are also expected to provide approximately 60% of the total energy needs of these installations.

c. There appear to be no significant labor problems. Construction of the system is well within the capabilities of the construction industry and all systems components except for collectors, have been built. Labor requirements for operating the system will be similar to that of existing power plants. Some training will be required, but no serious problems are anticipated.

4. It is impossible to estimate the impact which the export of solar-thermal technology and capital goods will have on the balance of payments. Several European countries, Russia, France, and Italy are interested in solar-thermal systems and have initiated R&D efforts. The impact on the balance of payments of a successful R&D program in the United States will, of course, depend upon the success of R&D efforts conducted in other countries. In light of their expressed interest, a potential market does exist in Europe. In terms of imports, the system has the potential of reducing oil imports by 431 thousand barrels/day or $944 million/year in 2000 if the price of imported oil is $6 per barrel, commercial operation begins in 1988 [4] and industry's production capability grows at a rate of 20 percent per year.[5]

5. It was assumed that:

a. Necessary labor and natural resources (e.g., land, glass, silver, or aluminum) would be available, and

b. The real price of these commodities would not change significantly from today's prices.

6. Incentive:

Although economic viability is the objective of the R&D program, there are several incentives which the federal government might institute to stimulate the use of the system:

a. Permit the use of federal lands for power plant siting for the solar system.

b. Permit faster depreciation, or special tax credits.

c. Alter taxation or allowances on other fuel sources which will allow a free market price on these sources.

C. *Impacts of Implementation:*

1a. Natural resources required:

Resources required for solar thermal conversion plants are approximately equivalent to a conventional fossil fuel plant with the exception of the solar collection subsystem. Specific resources required for solar collection are estimated as follows:

a. Approximately six months output of one float-glass line per 100 Mwe capacity.

b. Approximately .5–1 million cubic yards of concrete per 100 Mwe capacity.

c. Approximately 50 tons of aluminum per 100 Mwe capacity.

d. Approximately 20,000 tons of re-enforcement bars (steel) per 100 Mwe capacity.

1b. These materials are not considered to be in short supply.

1c. Float glass is the modern approach to the manufacture of flat glass inexpensively. Currently, this method of manufacture is spreading because of its favorable economics. It is doubtful if a solar system would find serious competition for the output of this industrial process.

The other materials requirements are sufficiently modest as not to constitute serious competition for resources.

1b. Not considered to be applicable.

2. Energy inputs required:

a. Capital equipment costs have been estimated to be from $450–800/Kwe of installed capacity for a load following electrical system and capital and operating costs with equivalent fuel costs of $2–3/M BTU for total energy system.

b. Operation will not require outside energy sources except possibly for startup and shutdown and to accommodate thermal transients. This energy is expected to be minimal and will be drawn from the system into which the solar plant is integrated. For total energy systems, a fossil fuel back up system will be required and it will require 30–40% of the fuel required for a nonsolar augmented total energy system.

3. It appears that solar thermal conversion power plants will be compatible with an existing national energy system. The solar energy system should be capable of supplying electricity to the national energy system and will be designed to be capable of sustaining transients in its proposed mode for load following.

4. It is anticipated that an environmental impacts statement will be filed. Solar thermal conversion concepts require a substantial amount of earth moving for construction, and when built, shadow a substantial fraction of the land. Moreover, like any other power station, waste heat must be rejected.

5. Occupational Health and Safety—no major problem anticipated.

6. Other Factors:

a. Unlike nuclear or fossil fueled electric power generation stations, there appears to be little or no economic advantage of large scale for solar thermal conversion systems. Thus, the potential for neighborhood solar electric or total energy stations is large. The proximity to be the neighborhood user may be significant since the cost of transmission of energy is minimized. Overall utility land use planning and neighborhood planning should be integrated.

b. The use of solar energy reduces overall pollution problems but may introduce other problems by proximity to the user. Solar-electric systems will require waste heat disposal to air or water. The appearance of the equipment, the water spray, in the event of a cooling tower, or the heated air may not be entirely acceptable. Central stations avoid or localize these potential problems. A total energy system would normally consume more of the energy and not necessitate large waste heat rejection.

c. Long term impact of solar thermal electric or total energy systems will require a review of land use practices to utilize small neighborhood units more effectively.

d. In central station application, solar thermal systems may necessitate greater margin requirements than conventional systems due to statistical variations of solar energy.

SECTION 7—PHOTOVOLTAIC CONVERSION

I. Subprogram Summary

A. *Introduction:*

1. This research effort is directed at development of single crystal, thin film and other techniques to produce high efficiency low cost photovoltaic systems for terrestrial use. In contrast to the present labor intensive methods used to produce solar cells, the research will explore and develop processes and technology which will permit the production of enormous quantities of low cost photovoltaic arrays by automated processes such as those now employed in the production of photographic film.

2. The objectives of the research are to reduce the cost of terrestrial photovoltaic systems from the present $50 per peak watt to less than $1.50 per peak watt (eventual goal of $0.10/peak watt) so that it will be economically competitive with other methods of generating electricity for various uses in various regions of the country. The major problem is to develop the technology which will permit the continuous manufacture of large area arrays in quantities of hundreds of millions of square meters per year.

B. *R&D. Problems:*

1. The accelerated program would permit research to be conducted along several lines in single crystal, thin film and new concept approaches permitting a high degree of confidence (80% or greater) in successfully accomplishing the goals. Then trade offs between approaches, e.g., single crystal silicon, thin film silicon, cadmium sulfide, copper oxide, etc., could be made realistically. The minimum program would require earlier narrowing of approaches resulting in fewer available alternatives and could thereby delay the demonstration of practical systems.

2. The budgets for the accelerated and minimum programs, shown in Fig. 24 and 27, are seen to be about a factor of 5 different. The major milestones are given in Figs. 22, 23, 25, and 26.

C. *Implementation:*

1. As indicated in Figs. 28, 29 of this write-up, the achievement of the cost goals of this program will result in the production of economically competitive electrical power (cost of 10 mils per KWH) by the year 1990. The projected rate of implementation of this solar energy conversion technology will produce more than 7% of the required U.S. electrical generating capacity by the year 2000.

2. The time schedule for implementation of the two primary applications are projected as follows:

a. On-site electricity generation for *homes, schools, shopping centers,* etc. Installation of economic units is projected to begin by 1982 in the southwestern U.S. All *new* construction in that area can be expected to include photovoltaic systems by 1985.

FIGURE 22.—PHOTOVOLTAIC CONVERSION ACCELERATED ORDERLY MILESTONE SCHEDULE

1975

Solar Insolation data collection network established.

Establish materials characterization and analysis laboratory.

1976

Set up and operate standards and calibration laboratory.

[3] Based upon estimate of 40 percent increase in 1970 oil prices and a 100 percent increase by 1985.

[4] Commercial operation begins in 1988 if the minimum plan is funded. The accelerated plan will result in commercial operation by 1983.

[5] First year production capacity is two 500 Mwe plants.

Operate terrestrial environmental test facility.

Determine maximum allowable costs of photovoltaic systems for on-site and central station application in several U.S. locations taking into account meteorological data and the effect of such systems on communities, environment and society.

1977

On-site System design completed.
Commence testing of cells and arrays.
Attainment of $5/watt (peak) technology.

1979

Attainment of $0.50/watt (peak) technology feasibility.

On-site System installed and testing initiated.

Central Station System design completed.

1981

Completion of a pilot line to manufacture $0.50/watt (peak) solar arrays.

1982

Integrate photovoltaic systems in the range of 0.01–1.0M into new and existing building (homes, schools, shopping centers, etc.).

1985

Integrate photovoltaic systems of about 10MW capacity into communities and large industrial plants.

1986

Completion of pilot line to manufacture $0.30/watt (peak) solar arrays.

1990

Integrate photovoltaic systems of greater than 100MW capacity into towns and power networks.

FIGURE 29.—RATE OF IMPLEMENTATION: PHOTOVOLTAIC CONVERSION

[In megawatts]

Year	Peak power output capability of arrays Produced 1 yr	Cumulative output
1981	1	1
1983	10	13
1985	1,000	1,100
1990	5,000	10,000
1995	10,000	40,000
2000	20,000	[1] 100,000

[1] AUI projected electrical generating capacity (United States) required in the year 2000 is 2,000 mkw(e). This would then be (at peak output) 5 percent of U.S. requirements.

Note: The rate of implementation is based on estimates from learning curves projected for various rates of photovoltaic device research and development.

FIGURE 24.—ENERGY R. & D. PROGRAM BUDGET SUMMARY: PROGRAM NAME—PHOTOVOLTAIC CONVERSION; PROGRAM ALTERNATIVE—ACCELERATED ORDERLY

[Federal obligations $X10[6]]

Program element	1975	1976	1977	1978	1979	1980–89	1990–1
Area 1: Array research and development:							
Subprogram 1: Silicon solar arrays	11.5	29.5	41.0	27.0	26.0	[2]	[2]
Subprogram 2: Cadmium sulfide arrays	6.0	7.0	7.0	7.0	7.0	[2]	[2]
Subprogram 3: Other materials and devices	3.1	3.1	3.5	7.7	7.7	[2]	[2]
Area 2: Systems and applications:							
Subprogram 4: Systems for onsite power generation and storage	2.1	2.1	3 3	3.3	3.3	----	----
Subprogram 5: Systems for central power generation and storage	1.0	1.0	6.0	6.0	6.0	----	----
Subprogram 6: Test and evaluation labs	4.6	3.6	3.1	3.1	3.1	----	----
Program total	28.3	48.3	63.9	54.1	53.1	250.0	50.0
Cumulative total	28.3	76.6	140.5	194.6	247.7	----	----

[1] Private sector will supply 50 percent of the total effort.

[2] Private sector will supply 90 percent of the effort.

FIGURE 26.—TABLE C: PHOTOVOLTAIC, MINIMUM VIABLE PROGRAMS

Milestones

1975

1. Complete ongoing (FY 73 & 74) studies of early applications of terrestrial photovoltaic power systems.

1976

2. Terrestrial power system demonstration test facility in operation.

3. Development of processes for producing low-cost silicon ribbons completed.

4. Set up and operate standards and calibration laboratory.

5. Begin operation of terrestrial environmental test facility.

1977

6. Complete development of methods for processing low-cost semiconductor grade silicon from oxide raw materials.

7. Complete design and development of automated production equipment for making photovoltaic cells.

8. Complete development of low-cost concentrating/reflecting systems for photovoltaic arrays.

9. Complete establishment of solar insolation measuring stations network.

1978

10. Complete development of low-cost power processing.

1979

11. Complete design and development of production equipment for making photovoltaic cell modules.

12. Complete development of method for fabricating thin film polycrystalline photovoltaic cells.

13. Complete initial phase of investigation of alternate materials for low-cost photovoltaic cells.

FIGURE 27

ENERGY R. & D. PROGRAM BUDGET SUMMARY: PROGRAM NAME—PHOTOVOLTAIC CONVERSION; PROGRAM ALTERNATIVE—MINIMUM VIABLE

[Funding, millions of dollars]

Program element	Fiscal years— 1975	1976	1977	1978	1979	Total
Single crystal solar cell and array technology	3.0	3.7	5.3	8.3	8.3	28.6
Thin film cell and array technology	1.3	1.3	1.8	2.0	2.2	8.6
Systems for central power	0	1.0	1.0	1.0	0	3.0
Test and evaluation laboratories	2.4	2.4	1.0	0	0	5.8
Systems for on-site power	2.8	1.1	1.1	1.1	1.1	7.2
Basic research on other materials and devices	.8	.8	.8	.8	.8	4.0
Total	10.3	10.3	11.0	13.2	12.4	57.2

b. Economic electricity generation in *central stations* is projected to begin by the year 1985 in the SW U.S.A.

3. There are no major barriers in implementation anticipated when the predicted cost figures are reached.

II. Status of Technology—Photovolaic Conversion

A. Present Status:

Present arrays for terrestrial use are now sold at $50/watt (peak), and the manufacturers state they can supply these at $20/watt (peak) in large quantities. A reduction to $5/watt (peak) by automation of the present batch fabrication process appears likely. Continuous growth of single crystal silicon ribbon has been shown to be feasible, making highly automated, continuous cell and array fabrication processes a definite possibility. Improvement in cell efficiency is being pursued at several government, industrial and academic laboratories. Reduction of cost by continuous processes, to less than $0.50/watt (peak) is projected.

Such reductions in cost are not unreasonable based on the experience of the semiconductor device industry. Thin film cells, now in the research stage, offer the promise of very low cost continuous production by less expensive processes and/or materials. The cost now projected for thin film cells is $0.10/watt (peak).*

B. *Barriers to Implementation:*

1. Research barriers:

Current thin film cells require a better understanding of the degradation mechanism in CdS-Cu_2S films and of processes interfering with efficient electron collection in polycrystalline silicon cells. Research is needed to identify low cost processes for large scale Si production. It is desirable to develop a better understanding of storage for use in conjunction with photovoltaics. The projection of energy storage capital costs by the Panel on Energy Storage for the year 2010 is $10/KWH. This low cost will increase the potential utilization of photovoltaic conversion.

2. Development barriers:

Systems at $3000/kilowatt average installed in buildings, can be expected to be produced by the Edge-defined Film-fed Growth (EFG) crystal growing process which has already proven feasible for Si ribbons, but needs intensive development before low cost high efficiency solar cells can be produced from the material. Mass production technology for

* The ratio of peak to average power is approximately two for a system tracking the sun and about 5 for a fixed system.

doping and contacting, power conditioning equipment, and deployment technology must be developed.

3. Implementation barriers:

Economic solar cells will have to be made by mass production processes. A tax credit or other government subsidy may be needed to encourage the building of such a mass production facility.

C. *Ongoing R&D Efforts to Overcome Barriers:*

1. Present levels—domestic

The major source of funding at the present time for research and development of photovoltaic conversion of solar energy for terrestrial applications is the Federal government. The Federal agencies primarily involved are listed below:

	FY '74	FY '73
NSF (est.)	$2600K	$794K
NASA	179K	130K

Present NSF and NASA supported research includes fourteen active grants and contracts in the areas of: (1) single crystal solar cells (primarily silicon); (2) thin film cells (primarily polycrystalline silicon and cadmium sulfide); (3) other materials and devices; and (4) systems and applications studies. Other federal agencies with an interest in photovoltaic conversion include DOD, AEC, and DOC (USCG, NOAA, NBS).

Private domestic funding of R&D is currently estimated at $300K. This includes work supported by three solar cell manufacturers to develop systems in the 10 watt to 1 kw range for a variety of terrestrial applications. Available photovoltaic arrays (at $50/watt peak) are competitive with other forms of available power in specialized applications, such as aids to navigation. Known photovoltaic activities in foreign countries are listed below:

Country, Estimated R&D Costs, and Principal Projects

France: Several companies and national laboratories are working on single crystal and film cell systems in the 10–100 watt range.

Russia: Research on advanced concepts such as vertical junction devices and new materials. Space program based on silicon and gallium arsenide cells. Development of kilowatt sized units for use in remote areas.

Netherlands: Development of large scale terrestrial program. Investigation of new materials.

Others: Several other countries have small programs (e.g. Poland, Belgium, England, Israel).

2. Availability of results of foreign efforts. There is active interchange between scientists in the relevant major U.S. and European research centers through publications, workshops and conferences. However, a more thorough examination of foreign efforts is necessary for the development of the optimum national program.

III. Rationale for Federal involvement and institutional arrangement and implementation

A. *Why Federal Involvement is Warranted:* The solar cell industry survives now only on the small and relatively level market of about $4M per year. The investment and risk required for this solar energy program is too great for private investment now. The terrestrial market is only starting to develop, and without the stimulus of federally-developed low cost arrays, it will not grow fast enough to justify private investment soon enough to impact the energy crisis.

B. *Government actions which would stimulate private R&D to insure a dependable, growing market are:*

1. Guaranteeing an annual market for solar cells and arrays

2. Enacting uniform building codes for solar cell roofs

3. Providing tax advantages for solar cell power systems and production facilities

C. *Sensitivity of attitudes to changing conditions:*

Obviously, increases in price or shortages of electricity from other energy sources will make solar cell systems more attractive and make the market more favorable.

D. *Other government action:*

Requirements for special legislative, regulatory, patent or antitrust actions have not been identified. Manpower training programs will be needed in the rapidly increasing cell and array manufacturing industry and in the new array installation and maintenance trades.

IV. Criteria and priorities

A. *The Following Criteria Were Used to Judge Subprogram Elements and Priorities:*

1. The maturity of technology in a given subprogram element e.g., commercial quality single crystal wafer cells have been made in batch process while thin film cells are at the laboratory stage.

2. The potential of the approach e.g., automated wafer cell production is limited in cost reduction potential while film cells offer the most potential for very low cost production.

3. The volume of the application to the country e.g., economical production of large scale power is more important than special applications.

4. When the technology is needed for intended applications e.g., automated wafer cell production is needed early or not at all.

5. The options or backups provided e.g., film cells offer a somewhat delayed backup to ribbon cells.

6. The breadth of applicability e.g. supporting research and technology and facilities are needed for many program elements.

B. *Application of Criteria:*

In this subprogram the alternate approaches available and their various levels of maturity and potential gains allow the construction of a strong, well-phased program. Alternate approaches to making low cost arrays are pursued concurrently but with staggered milestones so that as these activities succeed there will be a succession of improvements. Alternate approaches will be pursued within each subprogram element so as to increase the probability of achieving all milestones. There is little likelihood of total failure and very high probability of at least partial, yet significant, success. A strong research effort is expected to lead to even better approaches. System demonstrations will be initiated as soon as the availability of sufficiently low cost arrays can be projected. The pilot plants and earlier subsystems will be built prior to the availability of low cost arrays so as to identify all system problems at an early date. Supporting efforts such as insolation measurements, standards laboratories and systems test facilities are necessary to the entire program and are given high priority. Priorities and schedules for all but the supporting efforts will be reassessed regularly, in light of progress throughout the subprogram, and changed appropriately.

C. *Priorities:*

The subprogram has been planned with the following priorities and early emphasis:

Priority 1. Supporting efforts (measurement, standards, test facilities) need for all parts of subprogram.

Priority 1. Ribbon cell array ($.50/w peak) and associated research. Most likely to first achieve a cost that makes large application practical.

Priority 1. Low cost, large volume, high purity silicon and cadmium production processes. Essential for ultimate success of photovoltaic program.

Priority 3. Wafer cells ($5/w peak). and associated research. More risk than ribbon approach but potentially lower cost.

Priority 3. Wafer cells ($5/w peak). Will stimulate market for special applications and expand the industry early. Not suitable for very large applications.

Priority 3. Research for other materials, processes and storage devices. Strengthens programs, provides further improvements. Milestones cannot be established now.

When low cost cells are available:

Priority 1* On site power demonstration. Most likely first successful large application. (1kw)

Priority 2* Central station demonstration. Very significant impact if successful, but further off. (10 MW).

V. Alternative R&D program

A. *Accelerated R&D Program—Milestones and Schedule:*

The milestones and schedule for the development of photovoltaic systems are shown in Fig. 22. The R&D flow chart is shown in Figure 23. The first building installations on the order of 0.01 to 1 MW will occur about 1982 and community and industrial plants of about 10 MW will be seen by 1985. The early development of photovoltaics (into the 1980's) will be mostly government supported but as a significant ($100 million/year) market develops, more funding will be provided by the private sector. The first 5 years of development will proceed along parallel lines including single crystal, thin film and the exploration of new materials and processes to reduce costs more than 100 times. It is too early at this time to say whether single crystal silicon, for example, will be more economical and be more advantageous than cadium sulphide thin films. The likelihood of success of the early milestones being reached are high, especially an order of magnitude in cost reduction of photovoltaics, but become increasingly lower as efforts are pushed to cost reductions of 300. Even if the later is not attained a large market in photovoltaics for building and remote site applications is assured.

1. Cost and Budget Projections

Cost and budget projections are shown in Fig. 24. When demonstrations units become integrated into buildings in the early 1980's, cost sharing by the private sector is envisioned. This funding would come from industrial sources interested in embarking in a new field and may be from both existing and new corporations. Early production of low cost solar arrays may require a guaranteed procurement on the part of the government to attract private capital.

Studies are now underway to get a better estimate of the cost of developing mass produced solar arrays and the funding required to build plants to produce them. The projected Federal outlays in FY 75 thru 79 are shown in Fig. 24. Manpower needs to carry out the intended R&D are small and not considered to be a major impact on the labor market. Facilities needed are laboratory and production lines through the duration of this program. Extensive production would require new manufacturing facilities and expansion of certain materials production capacity such as for silicon, cadmium, copper, plastics, and glass.

2. Other Requirements.

All requirements are discussed in 1 above.

3. Management Plan

Management of the photovoltaic development would be by government agencies overseeing work in academic, government and industrial laboratories and facilities. Those government agencies best suited to monitor and direct the research would be used under the overall surveillance of a central agency.

4. Criteria Employed to Construct Program

Due to the current state of the art, various alternative R&D program options have been left open and will be carefully monitoried until dropped in favor of more promising approaches. A good deal of experience in pho-

*Would be given lower priority if low cost array development delayed.

tovoltaics has been gained from the space program and this has been used to guide the initial terrestrial program.

5. Dependence on Other R&D Progress

Development of low cost electrical power storage is essential for the use of solar-generated electricity around the clock. Until low cost electrochemical or other methods are available, photovoltaic systems must be limited to peaking or daytime operation to be economically competitive. The projected capital cost of electrical storage for the year 2010 at $10/KWH by the Energy Storage Panel suggests that around-the-clock use of electricity produced by direct conversion will become economical.

6. Acceptability of R&D Program

The successful implementation of photovoltaic power systems will have minimal direct adverse environmental, health or safety effects on animal or plant life. No other programs are dependent upon the success of this program. In contrast to problems incurred by nuclear power plants, photovoltaic systems would find wide public acceptance because of their minimal impact on the environment.

B. Minimum Viable Program

The alternate, minimum viable program plan takes generally the same approach as the first years of the accelerated plan. The program schedule has been laid out for the first five years. In this plan the technology will be developed up to the point where large investments are needed. An automatic wafer cell production plant is excluded, and pilot plants for low cost array production and demonstration systems would be built in later years.

The subprogram elements are essentially the same in both plans, but the minimum plan does not allow pursuing as many alternate approaches within each subprogram element, resulting in a lower probability of success. The probability of substantial reprograming and program stretchout is significantly higher than for the larger plan.

The schedule is shown in Figure 25 with the milestones described in Fig. 26. Funding levels are shown in Fig. 27. The funding levels beyond 1979 will have to climb to near those of the accelerated program. If not, the later milestones will have to be delayed so long that photovoltaics will not impact the energy crisis impending in the 1990's.

The role of the Federal and private sectors management dependence on other R&D and public acceptability will be the same as for the accelerated plan.

VI. A. *Direct Benefits of Implementation:*

1. Supply, marketing and consuming sectors involvement. Substantial involvement of these sectors in the production of electricity by photovoltaic conversion is anticipated. In order to achieve 1% of the electrical generating capacity by the year 2000 and more than 10% of the electrical generating capacity by the year 2020 it will be necessary to increase the production of solar cells by more than 10^6 times current production rates. In addition, photovoltaic systems implemented on this scale will require significant supplies of mass produced components for support structures, power conditioning and storage.

2. Size of ultimate market.

The anticipated U.S. demand for electric power in the year 2000 will require 2000 MKW(e) generating capacity. The production of 1% of that amount by photovoltaic conversion in that year would represent a market cost of $1B while the production of 10% of the requirements for the year 2020 would near $36B. The latter figure would require the importation of approximately $100B of crude oil to generate the same amount of electricity if domestic sources were not available.

3. Foreign dependence.

The production of electricity by solar energy will result in a one-to-one reduction in the dependence upon foreign sources of fuel. Thus, in the year 2020, a substantial reduction in fuel imports ($100B) would be expected.

4. Reliability.

Implementation of national solar photovoltaic systems increases reliability and national security due to the dispersed nature of the solar collection schemes. A large photovoltaic system is easily modularized so that even if sections of the system are destroyed, useful power will still be produced. Furthermore, the system in full sunshine can be switched into service rapidly to meet emergency demand at minimum cost. Also destruction of such a large scale system would not result in the release of toxic materials.

5. Efficiency.

National energy utilization efficiency should be increased by the following steps:

a. Reduction in energy transportation losses as a result of local production and utilization of power.

b. Elimination of costly plants to meet peak daily demand which corresponds to maximum solar isolation.

B. *Economics of Implementation:*

Projected costs of two representative systems with high efficiency low cost arrays that are the goals of this subprogram are listed in Fig. 28. The annual cost of capital (interest, taxes, depreciation, maintenance, insurance) was assumed to be 15.5% of investment over a twenty year period. The projected rate of implementation is given in Fig. 29.

FIGURE 28

ECONOMICS OF IMPLEMENTATION—PHOTOVOLTAIC CONVERSION

Type/time	Average* power KW	Area (ft)²	Array $1 watt (peak)	System ($)×10⁻³	Operating $×10⁻³/yr)	Life (yr)	Power cost (¢/kwh)	Life (yr)	Power cost (¢/kwh)
Residence/1985	1	420	$0.50	3	0	20	7	30	5
Central station/1990	10,000	$4.2×10^6$	.10	7,000	100	20	1.8	30	1.2
Residence/1990	1	420	.10	1	0	20	1.6	30	1.0

*Average output power=integrated peak insolation × (duty factor)×(system efficiency†).
=(constant over 6 hours) × ⅙×(14 percent).
†System efficiency=(basic cell conversion eff)×(packing factor)×(power condition eff)×(overall loss eff).
=(21 percent) (85 percent) (90 percent) (90 percent)=14 percent.

Solar array systems will be capital intensive but have low operating and no fuel costs. Investment costs will eventually be below $1000/kw of installed average generating capacity, and operating costs on the order of those for hydroelectric installations.

A photovoltaic* power plant can come on line in segments during its construction while other systems must be completely built. This means it can start earning sooner. The solar energy industry will have a modest impact on the labor market amounting to no more than a few percent. By the turn of the century, photovoltaic processes could produce a percent or two of the nation's electrical needs saving several billion dollars in fossil fuels per year, much of which would represent imports. This would help in reducing balance of payments deficit. Also the U.S. might export multimillion dollar solar cell systems. Foreign markets should be extensive, especially in regions of abundant sunshine. By the 1990's as fossil fuel supplies become critical, world wide billion dollar markets will develop.

Large scale photovoltaic systems should be technology ready by the early 1980's and available in huge amounts by 1990. Useful lifetime of a system should be between 20 and 30 years and maintenance should be as minimal as the use of hydroelectric power.

Incentives to help instigate the use of photovoltaics might be done with reduction in taxes because of pollution reduction and savings due to lower transmission line requirements. Also low interest capital would encourage the use of photovoltaic systems for building and central station installations.

Incentives for using photovoltaics will include conservation of limited energy resources (fossil, fissile, water), lower pollution (both particulate and thermal), and reduced dependence on foreign resources and perhaps less vulnerability through dispersed power generation.

C. *Impacts of Implementation*

1. Natural Resources Required

Sand, the source of silicon, is so abundant as to present no resource limitation. However, the silicon reduction and refinement industry will have to be expanded by two or three orders of magnitude to provide for photovoltaics as well as the greatly expanding electronic device industry.

If Cds cells are used predominantly, then about 150,000 tons of cadmium would be needed to generate 1% of the year 2000 U.S. electric power needs exceeding the known U.S. reserves of 130,000 tons available at 1971 prices. The plating industry would be a major competitor for cadmium. Plastics are likely to be the encapsulants and perhaps structural elements of arrays.

The amount of hydrocarbons needed to manufacture the plastic has not been estimated. Aluminum and steel are likely other structural materials and will not be a significant portion of reserves.

2. Energy Inputs Required

a. Capital Investment

Residence—$3000/KW avg (1985)/$1000/kw avg (1990)

Central Station—$1000/KW avg (1990)

b. Operation

The only energy input required is sunshine, for which there is no cost.

3. Compatibility with Existing Energy Systems

Solar arrays generate DC power and electronic power processing equipment will make it compatible with the distribution network. Residences with photovoltaic systems would probably be tied to the network to draw power at night. For energy conservation and economics, excess photovoltaic power during the day should be fed into the network and the supplier credited. No major barriers to implementing feedback are foreseen; but electric utility companies must agree on the feasibility. In the case of large photovoltaic central stations, provisions will have to be made in the network to accommodate the changes in output due to variations in sunshine. Locally, conventional gen-

*Photovoltaic systems contain no moving parts. Their lifetime is conservatively estimated at 30 years.

erating plants would have to adjust their capacity. Accurate, rapid weather forecasting may be needed to provide reaction time. Very efficient long distance transmission would allow averaging generating capacity and load over larger areas. Also, energy needs are usually greatest at solar maximum (summertime) and thus solar systems are in phase with the energy needs.

4. Environmental Impacts of Implementation

a. Houses: The impact would mainly be esthetic.

b. Central power stations require large land areas which will entail careful siting considerations.

5. Occupational Health and Safety Considerations

Solar cells of CdS-Cu$_2$S have to be carefully encapsulated. The danger of accidental release of Cd and S during a home fire (approx. 12.4 kg/home) must be considered.

6. Other Factors

a. Impacts on future demography and land-use patterns. The Southwestern U.S. has the highest solar energy potential and presently the lowest land value. A shift of industry to the cheap solar energy source can be expected. One percent of the total land area could provide 75% of today's electrical demand. Fifteen percent of all land is used for agriculture. No significant impact on land use is expected.

b. Social costs and benefits

Benefits: Photovoltaic electricity on houses would make a black-out of a whole region impossible.

c. Long-term impacts of implementation. Less dependence upon exhaustible supplies of energy would be a major advantage when using solar energy.

SUBPANEL 9.—SOLAR AND OTHER ENERGY SOURCES, APPENDIX A

Members of the Subpanel

Subpanel No. IX: Solar and Other Energy Sources

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SCIENTISTS' INSTITUTE FOR PUBLIC INFORMATION,
New York, N.Y., March 30, 1974.

NEW YORK, N.Y.—In a speech delivered in New York to the annual meeting of The Scientists Institute for Public Information, Dr. Barry Commoner (who is Chairman of the Institute's Board of Directors) said that the Atomic Energy Commission "may be involved in a new Washington cover-up—an attempt to cover up the sun."

Commoner said that "The AEC has just issued an Environmental Impact Statement on the nuclear breeder reactor program—which by law is supposed to make available to the public all information that compares the effects and feasibility of alternative power sources. The AEC has failed to meet this obligation, for its statement omits vital scientific information that was in the possession of the AEC months before the impact statement was released. The information omitted from the AEC's public statement shows that in 1986, the earliest time when, according to AEC projections, commercial breeder power could be produced, economically competitive electricity from solar power plants could be available to communities and large industrial plants. As a result, the public is being seriously misled about the feasibility of solar power and prevented from responding effectively to the AEC's plan to rely on nuclear reactors for future power sources. The facts in the AEC's possession conflict specifically with its public statements regarding the expected cost of silicon cells, the most promising technique for producing solar electric power. For example, the breeder impact statement claims that 'The outlook appears to be that solar energy has little potential as an economical major source of electricity for several decades. . . . Thus the conclusion is drawn that the use of solar energy will not materially reduce the need for alternative electric energy sources in the foreseeable future.' "

"In contrast, we now see that the report of Subpanel IX of the task force of government scientists that prepared the report of Dr. Dixie Lee Ray (AEC Chairman) to President Nixon, The Nation's Energy Future, (submitted to Dr. Ray on October 27, 1973) said, with reference to production of electricity by silicon solar cells—only one part of a six-part overall solar energy program—'. . . The achievement of the cost goals of this program will result in the production of economically competitive electrical power (cost of 10 mils per KWH) by the year 1990. The projected rate of implementation of this solar energy conversion technology will produce more than 7% of the required U.S. electrical generating capacity by the year 2000.' "

"More specifically, while the AEC impact statement claims that silicon solar cells are not economically feasible because they will cost $10,000 per kilowatt, according to the AEC's own Subpanel IX, silicon cells could be manufactured at a cost of $5000/kw by 1978, at a cost of $500/kw by 1982 and at a cost of $300/kw in 1986. The AEC impact statement has clearly misinterpreted the economic feasibility of producing solar electricity by this means."

Excerpts from Dr. Commoner's address follow:

"The agency that is largely in control of government policy on the development of energy resources—the Atomic Energy Commission—has given the public misleading information about the relative feasibility of generating electric power by means of nuclear reactors and by means of solar cells. In its most recent public document on the potential of different technologies for providing power, the Environmental Impact Statement on the LMFBR (the breeder reactor), the AEC makes the sweeping claim that the practical generation of electricity from solar energy is not feasible in "the foreseeable future." But this claim is flatly contradicted by information that was exclusively in the hands of the AEC until its release was demanded by Senator James Abourezk of South Dakota under the provisions of the Freedom of Information Act."

"In effect, the AEC may be involved in another Washington cover-up—this time an attempt to cover up the sun."

"Here are the basic facts. In May, 1971, the Scientists' Institute for Public Information (SIPI) entered a suit against the AEC in federal court complaining that the AEC had failed to meet the requirements of the National Environmental Policy Act (NEPA) by not providing an Environmental Impact Statement relative to the AEC-developed program for basing a major part of U.S. electric power production on the LMFBR (breeder reactor) in the next century. SIPI won that suit, and the AEC was required by the court to produce the impact statement, which was made public on March 25, 1974."

"According to NEPA, the impact statement is required to consider not only the environmental impact of the proposed breeder program, but must also compare the benefits and costs of that program with alternative methods of reaching the intended goal—i.e. to provide for a significant part of the nations future electric power demand. One of the possible alternatives is the use of solar energy in general, and the generation of electric power from the sun in particular."

"Thus, the LMFBR impact statement represents the information that the AEC wishes to make available to the public in support of the government's decision to base our future power supplies largely on the breeder program. But, as will be shown below, the information that the AEC has chosen to make available to the public differs drastically from information already in the hands of the AEC, which shows that solar power is much more feasible than is indicated in the public statement."

"The AEC's LMFBR impact statement makes the following claims about the feasibility of one of the chief technological means of producing electric power from solar energy, silicon photovoltaic cells:

" 'Present costs of solar-cell arrays are extremely high. For example, the skylab solar arrays reportedly cost about $2,000,000 per kilowatt. Cherry estimates that, by improving the manufacturing process and using simple solar concentrations (sic, what is meant here must be "concentrators"), silicon cells arrays could be produced for $10,000/KW . . .' (page A–5–31)."

"Elsewhere, the impact statement concludes flatly that:

" 'Little basis exists for projecting a measurable contribution (i.e., by the year 2000) of solar energy to either electricity generation or high-energy fuels since even optimistic projections of cost place solar conversion in a poor competitive position relative to coal or nuclear energy.' (page A.5–22)"

"Summing up, the impact statement asserts: 'The conclusion is drawn that the use of solar energy will not materially reduce the need for alternative electrical energy sources in the foreseeable future.' (Page A.5–34)"

"Now as it happens, the chairperson of the AEC Dr. Lee had earlier undertaken, in response to a request from President Nixon, to prepare an energy plan for the federal government which was published on December 1, 1973 (The Nation's Energy Future). Again, in keeping with the public position taken by the AEC in the LMFBR impact statement, this document places major emphasis on nuclear reactors, assigning 55.4% of the proposed research budget to that technology and only 2% to the development of solar energy."

"I must report that at the time the AEC made these assessments of the feasibility of solar power, the agency had in its hands detailed studies, which flatly contradict its public statements. These studies include a report of a Subpanel IX appointed by Dr. Ray to assess the role that research on solar

energy should play in the government's energy policy, and the supporting documents submitted to that Subpanel by several major governmental agencies. In contrast with the claims made by the AEC's public statements (e.g., that solar power cannot be achieved in the "foreseeable future," and that specifically the best cost estimate for the silicon-based solar cell is 10,000/kw) we find in the Subpanel IX report the following entries in a proposed "orderly milestone schedule" for the production of power by silicon photovoltaic technology. (Page 142)

"1977

"On-site System design completed.

"Commence testing of cells and arrays.

"Attainment of $5/watt (peak) technology.

"1979

"Attainment of $0.50/watt (peak) technology feasibility.

"On-site System installed and testing initiated.

"Central Station System design completed.

"1981

"Completion of a pilot line to manufacture $0.50/watt (peak) solar arrays.

"1982

"Integrate photovoltaic systems in the range of 0.01–1.0MW into new and existing building (homes, schools, shopping centers, etc.).

"1985

"Integrate photovoltaic systems of about 10MW capacity into communities and large industrial plants.

"1986

"Completion of pilot line to manufacture $0.30/watt (peak) solar arrays.

"1990

"Integrate photovoltaic systems of greater than 100MW capacity into towns and power networks."

"In other words, according to this assessment, silicon cells could be manufactured at a cost of $5000/kw in by 1978, at a cost of $500/kw by 1982 and at a cost of $300/kw in 1986. Moreover, on this basis the panel proposed to use these devices, in practice, at the level of .01–1.0 MW in 1982, at the level of 10MW in 1985 and in systems greater than 100MW. The overall assessment of Subpanel IX of the feasibility of implementing power production by this one method using solar energy is as follows:

"'As indicated in Figs. 28, 29 of this writeup, the achievement of the cost goals of this program will result in the production of economically competitive electrical power (cost of 10 mils per KWH) by the year 1990. The projected rate of implementation of this solar energy conversion technology will produce more than 7% of the required U.S. electrical generating capacity by the year 2000.' (Page 141)

"This statement flatly contradicts the public claims made by the AEC. Yet it is based on information known to the AEC. It appears to me that the AEC is attempting to support the Administration's position to favor nuclear power over solar power by failing to make available to the public all of the relevant information regarding the feasibility of solar power. Here then is a current example of the thesis developed earlier—that exclusive possession of scientific information relevant to major issues of public policy is an important basis for achieving the power to control that policy."

"This example also illustrates the antidote, for I have put it into practice here—to break down the walls that are erected between the public and the information held exclusively by those who seek the power to determine public policy. This is an obligation that I believe the scientist must accept—to see to it that the scientific knowledge essential for a public judgment on such vital issues is in the hands of those who, in a democracy, ought to make this judgment—the people of the U.S. When those who are in political power base this power on exclusive knowledge and keep the public uninformed, we must do what we can to redress the balance."

"In a sense, with regard to scientific knowledge, we scientists might do well to emulate Robin Hood—to take from the rich and give to the poor."

[From the New York Times, Mar. 31, 1974]

SHUTDOWN OF A NUCLEAR PLANT, 17TH IN 19 MONTHS, SPURS U.S. DEBATE

(By John Kiener)

VERNON, VT., March 30.—The Vermont Yankee nuclear power plant has been closed down again for what officials describe as some routine tests to determine whether parts of the key element in controlling the nuclear reaction were put in upside down.

It is the 17th major shutdown in the 19 months the plant has been operating, according to company records.

One shutdown was for the beginning tests of the plant and a second was for giving examinations to the operators. The rest were because of accidents, failures of equipment, faulty parts, corrections of dangerous or illegal conditions or, in one case, being struck by lightning.

"We are not as bad as some," a Vermont Yankee spokesman, Lawrence Keyes, said of the power plant's reliability, "but we're not as good as others."

When both Government and industry are promoting nuclear power as the answer to energy problems, Vermont Yankee's difficulties focus attention on a rapidly growing controversy over the use of atomic energy.

Some members of the scientific community, along with conservationists and consumer groups are questioning the safety and reliability of nuclear plants. Ralph Nadar, the consumer advocate, made an organizing tour of Massachusetts college campuses earlier this month and addressed a joint session of that state's Legislature to press for a moratorium on nuclear plant construction until adequate safety could be guaranteed.

On Thursday, the New England Coalition on Nuclear Pollution and the Natural Resources Defense Council, which have battled Vermont Yankee through the Atomic Energy Commission licensing procedures, filed suit in the Federal Appeals Court in Washington for another review of the plant's operating license.

The Union of Concerned Scientists, a group centering on professors at the Massachusetts Institute of Technology, and other critics of the nuclear plants raise these main objections.

The possibility that human error or the failure of mechanical parts could result in a disastrous nuclear accident.

The difficulty of disposing of the waste products, some of which will remain radioactive for thousands of years. Kansas salt mines that had originally been planned as burial grounds have been found unsuitable.

The danger that terrorists could steal fissionable material—such as the plutonium that is a byproduct of the nuclear reaction—and make a nuclear bomb.

A nuclear energy plant, in basic terms, consists of a vessel in which a nuclear reaction develops intense heat, turning surrounding water into steam. The steam rushes through a turbine, powering a generator, which develops electricity.

A nuclear accident could release radioactive particles into the atmosphere. This might occur if cooling systems failed, causing the radioactive core of the reactor to overheat and melt.

The Atomic Energy Commission contends that chances of a nuclear accident are minuscle. And the industry points to elaborate emergency and back-up systems designed to stop and cool down a reactor if there is trouble.

Critics contend that however sophisticated the nuclear concept, its operation depends on imperfect standard technology. They say the impact of an accident might be measured in multiples of the Hiroshima bomb.

A recent "abnormal occurrence" report filed by Vermont Yankee, for instance, noted that Valve 10–25A, part of the low-pressure cooling system, failed to function on March 4. It was the third time the valve had failed, the report said.

Nuclear plants are required to file "abnormal occurrence" reports when there are violations of Federal technical or safety specifications. In 1973, Vermont Yankee filed 35 such reports.

In an editorial entitled "More Problems at Yankee," The Brattleboro Reformer noted yesterday that "the word 'lemon' has been battled about more than once," in regard to the plant.

But the problems here are not dissimilar from those of other plants. Of the six plants now operating in New England (nine more are projected), Connecticut Yankee is shut down because its turbine broke and the Pilgrim plant in Massachusetts has been closed by a critic's legal challenge to its safety.

Another Connecticut plant was closed for seven months, first by sea water leakage, then by faulty equipment. In the Massachusetts Yankee plant, bolts failed in the reactor core, costing six months and $6-million of repairs.

According to figures assembled by Prof. Henry W. Kendall of the Union of Concerned Scientists from Nucleonics Week, a trade publication, nuclear plants had a "deliverability factor" of 54 per cent of their theoretical capacity last December and 46 per cent in January.

A major problem for the nuclear plants has been in the quality of equipment they buy from suppliers.

The shutdown for six days, which began here last night, involved the control rods, the main instruments for starting, controlling and stopping the nuclear reaction. Inside the rods, a boron carbide substance that absorbs neutrons—thus halting the nuclear reaction—is held in place by "spacers," which in turn, are held in place by crimps below their position.

The problem is that some may be upside down, so that the material is not held evenly in place, lessening its efficiency.

David Crowley, a spokesman for the General Electric Nuclear Division in San Jose, Calif., estimated that the problem might affect 10 plants. He said it had appeared that some control rods might have been assembled backward because both ends looked pretty much the same.

"It's pretty difficult to tell unless you label them top and bottom," Mr. Crowley said.

Previously, Mr. Keyes, the Vermont Yankee spokesman, said the plant had had considerable trouble with nuclear fuel supplied by General Electric.

Hydration was the first problem, he said. The fuel pellets contained excess moisture, which at high temperatures disassociated itself, ate through the linings of the fuel rod and escaped in the plant's vapors, causing a radiation violation.

A chemical, filter system of trapping the radiation proved insufficient, and so a $10-million filter had to be designed and built. Vermont Yankee and General Electric are still negotiating a settlement, Mr. Keyes said.

Another fuel problem, which closed the plant for all of last October and most of November was "densification." It was discovered that some of the fuel capsules were slipping and compacting, thus creating "hot spots."

One of the plant's most difficult moments came at 9:01 on the evening of last Nov. 7.

Workmen installing a television surveillance unit had cut out power for a key safety device unbeknownst to the night shift.

Unwittingly, a control rod was pulled out, while the one next to it was already fully withdrawn. An "inadvertent critically"—an unwanted nuclear reaction—began. After about two seconds, computerized controls cut in with a "scram," the nuclear word for an emergency shutdown.

The incident also caused somewhat of a chain reaction at the Atomic Energy Commission, resulting in an instant memorandum on the situation with a 71-destination routing slip, an investigation and, eventually a $15,000 fine, only the second the agency has ever levied against a nuclear power plant.

ORDER FOR RECOGNITION OF SENATOR HATFIELD TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the two leaders or their designees have been recognized under the order, Mr. HATFIELD be recognized for not to exceed 15 minutes.

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

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

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

The second assistant legislative clerk proceeded to called the roll.

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

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

RECESS TO 1 P.M. TODAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess until the hour of 1 p.m. today.

There being no objection, at 12:31 p.m. the Senate took a recess until 1 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. HASKELL).

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER (Mr. HASKELL). Morning business is now concluded.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974

The PRESIDING OFFICER. Under the previous order, the Senate will now resume the consideration of the unfinished business (S. 3044), which the clerk will state.

The legislative clerk read as follows:

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 Senate resumed consideration of the bill.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum with the time to be taken out of both sides.

The PRESIDING OFFICER. Without objection, it is so ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. COOK. 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. COOK. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending business is amendment No. 1070 to S. 3044. The amendment will be stated.

The amendment No. 1070 is as follows:

On page 2, line 1, strike all through page 86, line 17, and insert in lieu thereof the following:

TIME PERIOD FOR FEDERAL ELECTIONS

SEC. 2. The Federal Election Campaign Act of 1971 is amended by adding at the end thereof the following new title:

"TITLE V—TIME PERIOD FOR FEDERAL ELECTIONS

"FILING DATE

"SEC. 501. (a) No later than the first Tuesday of September preceding a regularly scheduled election, or sixty days preceding a special election, each candidate must file a registration statement with the State Secretary of State or the equivalent State official, in order to be eligible to appear on the primary or election ballot in such State or States. The registration statement shall include—

"(1) the identification of the candidate, and any individual, political committee, or other person authorized to receive contributions or make expenditures on behalf of the candidate in connection with the campaign;

"(2) the identification of any campaign depositories to be used in connection with the campaign;

"(3) an affidavit stating that no collections or expenditures have or will be undertaken in connection with the campaign prior to the filing deadline;

"(4) the identification of the party whose nomination the candidate will seek, or a statement that the candidate will seek to appear on the primary and election ballot as a candidate independent of any party affiliation.

"PRIMARY ELECTION

"SEC. 502 (a) All candidates for Federal elective office shall be nominated by means of a primary election to be held on the first Tuesday of October preceding the election, or thirty days preceding a special election. There shall be only one primary ballot or list of possible nominees for each party and one primary ballot or list for all nonpartisan candidates, and no candidate may appear on more than one such ballot or list. Each voter shall be entitled to vote for candidates from only one ballot or list.

"(b) Qualification of voters, determination of eligible parties, as well as rules and procedures for conducting the primary election shall be the responsibility of the States. Presidential electors and alternates shall be nominated by State political parties.

"PRIMARY ELECTION RESULT

"SEC. 503. The person receiving the greatest number of votes at the primary as a candidate of a party for an office shall be the candidate of the party at the following election: *Provided*, That any candidate who is the sole candidate for that office at the primary election, or who is only opposed by a candidate or candidates running on the same ballot or list of nominees and is nominated at the primary shall be deemed and declared to be duly and legally elected to the office for which such person is a candidate. Any independent candidate receiving at least 10 percent of the total votes cast for the office for which he is a candidate at the primary, or a vote equal to the lowest vote received by a candidate seeking a party nomination who was nominated in the primary shall also be a candidate at the following election."

LIMITATIONS ON CONTRIBUTIONS AND EXPENDITURES

SEC. 3. Section 608 of title 18, United States Code, is amended to real as follows:

"§ 608. Limitations on contributions and expenditures

"(a) No person who is or becomes a candidate, or political committee for such candidate, in a campaign for nomination or in a campaign for election to Federal elective office may, directly or indirectly, in any way whatsoever—

"(1) accept or arrange for any contribution, or expend or contract for any obligation, prior to the filing deadline for the election; or

"(2) accept any cash contribution in excess of $50; or

"(3) accept any contribution, contract for any obligation, or make expenditures not budgeted and reported as provided by section 434 of title 2, United States Code, after a date two weeks prior to the scheduled election date; or

"(4) make expenditures or contributions in excess of $10,000 from his personal funds, or the personal funds of his immediate family, or from such funds being contributed or expended through the use of a third party.

"(b) Any deficit incurred in connection with a campaign for nomination or election to Federal elective office shall constitute a violation of this section, and such deficit shall be paid only by means of contributions received under the supervision of and according to a procedure which shall have the prior approval of the Comptroller General.

"(c) Violation of the provisions of this section is punishable by a fine not to exceed $1,000, imprisonment not to exceed one year, or both.".

SEC. 4. Title 18, United States Code, is amended by adding the following sections:

"§ 614. Contributions by political committees

"Political committees shall not make any contribution to any candidate, political committee, or other campaign for Federal elective office: *Provided*, That such committees may administer or solicit contributions, so long as such contributions are given directly by the initial contributor to a candidate or political committee.

§ 615. No more than one political committee

"A candidate may establish no more than one political committee, which shall be in such candidate's own name: *Provided*, That the name of the committee, as well as the name of its chairman and treasurer, shall be filed with the Comptroller General immediately upon its formation; and should such a committee be established, all contributions received or expenditures made in connection with the campaign for nomination or election to Federal elective office shall be received or made by such committee and not by the candidate.".

REPORTS

SEC. 5. Section 434 of title 2, United States Code, is amended to read as follows:

§ 434. One report by political committees or candidates

"(a) Each treasurer of a political committee supporting a candidate or candidates for Federal elective office—or each candidate, should such candidate not establish a political committee—shall file a report with the Comptroller General two weeks prior to a scheduled election date for such candidate or candidates.

"Contents of Reports

"(b) The report shall be cumulative, shall report with respect to any activity in connection with the candidacy, and shall disclose—

"(1) the full name and social security number of each person who has contributed to the campaign, together with the amount of such contributions;

"(2) the full name and mailing address of each person to whom a debt or obligation is owed;

"(3) the full name and mailing address of each person to whom expenditures have been made, together with the amount of such expenditures;

"(4) the total sum of all contributions received;

"(5) the total sum of all expenditures; and

"(6) the total sum of all debts and obligations.".

PENALTIES

SEC. 6. (a) Section 444 of title 2, United States Code, is amended to read as follows:

"§ 441. Penalties for violations

"Any person who violates any of the provisions of this subchapter shall be fined in an amount at least equal to three times the amount of any monetary violation, or, in the case of nonmonetary violations, such amount as will satisfy the provisions of this subsection. The moneys collected from the fine shall be spent by the violator for general publication or transmission, to the widest possible extent in the geographical area in which the campaign or election was held, of at least the content of the Comptroller General's findings. The means of such transmission or publication shall be determined by the Comptroller General, and shall require the complete expenditure of the fine, unless the Comptroller General determines that a lesser amount, determined by him, will achieve complete publication and transmission of the nature of the violation. An additional fine may be levied if the Comptroller General shall determine that, due to the nature of the violation, an additional amount is needed to properly publish the violation.".

(b) Title 18, United States Code, is amended by adding the following section:

"§ 616. Penalties for violations

"Any person who violates any of the provisions of this subchapter shall be fined, in an amount at least equal to three times the amount of any monetary violation, or, in the case of nonmonetary violations, such amount as will satisfy the provisions of this subsection. The moneys collected from the fine shall be spent by the violator for general publication or transmission, to the widest possible extent in the geographical area in which the campaign or election was held, of at least the content of the Comptroller General's findings. The means of such transmission or publication shall be determined by the Comptroller General, and shall require the complete expenditure of the fine, unless the Comptroller General determines that a lesser amount, determined by him, will achieve complete publication and transmission of the nature of the violation. An additional fine may be levied if the Comptroller General shall determine that, due to the nature of the violation, an additional amount is needed to properly publish the violation.".

COMPTROLLER GENERAL

SEC. 7. The Federal Election Campaign Act of 1971 is amended by inserting the words "Comptroller General" wherever the words "supervisory officer" appear. The Comptroller General shall make such rules or regulations as may be necessary or advisable for carrying out the provisions of this Act: *Provided*, That any rules or regulations so promulgated shall be published in the Federal Register not later than December 31, 1975.

EFFECT ON STATE LAW

SEC. 8. The provisions of this Act, and of rules or regulations promulgated under this Act, preempt any provision of State law with respect to campaigns for nomination for election, or for election, to Federal office (as such term is defined in section 301(c)).

PARTIAL INVALIDITY

SEC. 9. If any provision of this Act, or the application thereof to any person or circumstance, is held invalid, the validity of the remainder of the Act and the application of such provision to other persons and circumstances shall not be affected thereby.

EFFECTIVE DATE

SEC. 10. The provisions of this Act shall become effective on December 31, 1975.

Mr. WEICKER. Mr. President, a parliamentary inquiry. Is it necessary that the amendment be read?

The PRESIDING OFFICER. The amendment has been called up. It is not necessary that it be read.

Mr. WEICKER. Mr. President, I ask unanimous consent that Messrs. Field, Mihalec, Dotchin, and Baker of my staff be permitted access to the floor during debate on this amendment.

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

Mr. ALLEN. Mr. President, will the Senator from Connecticut yield me 5 minutes?

Mr. WEICKER. I am happy to yield 5 minutes to the Senator from Alabama.

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

Mr. ALLEN. Mr. President, I thank the distinguished Senator from Connecticut for yielding time to me. I shall support his amendment, but the purpose of asking for the time now is to comment on two amendments that I will send to the desk after I have concluded my remarks, that would change the matching formula on primary races and would change the substantive provisions on general election races as to House and Senate races.

There has been considerable conjecture and argument as to whether the bill is an incumbent's bill or a challenger's bill, that is, whether it is weighted in favor of the incumbents or weighted in favor of the challengers.

The Senator from Alabama feels that if one side or the other should be favored, it should be the challengers on account of certain built-in advantages that the incumbents do have. So, in order to remove any doubt about whether the challengers or the incumbents are favored, I have prepared two amendments, one dealing with the primaries of House and Senate Members and the other dealing with general elections of House and Senate Members.

The first amendment would have to do with primaries, and under the provisions of the bill the Federal Treasury would match dollar for dollar the contributions up to $100 received by the various candidates for the House and the Senate, and there would be equal matching.

The amendment I am offering as to primaries, as to incumbents it would match only one-half of matchable contributions, whereas for challengers it would match fully, that is dollar for dollar the contributions received by challengers. In other words, the Federal Government would match only one-half of the private contributions, private eligible contributions for incumbents but would match all of the eligible contributions received by challengers.

In the second amendment, in general elections, whereas the bill provides that the Federal Government would pay a subsidy of 15 cents per person of voting age in the congressional district or in the State, as the case might be, whether Congressman or Senator, the amendment would provide that only one-half of that amount would be paid to an incumbent, whereas the full subsidy in the general election would be paid to a challenger.

Under these provisions there would be no doubt but what this would give the challenger a break and would offset some of the built-in advantages an incumbent would have.

I believe it is necessary to make some distinction between a challenger and an incumbent as to the amount of the Federal subsidy that is given to the challenger and an incumbent. I believe these amendments, if adopted, would remove some of the built-in advantages an incumbent has in races, both in primaries and and in the general election.

Mr. President, I submit these amendments and I ask that they be printed and lie on the table, to be called up at a later date.

The PRESIDING OFFICER. The amendments will be received and printed, and will lie on the table.

Mr. ALLEN. Mr. President, I yield back the remainder of my time. I thank the distinguished Senator from Connecticut.

Mr. WEICKER. Mr. President, it is my intention to ask for the yeas and nays on the amendment. I will not do so at this time but certainly as we draw closer to hour of 3 o'clock I would appreciate it if we might get a sufficient number of Senators in the Chamber to assure the yeas and nays.

Mr. President, the amendment before the Senate is in the nature of a substitute to the bill. Some of the features of the bill are incorporated, so far as tightening up finance procedures during a campaign, yet the principal thrust of the bill as it relates to our election procedures is not only different from any proposed in the bill but completely different from our common practices so far as the selection and election of candidates within our present political system.

First, I wish to try to set a tone for what I advocate by saying I do not doubt in any way the desire to reform our campaign practices so far as the proponents of S. 3044 are concerned by the members of the committee, the Senator from Nevada (Mr. CANNON) and others who have led the way, the Senator from Massachusetts (Mr. KENNEDY), and organizations such as Common Cause. I believe very much in their desire for reform and their desire to set straight that which appears to have been done wrong, as brought forth by various bodies during the past year.

Yet it seems to me the problem is far bigger than any individual abuse of campaign finances and it just cannot be resolved in the normal way. Rather we have

to take a careful look at our political procedures and relate back to the abuses that have taken place. So I intend to argue vigorously for my way to achieve reform, and it in nowise is meant to discredit those who have another way of going about the same business.

First let us relate to the bill, if we might, and go over the various aspects of that bill and what they intend to accomplish. Then, I would like to spend most of my time discussing the principles involved.

SECTION 1

Page 1 of S. 3044 is retained, thereby keeping the title of the act as the "Federal Election Campaign Act Amendments of 1974". Everything else in the original bill is deleted.

SECTION 2

This section is titled "Time Period for Federal Elections," which indicates the main purpose of the section—to cut down the length of campaigns. This has two objectives: First, to save money; and second, to make campaigns more palatable and reasonable.

This is done by adding a new title—title V—to the "Federal Election Campaign Act of 1971." The first section of the new title sets up a filing date:

On the first Tuesday of September, or 60 days before a special election, all candidates must file a registration statement, containing:

Name of the candidate. Names of any person or committee authorized to accept or spend money.

Names of any campaign depositories.

An affidavit swearing that no money has been collected or spent prior to the first Tuesday in September.

Name of the party of the candidate, or that the candidate will run as an independent.

The second section of the new title V sets up a procedure for one, and only one, primary to select nominees for the election itself.

First. All nominees would be selected through this direct primary, including Presidential, senatorial, and congressional nominees.

Second. The primary date would be the first Tuesday in October.

Third. A candidate could only run for one party's nomination.

Fourth. Voters could only vote for one party's slate of possible nominees.

The qualification of voters, parties, and the procedures for conducting the primary would be handled by the States, which is the same as it is handled presently. No primary runoff.

In summary, the second section means that the people, not some circus-like convention, would select candidates. It would prevent the so-called cross-over vote, which often distorts primaries—voters have to choose one party primary to vote in. It also allows independents to participate in determining who the final candidates shall be.

The third section of the new title V says simply that the nominee selected by the primary shall be the candidate receiving the greatest number of votes from his party's voters.

No runoffs, with their attendant expenses and added campaigning.

The incentive is clearly for the parties to bring their support behind a reasonable number of possible nominees, to avoid excessive fragmentation of the party's vote. This should, as an offshoot, enhance the role of the party.

This is the essence, and I will get into other aspects of the bill, of change that is considerably different from anything that has been discussed in tackling the financial aspects of the problem that confronts our country today. There really are two problems that relate to the difficulties we have encountered in our campaigns. One, we all would agree, is the cost of those campaigns; and two, is the failure to utilize the entire electorate in the selection and election processes. We all concede that the cost of campaigning in this country has gotten beyond all reasonable bounds.

When President Eisenhower was reelected in 1956 the campaign cost was roughly $8 million. To the best of our knowledge President Nixon's 1972 campaign cost $72 million. So clearly the cost of campaigns has soared and given impetus to the type legislation presented on the floor of the Senate. I wish to just ask a simple question, or set forth a hypothetical example in the extreme. If the costs of the Presidential campaign were $100,000 would we be turning to the Federal Government to resolve the problem? The answer is "no." So it is not the question of money; it is the amount of money. We use the $72 million almost as a floor rather than trying to tackle it and cut it down.

We concede the expense. And we turn it over to the Government. We do not do anything to reduce the amount. We merely shift it from the private sector to the governmental sector. We shift it from an area of choosing to an area of law, and I do not know of anything that relates to amounts of money spent by the Federal Government that ever went down. It is going to go up. No politician now has to earn his votes or his contributions, he is guaranteed the contributions, and it seems to me all we are leading to there is the subsidization of mediocrity.

The additional fact is that what you have done is shift the burden to all the taxpayers, whether they like it or do not like it.

Probably the most unfortunate of all is that it is an open-ended type of operation. There is no ceiling on it, either insofar as the number of dollars or the number of candidates is concerned.

I grant you that the abuses presented during the past year are considerable and we do need reformation of our spending practices in the political sense, but I do not concede to you that a presidential campaign has to cost $72 million. I do not concede to you that a senatorial campaign in my own State of Connecticut has to cost $1 million. I do not concede to you that a congressional campaign, in my State of Connecticut, has to cost $1 million. I do not concede to you that a congressional campaign, in my State of Connecticut, has to cost $100,000 or $200,000.

I would rather go ahead and see whether we can cut down that cost so it can be appropriately and properly handled as a matter of choice among the public as a whole, rather than become a governmental obligation.

All the bills to date have had some sort of ceiling. They have implied Government financing. What about changing the basic structure of the campaign itself? There is not a man in this Chamber who does not understand that for 2 years—I speak as a Senator—he makes preparation for his election or reelection—2 years. So the process in effect is a 2-year process to those of you in the business, in the know. But certainly insofar as the public is concerned, they know it takes at least 1 year.

What is there in the nature of a man or woman and their ideas that requires 1 year of hammering away on the ears of the electorate in this country? Cannot the job be done in a lesser period of time, and thus cut down the cost of campaigning? The answer is "Yes."

This inevitably brings me to another phenomenon which is occurring at the same time we increase our consciousness of our political spending abuses, and that is the way the electorate itself is changing. In my State of Connecticut in the last reporting period, 13,000 persons were registered as Republicans, 14,000 were registered as Democrats, and 45,000 were registered as independents. So clearly the role of both major parties is declining instead of continuing, and that is not a phenomenon restricted to my State. The latest Gallup poll has shown again a linking up of the voters between each major party is diminishing month by month and year by year.

What are we going to do with people who call themselves Independents? Do they have to choose either the Republican or the Democratic Party? If so, can anyone on the floor tell them why they should choose one or the other?

I recently received what I considered to be a rather insulting letter from one of the organizational leaders of my party which asked, "Will you please give three reasons why you are a Republican?" I find it a little difficult as a Senator, and I think Democrats would find it similarly difficult, to answer and give three reasons why one is either a Republican or a Democrat. I think more and more it is the Senators and Congressmen who are giving the image to the party rather than the party which is giving it to Senators and Congressmen and those who serve in an elected capacity.

That is nothing to be afraid of. It indicates a maturity on the part of the American voting public, that the man or woman, their ideas, their principles, are far more important than a label. What does it mean if somebody comes to you and says, "Vote for me. I am a Democrat," or, "Vote for me. I am a Republican"? It means very little. People want logic. They want reasons. They do not want labels. And yet, in a technical sense, I suppose each one is saying, "Well, what we do not want to do is abandon the two-party system. It has served us so well in an administrative sense."

What I have tried to do in the course of this amendment is to provide a machinery which will not do away with the two-

party system but which permits this huge number of voters to come into the system and to participate in the selection process, which is fully as important as the election process. Fifty percent is selection and 50 percent is election.

What is going to happen if the trends that have taken place continue? As the parties get smaller and smaller, fewer and fewer will dictate who the candidates are going to be. Yet I do not accept as a remedy for that the fact that one has to join the Republican Party or the Democratic Party. Rather, I want to give to the voters of the country the opportunity to join in the election process even if they themselves wish to remain aloof from a particular political label.

So on both counts, in view of the abuses that have occurred in the political system, when we shorten the campaign and when we use the primary process, inevitably the cost comes down. By using that primary to allow the independent to vote, the maximum number of people participate in this political process.

I will tell you, Mr. President, we can write every law on the books from this Chamber and across the way, with the signature of the President, and nothing is so effective in a democracy as the numbers of people participating in the election process, insofar as to safeguard everything we hold dear.

Remember this: When this country was founded, a few men of knowledge, a few men of wealth, wrote down the great concepts that we have in our Constitution and our Bill of Rights. America as a whole did not participate in this country. They could not. Either they were ignorant, had no property, or were in peonage—you name it. Just a few men ran the Nation, and they set down those words, those ideals, from which our present democracy has sprung.

I do not think any one of us would refute the fact that even 20 or 25 years ago, if you got a group of people on the sidewalk, perhaps 5 or 10 were in a position to make decisions and know what was going on. Yet today, out of that same group, perhaps everyone except two or three are in a position to make decisions and know what is going on. That is the result of our investment in education. It is the result of our investment in technology. It is a result of the news media having gone ahead and expanded their own capabilities, their own coverage. So that today we truly have a democracy—not just a few of the leaders, not just the news media, not just those in education, who tell the rest of America what is good for the rest of America, but, rather, Americans themselves standing on their own feet, making their decisions.

Unless you understand that—and I now refer to my colleagues in politics, Democrats and Republicans—you are in danger of not being in politics very long. That is the change that has come over America, an America which is not led just by a few, but, rather, one which is a democracy led by all of its people partaking in the decisionmaking process.

That is why the necessity for reform. That is why the primary route rather than the convention. That is why the convention looks sillier and sillier, as a few of the party faithful gather and the rest of America watches that spectacle for that one moment in time when the rollcall takes place, and the platform and all the hullabaloo along with that. Whoever reads it or sees it, except as it comes over television during the convention?

This Nation and its voters are interested in what the individual stands for, his ideas, his principles, what he is going to do, not some great generality buried in a pamphlet which comes to life during a convention and is then promptly forgotten in the usual tradition.

I have said many times during the recent troubles that in the plurality of our institutions lies the strength of this Nation, and anyone that looks to any one of the institutions as being the answer to its problems will fail. All trust and faith in the judiciary, if nothing else, will be a mistake. All trust and faith in the executive will be a mistake—or in the legislative branch, or in the news media.

Rather, it will be in the plurality of our institutions, because our greatest strengths are in those institutions and in the principles of the country.

The same holds true as far as candidates in the election process are concerned. The more people who are in there doing the job, the better the candidates we will have. People have made comments such as, What will 1974 mean to the various parties? In the light of the facts of the past year, my answer is that it is not going to be a great boon to the Democratic Party and it is not going to be a great disaster to the Republicans. The American people are going to look carefully at the candidates of both parties, something we have neglected to do.

What has happened, that has caused Watergate is that people have failed to pay attention to the political process and have failed to pay attention to the exercise of their right to vote. That has come home to them this year. So I think it is the American people who are going to look at the candidates, from whom will come the largest and best group of new officeholders in the Nation's history.

In the plurality and the number of people participating in elections in our Nation's greatest strength. That is a far greater safeguard against fraudulence or corrupt practices than any law which we can write. That is why, to me, the provision of the 60-day direct primary and independent participation in the election process goes to the heart of reform of both areas—the quality of the candidates and the lessening of the role of money in American political campaigns.

I should like now to move over to the section that deals with financing. But one point just before I leave the time element. The point I should like to reiterate is the period of 60 days for filing by a candidate. What politician will tell us that he is engaged in an extensive campaign prior to that date I will tell you, Mr. President, that in my own political style it is better for me to have a long campaign rather than a short one. God has given me physical stamina to do it. But 90 percent of the campaigns do not get revved up until after Labor Day. So in a practical way this does not change anything a great deal.

Filing would be on the first Tuesday in September; the primary on the first Tuesday in October. This includes the national Presidential primary. Then the general election, as has always been the case, would take place on the first Tuesday of November. Sixty days is certainly a long enough time for people to understand the candidates and to evaluate what it is they stand for and what it is they promise.

I might add that from a financial point of view—and this will lead me into my next area of discussion—there would be no collecting of money and no expenditures of money except within those 60 days.

Let me anticipate one of the arguments that may be presented—that this is going to help the incumbents. I cannot devise—and I do not think any other Senator can devise—a system which will have a degree of unfairness in challenging an incumbent. Actually, we all know that an incumbent has many things going for him, even now. Yet incumbents are turned out rather regularly from all offices throughout the country. In some ways, I think that in the election of 1974, it will be the biggest drawback anybody has to be an incumbent. So incumbency is a problem we have to live with.

Am I willing to see to it, for instance, that everybody who is an incumbent has to declare as a candidate on January 1 of an election year? Am I willing to say that he cannot use his franking privilege in a newsletter after February 1 of the election year? Anything to try to make it fair. Anything to put it on an equal footing. Anyway, insofar as financing is concerned, we are talking about 60 days, not a year or 2 years.

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

Mr. WEICKER. I am happy to yield to the Senator from Kentucky.

Mr. COOK. I thank the Senator from Connecticut. As he is aware, the Senate, on June 27, 1973, passed S. 343, a bill introduced by the distinguished Senator from West Virginia (Mr. ROBERT C. BYRD) and myself. The bill passed the Senate by a vote of 71 to 25. It provided that no primary in the United States for a Federal office could occur before the first Tuesday in August. The Senator calls for the first Tuesday in October.

We further provided that no national convention—I notice that the Senator has eliminated national conventions, and that could be a blessing to the American television viewer—could occur before the first Tuesday in August. The general election day would remain the same.

I may say to the Senator from Connecticut, I have no great problem with his October date. I have always contended that one of the ways really to cut down on the demand for tremendous sums of money is to shorten the period in which one could campaign. If we establish a Federal primary date for congressional elections, as we certainly have the right to do, we could then bring the dates of this period closer together. We will find ourselves in the position we find ourselves in today.

It is rather strange to me that a Senate seat in the State of California should

cost $7 million or $8 million, or more than that, let us say, in the State of New York. It would seem to me that if we bring the dates closer together, we would eliminate the necessity for the expenditure of such tremendous sums of money.

That bill passed by a vote of 71 to 25 and is now in the House. I must say that I do not know whether the 4-week or 5-week campaign could resolve the problem. I am not saying that it could not.

As the Senator well knows, we do put an expensive burden on the Federal Government in regard to taxpayer expense, unless we have some really strong restrictions on the use of the frank—which I have no objection to doing. I think the Senator knows that. We in the Rules Committee really did not tackle this matter from that point of view.

But I must say that the Senator's arguments are very valid in regard to bringing the dates closer together, shortening the period tremendously. We then find ourselves in a position that we cannot, under any circumstances, call for or justify a tremendous expenditure of funds that we now find candidates feel is necessary to continue a year-long or longer campaign for election to Congress—the Senate or the House.

I commend the Senator from Connecticut for his remarks, because I hope that his argument will dissuade States from making determinations as to who may find himself in a position of filing for a primary—and most of them are Presidential primaries—and finally making a determination as to whether he can make an expenditure in January, or who can establish a basis by which our remarkable friends in the press can start to get the bandwagon rolling, and put things together. I hope that they would be able to dissuade the States from doing that, because we do ourselves tremendous harm in regard to our ability to finance campaigns and raise that kind of money from the public.

One other point, which really does bother us in the bill before us, S. 3044. Although I voted to bring the bill before the Senate, I thought that maybe we had time for an opportunity to finance the campaign. We speak of the large number of independent voters which we now have—and I think that is tremendously helpful—what we do in a way by this bill, and I think the people of the country should understand it and become very aware of it—I have not read it in anything that has come out of Common Cause or any editorials that have said that this is what we must do, and that is that the Constitution does not name any parties.

The Constitution does not say there shall be two parties in the United States. But I am afraid we are looking at a bill that will absolutely build in no more than two parties. I am afraid we are looking at a system whereby we build in, in perpetuity, two major parties in the United States.

Let me give the Senator an example. If, under the election we had the last time, there were two major parties, the Republicans and the Democrats, I give one, for the sake of argument, 50 percent and the other 40 percent. That is, 45 percent of the voters in the country were for one of the two major parties. Therefore, we split the difference, and we allocate to them based on 45 percent.

There is a third party which has a candidate, and that third party candidate had 5 percent. Take the fraction 5 over 45, and it comes out one-ninth. That means we give the Republican Party, in the next Presidential election, $9 million out of the funds, we give the Democratic Party $9 million out of the Federal funds, and we give to the third party $1 million. How can a third party ever become a first or second party in the United States? Are we not building in permanently and forever the two major political parties and saying to the American people "Take your choice"?

I have serious misgivings about this, because nowhere in the Constitution did we say how many parties there shall be in this Nation. Yet, I am afraid that by this bill we may well be doing that. I think we should understand it, and I think the American people should understand it; and I think the American people should also understand—I am not sure they want it this way; if they do, then this is the way we should do it—as we go forward in this effort, and apparently a majority of those on this floor think we should, the consequences of saying, "Here are the two giants, and the third shall always be last."

Because, based on the votes in 1976, the distribution shall be made in 1980, and that means that the two major parties, whatever their percentages are—and a candidate becomes a major if he reaches 25 percent or more, and if he is below he shall always be a minor unless he does not take under this bill, and then he subjects himself to the criticism of the two majors, because he has gone out to try to raise money to make himself equal, in the eyes of the American people, to the candidates of the two major parties.

I think this is something we have got to understand. I thank the Senator for this dialog.

Mr. WEICKER. I thank the Senator from Kentucky. I think it is especially useful to listen to the words of the Senator from Kentucky and understand that simply because he has some reservations about the bill, as indeed I do, it does not mean we are against reform. We just have to start to do our homework in this country, and start facing the fact that we are not about to demagogue this issue.

We all understand the need for reform, but what I am trying to do is come out with something intelligent, that is worthy of the greatest political process ever known to man, rather than just slap a band-aid on to try to make everyone feel good, and then find out we have created something far worse than that which we already have, which is bad enough, and no one is defending it in any way.

I think, as we have listened to the Senator from Kentucky, we have realized that he has pointed out the pitfalls, not because he has anything to gain from private contributors, but because he understands that if indeed there is going to be a cleaning process, and if indeed the voters are to be given a choice, the type of reform we are discussing has to come to pass; otherwise the American people will believe the situation is reform when in fact it will be havoc.

So I commend the Senator for his comments, because I know of his dedication to getting this mess cleaned up. It does not make any difference whether it is his head or my head, we think that we are going to do things right. I think that is basically what the Senator from Kentucky is saying. It is not a question that either of us are going to rely on campaign funds from our own States. That has nothing to do with the debate on this floor. As I said before, it is not simply a case that those who are for the bill as written are for reform, and those who are not are against it. That is not the case at all.

It has got to be clear, from every poll that has been taken, whether in my State or across the Nation, that the American people do not necessarily want to be restricted to the choice of Democrats or Republicans. Otherwise, if the Republicans are doing so badly and the Democrats so well right now, why not just join the Democratic Party?

The fact is that we have gone through two administrations, one of each party, where clearly an excess of power has been turned against the best interests of the people of this Nation, and they have every reason to have a distrust of both parties.

Why should we be subsidized, Mr. President? Why should we not be out there on our own merits, facing the American people, rather than have Federal campaign financing and have our mediocrity and our inattention to detail subsidized by the people of this country?

When we get to the financing areas, the Senator from Kentucky and I can be very much in agreement when it comes to full disclosure, limited contributions, no cash, and all the rest. But there is no point in saying we want the present system. We do not. We want change, but as I say, we want change that is worthy of the institution of Congress, rather than something that is based on temporary emotion.

There are two points I would make in relation to one of the comments that the Senator made. My bill does not eliminate the convention. It does not say a thing about it. Obviously, though, there will be serious debate among the political parties when it comes to the fact that they are just going to meet for the purpose of stating ideas, and so forth. I would imagine that it will have as great an appeal; I imagine that ought to attract the viewing, listening, and reading public as much as anything, but these people will feel, "You are going to take all the appeal away when you eliminate the candidate selection process." But under my amendment, the selection is not going to be done in a convention hall or a smoke-filled room; it will be done across this Nation, with the people of this democracy being the delegates.

We talk about one man, one vote. We have achieved that. Why should it be any the less so when it comes to choosing the

candidates? Why should it be any the less so when it comes to choosing a candidate, so far as one man, one vote is concerned? It should not be. And choosing a platform in October should be the same as going ahead and choosing a candidate.

Just so that no one will come back at me, my State of Connecticut is far in arrears on this whole business. We are one of the few States still operating on the basis of a convention rather than a primary. I have already advocated that we change our laws in our State, and that we eliminate the convention by going to the direct primary.

Now we move into the financing area. As I say, I think it is naturally limited by the 60 days. People can say, "Well, you know, you can go ahead and solicit, and throw an awful lot of money in." The fact is that under my amendment 2 weeks before the election a full report is published, so if somebody has gone in there and thrown a great wad of money in, everybody is going to know about it before the election takes place.

But we are talking about gearing ourselves to the exception. The fact is that 60 days of a political campaign, from the choosing right to the election process, will be one heck of a lot cheaper than what is now roughly a year and a half, really, extending out to two years. It has to be. I cannot give any definite figure, that it will cut it in half or cut it by a quarter; it is just going to cut it substantially, and I think bring it within manageable bounds.

The other aspect of the bill relates to the collection of money. As I have stated, no one can collect money and no one can spend money except within that 60-day period. They have to report their expenditures and their collections 2 weeks before the election.

Now, someone is going to step up and say, "How can we possibly do that?"

What it means is that every candidate has to start right from the first day and keep the books. And why should he not? If he cannot keep his own books, he should not be sent to keep the books of the people of this country, either in the capacity of President or Senator or Representative. Two weeks before the election, everything should be right in place, and then people will know exactly the role the money plays. It will be a self-policing measure, which should do a great favor to all of us in politics, and should go a long way toward eliminating the horrendous deficits which occur in the course of campaigns, and which, again, too many of us spend too much time on, after we are elected.

Point No. 2: it calls for one committee, and eliminates the laundering of funds. In other words, in the case of a personal contribution to one committee, the candidate's name sticks to that contribution, even though the contribution goes from one pot to another. We will not get any laundering of funds. It allows a candidate—I am doing this from memory now—$10,000 in personal money, which brings me to the business of deficits. According to the bill as I have written it, you are not allowed to run on a deficit, or to put it this way, if you have $10,000, use it any way you want to. You can have the deficit any way if you want to, but if there are problems, they will be known, and your breaking of the law will be known to the voters before the election.

I would doubt that anyone would want to find themselves in violation of the law which would be known to the public 2 weeks before the election. Again there is another practical reason for setting this deadline at 2 weeks before election. I will speak for myself so that no one else will "sit on my head," but I know that a good portion of the money I received for my successful campaign in 1970 came to me after I was elected. That I do not consider to be much of a testimony to LOWELL WEICKER. It is a testimony to the seat which he has won, to the power which he has achieved through an election win.

Mr. COOK. Mr. President, will the Senator yield at that point?

Mr. WEICKER. Better let me finish what I am going to say first. What I am talking about is a legal contribution, that comes to all who are elected, but which comes after the election is over and is then put into our campaign. That is wrong. We know it is wrong. To believe in a man or woman and what they stand for is one thing, but to give money afterward, that is merely going ahead and playing the seat. That is not right. It does not lead to healthy politics.

But in my case one-fifth, or fully one-sixth, I believe, of the funds were raised after I was elected. I do not think I am too far off the mark in that situation. That is why the cutoff date in this legislation is 2 weeks before election. You can spend money on those things already committed, but you cannot go ahead and make any new commitments. You cannot go ahead and collect any money, except during those 60 days, which is what we are talking about—46 days of fundraising—the full 60 days being that which applies to campaign spending.

Let me comment on another point brought out by the distinguished Senator from Kentucky. He remarked on the campaign bill we passed last year which now sits over in the House. Many ideas have come to pass since then. As a matter of fact, my bill presented to the Rules Committee then did not include the 60-day provision which I present to the Senate today. What I am saying here is that we need time to generate the best of everyone's thinking and not just to grab the first solution that comes along.

Let me review if I can, in case I have left anything out, that section 3 of the substitute amendments amends the "limitations on contributions and expenditures" that are presently in existence. The proposed law would be as follows:

First. No contributions, or even an arrangement for contributions prior to the first Tuesday in September.

Second. No expenditures on contracts before the first Tuesday in September. No cash over $50.

Third. A cutoff on money 2 weeks before the November election—A candidate can, however, "budget for" his anticipated expenses for the last 2 weeks of the campaign.

Fourth. No more than $10,000 from the candidate's personal funds.

Fifth. No deficits. A deficit would be a criminal violation, and would be known, by the opponent as well as the voters, 2 weeks before election day. To incur a deficit would be to be on public record as in violation of the law, and having to explain this to voters you are asking to give you high public trust—for the protection of creditors, the deficit could be paid off in a proceeding similar to bankruptcy, under the supervision of the Comptroller General.

SECTION 4

Section 4 of the amendments would stop contributions between political committees in a "laundering" sense.

Committees could contribute money. But, it would have to be given in the name of the original donor. This means that the candidates final report will contain the names of people, not organizations. There will be no hiding the true identity of a donor. Committees, such as COPE, could still perform a valid function: Soliciting or administering contributions in the name of an individual donor.

SECTION 5

One political committee. A long overdue, and essential step if the public is to be able to keep track in a practical way, of the candidate's financial activities.

SECTION 5: REPORTS

Vastly simplified over existing law.

First. Only one report, 2 weeks before election day.

Second. Report everything. All money brought in. All money spent, just as any normal business organization is required to do.

Third. The timing of this report will be the greatest deterrent of all against one or a few large contributors from giving such a large amount of money to a candidate. This would happen because such contributions would be known by all voters, before they vote. The candidate is in the position of losing votes, by being clearly obligated to a small special interest—either an individual or a group. There can be no more practical deterrent to excessive contributions than the sanction of losing votes.

SECTION 6

The last section of the amendments I am offering would reform the penalties for campaign financing violations.

This section proposes meaningful penalties.

If a candidate violated financing laws, a fine equal to three times the amount of the violation would have to be paid.

This money would then, under the Comptroller General's supervision, be used to publicize the facts of that violation. It would be exposed in the geographical area in which the election is held.

What greater sanction than to let those who control the fate of an elected official know about his wrongdoing.

Now, Mr. President, that, in essence, is the sum of the amendment and the reforms it proposes.

Now we get to some of the difficulties I have with the present legislation. I cannot think of anything more dangerous than deeply involving the Federal Government in our political elections

Good heavens, what is it that we have seen that appalls us the most from the revelations of Watergate? It is not the individual guilt or innocence of the various people. It is in the abuse of the tremendous power that the Government has.

The PRESIDING OFFICER (Mr. DOMENICI). All time of the Senator from Connecticut has expired.

Mr. WEICKER. That included the colloquy with the Senator from Kentucky (Mr. COOK) and myself?

The PRESIDING OFFICER. Yes.

Mr. WEICKER. That came from my time?

The PRESIDING OFFICER. The Senator from Connecticut is correct.

Mr. WEICKER. Could I ask the Senator from Kentucky to give me a few more minutes?

Mr. COOK. I yield 5 additional minutes to the Senator from Connecticut.

The PRESIDING OFFICER. The Senator from Connecticut is recognized for 5 additional minutes.

Mr. WEICKER. Mr. President, we have seen the abuse of governmental power in the FBI, the CIA, the military intelligence, and the various law-enforcement agencies—the internal security of the Justice Department. The integrity of these agencies was totally believed. They had a magic name. We did not have to supervise them. They were good enough. They had the right names. They were in the right business—forget it, no accountability was necessary.

But, what did we learn?

We learned that there always has to be accountability, no matter whether it is an individual or an agency.

Today, we are being asked to do the exact same thing, that because it is the Federal Government it is all right. For heaven's sake, the Watergate investigation did not for the most part, investigate the private portion of our populous. What has gone wrong has gone wrong in the Federal Government. But we still want to go ahead and give the Federal Government the power to finance, the power to be responsible for the administration of the financing of our political campaigns.

As I said, I am going to go up or down. I hope that the amendment passes. If it does not, it will stand within the next few years, I can assure you, Mr. President, But I am not going to be party to giving the Government with all of its power, additional power in this area, until the Government can prove itself.

I feel much safer with the American people than I do with the Government on any aspect of it.

I stated at the outset of my talk that in the participation of the American people in the democratic process lies our greatest safeguard against the abuses which occur within the political process.

Mr. President, I would yield now, if I could, to the Senator from Kentucky and I hope that I might be able to get a few minutes time before the vote to summarize my argument.

I should also ask again—I am trying to accommodate myself to the convenience of everyone—but I should like to ask for the yeas and nays and would appreciate it if we could possibly do something along that line as we get closer to the time of the vote. But I want to indicate my feelings now.

Mr. COOK. May I say to the Senator from Connecticut that there will be time remaining I am sure. There will be no problem in yielding him further time.

At this time, I yield 5 minutes to the Senator from Iowa (Mr. CLARK), and if he cares for more time, he may ask for more.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. CLARK. Mr. President, I thank the Senator from Kentucky.

Certainly, the distinguished Senator from Connecticut speaks with great information and authority. His record in the Senate on the Watergate Committee, the courage he has shown on that committee, and the fairness and nonpartisan attitude he has had, makes him one of the most informed Senators on this issue.

I would like to talk just briefly about his amendment. It seems to me that it is weighted too much in favor of the incumbent. Presently, 95 percent of all incumbents in Congress are reelected to office. That was true in the last election, and it has been true for decades. We should be very cautious before passing legislation that will make it even more difficult for challengers to be elected by limiting their camapign time so strictly that, in effect, we limit the challenger's opportunity.

By limiting expenditures in campaigns to 30 days in the case of a primary election and 60 days in the case of a general election, an unknown candidate may not become well enough known to be a serious challenger.

I dislike using myself as an example, but many other Senators could use their experience to make the same point. I remember that about 9 months before my campaign, the political polls showed that I was known by less than one-half of 1 percent of the voters. That may or may not have been the situation with the Presiding Officer, the Senator from New Mexico (Mr. DOMENICI), or the Senator who preceded him as Presiding Officer, the Senator from Colorado (Mr. HASKELL). But none of us had held a Federal office before, and it is inconceivable that we could have become well enough known in 30 days to have won a primary, or in 60 days to have won a general election, or even to be serious candidates. And the same is true of many Members of this body—the campaign of the Senator from Delaware (Mr. BIDEN) is probably another example.

One could go on. With 15 million eligible voters in California, how could a relatively unknown person who wants to run for Congress, become known in 30 days? That is probably not true in Connecticut, which is very much the size of Iowa with about 2 million eligible voters. But we are not legislating for Connecticut or Iowa; we are speaking on behalf of the entire country. I think that even in some of the smaller States a severe time reduction would give a natural advantage that would be difficult if not impossible to overcome.

Some people have made the argument that the campaigns are very short in England. A group of high school students just asked me today why we cannot limit the campaign, as England does. The Senator from Connecticut (Mr. WEICKER) did not raise the point, but it is worth discussing.

The simple fact is that we do not have their system. They have no national election in the sense that we do, nor do they have candidates who run nationwide. They have nothing comparable to a Senate race. The House of Commons constituencies are no more than 100,000, so they can become known more rapidly than in California, for example, where there are 15 million voters, or even in Iowa where there are 2 million voters.

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

Mr. CLARK. I yield.

Mr. COOK. Is it not true that the area covered by a candidate is in the vicinity of 1-mile square?

Mr. CLARK. That is correct.

Mr. COOK. One has to understand that the State of Alaska has one Representative and that State is twice the size of Kentucky. We have other States with one Representative and it is the responsibility of that Representative to cover that entire territory. That is a pretty big job.

Mr. CLARK. That is correct. One other point to be made is that, in England, candidates run on a party label, and they follow party lines almost exclusively, so the vote is for the party rather than for the individual. Here, we run much more as individuals, and we have to become known in terms of personality and issues. To try to do so in 30 days, or in 60 days in a general election, is virtually impossible.

So there are really only two effective ways a candidate can become known: one is through the media, and the other is person-to-person contact. If this amendment were passed, it would cut down on any extensive person-to-person campaigning. If a candidate had only 30 or 60 days to become known, he would have to do it through the media. There is no State in the United States where a person could come in contact with one one-hundredth percent of the people because there are too many people to contact. So campaigns will become entirely media campaigns.

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

Mr. CLARK. Mr. President, will the Senator yield to me for 2 additional minutes?

Mr. COOK. I yield 2 additional minutes to the Senator.

Mr. CLARK. Mr. President, in conclusion, attractive as the amendment would seem, in the sense that it would limit the time and the expenditures, it would have the effect of virtually assuring the reelection of incumbents, giving them yet another advantage. I know that is not the intent of the amendment, but I think it would be the effect. As we look at the bill now, it does two or three very significant things. It limits the amount that can be accepted to $3,000, and the amount that can be spent to 10 cents in primaries and 15 cents in

general elections. It does away with the corrupting influence of unlimited funding and, at the same time, limits expenditures, giving equality of opportunity to challengers and incumbents so that in general elections they can spend the same amount. That is important.

But if we limit the campaigning time, we will have a bill which insures that 98 or 99 percent of the incumbents are returned to office.

Mr. President, I yield the floor.

Mr. CANNON. Mr. President, I yield myself such time as I may need.

The PRESIDING OFFICER. The Senator from Nevada is recognized.

Mr. CANNON. Mr. President, I agree with the Senator from Connecticut on the philosophical ideas he is trying to get across in this amendment. First, with respect to the limiting of campaigns, I think that the period for campaigning should be shortened. It goes on far too long now. We tried to address ourselves to this in previous legislation. On June 27, 1973, we passed S. 343 by a vote of 71 to 25, which would have limited the period of time campaigns can be conducted, so I am completely in accord on that facet.

Second, with regard to contributions by political committees I see no basic harm in contributions by political committees provided that they are properly regulated. It was not the fact it was a political committee, per se, that engaged in wrongdoing in the so-called Watergate campaign that concerns everyone now. That was not the basic problem. The committees, if they are properly regulated, can contribute, should be able to contribute, and can properly contribute, under such regulations as we prescribe, to assure there are no abuses, just as we propose there not be abuses in contributions of individuals, by full disclosure of those contributions and limiting the amounts, and by providing penalties for contributions in excess of those that could be made. The abuses that were pointed out in the recent elections were for violations of law or taking advantages of loopholes in laws that we propose to correct in the legislation we now have before us and in other legislation that we have heretofore passed. I might say that S. 372 that is now in the House would have corrected and closed a number of loopholes that did occur and of which advantage was taken.

With respect to the provision of no contributions before the final date and none from the time beginning 2 weeks before the election, I might say that an unknown candidate would have no way to find out if he had a possibility of getting contributions sufficient that he could carry on a campaign unless he were able to get the facts prior to the filing date. So if he had to file first and then go out to see if he could get contributions to support his candidacy he might have invested his filing fee unwisely.

With respect to the time beginning 2 weeks before election, everyone knows there are many last-minute occurrences that take place in an election campaign that occur in the last 2 weeks. In many instances it is the responsibility of the candidate to be able to respond to charges that may be made during that period. Charges frequently are made in that period and if he has spent his money and cannot respond by radio, television, or newspaper ads he is deprived of the opportunity to participate fully in that campaign. This would be a very bad mistake. On the point of whether a national primary election should be held on the first Tuesday of November, I do not have any particular feeling one way or the other on that issue.

On the matter of no national conventions, I think if we are going to do away with national conventions, we are doing away with the two-party system. We are almost doing away with the two-party system in this bill, if it is enacted, by the restrictions that are prescribed, because, as the distinguished Senator pointed out earlier, a person who is an unknown would find it almost impossible to campaign and to try to win in either a primary or general election under the terms of this bill.

I know the Senator from Connecticut did not intend it, but I cannot think of a bill which would be more of an incumbent's bill than this bill, were it put into effect, because it just virtually precludes a person who is a nonincumbent, unless he has been a Governor of the State or some other very high public official. It virtually precludes everyone except those in that category from having an opportunity to run successfully.

Mr. President, I oppose the amendment even though it has some features that I do not disagree with completely, but the basic parts of this amendment would destroy the political system as we know it.

I yield 5 minutes to the Senator from New Hampshire.

Mr. COTTON. I thank the Senator.

Mr. President, I, too, am sympathetic with the objectives that the Senator from Connecticut obviously had in mind in drafting his amendment, and I think we all agree that the long, drawn-out process we go through now—from the time of the party conventions, which has more or less been in effect from the day when we had to travel by train, and I do not know whether it would be in the day of the stagecoach—could be speeded up.

But, among other general objections, I think it is inconceivable and entirely unwise to try to nominate all our officers, including the candidates for President, on the same day, and only a matter of 5 weeks before the election. I would have to put in a word for my own State. It is known around the United States that New Hampshire has—and this is true—the first Presidential preference primary. Vermont has one a week later. We have it way back in March. The reason for this is that the second Tuesday in March is the date of all the town meetings—many of you know what the old-fashioned New England town meeting is—and our municipal elections are held then in most of our cities. Therefore, by having the Presidential preference primary on that date, we are assured of getting out a good, representative vote, because people pour out to take care of their local business in towns and they turn out for contested municipal elections.

A large percentage of the voters are out, and when they are there, they register their preference as to who shall be their party's nominee for President of the United States.

I am sure that there are many other States that may have Presidential preference primaries that have selected some date that coincides with some other political contest that is sure to make it easier to get out a good, representative vote.

The saddest thing in this country is the fact that such a small percentage of our people vote.

Furthermore, the fact that Presidential preference primaries are spread over a period of various times in various States means that the various candidates get a chance to go into the smaller States. If it were all on the same day, why, outside of television appearances, nobody would see the leading candidates of either party for the Presidency of the United States except in the big metropolitan areas of New York, Chicago, San Francisco, and Los Angeles. They would not have the opportunity to present themselves and mingle with the people and go from State to State.

Furthermore, and this is most practical, frequently it has been our experience—it must be true in many other States—that we have legal contests as to who has been nominated for Congressman or for Senator in the State, and there is provided an appeal directly to the supreme court of our State. If there is any charge that the law has been violated by a candidate in some grave way, which might even cause his name to be removed from the ballot, there is an appeal of that contested election directly to the supreme court of the State. How in the world would we be able to go through that sort of process under this proposal? We would not know who was the nominee in time even to print the ballots, where ballots are used.

Again, there are many other objections. This substitute has, as I said, a good intent, but it is too much of a good thing. It shortens things up so that it would be extremely difficult to have an orderly process in the nomination of Federal candidates within States, and it would certainly disrupt the Presidential preference primaries. I think many of us hope many more States will nominate in that manner. But the States should still have the right, within reasonable limits—I do not object to shortening the time for the campaign—to provide their own procedure and the right to appeal to the courts if there is a contest on the ground of alleged fraud or anything else concerning the primary election.

I must make it very definite that we in New England, following New Hampshire's example, like to have, every 4 years, our Presidential preference primaries on a day when the people of a State are turning out to perform their local business and thus be sure that we have a large turnout and a large vote, and not have just a small number of people expressing their preference as to who shall be their party's nominee for President of the United States.

I agree with the Senator from Nevada that conventions are not always a pleas-

ing spectacle to people watching television, but if we destroy the conventions, we destroy the two-party system. This would result in all kinds of splinter parties, many having candidates elected by only a minority vote because of the large number of people running in a large number of small party organizations.

There are some other objections. I repeat, I commend the purpose of the amendment, but it goes much too far, and I cannot support it.

The PRESIDING OFFICER. Who yields time?

Mr. WEICKER. Mr. President, will the Senator yield me 5 minutes?

Mr. CANNON. I yield 5 minutes to the Senator from Connecticut.

Mr. WEICKER. I wish my good friend from Iowa were here, so I might comment on, not debate, his statement, because he has the same intensity and feeling about this matter as I do, even though there are some specific points on which we disagree.

But to show what happens under this bill, my campaign ran roughly $625,000 in 1970. Under S. 3044 I could get $767,000 for my campaign.

That is the problem we are confronted with. This is not going to reduce in any way the cost of campaigns. It will go up and up and up. I am sure that my experience will not be dissimilar to that of any other Senator. So if the American people feel that this will cut down the cost of campaigning, they should be told that it will not. The burden will be shifted from those who voluntarily participate in a campaign to every taxpayer in the United States; and when they realize that they will all participate in the cost, it will be "Katy bar the door."

Other factors may be involved. However, cutting down the costs of the campaign will not be the result of this legislation.

Mr. GRIFFIN. Mr. President, will the Senator yield for a clarification of what will happen to the cost of the campaign if the bill goes into effect?

Mr. WEICKER. Mr. President, will the Senator from Nevada yield me additional time?

Mr. CANNON. Mr. President, I yield additional time to the Senator from Connecticut.

Mr. GRIFFIN. Mr. President, did the Senator say anything about the increases in the levels of spending that would occur with respect to races for the House of Representatives under the committee bill?

Mr. WEICKER. No.

Mr. GRIFFIN. Mr. President, I have some figures which I should like to cite for the RECORD. In 1972, according to the statistics available from the Clerk of the House of Representatives 1,010 candidates ran in the primary and general elections for the House of Representatives. They spent a total of $39,959,356.

Against that total of actual expenditures in 1972 in all races for the House of Representatives the Government Accounting Office estimates that the cost of Government financing in House races, if this bill were to pass—would be, not $39 million, but $103,307,988.

Furthermore, it might be of some interest to know that in 1972, 52 percent of the House candidates spent less than $15,000 in their campaign.

Under the committee bill, once the candidate is nominated, he will be entitled to $90,000 for his campaign. Each and every candidate would be entitled to up to $90,000 out of the public treasury, of course, if one candidate is going to spend $90,000, it would be very difficult for his opponent not to spend that much, especially when it is available out of the treasury.

Mr. WEICKER. In addressing comments to my good friend, the distinguished Senator from Iowa——

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

Mr. WEICKER. I yield.

Mr. CANNON. The Senator from Michigan did not give a correct figure. He made it appear that a person can get that amount whether he spends it or not. That is not the case. If he does not spend it, he has an obligation to turn that money back into the treasury. He get it only if he elects to go the public financing route. He does not have to go that route.

He has to have made his threshold figure to get any matching at all in the primary race. In that connection, the distinguished Senator from Connecticut mentioned that he got or spent $650,000; but that under the bill he could get $876,000. That is not the case. According to my figures, the Senator from Connecticut would be able to get the maximum of $525,250, because the maximum he could spend is in the primary, and that would be divided by one half the primary figure. So he would really get $105,000 less than that. That would be the maximum he could get with the matching of the figure in the primary and the public financing in the general would be a total of $525,250.

Mr. WEICKER. I have other elements. In a runoff primary the State central committee has the right to spend. Those are my figures, and I think they are correct, based on consultation with various staff members.

Let me get back for a minute to the statement made by the Senator from Iowa, who raised a valid point that is of concern to me. There is no doubt that the factor of incumbency is important. It is an important matter. First of all, the statement was made that the candidate could not become known in 30 days or 60 days. It is true that the political system as we know it, could destroy our system as we know it. The people would not listen to DICK CLARK, for example, until he got within 30 or 60 days of the election. Then they would begin to pay attention.

It is no different when I campaign. I have but a handful of people listening at the beginning, but it is just before the election that large numbers start to listen. We are asking for a major shift among the people themselves. In the last 30 or 60 days, after we have campaigned for a year and a half, do they begin to take notice. Maybe the campaigns of some Senators will be a little better than mine. But the question is whether the people are going to pay attention in the last 30 or 60 days, or whether there will be a gradual buildup in that course of time. I think that proves the point I am trying to make. It is not until a period of 60 days before the general election that people begin to take notice. The distinguished Senator from Iowa said that, just before he left the Chamber.

Let us consider how last-minute occurrences could still be handled. It is possible for a candidate, recognizing his expenses, to plan his campaign to prepare for unfair charges which might be brought against him as he goes into the last weeks of his election campaign. I make no point about the fact that this legislation would overturn the system as we know it. I am afraid nobody listens to us for a whole year. I do not blame them. They figure that maybe 30 or 60 days is enough. So maybe this is an unusual system which makes the time shorter than a year. It relates to what we have got as we go along. It will shorten the campaign to the time from just before Labor Day.

Under this system, the focus of the entire Nation will be on the Federal election. In the final analysis, this system would reduce the amount of campaigning and expense.

The Senator from New Hampshire (Mr. COTTON) has long ago recognized the faults of a convention. His State has a State primary. The candidates go directly to the people. New Hampshire has the wisdom to see that a convention does not take the place of having every man and woman express himself or herself.

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

Mr. WEICKER. I yield.

Mr. COTTON. That is certainly true. I want to make it plain that my objection was not intended to shorten campaigns to an almost impossible date. I agree with the Senator that under the bill we are piling corruption upon corruption and money upon money. My chief objection to the Senator's amendment is the vice it puts us in by shortening the campaign and making everybody vote on the same day, with only a matter of 4 weeks of campaigning. But I did want to make it plain that I am in accord with him in opposing the bill.

Mr. WEICKER. I thank the Senator from New Hampshire.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were not ordered.

Mr. WEICKER. In conclusion, I wish to say that I hope the Senate would lead, not into some esoteric theory, but to changes in the facts of life politically in this country. We as politicians, in the election process, need to communicate with the people who prefer independence to slavish adherence to the present system.

Mr. PASTORE. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

Mr. WEICKER. I yield myself 2 additional minutes.

Anyone who has achieved political ma-

turity knows that campaigns must guarantee against corruption and against abuses in the financial area or in the areas of power. People will judge us not by how our political parties, Republican or Democratic, are subsidized, but rather by what we say and how we campaign under the system we tolerate and by our own respect for the American people.

I do not for 1 minute mean to impute to the backers of this bill that they are not as anxious for reform as I am. They are. They have so attested in their words and their actions. But no small measure will suffice in these times. Rather, if this democracy is to survive, and it will as long as the people are allowed to go ahead and run it, then artificiality will have to be done away with.

Today we owe our presence here, to a great extent, not to the Constitution, not to the Bill of Rights, not to the validity of our political system, but rather to artificiality.

I yield back the remainder of my time.

Mr. CANNON. I yield 3 minutes to the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I hope that the Senate will reject the amendment of the distinguished Senator from Connecticut.

I want to say at the outset that there are parts of the amendment of the Senator from Connecticut, which I think are desirable. Certainly, the overall thrust is desirable, in terms of the shortening of political campaigns. There have been a number of proposals advanced in the Congress to consider the shortening of political campaigns, and to deal with the problem of proliferating primaries. At the national level a proposal has been made by the distinguished Senator from Oregon (Mr. PACKWOOD) for a system of regional primaries. In the House of Representatives by Representative UDALL of Arizona to fix the dates on which primaries may be held. I think it deserves very serious study. The distinguished majority leader has proposed a single national primary. And, in the case of congressional elections, the Senate has already passed a bill, S. 343, that is now before the House, and which is not nearly as drastic as the present amendment.

So I am in sympathy with the direction of the amendment of the distinguished Senator from Connecticut, but I feel that it goes too far in condensing the election period. The amendment would have long-range implications in terms of our election system, and would in many ways go much farther than the proposals in the bill reported out by the Committee on Rules and Administration and managed by the distinguished Senator from Nevada.

First, if the amendment is accepted, we would still be relying upon private financing of campaigns. We would still have that campaign evil, of which all of us have become crucially aware in the course of the Watergate hearings, as well as the revelations from Common Cause about the vast amount of special interest giving that exists today.

Second, this proposal, in spite of the assurances given by the distinguished Senator from Connecticut, would be basically an incumbents' bill. The challenger would have to win a primary in October and then try to familiarize himself to the electorate in time for the November election. That is simply not enough time to do the job.

For these two principal reasons, first because the amendment retains private financing, and second because it is, basically, an incumbents' bill, I believe the amendment should be rejected.

Also, Mr. President, there are two additional points which I think are important. The month of October has a series of Jewish holidays, and the amendment would have an adverse impact on the Jewish participation and involvement of those of the Jewish faith, not only for candidates, but also for others participating in the election system. This issue was debated quite completely in connection with S. 343 last year. Originally, that bill sought to set the general election in October, but because of the impact on the Jewish faith, the bill was modified and the November date was retained.

Second, we have the problem where millions of young Americans turning 18 years of age each year might be effectively disenfranchised from participating in the primaries. The Senate led the country in enacting the 18-year-old vote proposal, because we thought it was important that the young people participate in the election system. The practical impact of the amendment of the Senator from Connecticut is that many young people, arriving in college towns in early September, might have difficulty in meeting the residence requirements in time to vote in the primary.

We have taken steps in the past to recognize and eliminate some of the hazards and some of the obstacles for young people to participate in election campaigns. I think this measure would provide an unfortunate additional hindrance to that participation.

So, Mr. President, although the thrust of the amendment has value—I think all of us and the American people would like a shorter period of time for campaigns—the impact of the amendment would have too many undesirable effects for the Senate to accept.

Mr. CANNON. Mr. President, I yield 1 minute to the Senator from Connecticut.

Mr. WEICKER. Mr. President, I do not wish to be considered anti-Jewish and anti-young people in proposing my amendment. I concede that if the period from the first Tuesday in October to the first Tuesday in November interferes, that is something that can be worked out as a technical matter.

Second, how many young people participate in the selection of the Democratic or the Republican candidate for President? Very few. They do not have the privilege of sitting in the conventions. So let us make it clear that this amendment gives them a far greater voice in the election process than the present system. They not only have the opportunity to vote, but they have a voice in the selection of the candidate without tying themselves into either the Democratic or the Republican party. So as far as young people are concerned, this amendment extends the franchise to a far greater extent than they already have.

Mr. KENNEDY. Mr. President, contrary to the Senator's remarks, the Democratic Party has opened up the political system for much greater participation by youth.

Under the amendment in question, the residence laws for voting in most States would severely restrict voting by 18-year-olds if the election is held in October. Congress should not take such a step without adequate information. Certainly, we ought to shorten campaigns, but this is the wrong way to go about it.

Mr. CANNON. Mr. President, I yield 1 minute to the Senator from Iowa.

Mr. CLARK. Mr. President, I would like to address just one point raised by both the Senator from Michigan and the Senator from Connecticut: namely, what they consider to be the excessive cost to the Federal Government of this measure.

According to the bill, it would cost about $90 million if all candidates took 100 percent public financing in the general election. I do not consider that excessive. Last year, we voted to build a fleet of Trident submarines. One Trident submarine, at $1.3 billion, would run these elections for more than a decade. That is a cheap price to pay for a better government.

Mr. CANNON. Mr. President, I hope my colleagues will defeat this amendment. As the Senator from Massachusetts has said, the proposals in the amendment ought to be the subject of hearings by an appropriate committee. This proposal, when we were considering an election campaign reform bill this year, was not presented to us. There was no testimony offered on most of the particular points raised in this amendment, and I think it ought to be given due consideration, rather than legislating on the Senate floor.

With respect to the point made by the distinguished Senator from Michigan when he said that we have a much greater amount provided for House campaigns than the average cost of House campaigns, we did not fix this $90,000 figure as any magic figure. We selected it because the Senate had already acted on S. 372 last year, and it has the $90,000 figure in it for House campaigns as a maximum figure. That is why we carried the figure over. If it was good last year—and I would venture to say that the Senator from Connecticut and the Senator from Michigan, perhaps not both but one of the two of them, voted for it last year, because it went over to the House of Representatives with an overwhelming vote—we felt it should still be valid.

I would simply say we do not have any preference for that particular figure. We felt, really, that the House Members themselves ought to decide on what was a fair amount to reduce the cost of campaigning. If they see fit to come up with a figure of $60,000 or $50,000 as the limit, fine; that would be perfectly all right with us, and I would have no objection to lowering some of the other limits in the bill or the figures in this chart we arrived at. This was the best consensus that we could arrive at between the mem-

bers of the Rules Committee, after the hearings that were held on the subject matter, in order to report back a bill, as we were committed to do.

TITLE V

Mr. FANNIN. Mr. President, I want to indicate my support of the motion to strike title V of S. 3044, the Federal Campaign Act Amendments of 1974.

Title V of S. 3044 proposed to increase the amount a taxpayer could claim as a tax deduction or tax credit as a result of making a political contribution. In addition, title V proposed to increase the $1 tax check-off to $2, or in the case of a joint return $4.

These provisions of title V, however, pale to insignificance compared to the proposal to reverse the procedure governing the checkoff plan. Under existing law, if a taxpayer wishes to participate he does so by "checking off." In doing so, the taxpayer is electing, through a positive commitment, to support the checkoff plan. Under S. 3044, however, the spirit of volunteerism which is the foundation of the plan, is to be replaced by a procedure which can only erode that spirit. In its place, S. 3044 proposes to amend existing law to provide for the automatic designation of $2 of income tax liability of every individual whose income tax liability is $2 or more for the taxable year to the Federal election campaign fund, unless the individual elects not to make such a designation. It is interesting to note that the report accompanying S. 3044 did not even hint at a justification for reversing the checkoff procedure thus suggesting the absence of any sound position to justify the change.

In my 10 years in the Senate I have never seen anything so cynical or callous as this approach to legislation. This cynicism is clearly evident when one reviews the background and operation of the checkoff plan. With total disregard for the underlying participating spirit of the checkoff plan, the authors of S. 3044 must have calculated that if only 3.1 percent of our citizens were participating in the checkoff plan as was reported in November 1973, then it would surely follow that if the checkoff dollars were taken automatically, only a few citizens would "check-off" against the automatic designation as provided for in S. 3044, thus insuring that the checkoff fund would have sufficient funds to meet the required amounts to underwrite the public financing of political campaigns.

Apparently, the authors of S. 3044 believe that any method which will guarantee the success of the checkoff plan is justifiable even if it involves the kind of cynical calculations that are implied in this particular provision of S. 3044. Such cynicism is a sad enough trait, but it is a disaster in legislation—especially in campaign financing.

Mr. President, I cannot accept, and I hope my colleagues agree, the kind of thinking which has promoted this approach to the checkoff plan. If we are to have honest elections, as the proponents of public campaign financing advocate, then let us have honest straightforward laws. To do otherwise, as S. 3044 proposes, is to insult the intelligence of the American public.

If the checkoff plan is a worthy mechanism for providing funds for political campaigns, then let those who support that approach, like the Dollar-Check-Off Committee, promote it among our citizens. If it is worthy, then let our citizens choose as a free people whether to support it or not. That is the way, the only way, to conduct this program. To do otherwise would be destructive of the very ethic which underlies our political system: The freedom to choose.

Mr. President, I hope that the Senate Finance Committee, to whom title V will be referred as a separate bill, will take the position that the automatic designation approach as contained in title V is wrong and contrary to commonsense and will move to strike that particular part of title V altogether.

Mr. President, in addition to considering the proposed change in the checkoff plan I intend to urge the Senate Finance Committee to review the right of the individual taxpayer to designate the party of his choice for receiving his tax dollar under the check-off plan.

As originally established, the tax check-off plan allowed the taxpayer to either designate that $1 shall be paid over to the Presidential election campaign found for the account of the candidates of any specified political party for President and Vice President of the United States, or if no specific account is designated by such individual for a general account for all candidates for election to the offices of President and Vice President according to a nonpartisan entitlement formula.

Whether we agree or disagree with financing political campaigns through a tax-check-off system, nothing is more fundamental to that system than allowing a taxpayer the right to choose how his tax dollar is to be used, if he cares to participate.

In my opinion, the original conception of the tax check-off plan was correct, and in keeping with our traditional belief that in matters of political choice our citizens should have the right of free choice. By providing the taxpayer with a choice under the tax check-off plan that basic freedom was preserved.

In 1973, however, an amendment to the Public Debt Limit Act, Public Law 93–53, was adopted eliminating the opportunity for a taxpayer to designate the political party to whom his dollar checkoff could be sent. The result is a checkoff plan in which all checkoff dollars are collected in a nonpartisan Presidential election campaign fund to be disbursed under an established formula.

Mr. President, it is of course regrettable, that the Senate saw fit to modify the check-off plan by not allowing the taxpayer the right to designate the political party of his choice as a recipient of his tax dollar. But what is even more distressing is the complete lack of concern by the proponents of the amendment as to the effect of the amendment on the value of free choice.

The reason given by the proponents of the amendment is that by striking the opportunity to designate a political party was that it would help to simplify the placement of the checkoff provision on an individual's tax return. So, Mr. President, for the sake of administrative simplicity, we deprive the American taxpayer, should he care to participate, of the right to designate the party of his choice to receive his tax dollars.

If we must sacrifice the value of free choice to gain simplicity in our tax returns, then I am afraid we have failed our responsibilities. If we shall succumb to the kind of reasoning which was the foundation for modifying the checkoff plan, then we might as well turn over our authority to the Federal administration and go home.

Mr. President, I am sure that the Internal Revenue Service could find a way to accommodate the dual choice provisions of the original checkoff plan. In this regard, it is interesting to note that the IRS is able to accommodate two checkoff opportunities on this year's tax form. It would seem possible, therefore, that they could accommodate an opportunity to designate party choice.

But, Mr. President, the real issue here is not the design of tax return forms nor the administrative problems of IRS, but whether Congress will recognize the right of free choice under the checkoff plan. That is the issue and that is what concerns me.

Mr. President, numerous groups concerned with campaign financing have authored statements of principles with respect to laws and programs governing campaign financing. These principles almost always recommend the reform of campaign financing practices and in particular that the Federal Government use public funds to support campaigns. Yet, in respect to the use of Federal funds none of these so-called statement of principles deal with the question of how to guarantee that a taxpayer's dollar will not be used to support a party or a candidate with whom he disagrees.

Those who advocate public campaign financing through the checkoff plan cannot ignore the reality that the taxpayer is deprived of the right to designate the party he wishes to support. Instead, if he chooses to participate, his dollars will be divided not only among the major parties but, perhaps, minor parties as well. This is not fair to those who want to support one party over the others. It is not fair for the simple reason that the taxpayer, if he desires to participate, has no choice.

I hope, Mr. President, that a way can be devised to accommodate freedom of choice under the checkoff plan. If we fail to accommodate that political freedom then any public campaign financing program will be seriously deficient in preserving the right of our citizens to choose whom they wish to support.

Mr. CANNON. Mr. President, I am prepared to yield back the remainder of my time.

The PRESIDING OFFICER (Mr. DOMENICI). The hour of 3 o'clock having arrived, under the previous order, the yeas and nays having been ordered, the Senate will now vote on the amendment

of the Senator from Connecticut (Mr. WEICKER) No. 1070. The clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from Mississippi (Mr. EASTLAND), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Alaska (Mr. GRAVEL), the Senator from Iowa (Mr. HUGHES), the Senator from Louisiana (Mr. LONG), the Senator from Ohio (Mr. METZENBAUM), the Senator from Minnesota (Mr. MONDALE), the Senator from New Mexico (Mr. MONTOYA), the Senator from Maine (Mr. MUSKIE), the Senator from Connecticut (Mr. RIBICOFF), the Senator from Illinois (Mr. STEVENSON), and the Senator from Missouri (Mr. SYMINGTON) are necessarily absent.

I further announce that the Senator from Kentucky (Mr. HUDDLESTON) is absent on official business.

I further announce that, if present and voting, the Senator from Illinois (Mr. STEVENSON) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BROCK), the Senator from Maryland (Mr. MATHIAS), and the Senator from Pennsylvania (Mr. SCOTT) are necessarily absent.

I also announce that the Senator from Virginia (Mr. WILLIAM R. SCOTT), the Senator from Alaska (Mr. STEVENS), the Senator from Ohio (Mr. TAFT), and the Senator from North Dakota (Mr. YOUNG) are 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. SCOTT) and the Senator from Ohio (Mr. TAFT) would each vote "nay."

The result was announced—yeas 10, nays 68, as follows:

[No. 100 Leg.]

YEAS—10

Allen	Griffin	Roth
Baker	Hollings	Weicker
Bennett	Mansfield	
Chiles	Nunn	

NAYS—68

Abourezk	Dominick	McClure
Bartlett	Eagleton	McGee
Bayh	Ervin	McGovern
Beall	Fannin	McIntyre
Bellmon	Fong	Metcalf
Bible	Goldwater	Moss
Biden	Gurney	Nelson
Brooke	Hansen	Packwood
Buckley	Hart	Pastore
Burdick	Hartke	Pearson
Byrd, Harry F., Jr.	Haskell	Pell
Byrd, Robert C.	Hatfield	Percy
Cannon	Hathaway	Proxmire
Case	Helms	Randolph
Church	Hruska	Schweiker
Clark	Humphrey	Sparkman
Cook	Inouye	Stafford
Cotton	Jackson	Stennis
Cranston	Javits	Talmadge
Curtis	Johnston	Thurmond
Dole	Kennedy	Tower
Domenici	Magnuson	Tunney
	McClellan	Williams

NOT VOTING—22

Aiken	Long	Scott, William L.
Bentsen	Mathias	Stevens
Brock	Metzenbaum	Stevenson
Eastland	Mondale	Symington
Fulbright	Montoya	Taft
Gravel	Muskie	Young
Huddleston	Ribicoff	
Hughes	Scott, Hugh	

So Mr. WEICKER's amendment (No. 1070) was rejected.

MESSAGE FROM THE HOUSE

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

S. 969. An act relating to the constitutional rights of Indians;

S. 1836. An act to amend the act entitled "An Act to incorporate the American Hospital of Paris," approved January 30, 1913 (37 Stat. 654); and

S. 2441. An act to amend the act of February 24, 1925, incorporating the American War Mothers, to permit certain stepmothers and adoptive mothers to be members of that organization.

The message also announced that the House insisted upon its amendments to the bill (S. 39) to amend the Federal Aviation Act of 1958 to provide a more effective program to prevent aircraft piracy, and for other purposes, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. STAGGERS, Mr. JARMAN, Mr. DINGELL, Mr. DEVINE, and Mr. KUYKENDALL were appointed managers on the part of the House at the conference.

The message further announced that the House had agreed to the amendment of the Senate to the amendment of the House to the bill (S. 1341) to provide for financing the economic development of Indians and Indian organizations, and for other purposes.

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.

The PRESIDING OFFICER (Mr. HELMS). Under the previous order, the Senator from Oklahoma (Mr. BELLMON) is recognized to call up amendment No. 1094, on which there shall be 30 minutes of debate.

Mr. CANNON. Mr. President, will the Senator yield to me for 10 seconds so that I may make an announcement?

Mr. BELLMON. I yield.

Mr. CANNON. Mr President, for the benefit of colleagues we have a 30-minute time limit on this amendment. I do not expect to use more than 3 minutes inasmuch as we already have voted on this identical issue.

I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. The amendment has not been stated.

Mr. CANNON. Mr. President, I ask unanimous consent that it be in order to ask for the yeas and nays.

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

Mr. CANNON. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BELLMON. Mr. President, I ask that the amendment be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

The amendment is as follows:

On page 78, line 19, strike out "and 617" and insert in lieu thereof "617, and 618".

On page 78, below line 22, after the item relating to section 617, add the following new item:

"618. Early disclosure of election results in Presidential election years.".

On page 86, below line 17, insert the following:

"PART VI.—EARLY DISCLOSURE OF PRESIDENTIAL ELECTION RESULTS

"SEC. 601. (a) Chapter 29 of title 28, United States Code, is amended by adding at the end thereof the following new section:

"'§ 618. Early disclosure of election results in Presidential election years.

"'Whoever makes public any information with respect to the number of votes cast for any candidate for election to the office of Presidential and Vice-Presidential elector in the general election held for the appointment of Presidential electors, prior to midnight, eastern standard time, on the day on which such election is held shall be fined not more than $5,000, imprisoned for not more than one year, or both.'.".

Mr. BELLMON. Mr. President, I ask unanimous consent that during the debate on this amendment and any rollcalls that occur thereon, Mr. Charles Waters of my staff may be accorded the privilege of the floor.

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

Mr. BELLMON. Mr. President, the objective of this amendment is easily understood. As the chairman said, we have had the matter before the Senate on other occasions and it has been voted upon before.

The PRESIDING OFFICER. The Senator will suspend.

The Senate will be in order.

The Senator may proceed.

Mr. BELLMON. Mr. President, quite simply, this amendment would make it unlawful for local election officials to announce the election returns for President and Vice President prior to midnight, eastern standard time. In so doing, this amendment would prevent the public disclosure of Presidential election returns in the Eastern and Central States while polls are open and citizens are still voting in Western States.

This amendment previously has been considered by the Senate on two occasions as an amendment to other proposals. It was introduced on June 28, 1973, as S. 2099 and referred to the Rules Committee where it is presently pending.

On June 27, I offered a similar amendment to Senator ROBERT C. BYRD's bill to change the date of Federal elections. During debate on my amendment, the ranking minority member of the Rules Committee, the distinguished Senator from Kentucky (Mr. COOK) stated:

I would vote for the amendment, if in fact the Senator would limit it to Presidential

and Vice Presidential elections. I think that it would resolve one of the great problems, and we would be on our way to what the Senator wants to accomplish.

But I think the restriction as to all Federal elections is a serious hardship and I, therefore, will oppose his amendment on that basis.

Senator COOK's objection has been removed from this amendment making the disclosure provision apply only to the election returns in the Presidential and Vice-Presidential elections.

Considering Senator COOK's objection, this amendment was withdrawn and then introduced as a bill, S. 2099, which was referred to the Rules Committee.

On July 28, 1973, this proposal in modified form as suggested by Senator COOK, was called up again as an amendment to S. 372, the Federal elections bill. During debate on this amendment Senator COOK stated:

We all know the effect of television. We know that after ¾ of the votes are counted and the results announced, the people in Alaska are just going to the polls. Something really ought to be done about. I think something ought to be done but I think we ought to have the opportunity to have hearings to make a determination of the best way to do it.

Therefore, the ranking member of the Senate Rules Committee is on record on two different occasions supporting either this approach or Senate consideration of this proposal. There has been ample time for hearings. The problem of early Presidential election disclosures has been the subject of numerous hearings during the past 15 years. Now is the appropriate time and this is the appropriate bill for Congress to finally act in order to end a practice which has the potential of distorting the normal outcome of Presidential elections.

The net effect of this proposal will be to prevent the public disclosure of Presidential election returns until midnight, eastern standard time; 11 p.m., central standard time; 10 p.m., mountain standard time; 9 p.m. Pacific standard time; 8 p.m., Yukon time; 7 p.m. Alaska-Hawaii time; and 6 p.m., Bering time. By these times, polls throughout the United States will be closed.

I ask unanimous consent that a table showing the voting hours of the 50 States, as well as the hour of public disclosure under the terms of my amendment be inserted in the RECORD at this point.

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

STATE STATUTES PRESCRIBING HOURS AT WHICH POLLS OPEN AND CLOSE

United States	Hours opened	Hours closed	Local time of disclosure under Bellmon amendment
Alabama	8 a.m.	6 p.m.[1]	11 p.m.
Alaska	8 a.m.	8 p.m.	7 and 8 p.m.[2]
Arizona	6 a.m.	7 p.m.	10 p.m.
Arkansas	8 a.m.	7:30 p.m.	11 p.m.
California	7 a.m.	8 p.m.	9 p.m.
Colorado	7 a.m.	7 p.m.	10 p.m.
Connecticut	6 a.m.[3]	8 p.m.	12 p.m.
Delaware	7 a.m.	8 p.m.	12 p.m.
District of Columbia	8 a.m.	8 p.m.	12 p.m.
Florida	7 a.m.	7 p.m.	12 p.m.
Georgia	7 a.m.	7 p.m.	12 p.m.
Hawaii	7 a.m.	6 p.m.	7 p.m.
Idaho	8 a.m.	8 p.m.	9 and 10 p.m.
Illinois	6 a.m.	6 p.m.	11 p.m.
Indiana	6 a.m.	6 p.m.	11 and 12 p.m.
Iowa	7 a.m.[4]	8 p.m.	11 p.m.
Kansas	7 a.m.	7 p.m.	11 p.m.
Kentucky	6 a.m.	6 p.m.	11 and 12 p.m.
Louisiana	6 a.m.	7 p.m.	11 p.m.
Maine	6 a.m.[5]	8 p.m.	12 p.m.
Maryland	7 a.m.	8 p.m.	12 p.m.
Massachusetts	[6]		12 p.m.
Michigan	7 a.m.	8 p.m.	11 and 12 p.m.
Minnesota	7 a.m.	8 p.m.	11 p.m.
Mississippi	7 a.m.	6 p.m.	11 p.m.
Missouri	6 a.m.	7 p.m.	11 p.m.
Montana	8 a.m.	8 p.m.	10 p.m.
Nebraska	8 a.m.	8 p.m.	10 and 11 p.m.
Nevada	7 a.m.[7]	7 p.m.	9 p.m.
New Hampshire	10 a.m.[8]	6 p.m.	12 p.m.
New Jersey	7 a.m.	8 p.m.	12 p.m.
New Mexico	8 a.m.	7 p.m.	10 p.m.
New York	6 a.m.[9]	9 p.m.	12 p.m.
North Carolina	6:30 a.m.	6:30 p.m.[10]	12 p.m.
North Dakota	9 a.m.	7 p.m.	11 p.m.
Ohio	6:30 a.m.	6:30 p.m.	12 p.m.
Oklahoma	7 a.m.[11]	7 p.m.	11 p.m.
Oregon	8 a.m.	8 p.m.	9 p.m.
Pennsylvania	7 a.m.	8 p.m.	12 p.m.
Rhode Island	([12])	9 p.m.	12 p.m.
South Carolina	8 a.m.	7 p.m.	12 p.m.
South Dakota	8 a.m.	7 p.m.	10 and 11 p.m.
Tennessee	9 a.m.[13]	4 p.m.	11 and 12 p.m.
Texas	7 a.m.[14]	7 p.m.	11 p.m.
Utah	7 a.m.	8 p.m.	9 and 10 p.m.
Vermont	([15])		12 p.m.
Virginia	6 a.m.	7 a.m.	12 p.m.
Washington	7 a.m.	8 p.m.	9 p.m.
West Virginia	6:30 a.m.	7:30 p.m.	12 p.m.
Wisconsin	([16])	8 p.m.	11 p.m.
Wyoming	9 a.m.	7 p.m.	10 p.m.

[1] Alabama.—In counties of over 400,000 population using voting machines, polls close at 7 p.m.

[2] Approximately 50 percent of the population.

[3] Connecticut.—In primaries, polls open at 12 noon, § 9-438.

[4] Iowa.—In cities, where registration not required, polls open at 8 a.m.

[5] Maine.—Where voting machines used exclusively, polls open at 10 a.m. and close at 9 p.m.

[6] Massachusetts.—Polls must be open at least 10 consecutive hours, and must close not later than 8 p.m.

[7] Nevada.—In counties of less than 25,000 population, polls open at 8 a.m. and close at 6 p.m.

[8] New Hampshire.—Hours vary according to size of town. In primaries, polls must be open 4 hours, opening not earlier than 6 a.m. and closing not later than 8 p.m.

[9] New York.—For special elections, polls open at 6 a.m. and close at 7 p.m. In primaries, everywhere except New York City, polls open at 12 m. and close at 9 p.m. In New York City polls open at 3 p.m. and close at 10 p.m.

[10] North Carolina.—Where voting machines are used, polls close at 7:30 p.m.

[11] Oklahoma.—Voters may file petition to have polls open at 6 a.m.

[12] Rhode Island.—Hour polls open varies from 7 a.m. to 12 m.

[13] Tennessee.—County commissioners of election may prescribe different hours, at least 15 days before election, but in no event may polls be open fewer than 7 hours between 8 a.m. and 9 p.m.

[14] Texas.—Election commissioners may vary hour for opening polls. In counties of less than 100,000 population, polls may open at 8 a.m. In counties of greater than 1,000,000 population, polls may open at 6 a.m.

[15] Vermont.—Hours prescribed by legislative branch in each municipality, but polls must open not earlier than 6 a.m. and close not later than 7 p.m.

[16] Wisconsin.—In cities of 1st, 2d, and 3d class, polls open at 7 a.m. In cities of 4th class, and villages and towns, polls open at 9 a.m. but governing body of such municipalities may prescribe that polls open not earlier than 7 a.m.

Mr. BELLMON. Mr. President, this amendment would prevent the nationwide publicizing of election results and predictions based on actual returns tabulated in the Eastern States until after 9 p.m., Pacific standard time, or 1 hour after the polls have closed in California. Because polls in Hawaii close at 6 p.m., local time, those polls will have been closed for an hour. Delayed broadcasting in Alaska would avoid serious problems in Alaska where one-half the voters would still have 1 hour to vote. This amendment, in my view, represents a simple, direct approach to the correction of an election abuse whose time for solution is long overdue.

One thing should be made absolutely clear—voting hours would still be regulated by the States and only the hour of public disclosure by local election officials of Presidential results would be affected. The counting of votes in all races, including the Presidential contest, could begin when the polls close and only the public announcement of the Presidential results would be delayed until the appropriate hour of disclosure.

In every Presidential election year since 1960 citizens have been alarmed because of the likelihood that the present practice of publicizing and predicting election returns influences the way many votes are cast and discourages others from voting because of the belief that the outcome of the election has already been decided.

Few would contend that the publicizing of election returns while citizens are voting has anything but a negative impact.

I believe the problem was summarized quite well by Senator HARTKE in a letter addressed in 1967 to Senator PASTORE, chairman of the Subcommittee on Communications of the Senate Commerce Committee.

I ask unanimous consent that Senator HARTKE's letter be printed in the RECORD at this point.

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

Senator HARTKE's letter—

"There is, additionally, the question of whether listeners and viewers who have yet to vote are influenced by actual vote results elsewhere or by projections of results. There have been elections recently where the change of majority in one Western State could have tipped a Presidential election. It is possible that some voter already cast have decided the important elections. This, in turn, may have repercussions in local elections.

"The late President John F. Kennedy won the 1960 National election by a plurality vote. If one voter in each of the 173,000 voting precincts in the United States had switched his vote from Mr. Kennedy to Richard M. Nixon Nixon would have won the popular vote. . . .

"Realistically, had there been a switch of one vote in Kennedy's favor in each of the 10,400 precincts in Illinois plus a switch of nine votes in each of the 5,000 precincts in Texas, Mr. Nixon would have tallied the required 270 electoral votes and would have been our President.

". . . A switch of 27 electoral votes by Illinois and 24 votes by Texas, combined, would have resulted in a different choice of candidate for President of the United States.

"I am not disputing the inherent right of the people to know the facts, and the rights of stations and networks to tell the facts along with interpretations. . . .

"What primarily concerns me is protecting the right of the election process in the greatest democracy on earth.

"I would recommend to you that you schedule hearings of our Subcommittee to inquire into this matter and its attendant problems."

Mr. BELLMON. In response to Senator HARTKE's letter criticizing early disclosure of Presidential election results, public hearings were held before Senator PASTORE's subcommittee which aptly restated the problem in its final report by saying:

Common sense seems to indicate that a man who sits down to dinner just before going out to vote, switching on the television hears that so and so has already been declared the winner, might not engage himself in an exercise in futility.

It seems to me that this was a very practical and commonsense way of looking at the problem, and I think quite clearly points out the need for the 93d Congress to take action.

It is in the interest of this Nation that the greatest number of citizens possible exercise their right to vote and that this fundamental right be carried out independent of and unhampered by any prior knowledge of the significance their vote will play in the ultimate outcome of the election. S. 3044, dealing with the reform of our election process, provides Congress with the proper vehicle to finally resolve this long-standing abuse.

It should be stressed that my amendment represents no suppression of the news. It provides a badly needed regulation of Presidential elections providing for orderly returns and the orderly release of information concerning these returns.

Quite clearly, Congress has the constitutional authority and responsibility to so act. Article II, section 1 of the Constitution gives Congress the power to determine the time of choosing the electors for President and Vice President. Article I, section 4 empowers Congress to regulate the time, place, and manner for holding elections for Senators and Representatives. The Supreme Court has indicated that this provision may also be applicable to Presidential elections.

Thus, there appears to be ample constitutional authority to support the proposal that a Federal law be enacted as I have proposed which would prohibit election authorities from releasing Presidential election results until a time fixed by Federal law. Such a law I believe to be not only constitutional, but practical as well.

Mr. President, I wish to refer to a study issued in 1965 by the Congressional Reference Service of the Library of Congress regarding the constitutionality of proposals prohibiting the publicizing of election returns prior to the polls closing in all States. This report concludes as follows:

There appears to be authoritative support of yet another proposal. Namely, the enactment of a Federal law which would prohibit election authorities from releasing Federal election results until a time fixed by a Federal law. Such a time could be set with regard to the differences in time zones across the country. If it were made a Federal crime for election officials to release this information before the time designated, such a law could be practical and might well be held to be Constitutional. It should be noted, that although election officials are appointed by the State, they also serve a Federal function when acting in Federal elections and are thus properly subject to Federal controls.

Mr. President, this study, although not conclusive in nature, indicates quite clearly, that my proposal is constitutional. Certainly, its enactment would solve this serious problem, and, in my view, represents the best approach in achieving the national objective of maximum voter participation. It is time for the Senate to act; I urge adoption of this amendment.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. CANNON. I yield myself 2 minutes.

The PRESIDING OFFICER. The Senator may proceed.

Mr. CANNON. Mr. President, this amendment is identical in principle as amendment No. 1094 that was previously offered and defeated by a vote of 51 to 25, with 24 Senators not voting.

The Senator said this would not apply to congressional elections. Congressional elections certainly could not be affected. How is a congressional election in one State or district going to be afffected by premature disclosure in California? It is absurd on its face. The only race it can apply to is for the Presidency and Vice Presidency.

It would be almost impossible to administer and it would impose a criminal penalty, subject to a $5,000 fine if I or some other Member of Congress at the close of the polls in an eastern seaboard State called a friend in California and said, "We heard the result" and that so and so was winning by so many votes. If we phoned a friend in California to convey that informataion, we would be subject to a $5,000 criminal penalty. The proposal is patently absurd on its face.

We can certainly recognize the unfortunate situation we have where voters are influenced in the Far West when they learn the results of an election in the East at a much earlier time, but I do not know how we can possibly avoid that without making criminals of almost everyone in the Nation.

Mr. President, I am prepared to yield back my time.

Mr. BELLMON. Mr. President, I yield myself 2 minutes.

I disagree with the position the chairman has taken about making criminals of everyone in the United States under this amendment. All this amendment would do would be to require local election officials not to make public the returns of elections until midnight eastern standard time. In this way there would be no way to know what the returns were in the eastern States and people would not be tempted to call someone in another time zone and let them know. We merely say not to release the outcome until midnight. There is nothing here to tempt anyone to violate the law because except for election officials no one would know what happened.

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

Mr. BELLMON. I yield.

Mr. COOK. I shall not argue this matter at great length. It is not just the result that is involved. What bothers many of us and it did in the previous debate is that when a network picks up four precincts in an entire State, and the announcer goes on television and says, "By reason of our projection so and so will carry the State by a certain vote." There is a problem there and it is a very serious problem. It is not only a matter of projecting who will win, which has no effect on voters, but it does on those who count the votes, those who are in the courthouses and whose responsibility it is to count votes, particularly where many States still have ballots and where the result is in question. We do have a problem at 5 after 6 in the evening when 15 States well know how they are going to vote based on two or three precincts in a State. This causes a problem and I think it is serious. We can wrestle with this for a long, long time, but that causes more problems than anything else.

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

Mr. BELLMON. I yield.

Mr. HUMPHREY. I agree with the Senator. I agree from experience and not from theoretical, academic discussion. I did not like to hear on television in 1968 from a few precincts telling me I was going to be slaughtered, and having all my people across the country so informed. I happen to believe it did have some effect in some parts of the country.

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

Mr. HUMPHREY. I yield.

Mr. COOK. That happened when people still had 4 or 5 hours to vote.

Mr. HUMPHREY. That is correct.

Mr. COOK. Where they were watching on television and the polls were still open.

Mr. HUMPHREY. I do not know whether this is the right amendment, but something ought to be done so the "Solomons" cannot just sit around and tell people what is going to happen in the election, particularly when the election, is close, and where a difference of 1 percent in each precinct will make the difference of who is going to be President. I do not know how the rest of my colleagues are going to vote, but I am going to catch up on this one.

Mr. BELLMON. Let me say that this matter has been before the Senate now for months and months. If there is a better approach, we ought to know what it is, but, lacking something better, I, like the Senator from Minnesota, think something ought to be done, and this is the best approach I have seen so far.

I yield now to the Senator from Arizona.

Mr. GOLDWATER. Mr. President, I would like to join the Senator from Minnesota (Mr. HUMPHREY). I remember in 1964, after the first precinct, we were told I was going to get skunked, and, you know, they were right (laughter).

The PRESIDING OFFICER. Who yields time?

Mr. BELLMON. Mr. President, I am ready to yield back my time.

Mr. CANNON. Mr. President, I am prepared to yield back my time.

Mr. KENNEDY. Mr. President, will the Senator yield me 2 minutes?

Mr. CANNON. I yield 2 minutes to the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, we have listened to two of the experts, but if we can go back, past 1968 and 1964, to the results of 1960, we find another view. President Kennedy carried practically all of the large eastern States. Then, when the vote came in from the western States, he was not doing as well even though the results in the East had been announced

at a time when the polls in the West still had several hours to remain open.

It is a very open question whether people are affected at all, or, if they are affected, whether they may vote for the underdog or vote for whoever seems to be ahead. Obviously, we do not know whether legislation is needed. I would certainly support a study to determine the answers, but I do not see how we can legislate until we know the magnitude of the problem.

Mr. BELLMON. Mr. President, will the Senator yield a question?

Mr. KENNEDY. I yield

Mr. BELLMON. Does the Senator feel that it is healthy or bad if the voters on the west coast know how the voters on the east coast voted, so it may influence them as to how to vote when they go to the polls?

Mr. KENNEDY. I say, with all respect, I have yet to see any convincing evidence that it has a real impact. In some instances people may want to vote for a winner, and there will be a bandwagon effect. In other instances, there may be an underdog effect. A voter may say, "I am going to vote for the other candidate, because he is the underdog, and because I am tired of being pushed around here by computers and being told that is the way I am going to vote. I am going to vote for A because they say I am going to vote for B."

I have not seen convincing evidence presented to the committee or on the floor which would indicate what impact the earlier announcement will have on the other States. As a matter of fact, the evidence seems to be conflicting. We ought not to rush into legislation that will have such a seriously restrictive effect on the media, until we determine how serious, if at all, the problem really is.

Mr. HUMPHREY. Mr. President, will the Senator yield.

Mr. KENNEDY I yield.

Mr. HUMPHREY. The Senator from Massachusetts may be right. Whether or not they are convincing results, I know there is something wrong in people turning on television and having someone in New York tell them what is going to happen across the country. Even if they are right, I think we are entitled to make our own mistakes. In Minnesota we are denied any right to campaign on election day. No candidate can even be near the polling place. No advertisement can appear in a newspaper or anything else except the announcement that this is election day. The reason for that is that there may be last minute election pressures brought to bear.

I think on election day people ought to be left alone to make up their own minds, instead of having the "wise one" tell us how it is going to come out. Just wait for the result. Get a good night's sleep. We can know the result the next day. If one is angry about it, he will not be quite so angry.

Mr. COOK. Mr. President, I agree with the Senator from Massachusetts in many respects. What bothers me about prognostication is that they ring a bell and put a big X there and say this State is going in this column because of their projections. I would feel much better if we were talking about results.

Under S. 343, which we have already passed, election day would be a national holiday, so we would not have their matter of whether people could vote or could not vote or have the opportunity to do so. Under S. 343 we already have resolved that issue and made it a national holiday.

My main objection is to the prognostication based on one, two, or three districts.

Mr. CANNON. The prognostication would not be prohibited under this amendment. One could make all the projections he wanted, but this amendment simply says that whoever makes public any information with respect to the number of votes cast for any candidate for election to the office of President and Vice President——

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

Mr. CANNON. I yield.

Mr. BELLMON. Those projections would be impossible if the outcome had not been announced. Those projections are based on certain preselected precincts. If those were not announced until midnight, the projection would be impossible. That is one of the purposes of my amendment.

Mr. CANNON. Mr. President, I yield back my time.

Mr. BELLMON. Mr. President, I yield back my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Oklahoma. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Mississippi (Mr. EASTLAND), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Alaska (Mr. GRAVEL), the Senator from Iowa (Mr. HUGHES), the Senator from Louisiana (Mr. LONG), the Senator from Ohio (Mr. METZENBAUM), the Senator from Maine (Mr. MUSKIE), the Senator from Minnesota (Mr. MONDALE), the Senator from Connecticut (Mr. RIBICOFF), and the Senator from Missouri (Mr. SYMINGTON) are necessarily absent.

I further announce that the Senator from Kentucky (Mr. HUDDLESTON) is absent on official business.

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BROCK), the Senator from Maryland (Mr. MATHIAS), and the Senator from Pennsylvania (Mr. HUGH SCOTT) are necessarily absent.

I also announce that the Senator from Virginia (Mr. WILLIAM L. SCOTT), the Senator from Alaska (Mr. STEVENS), the Senator from Ohio (Mr. TAFT), and the Senator from North Dakota (Mr. YOUNG) are 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 Alaska (Mr. STEVENS) would vote "yea."

On this vote, the Senator from Ohio (Mr. TAFT) is paired with the Senator from Pennsylvania (Mr. HUGH SCOTT).

If present and voting, the Senator from Ohio would vote "yea" and the Senator from Pennsylvania would vote "nay."

The result was announced—yeas 43, nays 38, as follows:

[No. 101 Leg.]

YEAS—43

Abourezk	Domenici	McIntyre
Allen	Fannin	Metcalf
Baker	Fong	Montoya
Bartlett	Goldwater	Moss
Bellmon	Griffin	Nelson
Bennett	Gurney	Packwood
Biden	Hansen	Pearson
Buckley	Haskell	Percy
Burdick	Hatfield	Proxmire
Byrd, Robert C.	Hruska	Roth
Case	Humphrey	Stevenson
Church	Mansfield	Thurmond
Cook	McClure	Tunney
Curtis	McGee	
Dole	McGovern	

NAYS—38

Bayh	Eagleton	McClellan
Beall	Ervin	Nunn
Bentsen	Hart	Pastore
Bible	Hartke	Pell
Brooke	Hathaway	Randolph
Byrd, Harry F., Jr.	Helms	Schweiker
	Hollings	Sparkman
Cannon	Inouye	Stafford
Chiles	Jackson	Stennis
Clark	Javits	Talmadge
Cotton	Johnston	Tower
Cranston	Kennedy	Weicker
Dominick	Magnuson	Williams

NOT VOTING—19

Aiken	Long	Scott, William L.
Brock	Mathias	Stevens
Eastland	Metzenbaum	Symington
Fulbright	Mondale	Taft
Gravel	Muskie	Young
Huddleston	Ribicoff	
Hughes	Scott, Hugh	

So Mr. BELLMON's amendment (No. 1094) was agreed to.

Mr. BELLMON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. McCLURE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. (Mr. DOMENICI). Under the previous order, the Senator from Oklahoma (Mr. BELLMON) is recognized to call up amendment No. 1095 on which there is a 30-minute limitation.

Mr. BELLMON. Mr. President, I call up amendment No. 1095.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. BELLMON. Mr. President, I ask that further reading of the amendment be dispensed with and that the amendment be printed in the RECORD.

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

Mr. BELLMON's amendment (No. 1095) is as follows:

On page 27, line 12, strike out "years." and insert in lieu thereof "years and shall file a copy of such record with the Commission on the first day of each month except that during the period beginning one month before the date of an election, such records shall be filed on the first day of each week until the date of the election. Each such report filed

with the Commission shall be complete as of two days before the date on which it must be filed. Such report shall contain the amount received from such advertising, the name and address of the person from whom payment was received, the candidate whose name appeared in such advertising, and a facsimile or other copy of such advertising.".

On page 40, line 2, insert after the period the following: "Each published shall file a copy of such record with the Commission on the first day of each month except that during the period beginning one month before the date of an election such records shall be filed on the first day of each week until the date of the election. Each such report filed with the Commission shall be complete as of two days before the date on which it must be filed. Such report shall contain the amount received from such advertising, the name and address of the person from whom payment was received, the candidate whose name appeared in such advertising, and a facsimile or other copy of such advertising.".

Mr. BELLMON. Mr. President, the objective of this amendment is easily understood. The present provisions of S. 3044 provide in section 201 that any broadcast media which engages in political broadcasting must "maintain a record of any political advertisement broadcast, together with the identification of the person who caused it to be broadcast for a period of 2 years." This record would be available for public inspection at reasonable hours. A comparable provision applies to published political advertising in section 205 of the bill.

My amendment would greatly strengthen these reporting provisions of the bill, by placing an affirmative obligation on all communications media to file periodic reports with the Federal Elections Commission which would contain the following information:

First, the amount received for political advertising;

Second, the name and address of the person from whom payment was received;

Third, the candidate whose name appeared in the advertising;

Fourth, and a facsimile or other copy of such advertising.

By adopting this amendment the Senate will further guarantee full compliance with the law by all candidates for Federal office.

In my judgment, adequate reporting procedures are absolutely essential and represent a major method of eliminating the campaign abuses we have witnessed in recent years. In enacting campaign reform legislation, at least two basic objectives must be accomplished: First, we must insure that the law cannot be evaded by either winners or losers, regardless of their ethical standards. Second, we must give voters complete and accurate facts on campaign expenditures by candidates before, not after, the votes are cast and counted.

By adopting this amendment, the Senate would guarantee that these two basic objectives become a reality. Let me explain. Enactment of this amendment requiring the communications media to make periodic reports to the Federal Elections Commission will provide a new and simplified reporting mechanism which will act as a double check on a candidate's own reports. It will make it far easier for the Federal Election Commission to enforce the law without creating an undue burden on the communications media which are already required under the terms of this bill to keep reports. It will simplify the process by not making it necessary, for example, for a member of the Federal Elections Commission to send a representative to the candidate's State and check the records of many sources in order to determine whether a candidate has fully complied with the law.

This amendment would provide a two-pronged approach, involving not only the candidate and his campaign committee, but the communications media as well. By requiring the media to actively participate in the reporting system, we can obtain a true picture of how much money is spent by each candidate for advertising. By comparing reports from advertising media with the reports of the candidate, we can provide a check and balance system that should deter any tendencies toward manipulation.

I urge the adoption of this amendment.

The PRESIDING OFFICER. Who yields time?

Mr. PELL. Mr. President, I yield myself such time as I may require.

This amendment would change the bill before us. It would, I believe, complicate it even further, because we all know how complicated the bill is now and how, with the best of intentions, it would be very hard for individuals to carry out all its provisions.

What the amendment does is add to all the reports that have to be filed, the virtual mountain of them, an additional report, on the first day of each month, as to the advertising that is being placed in the media. And I think we would find that it would apply not only to that report, but also to the financial side as well, because the important thing is not the advertising, but where the money for the advertising is coming from.

In addition to that, it piles a burden on the people who receive the money and who are responsible for the advertising, be it a publisher or his representative; he has to file a copy of such record as well, which is a duplication.

So, while the objective of the proposal is good, it would seem to me to further complicate the bill, and I would be compelled to oppose it.

Mr. BELLMON. Mr. President, if the Senator will yield, in my judgment this does not in any way complicate the reporting procedures provided in the bill. If the Senator will check on page 27, line 9—and the same language appears in another place in the bill as it applies to newspapers—in line 9 on page 27 it says:

Each station licensee shall maintain a record of any political advertisement broadcast, together with the identification of the person who caused it to be broadcast, for a period of two years.

All my amendment would do is require that a copy of that record be furnished to the Federal Elections Commission. There is no further recordkeeping. All the amendment does is require that the records be accumulated in one place, so there would be a way to check against the records of the media and the records filed by the candidate, to be sure the candidate is telling the truth, and so the people will know before the election.

It would do no good to find out 6 months later that the candidate is not telling the truth, because by that time the election will be over and the people will have made their decisions. We are trying to get the facts out ahead of time, so that people will know who is backing the candidate, and be able to take that into consideration in casting their votes. It does not, in my judgment, complicate the reporting procedures. It only makes the reports available ahead of time, so that people can make that decision as to those they want to have represent them in Congress.

Mr. PELL. The Senator is correct as to the records maintained by radio and TV stations, but it does not apply as to the publishers.

Mr. BELLMON. If the Senator will yield, on page 40, the same provision applies to newspapers. It begins on page 39, line 21, as follows:

Any publisher who publishes any political advertisement shall maintain such records as the Commission may prescribe for a period of two years and so no.

The amendment covers both the electronic media and the publishers.

Mr. PELL. The Senator is correct in that regard, but it does not cover the actual publication of it. There is a good deal of difference between keeping it on file and filing the report.

In addition, the Presidential candidate who has to file now. I think four times in an election year, would have to do it on the first day of each month. The question is whether there should be more reports filed or whether the bill at present provides an adequate number.

The Senator from Oklahoma does not believe it is adequate, and we believe it is. That is the issue.

Mr. BELLMON. Mr. President, the filing provisions under the law are, I believe, adequate and highly desirable. But the problem is the difficulty of checking with half a dozen television stations and perhaps a hundred newspapers to get the information together in time for the election. We are simply requiring that the information be filed in a central place before the election, so that the voter will have an opportunity to know who is supporting each candidate and to what extent.

This does not complicate the matter, it simplifies it by having one central place to get the information, and not having to scatter all over the country to find out what is going on.

Mr. PELL. Am I not correct in saying that the information is required to be filed by any candidate, and therefore there would be a duplication if not a triplication? This would be at least a duplication, because the candidate files the information now.

Mr. BELLMON. The Senator is correct; this is a duplication, for the very good reason that it is my feeling that we need to have the information from the media to be sure that the candidates are telling the truth, and so that we will know before the election whether they

have been reporting the true extent of their financing.

If a candidate is running badly behind in a campaign, he may decide to spend a large amount of money just before the election in violation of the law, and it would not be known until after the election.

Mr. PELL. Then his election would be invalidated, and he would be subject to criminal penalties.

Mr. BELLMON. That would be true, except that it would happen many months after the election, and, if carried out, would cause his district to be without representation. It seems to me it would be better to have an inducement for the candidate not to file a false report in the first instance.

Mr. PELL. I agree with the Senator's viewpoint; I disagree with the necessity for it, and that is the reason for my disagreement.

Mr. WEICKER. Mr. President, I think this really illustrates that the problem——

The PRESIDING OFFICER. Who yields time?

Mr. BELLMON. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. BELLMON. I yield to the Senator from Connecticut.

Mr. WEICKER. I thank the Senator from Oklahoma.

Mr. President, the problem here is with the whole bill. I know why the bill contains no such requirement: We did not want to tread on the toes of the press. But as soon as you get the Government into the act of financing political campaigns, then it is inevitable that you come to the point where you are asking the press to participate in an enforcement function. We can go ahead and control just about everything in this country, but there is a big difficulty when we get into the electoral process itself. I do not think there should be any obligation imposed on the press to be candid, and neither do I feel that the Federal Government should be into this area, but as long as we have put the Government into it, then so are the news media all of a sudden brought in, this time as an enforcement arm of the Federal Government.

The problem highlighted by this amendment is the problem with the whole bill. A lot can go wrong with Government, but as long as people are totally free in their elections there is a remedy we have. When the remedy is in the hands of the Government, that is when our troubles start.

Mr. BELLMON. Mr. President, I yield back the remainder of my time.

Mr. PELL. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. DOMENICI). All time on this amendment has now been yielded back.

The question is on agreeing to the amendment (No. 1095) of the Senator from Oklahoma (Mr. BELLMON).

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 Missouri (Mr. EASTLAND), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Alaska (Mr. GRAVEL), the Senator from Iowa (Mr. HUGHES), the Senator from Louisiana (Mr. LONG), the Senator from Ohio (Mr. METZENBAUM), the Senator from Maine (Mr. MUSKIE), the Senator from Connecticut (Mr. RIBICOFF), and the Senator from Missouri (Mr. SYMINGTON) are necessarily absent.

I further announce that the Senator from Kentucky (Mr. HUDDLESTON) is absent on official business.

Mr. GRIFFIN. I announce that the Senator from Maryland (Mr. MATHIAS), the Senator from Tennessee (Mr. BROCK), the Senator from Pennsylvania (Mr. HUGH SCOTT), and the Senator from Nebraska (Mr. HRUSKA) are necessarily absent.

I also announce that the Senator from Virginia (Mr. WILLIAM L. SCOTT), the Senator from Alaska (Mr. STEVENS), the Senator from Ohio (Mr. TAFT), and the Senator from North Dakota (Mr. YOUNG) are absent on official business.

I further announce that the Senator from Vermont (Mr. AIKEN) is absent due to illness in the family.

On this vote, the Senator from Pennsylvania (Mr. HUGH SCOTT) is paired with the Senator from Alaska (Mr. STEVENS).

If present and voting, the Senator from Pennsylvania would vote "nay" and the Senator from Alaska would vote "yea."

The result was announced—yeas 29, nays 52, as follows:

[No. 102 Leg.]

YEAS—29

Allen	Dole	McGovern
Bartlett	Dominick	Nelson
Bayh	Fong	Pearson
Beall	Goldwater	Percy
Bellmon	Griffin	Proxmire
Buckley	Hansen	Roth
Byrd, Harry F., Jr.	Helms	Sparkman
	Javits	Stafford
Cotton	McClellan	Stennis
Curtis	McClure	Thurmond

NAYS—52

Abourezk	Ervin	Metcalf
Baker	Fannin	Mondale
Bennett	Gurney	Montoya
Bentsen	Hart	Moss
Bible	Hartke	Nunn
Biden	Haskell	Packwood
Brooke	Hatfield	Pastore
Burdick	Hathaway	Pell
Byrd, Robert C.	Hollings	Randolph
Cannon	Humphrey	Schweiker
Case	Inouye	Stevenson
Chiles	Jackson	Talmadge
Church	Johnston	Tower
Clark	Kennedy	Tunney
Cook	Magnuson	Weicker
Cranston	Mansfield	Williams
Domenici	McGee	
Eagleton	McIntyre	

NOT VOTING—19

Aiken	Hughes	Scott, William L.
Brock	Long	
Eastland	Mathias	Stevens
Fulbright	Metzenbaum	Symington
Gravel	Muskie	Taft
Hruska	Ribicoff	Young
Huddleston	Scott, Hugh	

So Mr. BELLMON'S amendment (No. 1095) was rejected.

The PRESIDING OFFICER. Under the previous order, the Senator from New York (Mr. BUCKLEY) is recognized to call up his amendment No. 1081, on which there shall be 1 hour for debate.

Mr. BUCKLEY. Mr. President, I ask that the amendment be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. BUCKLEY. Mr. President, I send to the desk an amendment by way of substitution to correct certain technical defects that were brought to my attention. It does not in any way affect the substance of the bill.

The PRESIDING OFFICER. Does the Senator ask unanimous consent that that be done?

Mr. BUCKLEY. I ask unanimous consent to modify the amendment.

The PRESIDING OFFICER. Without objection, the amendment is so modified.

The amendment, as modified, is as follows:

On page 13, line 17, strike out "(f)(2)" and insert in lieu thereof "(h)(2)".

On page 13, line 17, after "no" insert "incumbent".

On page 13, line 24, strike "(g)" and insert "(i)".

On page 14, line 9, after "No" insert "incumbent".

On page 15, line 5, strike "(f)(2)" and insert in lieu thereof "(h)(2)".

On page 15, line 5, after "no" insert "incumbent".

On page 15, line 10, strike "(g)" and insert "(i)".

In page 15, between lines 17 and 1, insert the following:

"(c) No candidate who is not an incumbent may make expenditures in connection with his campaign for nomination for election, or for election, to any Federal office in excess of 130 percent of the amount of expenditures which an incumbent candidate may make under subsection (a) or (b) in connection with his campaign for nomination for election, or for election, to the same office.

"(d) For purposes of this section, the term 'incumbent candidate' means a candidate who is seeking nomination for election, or election, to a Federal office who—

"(1) holds that office; or

"(2) holds any public office to which he was elected by the voters of an area which is the same as, or includes completely, the area in which the voters reside who may vote in elections held to nominate individuals as candidates for election to that Federal office, and to elect a candidate to that office.

On page 15, line 18, strike out "(c)" and insert in lieu thereof "(e)".

On page 15, line 21, strike out "limitation in subsection (a) or (b)" and insert in lieu thereof "applicable limitation under subsection (a), (b), or (c)".

On page 15, line 22, strike out "(d)" and insert in lieu thereof "(f)".

On page 16, line 4, strike out "(e)(1)" and insert in lieu thereof "(g)(1)".

On page 17, line 4, strike out "(f)(1)" and insert in lieu thereof "(h)(1)".

On page 17, line 18, strike out "(a) and (b)" and insert in lieu thereof "(a), (b), and (c)".

On page 17, line 21, strike out "(g)" and insert in lieu thereof "(i)".

On page 18, line 4, strike out "(h)" and insert in lieu thereof "(j)".

On page 18, line 10, strike out "(h)" and insert in lieu thereof "(k)".

Mr. BUCKLEY. Mr. President, the effect of the amendment is very simple. It recognizes what has been pointed out clearly from time to time during the course of the debate today, and that is

that incumbents have a very significant advantage over challengers and especially those challengers who have never held office from the same basic constituency. Therefore, I propose that challengers be granted 30 percent more money than the limits now stipulated in the pending legislation.

During the course of the debate on S. 3044 that has occupied a major proportion of our time for more than a week now, several references have been made to the fact that this bill may favor incumbent officeholders over those attempting to challenge them.

The fear that S. 3044 will favor incumbents over challengers is, in my opinion, a most realistic one. I am convinced that this legislation as presently drawn would make it even more difficult than it now is to unseat an incumbent Congressman, Senator, or President.

Recent poll figures force one to the conclusion that the Congress is not exactly held in the highest esteem by the American people. In fact, as most of us are aware a number of pundits have observed that we are presently less popular even than the President with a collective approval rating of but 21 percent.

One might conclude from figures like this that incumbents would be frequent victims of the oft-stated desire to "throw the rascals out." But, in fact, we rascals have always fared rather well in seeking reelection. I will grant that we are perhaps all good fellows and that it is at least possible that we are so loved by our constituents as to be personally unbeatable, but I suspect there are other, better reasons for our remarkable success at the polls.

It is well known, and, indeed, obvious to even the most casual observer, that as incumbents we have certain tangible and intangible advantage over almost any prospective challenger.

As U.S. Senators we are more familiar with the issues than most for we are paid to be familiar with them. Our comments and our feelings are news in our home States and occasionally nationwide. We have on our various payrolls people whose job involve communicating our positions to our constituents, servicing the requests of constituents in trouble and portraying our views to the public in the most favorable light possible.

We have access to the frank, to the Senate recording studio and to the professional expertise of people who have worked directly or indirectly all their lives to keep people like us in office.

During the course of a year we answer literally thousands or even millions of letters. We respond personally or through staff members to the requests of countless constituents who call us in Washington or at our State offices seeking help with individual problems.

All of this gives us a significant advantage come time for re-election. We are ordinarily far better known than those seeking to unseat us and after 6 years of experience in office we are usually far more likely to know how to win a campaign.

These same kinds of advantages are available to our colleagues in the House and, in exaggerated form, to any incumbent President.

Thus, it is hardly surprising to discover that incumbents are more likely to be reelected than defeated in spite of popular feelings about Government in general or differences on specific issues.

Consider the figures.

During the last half century, U.S. Senators seeking reelection have won more than 80 percent of the time and Congressmen have done even better by beating back their challengers 90 percent of the time.

A number of studies have indicated that incumbency alone is worth at least five points in a House race and six in a Senate race.

Is it any wonder, in light of these figures, that Charles Clapp in his classic work on the House was able to summarize the attitudes of those he talked to thusly:

> There is a tendency to believe that, aside from isolated instances where an over-riding issue is present, there is little excuse for defeat.

I am not claiming that these rates prevail only because of incumbency and I am not about to claim—as common cause's spokesmen seem to—that incumbents win because only they can raise the money that has been described as "the mothers milk of politics." But it is clear that incumbency itself gives one an advantage that the average challenger must overcome if he is to prevail.

It is my firm belief that a certain amount of money must be spent by a challenger just to offset the incumbent's advantage, unless he finds himself in one of Mr. Clapp's "isolated instances where an overriding issue is present."

If this assumption is correct, the uniform spending limits incorporated into S. 3044 can only aid incumbents because they make it impossible for a challenger to spend the money necessary to overcome the incumbent's advantage. It is this feature of S. 3044 that makes it both fair and accurate to characterize the bill as the Incumbent Protection Act of 1974.

It is difficult to place a dollar value on incumbency, especially in Senate races. Senator BROCK last week referred to one estimate that placed the value of House incumbency at some $600,000. I suspect this figure is a bit high, however, because it includes money spent on things that have only marginal value at reelection time.

The true value of incumbency is difficult to determine primarily because it is only one of a number of factors that determine the outcome of any election.

For example, a number of studies have shown that party is even more important as the vast majority of congressional districts especially are dominated by a single party. Indeed, while 90 percent of those incumbents running are reelected in House races 75 percent or more of the candidates representing a retiring incumbent's party are also elected. With this in mind it is indeed difficult to separate out the dollar value of incumbency in a meaningful way so that we can structure our laws to allow all candidates to start the race at the starting line.

Therefore, I must admit that my amendment to S. 3044 which allows nonincumbents to spend 30 percent more than incumbents represents a somewhat arbitrary attempt to compensate for the advantages an incumbent presently enjoys.

Still, arbitrary as the 30 percent figure itself may be, the available evidence indicates that it may well accomplish the purpose. Prior to preparing this amendment, I reviewed various studies that convince me that a 30 percent differential would do much to overcome the advantage of incumbency without tipping the scales too far the other way.

One of these studies was undertaken by common cause. I cited it at the time I originally introduced this amendment and I would call your attention to it again today. I am referring, of course, to the common cause study of 1972 congressional campaign financing that was released last year.

The authors of the study are numbered among the principal supporters of public financing and use its results to bolster their case. But I am convinced that they misread their own data; that in fact it argues against public financing generally and the provisions of S. 3044 specifically.

In 1972 more than three-quarters of all House races were decided by pluralities of 60 percent or more. In these races the average winning candidate spent $55,000 or less and the average loser spent even less.

These races all took place in what political analysts like to call "safe" districts. The districts involved were either so totally dominated by one party that a serious fight for the seat impressed almost everyone as futile, or the seat was occupied by a personally popular incumbent who just was not about to be beaten.

The authors of the study apparently believe that real races might be run in these districts if enough dollars are poured into the campaigns of those challenging now firmly entrenched incumbents. I am not persuaded that this would happen.

For reasons outlined above the incumbents holding these seats are probably impervious to real challenge. Those running against them have not failed, because they have lacked funds; they have lacked funds because their campaigns were doomed to failure.

Common Cause has simply confused cause with effect in a way that has led Mr. Gardner and his friends to precisely the wrong conclusions.

Supporters of incumbents and challengers alike in these districts were apparently reluctant to give to campaigns unlikely to be affected one way or the other by their contributions. Thus, as we shall see in a moment the spending on both sides in these districts was significantly below the spending levels that prevailed in hotly contested races.

This three-quarter figure cited in the Common Cause study helps verify another figure I cited a few minutes ago. As you will recall, I mentioned earlier that another study found that in 75 percent of those congressional districts where an incumbent retires, the next race was won by a member of his party.

The authors of the other study used this figure to demonstrate the importance of party. They found, in effect, that because of party three-fourths of all congressional races are won by the dominant party's nominee regardless of incumbency and other factors.

I must conclude, therefore, that in such districts the $90,000 per candidate allowed under S. 3044 will merely increase the level of spending without having any real impact on the final outcome.

The races in which the Federal subsidy and the limits associated with it will have an impact take place in the 60-odd districts that might be considered marginal.

According to the same Common Cause study, only 66 House races were decided by less than 55 percent of the vote in 1972. These districts could be considered marginal by most standards and the victor in each of them had to fend off an extremely tough challenger.

Winners and losers alike spent more money in these races than was spent in the districts I have described as "safe." The cost to winners and losers alike in these districts averaged somewhat more than $100,000 each. As both the winners and losers spent about the same amount in these races, it suggests that the raising of funds needed for such campaigns is not too different. I will also admit that the limits imposed by S. 3044 might not have much of an effect in the average close race.

The real impact of the limits imposed by this legislation will occur in those races in which an incumbent finds himself in trouble and stands a chance of being defeated. Only 10 House incumbents were defeated in 1972 and in all but 2 cases the challenger had to spend significantly more than his opponent to overcome advantages of incumbency.

The average spent by candidates who unseated incumbents in 1972 was $125,000 as opposed to the average of $86,000 those incumbents spent. Thus, it can be argued on the basis of these figures that a challenger must be able to outspend an incumbent opponent by a significant margin if he expects to beat him and that he will have to spend in excess of $100,000 to stand a realistic chance.

But what effect will the $90,000 limit imposed by S. 3044 have in these races? It is not at all unrealistic to assume that it will prevent challengers in marginal districts from overcoming the advantages inherent in incumbency. It is not at all unreasonable, in other words, to assume that those limits, had they been in effect in 1972, might have saved most, if not all of those 10 incumbents.

I have referred to the figures involving House races because the figures for these races are more easily quantified and compared. But the same principles apply to Senate and Presidential races—under ordinary circumstances it costs money to overcome the advantages of incumbency and a uniform spending limit might well make it impossible for the average challenger to accomplish this.

Mr. President, I think my amendment will encourage real competition in those districts where competition is possible. It will also dispell any public idea that what the Congress is really engaged in the protection of incumbents.

The people of this country are growing more cynical by the day. They are convinced that we care only about ourselves—not about their problems or the system we profess to serve.

I am not at all convinced that public financing will dispell this cynicism, but I do think that if we are going to move in this direction the people are going to demand that we do more than enact reforms that have the practical effect of protecting ourselves from those who would seek to unseat us.

Therefore, I urge the adoption of this amendment.

I reserve the remainder of my time.

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

Mr. BUCKLEY. I am glad to yield to the Senator from Kansas.

Mr. DOLE. I have an interest in this amendment and its application where an incumbent Congressman is running against an incumbent Senator.

Mr. BUCKLEY. My amendment specifies that the definition of incumbency includes anyone who holds office or has held office within 5 years, which office has the same general electorate as the person in office. In other words, if a governor should challenge a Senator, he would not receive more money, or in any State where there is one Member of the House, like Delaware or Alaska, Members of the House would not be granted a larger sum of money.

Mr. DOLE. Take Kansas as an example, where there are five congressional districts. Even though the incumbent Member of Congress and the incumbent Senator have one common area, under your amendment the Congressman would still get the total bonus. Is that correct?

Mr. BUCKLEY. He will, because he must also compete in areas where he has not had the advantage of being able to send out literature to constituents.

Mr. COOK. Mr. President, will the Senator yield for one correction in the colloquy? I think the amendment the Senator sent to the desk eliminates the 5-year period, if I understand it correctly.

It reads: "holds any public office to which he was elected by the voters in an area which is the same as, or includes completely, the area in which the voters reside . . ."

Mr. BUCKLEY. That is correct. That was one of the technical corrections.

Mr. COOK. So there is no 5-year period provided for.

Mr. BUCKLEY. I thank the Senator from Kentucky for that correction.

Mr. DOLE. I think basically I agree with the statement of the Senator from New York. There are some who would suggest that this year the incumbents should have the bonus because many problems, not of their own making, are faced by incumbents. But is seems to me that where there is a partial incumbency on behalf of the challenger and the incumbent, it might be advisable to provide some sliding scale or some sliding formula. As the amendment stands now it provides, in effect, more of an advantage to an incumbent Congressman who is running against an incumbent Senator, as compared to someone who is not holding office and running against an incumbent Senator.

Mr. BUCKLEY. I believe the point made by my friend from Kansas is well taken.

Mr. DOLE. In other words, both the incumbent Senator and incumbent Congressman have the same advantage in one of their State's congressional districts. That question is of peculiar interest to me, because my opponents is an incumbent Congressman.

Mr. BUCKLEY. The Senator has raised a good point. I think, also, it illustrates some of the difficulties we are apt to run into when we set arbitrary limits and ceiling on expenditures, and so on, none of which I support. Nevertheless, we do recognize the basic problem of the advantage of an incumbent in normal election years, and accordingly, an amendment such as mine is, I think, badly needed. I think it injects equity. It protects the Congress from the charge of self-service.

I am sure that if the Senate will adopt this amendment, in the conference process we may see some kind of sliding scale or other approach taken that would cope adequately with the kind of fact situation suggested by the Senator from Kansas.

Mr. DOLE. If the Senator will yield further, it seems to me it could be reduced proportionately. In the case of the State of Kansas, there are five districts which are approximately equal in population. The Senator from New York's formula could be reduced one-fifth, so the challenger would have 124 percent of the Senator's share instead of 130 percent.

Mr. BUCKLEY. I wish the Senator from Kansas had collaborated with me before I offered the amendment, but I do offer it as a significant improvement over what we now have.

Mr. President, I ask unanimous consent to include the Senator from North Carolina (Mr. HELMS) as a cosponsor of the amendment.

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

Mr. BUCKLEY. Mr. President, I reserve the remainder of my time.

Mr. COOK. Mr. President, may I ask the Senator a question on the time of the manager of the bill, so it will not be taken from his time?

Mr. BUCKLEY. I yield.

Mr. COOK. I think we fight this question of how one handles a nonincumbent, and I think the Senator faces up to the issue very well. My problem is one which I will state for the RECORD, and for no other purpose, so we can get some legislative history.

How did the Senator from New York come to the conclusion that 30 percent was the equitable figure?

Mr. BUCKLEY. The Senator from New York had to close his eyes and think and reach up into the air, which I think, incidentally, is as fine a basis for legislating as the basis for much of the legislation we enact in this Chamber.

Actually, it was not entirely that

arbitrary. I did look at the races included in the 1972 Common Cause, study, which seemed to indicate that there was a disparity of between 20 and 40 percent in what was spent by the successful challenger as compared to the challengee.

Mr. COOK. I must say that is our problem when we amend a bill so freely on the floor. I will say to the Senator from New York, in all honesty, I think we have to resolve this problem and I think it should be resolved. I have serious misgiving about pulling figures out of the air. We are pulling substantial financial figures out of the air—30 percent to nonincumbents in 50 States for 435 House seats.

Could the Senator tell me, based on the charts produced for the Rules Committee, the additional sums this would cost in the overall picture, so the taxpayers, who are obviously footing the bill, will have some idea of what the 30 percent really constitutes for 435 House and 33 Senate seats?

Mr. BUCKLEY. Mr. President, I have not done that, but it is a simple matter of arithmetic. One would take one-half of the cost and add a certain amount to it.

Mr. COOK. I do not disagree with the Senator. I think we ought to know what we are doing. We ought to know what we are doing for the budget. I think the taxpayers ought to know. Whether the amount be 10 percent or 20 percent, there ought to be some basis by which we could evaluate this proposal and know the amount we are talking about.

I know the situation is very serious. The facts prove that incumbency has a value. But when we move in the other direction and take a figure out of the air, we should know what it represents in dollar bills.

Mr. BUCKLEY. If the Senator will yield, this information was not taken out of the air; it is based on such conclusions as could be gleaned from an analysis of the Common Cause study.

Mr. CANNON. Mr. President, will the Senator yield on my time?

Mr. BUCKLEY. I yield.

Mr. CANNON. Mr. President, I think the Senator has raised a good point as to whether an incumbency actually does have a value. We have seen polls which show in what low esteem the incumbent is held, plus the fact that he has to be in attendance here and vote on issues that are very unpopular at home. He has to be here to answer quorum calls, and so on.

There is a real question as to whether he does have an advantage, let alone whether one can evaluate whether the amount ought to be 20 percent, 30 percent, or perhaps 2 percent or 1 percent.

One Senator suggested a few moments ago that the incumbent is the one who has the disadvantages, because the incumbent is held in such low esteem by the public.

Mr. BUCKLEY. It is not only since 1972 that Congress has been held in such low esteem. It is an unfortunate fact that has existed for many years. Nonetheless, election after election demonstrates that 90 percent of the membership of the House is returned to Congress, and more than 80 percent of the Senate is also returned.

Careful studies have been cited by the Senator from Tennessee (Mr. BROCK) which place a monetary value on it. We have seen other studies which place a 5- or 6-percent advantage on incumbency.

May I ask the distinguished sponsor of the bill whether, during the consideration of the bill, any hearings were held to determine this?

Mr. CANNON. There certainly were hearings, and the hearings went into almost every question that I could conceive of.

Mr. BUCKLEY. Was this question raised?

Mr. CANNON. I do not believe the precise question was raised as to whether the incumbent ought to get less than the person who is the challenger. But in simple frankness, if we wrote into the bill a different figure, we would kill the bill. If the distinguished Senator from New York is desirous of killing the bill, this amendment is a means of doing it. But if he is honestly trying to save the bill and arrive at a different formula, it is unfortunate that he did not propose that formula at the time of the hearings, because we tried to make the formula as fair as we could. Despite that fact, every member of the committee worked together to try to devise the fairest formula we could come up with, and that is what we did.

Mr. BUCKLEY. I appreciate the sincerity of the efforts that have been made. However, as is so often the case, many of us do not have an opportunity to study the legislation until it is reported by the committee. We have had our own work to do.

I have also had an opportunity to study a careful analysis by Prof. Ralph Winter of the Yale Law School, among others, that highlights and demonstrates a significant advantage.

I would like to refer to the very excellent point raised by the Senator from Kentucky that my amendment has the effect of increasing the cost of $3,044. I ask unanimous consent that I may amend my amendment to provide that we reduce by 30 percent what is allowed the incumbent, instead of allowing it to the challenger.

The PRESIDING OFFICER. Is there objection to the Senator from New York further modifying his amendment?

Mr. CANNON. Mr. President, what was the modification?

The PRESIDING OFFICER. The Senator from Nevada asks for a clarification.

Mr. BUCKLEY. In response to the excellent point raised by the Senator from Kentucky for modification of my amendment, if adopted as orginally submitted it would increase the amount allocated to the challengers. I merely provide now that we reduce by 30 percent the amount allocated to the incumbent rather than increasing the challenger's allotment by that amount. The effect would be unchanged.

Mr. COOK. In the form in which the amendment is now, the amount is put in terms of $90 million a year. Half of $90 million is $45 million, 30 percent of $45 million is $13,500,000. So what we are doing, in fact, is increasing the cost of the bill by $13,500,000 a year.

Mr. BUCKLEY. If my amendment is adopted, we reduce the cost by $13,500,000.

Mr. COOK. Is the Senator's proposal in the form of a substitute?

Mr. BUCKLEY. No.

The PRESIDING OFFICER. The Senator has proposed a modification or a substitute. He seeks unanimous consent to modify his amendment.

Mr. COOK. This is similar to the amendment submitted by the distinguished Senator from Alabama (Mr. ALLEN) this morning. The one the Senator from Alabama proposed provided 50 percent for the incumbent.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the amendment will be so modified.

The Senator from New York will please send his modification to the desk.

Mr. BUCKLEY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. BUCKLEY. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator from New York has 8 minutes remaining.

Mr. DOLE. Mr. President, will the distinguished Senator from Kentucky yield me some time. The Senator from New York can then draft his proposal.

Mr. COOK. Mr. President, I yield 3 minutes to the distinguished Senator from Kansas.

The PRESIDING OFFICER. The Senator from Kansas is recognized.

Mr. DOLE. Mr. President, while the distinguished Senator from New York is drafting his modification, I think it might be well to point out that it is a matter of concern to this Senator, who is running as an incumbent candidate and who has a vital interest in the proposed legislation.

I would point out to the Senator from New York and other Senators the great difficulty we face in trying to make everything uniform and give everyone equal advantage in a political race. I would cite my own efforts to play it straight and to disclose properly my contributions and expenditures; to open political offices and pay those who work in them with political contributions rather than with official staff salary allowances and to lease planes, automobiles, and other things as the campaign approaches.

I just do not see how it is possible in any bill to make certain by legislation that everybody will have an arithmetically equal shake.

I agree with the distinguished Senator from Nevada. I would say certainly that the incumbent always has disadvantages.

Further, in the case of the junior Senator from Kansas, because of early efforts to mount a campaign and because of strict compliance with the laws passed heretofore, the junior Senator from Kansas had spent in excess of $100,000 before any opponent decided to make an announcement. So here is a case where the incumbent has already been penalized. Now we come along with this

amendment that says, if one is challenging an incumbent, he is disadvantaged and ought to have 30 percent more.

Mr. CANNON. Mr. President, is there not a serious constitutional question as to whether Congress can say that a person who is an incumbent can spend only so much money, but that a person who is a nonincumbent can spend 30 percent more? Would that not be a constitutional question that might jeopardize the incumbent?

Mr. DOLE. I think a serious question is involved. Once we start tinkering in this area, we invite real trouble. I believe, in all seriousness, that there are some disadvantages in incumbency in normal times. But I suggest that these are not normal times, and I am not certain there are any advantages to incumbency this year.

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

Mr. BUCKLEY. Mr. President, I send to the desk a substitute amendment with the modifications we have been discussing.

The PRESIDING OFFICER. The amendment is so modified.

Mr. BUCKLEY's amendment, as modified, is as follows:

On page 13, line 17, strike out "(f)(2)" and insert in lieu thereof "(h)(2)".

On page 13, line 17, after "no" insert "incumbent".

On page 13, line 24, strike "(g)" and insert "(i)".

On page 14, line 9, after "No" insert "incumbent".

On page 15, line 5, strike "(f)(2)" and insert in lieu thereof "(h)(2)".

On page 15, line 5, after "no" insert "incumbent".

On page 15, line 10, strike "(g)" and insert "(i)".

On page 15, between lines 17 and 18, insert the following:

"(c) No candidate who is an incumbent may make expenditures in connection with his campaign for nomination for election, or for election, to any Federal office in excess of 70 percent of the amount of expenditures which a non-incumbent candidate may make under subsection (a) or (b) in connection with his campaign for nomination for election, or for election, to the same office.

"(d) For purposes of this section, the term 'incumbent candidate' means a candidate who is seeking nomination for election, or election, to a Federal office who—

"(1) holds that office; or

"(2) holds any public office to which he was elected by the voters of an area which is the same as, or includes completely, the area in which the voters reside who may vote in elections held to nominate individuals as candidates for election to that Federal office, and to elect a candidate to that office.

On page 15, line 18, strike out "(c)" and insert in lieu thereof "(e)".

On page 15, line 21, strike out "limitation in subsection (a) or (b)" and insert in lieu thereof "applicable limitation under subsection (a), (b), (c)".

On page 15, line 22, strike out "(d)" and insert in lieu thereof "(f)".

On page 16, line 4, strike out "(e)(1)" and insert in lieu thereof "(g)(1)".

On page 17, line 4, strike out "(f)(1)" and insert in lieu thereof "(h)(1)".

On page 17, line 18, strike out "(a) and (b)" and insert in lieu thereof "(a), (b), and (c)".

On page 17, line 21, strike out "(g)" and insert in lieu thereof "(i)".

On page 18, line 4, strike out "(h)" and insert in lieu thereof "(j)".

On page 18, line 10, strike out "(h)" and insert in lieu thereof "(k)".

Mr. BUCKLEY. Mr. President, I think we have exhausted the arguments, at least on my side, and I am happy to yield back the remainder of my time, if the manager is prepared to yield back his. Before doing so, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. CANNON. Mr. President, I yield myself 2 minutes.

One of the basic purposes that we were trying to achieve in this bill for public financing was to make it so that people who were not incumbents would have an equal access to funds to be able to carry on a campaign. The distinguished Senator from New York referred to Common Cause a few minutes ago as one of his authorities. I would like to read from the testimony of the head of Common Cause before the committee:

Congressional incumbents averaged a 2 to 1 financial advantage over their opponents in the 1972 elections.

That was where they did not have any public financing, they had a 2-to-1 financial advantage over their opponents.

Our most recent finding furthermore shows that of the money given to 1972 congressional candidates by special interest groups, $2 out of every $3 went to incumbents.

So they got 2-to-1 in private financing, and they got $2 out of $3 from the special interest groups.

The study also shows that, while spending substantial sums does not guarantee victory, it is essential to running a closely contested race.

We also found that less than $1 out of every $3 made available to congressional candidates came from small givers—$100 or less.

This makes it obvious that they rely on the big givers—that is, when I say "big givers," I mean if you want to call the giver of $100 or more a big giver.

There is really only one solution to this fundamental problem. If we are to return to a competitive system of representative government, then we must have public financing of elections.

Mr. President, that is exactly what we tried to do. We tried to devise a fair formula. In my opinion, if we try to write in an inequality for either side by simply saying that because a man is or is not an incumbent he gets a lesser amount, that is something that could not be upheld in the courts. Furthermore, I do not think it could be made fair either way you attempt to set it.

Mr. BUCKLEY. Mr. President, before I yield back the remainder of my time, I would like to address myself to two points raised by the sponsor of the bill. He cited two conclusions reached by Common Cause from data compiled by Common Cause with respect to the 1972 elections.

In the case of House seats where, by virtue of incumbency or by virtue of the fact that the district is overwhelmingly of one party or another, you have a situation where there is no point in trying to challenge the incumbent, and potential donors understand this. The result is that the average incumbent spends 50 some odd thousand dollars and the average challenger spends less in these races. This is because everyone understands the futility of the race. The incumbents are not reelected because the challenger could not get money; rather the challenger could not get money because it was understood that he could not win.

However, the same figures assembled by Common Cause illustrate that where you have close races; races in which, election year in and election year out, the outcome has hinged on about 5 percent of the votes; in each of those races we see quite a different situation. We see both the incumbent and the challenger able to mobilize and spend significant sums of money. The averages are a little more than $100,000 per race whether the candidate happens to be the incumbent or the challenger.

This demonstrates to my mind that where there is a close race, neither incumbent nor challenger has difficulty in raising the necessary funds. Therefore, the entire premise of Common Cause is falsely placed. I just want the RECORD to include this rebuttal.

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

The PRESIDING OFFICER (Mr. DOMENICI). All remaining time having been yielded back, the question is on agreeing to the amendment of the Senator from New York (Mr. BUCKLEY), as modified. On this question, the yeas and nays have been ordered, and the clerk will call the role.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Mississippi (Mr. EASTLAND), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Alaska (Mr. GRAVEL), the Senator from Iowa (Mr. HUGHES), the Senator from Louisiana (Mr. LONG), the Senator from Ohio (Mr. METZENBAUM), the Senator from Maine (Mr. MUSKIE), the Senator from Connecticut (Mr. RIBICOFF), and the Senator from Missouri (Mr. SYMINGTON) are necessarily absent.

I further announce that the Senator from Kentucky (Mr. HUDDLESTON) is absent on official business.

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BROCK), the Senator from Maryland (Mr. MATHIAS), and the Senator from Pennsylvania (Mr. HUGH SCOTT) are necessarily absent.

I also announce that the Senator from Virginia (Mr. WILLIAM L. SCOTT), the Senator from Alaska (Mr. STEVENS), and the Senator from Ohio (Mr. TAFT) are 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."

The result was announced—yeas 17, nays 66, as follows:

[No. 103 Leg.]

YEAS—17

Allen	Cranston	Packwood
Bayh	Dole	Percy
Beall	Helms	Proxmire
Biden	Mansfield	Thurmond
Buckley	McClure	Weicker
Chiles	Nelson	

NAYS—66

Abourezk	Fannin	McIntyre
Baker	Fong	Metcalf
Bartlett	Goldwater	Mondale
Bellmon	Griffin	Montoya
Bennett	Gurney	Moss
Bentsen	Hansen	Nunn
Bible	Hart	Pastore
Brooke	Hartke	Pearson
Burdick	Haskell	Pell
Byrd, Harry F., Jr.	Hatfield	Randolph
	Hathaway	Roth
Byrd, Robert C.	Hollings	Schweiker
Cannon	Hruska	Sparkman
Case	Humphrey	Stafford
Church	Inouye	Stennis
Clark	Jackson	Stevenson
Cook	Javits	Talmadge
Cotton	Johnston	Tower
Curtis	Kennedy	Tunney
Domenici	Magnuson	Williams
Dominick	McClellan	Young
Eagleton	McGee	
Ervin	McGovern	

NOT VOTING—17

Aiken	Hughes	Scott, Hugh
Brock	Long	Scott, William L.
Eastland	Mathias	
Fulbright	Metzenbaum	Stevens
Gravel	Muskie	Symington
Huddleston	Ribicoff	Taft

So Mr. BUCKLEY's amendment was rejected.

UNANIMOUS-CONSENT AGREEMENTS

Mr. ROBERT C. BYRD. Mr. President, for the information of the Senate, there will be no more rollcall votes today.

Mr. President, I ask unanimous consent that at such time as amendment No. 1120 of the Senator from Oklahoma (Mr. BARTLETT) is called up and made the pending business before the Senate, there be a time limitation of 30 minutes to be equally divided and controlled in accordance with the usual form.

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

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent at the hour of 12 o'clock tomorrow, the Senate proceed to the consideration of amendment No. 1120 of the Senator from Oklahoma (Mr. BARTLETT).

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

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that it be in order at this time to order the yeas and nays on amendment No. 1120 of the Senator from Oklahoma (Mr. BARTLETT) and for the vote to occur tomorrow.

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

Mr. ROBERT C. BYRD. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

THE PRESIDENCY AND THE IMPEACHMENT INVESTIGATION

Mr. MAGNUSON. Mr. President, on March 20 the Honorable Slade Gorton, Attorney General of the State of Washington, spoke to the Seattle Rotary Club about the Presidency and the impeachment investigation now in progress. I have carefully read—and reread—his statement. I am inserting it, in its entirety, in the RECORD with the hope that it will be just as carefully read—and reread—on both sides of the aisle, on both sides of the Capitol, and on both ends of Pennsylvania Avenue.

Mr. Gorton, a Republican, has spoken soberly of a most sobering matter. He has used well the lawyer's technical skills to sort through the complexities and define the issues. Yet in his analysis he has gone byond the narrow confines of blackletter law to examine the much broader historical, philosophical, and ethical perspective in which this matter must ultimately be resolved.

Mr. Gorton's conclusions are his own. Some will agree with those conclusions and others will disagree. But none who take the time to study his statement with the same degree of care with which it was so obviously written will casually lay it aside.

Mr. President, I ask unanimous consent that the full text of Mr. Gorton's address by printed in the RECORD.

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

"REFLECTIONS ON AN INOPERATIVE ADMINISTRATION"

(By Attorney General Slade Gorton)

Today I should like to present for your sober consideration some thoughts about Richard Nixon, his presidency and the impeachment investigation now in progress in the Congress. This is the principal political issue of the day; it is being debated in the press, in classrooms, over dinner tables and in just about every other place in which people gather. Let us focus our attention on determining how a successful path for our nation through these difficult times may best be assured.

To most of us, myself included, the very word "Watergate," and all that it entails, has become a profoundly depressing subject. When one adds to that unique problem all of the continuing challenges of war and peace, the energy crisis, inflation and the increasing influence of government in almost every aspect of our lives, it is easy to become discouraged.

A certain comfort, however, can be gleaned from our own history. One era in the story of our nation in which, from this distance, we Americans seem to have gone from triumph to triumph in a time of constant challenge and daring, was certainly the two decades or so from the opening of the War of the Revolution to the close of George Washington's second term as president. Yet, in the midst of those exciting years, Washington wrote to a friend:

"We have probably had too good an opinion of human nature in forming our confederation. Experience has taught us that men will not adopt or carry into execution measures best calculated for their own good, without the intervention of a coercive power." * * *[1]

"From the high ground we stood upon, from the plain path which invited our footsteps, to be so fallen! so lost!"[2]

One year after that last discouraging commentary, Washington and his compatriots produced the Constitution of the United States. That triumph is perhaps the more significant when we reflect that it was accomplished in a nation with a population roughly equivalent to that of the State of Washington today. But in that new nation, politics was considered everybody's business.

All we need today, I believe, to cause the strengthening and the renewal of free government is a similar dedication and perseverance. Nor can we ever be content with our performances as citizens if we offer our country any less.

During the months since an impeachment of the President was first mentioned as a possible consequence of the Watergate revelations, the views of most persons who have been willing to express themselves have fallen into one of three categories.

The first consists of a collection of radical demands for the impeachment and removal of the President. Most of these demands come from persons who have consistently opposed both President Nixon and his policies for years. Ralph Nader's organization, for example, charges the President with twenty-eight violations of the criminal code.[3] This category is also well illustrated in a recent syndicated column by Garry Wills[4] asserting as impeachable offenses both the impoundment of funds appropriated by Congress and the appointment of Howard Phillips as director of the Office of Economic Opportunity without congressional consent.

Now I am among those state attorneys general who have sued successfully for the release of various impounded appropriations, but seriously to assert that decisions on policy questions such as these, however controversial, amount to impeachable offenses is, in my opinion, the height of irresponsibility. And such an attack is all the less seemly when many of its sources are perceived by most thoughtful citizens to be individuals who have consistently and bitterly opposed President Nixon, both personally and politically, almost from his appearance on the political scene.

The second category includes an opposite, but equally unthinking, reaction. For example, many political conservatives almost automatically characterize all charges against President Nixon as stemming from political persecution, sometimes equating his position with that of President Lincoln, or as being based on minor or inconsequential activities beneath the President's notice. Worst of all, far too many Americans, reflecting an alarming weariness ad cynicism, assert that the gravest charges of the past year amount to nothing unusual, that "in politics everybody does it".

Between these two extremes fall the responses of a multitude of thoughtful citizens, from all elements of the political spectrum, whose concerns are based on a fear of the unknown, on the effect of changing presidents in mid-term, or on the possible precedent which might be established for future impeachments or future resignations.

Some persons expressing these views are liberals who profoundly disagree with the President and his policies, but who for just that reason give him the benefit of every doubt and who shrink wrom advocating impeachment because they do not believe it fair to challenge the mandate of the 1972 election.

Far more of these citizens, however, are conservatives troubled by the effect of President Nixon's precipitous loss of trust and prestige on the fate of his policies, many of which they so strongly support.

All citizens in this category dread the divisive effects of a long and bitter fight over impeachment. All of them wonder at the effect of the resignation or removal from office of President Nixon on the ability of future presidents to hold to unpopular positions, or even to provide strong political leadership for the country in times of deep differences of opinion on a proper course of action. These fears are not, of course, groundless.

On the other hand, at the very least, these arguments fail to recognize that the future

Footnotes at end of article.

is always unknown and that we will change presidents in any event in 1977. But, most important, they fail to consider that the precedent created by *not* acting decisively in the face of such overwhelming provocation may well turn out to be far more dangerous than the precedent established by any form of positive action. But more of that later.

Most of you in this room probably characterize yourselves, as I do, as moderate or conservative in your political views. No doubt, most of you have, as I have, during the course of the past five years, more frequently than not agreed with President Nixon's foreign policies and with his campaign against excessive government spending and federal centralization. I am convinced that, precisely for these reasons, you are faced more urgently than are the President's philosophical opponents by the question of whether or not the President should resign or be impeached.

It is your attitudes toward government which have been discredited. It is your policies which are being increasingly defeated. It is your voices in Congress who will be stilled in November's elections if events continue to drift as they have for the past year.

It is, in fact, your policies which are being abandoned by the President himself for reasons outlined in a recent front-page article in *The Wall Street Journal*:

"President Nixon's new budget . . . shows that his double woes of Watergate and economic distress are forcing him to reverse course drastically.

"Now Mr. Nixon appears as a conciliatory, politically weakened compromiser—dusting off some once-discarded liberal initiatives to try to appease his would-be impeachers . . ." [5]

And it was just a week ago Sunday that the chief of the Chamber of Commerce of the United States noted that the administration has:

"Been pre-occupied with [Watergate] and [has] spent more time trying to handle the technicalities and details of that subject than [it has] in handling important economic issues in the Congress." [6]

It is, therefore, incumbent upon each of us to examine the Constitution, to determine what impeachment means, how it came to be a part of our Constitution in 1787, and to speak out, as citizens of a free nation, on what should be the resolution of the crisis created by the acts and omissions of President Nixon.

The right of impeachment of executive officers was a vital element in drafting the Constitution, and resulted in Article II, § 4, which reads:

"The President * * * shall be removed from Office on Impeachment for, and Conviction of, Treason, Bribery, or other High Crimes and Misdemeanors." [7]

The meaning of that last phrase can only be derived from the views of the delegates to the convention. George Mason pointed out that:

"No point is of more importance than that the right of impeachment should be continued. Shall any man be above justice? Above all shall that man be above it who can commit the most extensive injustice?" [8]

James Madison added that it was:

"* * * indispensable that some provision should be made for defending the community against the incapacity, negligence, or perfidy of the Chief Magistrate." [9]

Later, Alexander Hamilton, in *The Federalist*, stated that the subjects of impeachment:

"* * * are those offenses which proceed from the misconduct of public men, or in other words, from the abuse or violation of some public trust. They are of a nature which may with peculiar propriety be denominated "political", as they relate chiefly to injuries done immediately to the society itself." [10]

Footnotes at end of article.

Finally, in the first Congress of the United States, James Madison, in advocating the President's right to discharge his appointees, said:

"It will make him, in a peculiar manner, responsible for their conduct, and subject him to impeachment himself, if he suffers them to perpetrate with impunity high crimes or misdemeanors against the United States, or neglects to superintend their conduct, so as to check their excesses." [11]

The Constitution states that it is the duty of the President:

"To take Care that the Laws be faithfully executed." [12]

We must ask ourselves, as dispassionately as we can, how President Nixon's record—not as it is characterized by his enemies, but *as he describes it himself*—measures up against those standards which our founding fathers required of the president. Let us look at three separate aspects of that record.

First, in June of 1970, President Nixon in his own words,

"* * * approved resumption of certain intelligence operations [including] surreptitious entry—breaking and entering, in effect. * * *" [13]

That authorization was rescinded, according to the President, only because of the opposition of J. Edgar Hoover. No law of the United States allows such operations; they are forbidden by a number of statutes, both state and federal.

A year later, in June of 1971, again in his own words, President Nixon

"* * * approved the creation of a Special Investigations Unit within the White House—which later became known as the 'plumbers' * * *" [14]

The President took aside its leader;

"* * * to impress upon [him] the vital importance to the national security of his assignment [to] find out all [he] could about Daniel Ellsberg's associates and his motives." [15]

The President thus, without legal authorization, created a secret police unit. If the president cautioned the unit not to violate constitutional safeguards or legal prohibitions, we have no record of it.

Rather, after the President's urgent talk, the unit, created because the President had not been able to persuade the director of the Federal Bureau of Investigation to supervise such activities, apparently felt that it was authorized to violate the civil rights of citizens of the United States, and proceeded to do so.

Second, on April 30, 1973, President Nixon reported to the nation:

"Last June 17 [1972], * * * I first learned from news reports of the Watergate break-in. * * *

"Until March of this year [1973] I remained convinced * * * that the charges of involvement by members of the White House stiff were false." [16]

Here, I want to emphasize that I am not questioning either of the President's assertions. I make no claim that he knew of the break-in before June 17, 1972, or of the involvement of his personal staff before March of 1973. But, even given the complete truth of his statement, we are faced with the proposition that the President, with all of the power of the federal government at his command, passed those nine months, through newspaper charge after charge, apparently without bothering to learn anything of substance about the cause of the break-in.

The events of this past year, however, have a far greater impact. First, in March of 1973, President Nixon *did* learn that members of his administration were involved in Watergate.

Moreover, he knew that he had in his possession the best possible evidence of the extent to which they had informed him of their involvement or had hidden it from him, in the form of conversations which he had carried on with each of them and had secretly taped, evidence which also related to their own participation in the cover-up. Nevertheless, the President failed to disclose even the existence of that evidence either to the Department of Justice or to the Congress.

Then, in July of 1973, the Congress discovered the existence of those tapes. The President thereupon refused access to that evidence either to the Department or to the Congress. Thereafter, when those tapes became the focal point of a legal controversy of serious constitutional dimensions, the number and the very existence of some of the tapes were misstated. Finally, after binding court decisions ordering their release to the Department of Justice and after the President assumed what he called "sole personal control" [17] of the tapes, a person or persons unknown, but presumably employed under the immediate supervision of the President, apparently destroyed a significant portion of one of the tapes in a fashion which has caused almost everyone to believe was deliberate.

Finally, a third subject. During the trial of Daniel Ellsberg, who was the immediate cause of the creation of the "plumbers", the President directed, and personally participated in, an interview with the presiding judge of that trial during the course of the trial itself on the subject of his possible selection as director of the FBI. It is almost impossible to imagine a more blatant interference with the administration of justice.

None of these three charges is based on the credibility of John Dean or of any other witness hostile to the President. Each is based upon the President's own reports to the people in explanation of Watergate, or upon factual propositions which are not seriously subject to dispute.

The charges which we have considered to this point, however, do not stand alone in having created the moral climate of cynicism and suspicion in which the federal administration operates today. They exist within a broad pattern of indifference to, and disrespect for, the laws of the United States and the expectations of its citizens.

That pattern includes widespread wiretapping of employees and critics alike, the preparation of "enemies lists" for harassment by the IRS and other governmental agencies and the misuse of the office of the presidency in claiming dubious—or downright illegal—income tax deductions.

That pattern includes the systematic solicitation of illegal campaign contributions, including contributions promised directly to the President by representatives of milk producers, promises which were immediately followed by an order increasing milk price supports. This unedifying spectacle is now justified by the President himself, as having resulted from "traditional political consideration." [18]

That pattern includes the criminal indictments of two of his former cabinet officers, together with two of his closest personal advisers, who were characterized by the President, at the time of their forced resignations, as "two of the finest public servants it has been my privilege to know." [19] It includes the two time selection as vice-president of a man who turned out to have been a common extortionist.

These comments are limited to those of his subordinates who were personally selected by him and responsible to him, and not to the dozens of others farther down the chain of command whose activities he might not have been able to supervise directly.

During his 1968 campaign, Richard Nixon referred to the presidency in this language:

"* * * it [is] preeminently a place of moral leadership. * * * one of a president's greatest resources is the moral authority of his office. It's time we used it * * * to rally the people, to define those moral imperatives which are the cement of a civilized society." [20]

This statement appropriately describes the position of the President. In the United States, the President is the head of state as well as the head of the government. He must be able to provide moral leadership to the entire nation, to command respect for his office even when he does not command agreement with his policies.

How does President Nixon's conduct stand up against his own definition of the office, against James Madison's explanation of impeachment as being designed to defend the nation?

"* * * against the incapacity, negligence, or perfidy of the Chief Magistrate * * *"[21]

And against the President's own statement in his April 30, 1973 speech:

"In any organization, the man at the top must bear the responsibility. That responsibility, therefore, belongs here, in this office. I accept it."[22]

Richard Nixon, out of the evidence of his own mouth, has given the House of Representatives probable cause to vote Articles of Impeachment.

Impeachment is, of course, a legal and a constitutional proceeding. It is my own considered judgment that each of the three sets of incidents which I discussed earlier at some length constitute clear grounds, at the very least, for impeachment by the House of Representatives and trial by the Senate.

But impeachment also seems to me to constitute a judgment about the moral status of the presidency. In that connection, in determining that the President has rightly and irretrievably lost the confidence of the American people, not only the acts of the President himself, but the climate which he and his subordinates have created, are relevant considerations.

While I believe that the House of Representatives is justified in voting for impeachment and will probably do so, it is clear that that process, for whatever reason, still has months to go, to be followed by more months—or years—of trial by the Senate. The nation can ill afford that time, time taken from the gravest of other problems, time which, in any event, can no longer restore the people's confidence in a president who has now forfeited it beyond recovery.

There is, however, another way out of the dilemma.

It is for President Nixon to realize that the nation does not owe him unlimited consideration . . . for Mr. Nixon to place the national interest, the question of confidence in government, above any other interest which relates to him personally, and to resign. The situation in which we find ourselves today is his creation and that of his appointees; the solution is in his hands. I do not agree, as some commentators assert, that resignation is inappropriate in this case. Rather, I believe it to be the finest service which Mr. Nixon can perform for his country, to enable it to start afresh.

To speak of resignation is not to suggest that Mr. Nixon should admit disgrace. Rather, it is to suggest that he face his situation squarely and take the one act which *he* can take which will put the national interest first . . . an act which would require and demonstrate a high degree of character and courage as well as personal sacrifice.

Mr. Nixon has stated that he will not resign, and so Congress must continue to explore impeachment. For most citizens, either impeachment or resignation is an extraordinary remedy with unknown and fearsome consequences for the future. They agree with Hamlet's dread of an unknown future, which

"* * * makes us rather bear those ills we have. Than fly to others that we know not of. Thus conscience doth make cowards of us all;"[23]

The difficulty of the situation in which we find ourselves today is that not only action, but inaction, will have serious and inevitable consequences.

We are all conscious of the low esteem into which all government and all public officials have fallen. We are beginning to be almost equally conscious of the low esteem into which the business community, the free enterprise system, and almost every other institution in our society is falling at the same time.

When we examine with care our strangely quiet campuses, we find that the reaction from the turmoil of a few years ago is not due to a renewed satisfaction with society, but to a passive cynicism about government and society and a pervasive feeling that they cannot and will not be reformed. Inaction by the nation in the face of the present crisis of confidence can only confirm, and make more dangerous, that cynicism.

Equally close to our own concerns must be this question. If the actions of Richard Nixon are not properly the subject of impeachment, what actions of a future president will be? What invasions of your privacy, what violations of your civil rights, by a radical president, for example, will subject him to impeachment in the future? What acts of the officers of a president after Richard Nixon to extend or preserve his powers or to cause his reelection will cause him to be called to account?

Certainly, no citizen may properly call for impeachment or resignation except on grounds which he is willing to apply to all presidents, and by the same token, it is both improper and dangerous to defend actions on the part of this president which we are not also willing to defend in all future presidents.

We will create, I submit, a far worse precedent by failing to act than by acting. It is our freedom, our rights against an ever present and increasingly powerful government which are at stake.

One last point. Questions of vital public policy affect all citizens and should not be delegated without thought or concern to congressmen, senators or to anyone else. In the most vital public policy question of our day, the views of all citizens are important, but perhaps the views of those who were supporters of President Nixon in 1972 are the most significant, since they clearly do not stem from any possible personal or political hostility. These are questions which we must decide for ourselves; our history and our children's history ride on our answers today as surely as ours did on the answers of 1787.

More than 2,400 years ago, the first of the free societies of which we are the inheritors, the city of Athens, fell upon difficult times. In commemorating the dead of the opening year of a bloody war, Athens' first citizen, Pericles, described his fellow citizens in a democracy in these magnificent words, words which we must make our own as Americans:

"Our ordinary citizens, though occupied by the pursuits of industry, are still fair judges of public matters; for, unlike any other nation, regarding him who takes no part in these duties, not as unambitious but as useless, we Athenians are able to judge * * * all events * * *, and instead of looking on discussion as a stumbling block in the way of action, we think it an indispensable preliminary to any wise action at all * * *[24]

"The secret of happiness is liberty, and the secret of liberty is a brave heart."[25]

FOOTNOTES

[1] George Washington, July 1, 1786.

[2] George Washington to John Jay, 1786.

[3] *The Offenses of Richard M. Nixon*, William Dobrovir, et al., Quadrangle, 1974.

[4] Seattle Post-Intelligencer, January 16, 1974.

[5] Wall Street Journal, February 5, 1974.

[6] Arch Booth, as reported in Seattle Post-Intelligencer, March 11, 1974.

[7] Constitution, Article II, Section 4.

[8] The Records of the Constitutional Convention 65 (M. Farrand ed. 1911).

[9] Farrand, 65–66.

[10] Alexander Hamilton, *The Federalist No. 65*.

[11] 1 Annals of Congress, 372–73.

[12] Constitution, Article II, Section 3.

[13] President Richard Nixon, statement of May 22, 1973. Those intelligence operations also included wiretapping under a claim of legal justification prior to a decision of the Supreme Court. No such justification has been advanced for breaking and entering.

[14] President Richard Nixon, statement of May 22, 1973.

[15] Ibid.

[16] President Richard Nixon, statement of April 30, 1973.

[17] President Richard Nixon to Senator Sam Ervin, July 23, 1973.

[18] President Richard Nixon background paper, January 8, 1974.

[19] President Richard Nixon, statement of April 30, 1974.

[20] Richard Nixon, CBS radio speech, September 19, 1968.

[21] Farrand, 65–66.

[22] President Richard Nixon, April 30, 1973.

[23] William Shakespeare, *Hamlet*, Act III, Scene 1.

[24] Thucydides, *The Peloponnesian War*, Cowley translation, Modern Library (1934), p. 105.

[25] Thucydides, op. cit., per Frances Biddle, *M. Justice Holmes*, Scribners (1943), title page.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENT 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. DOLE. Mr. President, I have an unprinted amendment at the desk which I call up and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

On page 64 between lines 5 and 6, insert the following:

"PROHIBITION OF FRANKED SOLICITATIONS

"SEC. 318. No Senator, Representative, Resident Commissioner or Delegate shall make any solicitation of funds by a mailing under the frank under section 3210 of title 39, United States Code."

Renumber subsequent sections accordingly.

Mr. DOLE. Mr. President, the amendment states:

No Senator, Representative, Resident Commissioner or Delegate shall make any solicitation of funds by a mailing under the frank under section 3210 of title 39, United States Code.

The franking privilege accorded to Members of Congress is just that, a privilege and an official one. It is not a right guaranteed everyone elected to office.

The frank is intended simply and clearly to enable a Member of Congress to communicate with his constituents on official matters, and on this basis I be-

lieve it serves a highly important and valuable public purpose.

There are, admittedly, many gray areas in the franking law. Many questions are raised over what is and what is not frankable matter, and these questions are being reviewed almost continuously by the proper authorities in Congress and elsewhere.

In addition such a use of the franking privilege adds tremendously to the incumbent's advantage over anyone who might seek to challenge him in an election. This is obviously unfair, and the franking law was obviously never intended to be put to such use.

I note that the House Commission on Congressional Mailing Standards agrees with my view on this matter, and I ask unanimous consent that a letter from the Commission's chairman, the Honorable MORRIS UDALL, and a memorandum on the subject of franked solicitations be printed in the RECORD.

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

COMMISSION ON CONGRESSIONAL MAILING STANDARDS,
Washington, D.C., February 27, 1974.

DEAR COLLEAGUE: In past years, many Members have printed, in connection with their newsletters and other mass mailings, a brief appeal for small donations to assist with printing and preparation costs. Recently your Commission was asked to render an opinion on the frankability of newsletters or questionnaires containing such appeals.

Because of the widespread use of this device, and its importance to the Members, the Commission is not inclined to make any final determination without giving Members a full opportunity to be heard on the question.

Accordingly, the Commission at its last meeting adopted a *proposed* regulation holding that such appeals are not "official business" within the meaning of the statute, and should not be included in franked mailings.

Since this matter is not explicitly covered in the franking law, we are enclosing a memorandum of points on which the Commission's interpretation is based. Your reactions and comments are urgently solicited. To be considered, they should be submitted to the Commission on or before March 14th.

With kind personal regards,

Sincerely,

MORRIS K. UDALL,
Chairman.

MEMORANDUM ON THE FRANKABILITY OF SOLICITATION OF FUNDS TO FINANCE THE PREPARATION OF NEWSLETTERS

Mail matter which is authorized to be mailed under the franking privilege is categorized under paragraphs (A) through (J) of subsection (a)(3) of section 3210 of title 39. The purpose of the Congress in writing these paragraphs was to be as specific as possible in listing the types and content of mail matter which is frankable in order to eliminate the uncertainties which had existed under the prior law.

Even the broadest declaration of frankable matter is carefully restricted to "official business, activities, and duties" of the public officials authorized to use the frank.

Therefore, each item which is transmitted in the mail must meet the test of relating to official business, or it is not frankable.

Newsletters are specifically treated under section 3210(a)(3)(B) and are permitted to be franked if they "deal with such matters as the impact of laws and decisions on State and local governments and individual citizens; reports on public and official actions taken by Members of Congress; discussions of proposed or pending legislation or governmental actions and the positions of the Members of Congress on, and arguments for or against such matters."

Inasmuch as the authority to frank newsletters clearly limits and controls the content of newsletters, the absence of authority to solicit funds for the preparation of these newsletters, would prohibit the franking of such solicitations.

The solicitation of funds by a Member of Congress, for whatever purpose the funds are used, constitutes a personal effort on the part of that Member. The nature of this solicitation being personal, in that he elicits a monetary response to him, causes the solicitation to be non-frankable under 3210(a)(4), which prohibits the use of the frank for the transmission of matter "which in its nature is purely personal to the sender or to any other person and is unrelated to the official business, activities, and duties of the public officials" covered by the franking statutes.

It can also be argued that while funds solicited for the preparation of a newsletter which is a document in and of itself frankable, the solicitation is not official business nor related to official business, and is therefore not frankable.

In an ethical sense, the act of personally soliciting funds, for whatever purpose, under the frank was not intended by the Congress. It should be borne in mind that the cost of transmitted franked mail is paid for by appropriation from the general treasury and that it is an obligation of each Member to adhere to the letter and spirit of the franking law, which confines the use of the frank to official business, activities, and duties.

Mr. DOLE. Mr. President, I believe the law is clear. The Commission certainly believes such solicitations are improper. But I believe it would be proper and appropriate to provide an absolute and unquestionable legislative answer to this question.

Therefore, I offer this amendment to S. 3044 to forbid any Senator, Congressman, Resident Commissioner, or Delegate from using the frank to make solicitations. This should end any doubt or confusion and provide the public with firm assurance that we in Congress are vigilant in eliminating the opportunities for abuse of the franking privilege.

Mr. President, I wish to state briefly that there has been a practice in the House of Representatives to solicit funds for newsletters and other purposes under the use of the frank. This simply makes it clear there shall be no solicitation of funds for any purpose under the frank.

I am aware of the provisions of the present law, Public Law 93–191, the restrictions on mass mailing, and other provisions of the law but I am not convinced that in effect they prohibit the mailing under the frank of solicitations. This amendment would clarify that matter and the amendment is in accord with the comments of Mr. UDALL. I have submitted a copy of his letter for the RECORD.

Mr. President, I reserve the remainder of my time.

Mr. CANNON. Mr. President, I have discussed this matter with the Senator. In my judgment this amendment adds nothing to existing law. On December 18, 1973, Congress passed and there became law Public Law 93–191, which makes it absolutely clear, in my judgment, that a newsletter could not be accepted for the purpose of solicitation of funds for any purpose. I read from that public law, which states as follows:

(4) It is the intent of the Congress that the franking privilege under this section shall not permit, and may not be used for, the transmission through the mails as franked mail, of matter which in its nature is purely personal to the sender or to any other person and is unrelated to the official business, activities, and duties of the public officials covered by subsection (b)(1) of this section.

I think that section would preclude use of the franking privilege for solicitation of funds, even if it were for publication of a newsletter. In addition, there is a later provision of the law, which describes the intent of the law as follows:

Members of or Members-elect to Congress may not mail as franked mail— (c) mail matter which specifically solicits political support for the sender or any other person or any political party, or a vote or financial assistance for any candidate for any public office.

Therefore, in my judgment, the situation is covered, but if the Senator feels there may be some weakness in the law which was enacted on December 18, 1973, so that perhaps House Members were sending out such solicitations prior to that time, I would be willing to accept the amendment, even though I do not think it adds anything to the law.

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

Mr. CANNON. I yield.

Mr. DOLE. As I said in my statement, I am aware of that law and its effect. The written memorandum from the Commisison on Mailing Standards was written after this law was passed. The memorandum suggests the law is not being observed in that regard. But the gray area is that Members had classified such mailings as official business. They were raising funds for the purpose of newsletters or other business and, therefore, were not soliciting funds for a political candidate or for any other political purpose. To me this is a gray area and it is another advantage that incumbents have over nonincumbents. The amendment would close a loophole that should be closed.

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

Mr. CANNON. I yield.

Mr. COOK. I agree wholeheartedly with the remarks of the chairman relative to its illegality. My personal and legal thought, in the framework of the language that the chairman and I have gone over, is that even if he does solicit in his newsletter, it is a solicitation of funds that he personally controls and, therefore, constitutes a violation of the law.

I must say that I hope in all fairness that by the adoption of this amendment, and I agree with the chairman we should accept it, this is a reaffirmation of what

the law really is. It comes as quite a surprise to me that anyone would use the franking privilege, a newsletter or anything of that nature, to make a direct request for financial assistance for something that the Member of Congress himself controls as a result of solicitation of funds under the franking authority.

Mr. DOLE. It is another of those areas that brings criticism upon Congress and Congressmen. This matter was given special attention by Jack Anderson one evening several months ago, where he named Members of Congress in both parties who follow this practice in the House. It seems to me it is an area that, despite the law passed last December, should be clarified. I offer the amendment with that hope and motive.

I thank the distinguished Senator from Nevada and the distinguished Senator from Kentucky for accepting the amendment.

Mr. CANNON. I yield back the remainder of my time.

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

The amendment was agreed to.

Mr. CANNON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

ORDER FOR ADJOURNMENT TO 11:15 A.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 11:15 a.m. tomorrow.

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

ORDER FOR RECOGNITION OF SENATOR BROOKE TOMORROW AND FOR PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that tomorrow, following the remarks of the distinguished Senator from Oregon (Mr. HATFIELD), the distinguished Senator from Massachusetts (Mr. BROOKE) be recognized for not to exceed 15 minutes, after which there will be a period for the transaction of routine morning business for not to exceed 15 minutes, with statements limited therein to 5 minutes each.

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

ORDER FOR RESUMPTION OF UNFINISHED BUSINESS TOMORROW AT THE CONCLUSION OF ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at the conclusion of routine morning business tomorrow, rather than precisely at the hour of 12 o'clock noon in accordance with the previous order entered, the Senate resume consideration of the unfinished business.

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

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at the conclusion of routine morning business tomorrow, when the Senate resumes consideration of the unfinished business, the Senate proceed to the consideration of the Bartlett amendment, No. 1120.

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

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, tomorrow the Senate will convene at 11:15 a.m. After the two leaders or their designees have been recognized under the standing order, the Senator from Oregon (Mr. HATFIELD) will be recognized for not to exceed 15 minutes, after which the Senator from Massachusetts (Mr. BROOKE) will be recognized for not to exceed 15 minutes, after which there will be a period for the transaction of routine morning business for not to exceed 15 minutes, with statements limited therein to 5 minutes each.

At the conclusion of the transaction of routine morning business, the Senate will proceed to the consideration of the Bartlett amendment—No. 1120—to the public campaign financing bill. There is a time limitation on the Bartlett amendment of 30 minutes. The yeas and nays have been ordered thereon. Consequently, a rollcall vote will occur on the adoption of the Bartlett amendment at about 12:30 p.m. tomorrow.

ADJOURNMENT TO 11:15 A.M.

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 11:15 a.m. tomorrow.

The motion was agreed to; and at 5:21 p.m., the Senate adjourned until tomorrow, Tuesday, April 2, 1974, at 11:15 a.m.

NOMINATIONS

Executive nominations received by the Senate April 1, 1974:

DEPARTMENT OF JUSTICE

Gerald J. Gallinghouse, of Louisiana, to be U.S. attorney for the eastern district of Louisiana for the term of 4 years. (Reappointment)

Jonathan L. Goldstein, of New Jersey, to be U.S. attorney for the district of New Jersey for the term of 4 years vice Herbert J. Stern, resigned.

Otis L. Packwood, of Montana, to be U.S. attorney for the district of Montana for the term of 4 years. (Reappointment)

Eugene E. Siler, Jr., of Kentucky, to be U.S. attorney for the eastern district of Kentucky for the term of 4 years. (Reappointment)

IN THE NAVY

Adm. James L. Holloway III, U.S. Navy, for appointment as Chief of Naval Operations for a term of 4 years pursuant to title 10, United States Code, section 5081.

EXTENSIONS OF REMARKS

INTERNATIONAL SYMPOSIUM FOR GEOTHERMAL ENERGY

HON. VICTOR V. VEYSEY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 1, 1974

Mr. VEYSEY. Mr. Speaker, I take this opportunity to call attention to the International Symposium for Geothermal Energy that is scheduled to be held at San Francisco during May 1975. As you may know, I had the privilege to be chairman of a conference at Palm Springs last year where the planning for this international symposium was initiated.

The President has issued an Executive order authorizing U.S. participation in this event, and the State Department is reviewing the final draft of an agreement that stipulates the role the U.N. will play. Within the next few weeks, the Congress will be asked to approve a budget request from the Department of Interior that will include funds for the International Symposium.

This symposium will attract the world's foremost authorities to San Francisco to report and discuss the magnitude of their research into the mysteries of geothermal resources. It will, indeed, be worldwide in scope for we hope to draw into a single audience the best of governmental, private industry, and institutional research.

I believe this symposium will make a significant contribution to the knowledge of alternative fuel resources, and it will provide the springboard for geothermal development that we must have to meet the demand for electrical energy that is projected for the final quarter of this century.

Worldwide conferences that require simultaneous translation of proceedings into several languages are expensive if they are properly managed; but nonetheless, they provide an impetus to research that cannot be matched elsewhere. Also, they provide a vehicle through which both government and private industry can cooperate in scientific research.

The U.S. Department of the Interior, the United Nations, the State of California, and the University of California are the principal financial sponsors. Private industry is providing "in kind" assistance as well as manpower for the symposium. The companies presently involved include Pacific Gas & Electric, the Geothermal Resources Council, Chevron