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Congressional Record

PROCEEDINGS AND DEBATES OF THE 93d CONGRESS, SECOND SESSION

SENATE—*Thursday, April 4, 1974*

The Senate met at 10:30 a.m. and was called to order by Hon. SAM NUNN, a Senator from the State of Georgia.

PRAYER

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

Eternal Father, we open our hearts to Thee and lift up our eyes to the everlasting hills, remembering that our help comes from the Lord who made heaven and earth. May the music of the wind and singing streams minister to our taut nerves, our tension-torn minds and our dutybound spirits. Deliver us from bondage to desk pads and appointment calendars lest we miss the glory of springtime and the renewal of life. Help us to do our work well and to do it to Thy glory.

O Lord, keep our hearts in warm fellowship with our colleagues. Keep our ears open to the voice of the people. Preserve our souls as the dwelling place of Thy spirit. Amid all that is finite and temporal keep us in tune with the infinite and the eternal.

We pray in Jesus' name. 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 legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., April 4, 1974.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. SAM NUNN, a Senator from the State of Georgia, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

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

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Wednesday, April 3, 1974, be dispensed with.

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

DOCUMENTATION OF VESSEL "MISS KEKU" AS A VESSEL OF THE UNITED STATES

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate turn to the consideration of Calendar No. 740, H.R. 12627.

The ACTING PRESIDENT pro tempore. The clerk will state the bill by title.

The assistant legislative clerk read the bill (H.R. 12627) by title, as follows: An act to authorize and direct the Secretary of the department under which the U.S. Coast Guard is operating to cause the vessel *Miss Keku*, owned by Clarence Jackson of Juneau, Alaska, to be documented as a vessel of the United States so as to be entitled to engage in the American fisheries.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that Calendar No. 739, S. 3038, be indefinitely postponed.

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

COMMITTEE MEETINGS DURING SENATE SESSION

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

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

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider nominations on the Executive Calendar.

There being no objection, the Senate proceeded to consider executive business.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

The ACTING PRESIDENT pro tempore. The clerk will state the first nomination.

The second assistant legislative clerk read the nomination of James L. Mitchell, of Illinois, to be Under Secretary of Housing and Urban Development.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

NATIONAL CREDIT UNION BOARD

The second assistant legislative clerk read the nomination of James W. Jamieson, of California, to be a member of the National Credit Union Board.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

FARM CREDIT ADMINISTRATION

The second assistant legislative clerk proceeded to read nominations in the Farm Credit Administration.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that those nominations be considered en bloc.

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

LEGISLATIVE SESSION

By unanimous consent the Senate resumed the consideration of legislative business.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. The Senator from Pennsylvania.

Mr. HUGH SCOTT. Mr. President, I yield back my time.

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

NATO ANNIVERSARY

Mr. MONDALE. Mr. President, in this city 25 years ago, the North Atlantic Treaty was signed. Today marks a quarter century of the great Atlantic Alliance which the Secretary of State recently called the "cornerstone of American foreign policy."

Yet what a sad birthday it is. The President's trip to Europe has been canceled. The "Year of Europe" has turned into a bad joke. The President lashes out at the Allies in a way he has been careful never to do with our adversaries. The disillusion and disarray in the alliance

has never been more profound; and the prospects of real European unity perhaps never more remote.

The concept of a partnership across the Atlantic between the United States and a strong and united Europe is a fading dream. The reality is that our relations have deteriorated to the point where our economic well-being and economic security may be jeopardized.

We do not have the necessary cooperation of our allies to solve pressing international economic problems, nor do we have their full support in dealing with the Soviets. At the same time, our relationship with the Soviets is not about to replace our allies—not for solving our economic problems—not for insuring our security—and certainly not for cultivating a political environment that encourages democracy and human rights.

The sudden quiet that has descended in Europe after the recent outbursts by the administration should not mislead us. The conciliatory posture of some allies can be chalked up not to contrition but to mystification over what the President was shouting about in the first place.

Nor should we take much satisfaction in having helped provoke further divisions within Europe. The dispute over consultation has not improved the trans-Atlantic dialog. The offer to consult with with us at nearly every step as the Europeans make up their mind was very generous. But it was bound to run into difficulty and certainly runs against the grain of unity. It is a little like trying to encourage a young couple to fall in love by never leaving them out of your sight.

We also should not expect that the passing of President Pompidou will fundamentally alter the current United States-European relationship. The present crisis cannot be blamed on France alone, however much we may differ with French policy.

President Pompidou moved France into closer cooperation with the Alliance and with its European partners, reversing the trend of General De Gaulle. We should pay tribute to President Pompidou for this statemanship. We should hope his successor will continue in this direction. But I fear that the policies and rhetoric of this administration will make reconciliation and cooperation even more difficult for the next generation of French leaders.

We need this cooperation because there are serious problems to be faced together with the Allies—more equitable trade, a stable monetary system, a sustainable defense posture and a constructive relationship with the less developed world and with Communist countries.

These challenges are recognized on both sides of the Atlantic. I believe the Europeans must assume a substantial part of the responsibility for dealing with us on these problems. We cannot solve them alone. But I also believe it is our responsibility to look at our own role in the current crisis.

If we do, two things stand out:

We paid far too little attention to the Atlantic Alliance during a decade of war in Asia.

We placed higher priority on negotiations with old adversaries than on refurbishing the allied relationships that were in a state of disrepair.

Is there any wonder then that the sudden rush of the "Year of Europe" was greeted with suspicion and even disbelief?

The real problems of the Alliance cannot be solved by rhetorical declarations or rewriting the NATO treaty for its 25th birthday. A start has to be made by answering first for ourselves, and then with our allies, some basic questions about our policy toward Europe.

Do we fear European unity or view it as a threat?

Do we see the détente with the Soviet Union as so strong that we now regard our troops in Europe primarily as bargaining chips in trade negotiations?

If we take the Soviet threat so lightly can we expect our allies to do more in their own defense let alone pay a significant economic or political price for our military resources?

I obviously cannot answer those questions for the administration.

But forthright answers would be the best gift to alleviate the moribund quality of this anniversary celebration. Otherwise I am afraid some profoundly dangerous conclusions may be reached.

That the administration prefers disorder among the Europeans to unity.

That we prefer to take care of our security interests in Europe through negotiations with the Soviets rather than compromise with our allies.

That our troops in Europe are in effect mercenaries, not to be counted upon for security and stability, but to be regarded as a source of political and economic pressure.

If these are the conclusions that are drawn on both sides of the Atlantic, I do not see how this cornerstone of American foreign policy can long survive. And I see nothing to take its place.

So it is a sober birthday. And I therefore call upon the administration to use this anniversary occasion to withdraw the gauntlet it has thrown down against our oldest allies, to clarify its policies, and to earnestly pursue the regeneration of the relationships with Europe on which both our economic welfare and fundamental security interests are founded.

Mr. President, along this line, I ask unanimous consent that an article appearing in yesterday's New York Times by James Reston appear at this point in the RECORD, followed by an editorial appearing this morning in the New York Times on the same subject.

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

POMPIDOU AND THE OLD ALLIANCE

(By James Reston)

WASHINGTON, April 2.—Men pass but nations and the problems of nations go on. Twenty-five years ago this week, the North Atlantic Treaty was signed in this capital, and since all the governments concerned seem to be fussing with each other these days, maybe somebody should celebrate the original idea.

The Atlantic idea was very simple. It was an apology for the spectacular tragedies of the past, and a recognition of human frailty. And it was an admission by the Old World and the New World that they shared a common civilization and could preserve it only by common policies.

Also, despite all the friction, the Atlantic partnership and its companion, the European Community, have not been failures but considering the long history of Western disunity and stupidity, comparatively successful.

After all, the two World Wars were really one long civil war between the few remaining nations, including Germany, that believe in personal liberty and political democracy and they maintained the peace for only twenty years, between 1919 and 1939. Compared to that, the Atlantic Alliance has kept the peace for over 27 years—halfway between the end of the last World War and the end of the century, and while we are now living with death, impeachment and a lot of weak and staggering governments, maybe we should be celebrating the 25th birthday of the shaky Western Alliance instead of opening its wounds.

Europe and America are not talking today about the ideals of human dignity, or the majesty of their inheritance, or even of their common interests in controlling inflation, population, military arms, pollution and the poverty and hunger of half the human race.

They are talking now about personal and political things—about the death of Pompidou and who comes after him; about the arguments between Henry Kissinger and Michael Jobert; the political weakness of Richard Nixon; the aging leaders of China; the price of oil and other raw materials; whether Harold Wilson can make it in the House of Commons; what kind of man is Jerry Ford anyway, and isn't it wonderful that Henry is married?

After a quarter century, in the Atlantic, of the most successful alliance in history and, in Europe, of the most imaginative experiment in political federalism since the formation of the American Republic, his is a poor and narrow show. Both the Atlantic Alliance and the European Community are more enduring than men or regimes but they are now loitering into weakness, and allowing their short-run national interests to threaten their common security.

On the 25th anniversary of the NATO alliance, and at a critical point in the development of the European Community, America is puzzled about what France has been saying to us on this side of the Atlantic during Pompidou's last days. Was French Foreign Minister Jobert saying there is a fundamental conflict between the interests of a unified Europe and an Atlantic partnership with the United States and Canada?

Was he saying that De Tocqueville and Monnet were wrong, that Valery's concept of our common civilization was false? Was he asking the United States merely to stop dominating Europe, or was he asking us to defend Europe, to protect France, to maintain peace in the Middle East, while refusing to cooperate with NATO in the defense of Europe, or with America in the oil crisis? Now that President Georges Pompidou is gone, it would be helpful if, after the personal tragedy, somebody would speak clearly for France.

The Nixon Administration obviously has its own internal problems: inflation, unemployment and even the possible impeachment of President Nixon. It is aware of its own fragility, as in Paris, but it has not forgotten the mistakes of American isolation, or the

tragedies of the two World Wars, or its hopes for the reconstruction and unity of Europe, or its dreams of an Atlantic community that would defend the common civilization of the West. Mr. Nixon has stuck to his foreign policy initiatives despite his troubles at home.

The opening to China and the efforts at accommodation with the Soviet Union were never regarded in Washington as a new alliance against the old alliance with Europe. Even when the European Community, like Japan, emerged as a competitor to the United States for the trade of the world, the Nixon Administration, and even the Congress, defended the principles of collective security and free trade.

Accordingly, on this anniversary of the Atlantic Alliance and at this critical point of transition in Paris and of controversy within the European Economc Community, Washington, with all its troubles, is sticking to the hope of Atlantic partnership and European unity, which has guided its policy since the last war.

The death of President Pompidou merely dramatizes the point. Churchill, Eisenhower, de Gaulle, Adenauer, Kennedy, Truman and Johnson have all disappeared since the inception of the Atlantic partnership and the European Community, but despite all the divisions of national politics, the ideal of Atlantic partnership and European unity go on.

NATO AT 25 . . .

In the present miasma of dissension among the member governments it is all too easy to forget what a success the Atlantic Alliance has been. On the twenty-fifth anniversary of the signing of the North Atlantic Treaty in Washington it may be in order to recall some of the bench marks of that success in addition to assessing the future prospects of the Alliance.

NATO has managed to maintain peace in the European-Atlantic area for a quarter-century. That is a fundamental accomplishment; but to let it go at that would be to overlook many positive by-products of the cooperation engendered under the Treaty. It can be argued that the very success of NATO and of enterprises owing something to NATO created some of the problems that beset the Alliance at 25.

The confidence generated by NATO, backed by the unprecedented commitment of the United States to the defense of Western Europe, was a necessary ingredient for the spectacular economic recovery achieved under the Marshall Plan. Cooperation for mutual security in NATO helped spark cooperation in other areas—in the Organization for European Economic Cooperation, the European Payments Union, even Benelux, the Coal and Steel Community and eventually the Common Market.

NATO and the Western European Union organization provided the machinery for bringing West Germany into alliance with Germany's historic enemies, thus buttressing Bonn's already substantial commitment to the West in other areas and helping insure against any future revival of the "civil" wars that had devastated Europe so often in the past.

It has become fashionable in some quarters to scoff at the notion that a Soviet military venture into Western Europe was ever a possibility. But European countries, prostrated by war and occupation, facing strong challenges at home from Communist parties then solidly linked to Moscow, and frightened by such Kremlin misadventures as the Berlin blockade of 1948-49, would have been criminally negligent to have ignored the threat.

Even in today's more relaxed climate, not one Alliance member is ready to take its chances alone with a Soviet Union that is still expanding its military power in every category. Perhaps the most striking fact about the Atlantic Alliance is that not one member government—not even France, although it withdrew its forces from integrated NATO commands seven years ago—has pulled out of the treaty as all have had the right to do at any time since 1969 under Article 13.

On this side of the Atlantic, not even those American officials from the President on down who are most vexed by the independent behavior of the Common Market allies, nor those Senators and Congressmen most eager to bring American forces home from Europe, even has advocated withdrawing from the Alliance.

Perhaps it is because, underneath all the dissension, everyone concerned—European and North American alike—is convinced that West German Chancellor Willy Brandt spoke the truth when he recently said of this relationship:

"No European unity can dispense with Atlantic security; and a viable Atlantic Alliance cannot dispense with European unity." Words to ponder on the Alliance's 25th birthday.

Mr. MONDALE. Mr. President, I yield the floor.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Florida (Mr. CHILES) is recognized for not to exceed 10 minutes.

Mr. GRIFFIN. Mr. President, I suggest the absence of a quorum, the time of the quorum call not to be charged to the Senator from Florida.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. ROBERT C. BYRD. Mr. President, how much time was left under the order of the Senator from Minnesota?

The ACTING PRESIDENT pro tempore. Six minutes were left under the order.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum. I ask unanimous consent that the time for the quorum call be charged to the remaining time of the Senator from Minnesota.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, on Mr. MONDALE's time, I ask unanimous consent that upon the disposition of the vote on the motion to concur in the amendment of the House to S. 1866, the Senator from Tennessee (Mr. BAKER) be recognized to call up amendment No. 1134 to the public financing bill, and that there be a limitation thereon of 1 hour, to be divided in accordance with the usual form; that upon the disposition of amendment No. 1134, Mr. BAKER be recognized to call up amendment No. 1135, on which there be a limitation of 30 minutes, to be divided in accordance with the usual form.

Mr. GRIFFIN. Mr. President, reserving the right to object—and I shall not object, because I am aware of the fact that the proposal has been cleared all around—I think, in view of the problem that developed yesterday, we are in this particular agreement setting a time limit. It does not require, however, that the vote shall occur on the amendment today at a particular time, and is in the form which was stated. I do not expect or anticipate that any motion to table will be made, but a motion to table would be in order under the form of the unanimous-consent agreement. Is that correct?

There was a time limitation on the amendment, and after it was disposed of we would go on to something else.

Mr. ROBERT C. BYRD. That is correct.

Mr. GRIFFIN. A motion to table would be in order. I think that is a very important point. It depends on how the unanimous-consent request was made or phrased.

Mr. ROBERT C. BYRD. The Senator is correct. I thank him for his observation.

NEED TO HAVE STANDBY AUTHORITY ON WAGE AND PRICE CONTROLS IN CRUCIAL AREAS OF THE ECONOMY

Mr. CHILES. Mr. President, I join all those in the country who feel that the time has come when the broad sweep of economic controls should be done away with. Wage and price controls have been on long enough to have created shortages and distortions in many areas of our economy that have hurt many people.

I personally feel that wage and price controls, if they are to have any real effect, should be used for a short period of time in an attempt to shock the economy, and they would have to go completely across the board, which was never done. There should have been controls on wages and prices, perhaps not complete controls, but for a period of 90 or 120 days, long enough to shock the economy and cause some trend to develop. But across the broad range, the controls we now have, for the most part, should be withdrawn as planned by the end of April.

But, Mr. President, we cannot let the matter rest there. We cannot just say that because controls have outlived their usefulness in most areas that controls have outlived their usefulness in all areas.

Because we have grown weary of controls does not mean that the problem that price controls were meant to address is somehow solved.

It is just the other way around. We are talking about abandoning price controls while inflationary pressures in the econ-

omy are still building. Inflation and energy are the two issues on the top of people's minds today. There is no way that I can see that we can responsibly take a totally hands off position now with inflation continuing to be the kind of problem it is for this country.

Mr. President, I would recommend that we be more selective. I think that we need to recognize that as controls are taken off on April 30 that pent up price pressures in certain crucial areas of the economy will probably explode into substantial price rises.

This will undermine the whole effort to get away from price controls altogether and could well bring us back to a situation where full controls have to be restored in the future. This would be a disaster. If we want to assure that price controls can be fully suspended in the long run, I think we should provide some stand-by authority in the short run to keep watch on prices and pressure on producers.

Let me point out, Mr. President, that I fully realize the difficulties certain industries are experiencing. I believe it is grossly unfair to any industry if we regulate them out of business. And in some areas this is what is happening.

Certain businesses, for example, hospitals, in many instances are unable to pass on costs and yet all the services and materials and goods they buy are increased.

In this instance only one thing can happen—and that is bankruptcy, I do not care what business it is. If we keep open the option of whether or not price controls will actually be used in the areas of food, fuel, construction and health services, for example, there will be some continuing downward pressure on prices to offset the pent up pressure on these prices to "pop up" when the price control lid is removed on April 30.

I think this is absolutely vital to the efforts to restore price stability to the American economy. These are the areas of the economy where this round of inflation got started in the first place. My fear is that if we do not keep the vigil on these prices, they will start us off again on a second round that may be even harder to stop.

This is especially true of fuel prices. It is widely reported that consideration is being given to removing controls completely from fuel prices. This makes no sense to me when fuel prices feed into the costs of so much else in the economy.

We are also dealing with a situation in oil where large companies control the process from well head to the gas tank.

If there is no public power to balance this private control of an entire industry, we will have willfully abandoned the public interest in dampening fuel costs which we have already seen have such a broad impact on inflation in our economy. So it is vital that some public price policy be maintained on oil for the immediate future.

Secondly, I would recommend that the Congress authorize some strong "jaw boning" authority to keep big business and big labor working toward settlements on wages and prices which restrain rather than reenforce inflationary pressures. I have the feeling that one of the ways this inflationary spurt got going was by that wages and profits got out of line in certain target industries like steel, automobiles, construction, and the like.

What has appeared to some to be labor getting a good wage break was in fact accompanied by a good healthy increase in profits in some of these industries which then washed through the rest of the economy. Wages and profits went up together in these target areas, fanning the flames of inflation. This could happen again if we take a "hands off" attitude.

What I propose is that "jaw boning" authority be given to the Government to keep labor and management in key sectors aware of the stake we all have in wage and profit restraint in these areas. By "jaw boning" I am not asking for compulsory bargaining where the Government forces a particular solution, but where the Government keeps labor and management talking to each other when vital interests of the whole economy are involved.

I believe there has got to be some balance between prices and wages and it is, again, grossly unfair for a wage earner's salary to be limited and at the same time the prices that he is forced to pay for the basic necessities of life run unchecked.

At the same time the purchasing power of the American consumer must be protected from a second spurt of inflation stimulated by wage and profit decisions in which the consumers' interest are again not represented.

Let us not allow history to repeat itself when some relatively simple legislation could make the difference. I am not suggesting that we simply pass the buck downtown to the executive branch on these things. I think the Congress can shoulder the responsibility for watchdogging wages and prices.

Perhaps, one way to do this would be to set up indexes on crucial prices and wages and have the Congress set some ceiling on these which if broken would then authorize the Congress to roll back prices to below the ceiling. Something like this could be used so that the Congress has a responsibility on a continuing basis to keep the lid on inflation.

Finally, I would be supportive of legislative language which would give the Cost of Living Council the authority to enforce commitments on future price levels obtained from producers as price controls are lifted. I think the Cost of Living Council needs to have the explicit mandate to make producers live up to their pledges on prices as controls are taken off.

This is just another fairly simple way to keep some downward pressure on key prices as the lid is taken off.

Mr. President, I believe that the Congress needs to legislate standby price-control authority, "jawboning" capacity, and the power to enforce commitments made by producers as price controls are lifted as a means of achieving what we all want: A permanent end to price controls and a reigning-in of inflationary pressures bringing to wage earners and consumers stronger purchasing power for their money.

These measures are urgently required to achieve these goals. We are deluding ourselves to think that hands off now will bring price stability a year from now. Those who argue for a "clean break" with this period of price controls are, I am afraid, increasing the likelihood that price controls will have to be restored further down the road.

A more selective and more gradual approach will cost us little now and bring us closer to what we want in the future.

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

The ACTING PRESIDENT pro tempore. On whose time?

Mr. ROBERT C. BYRD. Mr. President, will the Senator withhold his suggestion?

Mr. CHILES. I withdraw it.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Berry, one of its reading clerks, announced that the House had passed a bill (H.R. 13163) to establish a Consumer Protection Agency in order to secure within the Federal Government effective protection and representation of the interests of consumers, and for other purposes, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H.R. 13163) to establish a Consumer Protection Agency in order to secure within the Federal Government effective protection and representation of the interests of consumers, and for other purposes, was read twice by its title and referred to the Committees on Government Operations and Commerce, by unanimous consent.

TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business, with statements therein limited to 3 minutes.

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

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

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

ORDER TO HOLD BILLS AT DESK

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that messages from the House on H.R. 8101, relating to Bureau of Sport Fisheries and Wildlife, and H.R. 13542, to abolish the position

of Commissioner of Fish and Wildlife, be held temporarily at the desk.

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

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

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

RESIGNATION OF SENATOR STENNIS AS CHAIRMAN OF SELECT COMMITTEE ON STANDARDS AND CONDUCT

A letter from Mr. STENNIS, reporting, pursuant to Senate Resolution 338 of the 88th Congress, that he had resigned as chairman of the Select Committee on Standards and Conduct, on March 21, 1974, and that the committee had selected Mr. CANNON as chairman. Ordered to be printed, and to lie on the table.

REPORT OF SECURITIES AND EXCHANGE COMMISSION

A letter from the Commissioner, Securities and Exchange Commission, transmitting, pursuant to law, a report of that Commission, for the fiscal year ended June 30, 1973 (with an accompanying report). Referred to the Committee on Banking, Housing and Urban Affairs.

AIRPORT AND AIRWAY COSTS

A letter from the Secretary of Transportation, informing the Senate of the intention of that Department to transmit shortly to the Congress legislation to permit the civil costs of operating the Federal airway system to be financed from the airport and airway trust fund. Referred to the Committee on Commerce.

REPORTS OF COMPTROLLER GENERAL

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Department of Defense Stock Funds—Accomplishments, Problems, and Ways to Improve," dated April 2, 1974 (with an accompanying report). Referred to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Restructured Neighborhood Youth Corps Out-of-School Program in Urban Areas," Department of Labor, dated April 2, 1974 (with an accompanying report). Referred to the Committee on Government Operations.

REPORT OF BONNEVILLE POWER ADMINISTRATION

A letter from the Acting Secretary of the Interior, transmitting, pursuant to law, a report of the Bonneville Power Administration, for the year 1973 (with an accompanying report). Referred to the Committee on Interior and Insular Affairs.

PROPOSED LEGISLATION FROM DEPARTMENT OF THE INTERIOR

A letter from the Secretary of the Interior, transmitting a draft of proposed legislation to enable the Secretary of the Interior to provide for the operation, maintenance and continued construction of the Federal transmission system in the Pacific Northwest by use of the revenues of the Federal Columbia River Power System and the proceeds of revenue bonds, and for other purposes (with accompaning papers). Referred to the Committee on Interior and Insular Affairs.

PROPOSED LEGISLATION FROM THE ATTORNEY GENERAL

A letter from the Attorney General, transmitting a draft of proposed legislation to amend the Comprehensive Drug Abuse Prevention and Control Act of 1970 to provide appropriations to the Drug Enforcement Administration on a continuing basis (with an accompanying paper). Referred to the Committee on the Judiciary.

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders suspending deportation of certain aliens (with accompanying papers). Referred to the Committee on the Judiciary.

THIRD PREFERENCE AND SIXTH PREFERENCE CLASSIFICATION FOR CERTAIN ALIENS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, reports concerning third preference and sixth preference classification for certain aliens (with accompaning papers). Referred to the Committee on the Judiciary.

REPORT OF BOY SCOUTS OF AMERICA

A letter from the Chief Scout Executive, Boy Scouts of America, transmitting, pursuant to law, a report of that organization, for the year 1973 (with an accompanying report). Referred to the Committee on Labor and Public Welfare.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

By the ACTING PRESIDENT pro tempore (Mr. NUNN):

A letter, in the nature of a petition, from the Chairman, Region VIII Citizens Participation Council, Kansas City, Mo., relating to the Housing and Community Development Act of 1974. Ordered to lie on the table.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MAGNUSON, from the Committee on Commerce, with amendments:

H.R. 9293. An act to amend certain laws affecting the Coast Guard (Rept. No. 93-770).

EXECUTIVE REPORTS OF COMMITTEES

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

By Mr. TALMADGE, from the Committee on Agriculture and Forestry:

Richard L. Feltner, of Illinois, to be an Assistant Secretary of Agriculture.

(The above nomination was reported with the recommendation that the nomination be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. GOLDWATER, from the Committee on Armed Services:

Brig. Gen. Warner E. Newby, Regular Air Force, and sundry other officers, for temporary appointment in the U.S. Air Force; and

Maj. Gen. Robert N. Ginsburch (brigadier general, Regular Air Force), U.S. Air Force, and sundry other officers, for appointment in the Regular Air Force.

Mr. STENNIS. Mr. President, from the Committee on Armed Services, I report favorably the nominations of 25 for permanent promotion in the Army to the grade of major general and 2 in the Army National Guard to the grade of major general in the Reserve and 1 to brigadier general; in the Marine Corps and Marine Corps Reserves, 21 for permanent appointment in the grades of major general and brigadier general; and, in the Air Force, 5 for permanent promotion to major general and 13 for promotion to brigadier general and in the Reserve of the Air Force (Air National Guard) 2 to the grade of major general and 11 to the grade of brigadier general. I ask that these names be placed on the Executive Calendar.

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

Mr. STENNIS. In addition, there are 1,732 in the Army in the grade of colonel and below, in the Navy and Naval Reserve 7,799 in the grade of captain and below, in the Marine Corps 1 for permanent promotion to the grade of colonel and in the Air Force 1,467 in the grade of colonel and below. Since these names have already appeared in the CONGRESSIONAL RECORD and to save the expense of printing on the Executive Calendar, I ask that these names be placed on the Secretary's desk for the information of any Senator.

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

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. MATHIAS (for himself and Mr. BEALL):

S. 3302. A bill to repeal certain provisions of the Act entitled "An Act to provide for the establishment of the Assateague Island National Seashore in the States of Maryland and Virginia, and for other purposes," approved September 21, 1965, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

By Mr. STEVENSON:

S. 3303. A bill for the relief of Romeo Gumila and Mr. Policronio Gumila. Referred to the Committee on the Judiciary.

By Mr. MANSFIELD (for himself and Mr. HUGH SCOTT):

S. 3304. A bill to authorize the Secretary of State or such officer as he may designate to conclude an agreement with the People's Republic of China for indemnification for any loss or damage to objects in the "Exhibition of the Archeological Finds of the People's Republic of China" while in the possession of the Government of the United States. Referred to the Committee on Foreign Relations.

By Mr. CLARK (for himself and Mr. BAYH):

S. 3305. A bill to amend the Public Health Service Act to provide assistance for programs for the diagnosis, prevention, and treatment of, and research in, Huntington's disease. Referred to the Committee on Labor and Public Welfare.

By MR. CURTIS:

S. 3306. A bill for the relief of Ada Troncoso Boudon. Referred to the Committee on the Judiciary.

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

S. 3307. A bill to authorize appropriations for the Coast Guard for the procurement of vessels and aircraft and construction of shore and offshore establishments, to authorize appropriations for bridge alterations, to authorize for the Coast Guard an end-year strength for active duty personnel, to authorize for the Coast Guard average military student loans, and for other purposes. Referred to the Committee on Commerce.

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

S. 3308. A bill to amend section 2 of title 14, United States Code, to authorize icebreaking operations in foreign waters pursuant to international agreements, and for other purposes. Referred to the Committee on Commerce.

By Mr. MAGNUSON (by request):

S. 3309. A bill to amend the Merchant Marine Act of 1936, as amended, to provide for welfare of merchant seamen, essential to the foreign commerce of the United States. Referred to the Committee on Commerce.

By Mr. McCLURE:

S. 3310. A bill to amend the Par Value Modification Act. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. CHILES (for himself, Mr. ROTH, Mr. NUNN, Mr. HUDDLESTON, and Mr. BROCK):

S. 3311. A bill to provide for the use of simplified procedures in the procurement of property and services by the Government where the amount involved does not exceed $10,000. Referred to the Committee on Government Operations.

By Mr. DOMINICK (for himself, Mr. BENTSEN, Mr. BAYH, Mr. BUCKLEY, Mr. DOLE, Mr. STENNIS, Mr. TAFT, Mr. TOWER, and Mr. TUNNEY):

S. 3312. A bill to amend the Internal Revenue Code of 1954 with respect to certain charitable contributions. Referred to the Committee on Finance.

By Mr. BELLMON:

S. 3313. A bill to authorize the Administrator of the Environmental Protection Agency to carry out an emergency assistance program to assist States in relieving severe drought conditions that threaten to destroy livestock or crops. Referred to the Committee on Agriculture and Forestry.

S. 3314. A bill to provide for a study of the need for regulation of weather modification activities, the status of current technologies, the extent of coordination and the appropriate responsibility for operations in the field of weather modification, and for other purposes by the Environmental Protection Agency. Referred to the Committee on Commerce.

S. 3315. A bill to provide for a national policy on weather modification activities. Referred to the Committee on Commerce.

By Mr. ROTH (for himself, Mr. ABOUREZK, Mr. ALLEN, Mr. BAKER, Mr. BARTLETT, Mr. BAYH, Mr. BEALL, Mr. BENNETT, Mr. BENTSEN, Mr. BIBLE, Mr. BIDEN, Mr. BROCK, Mr. BURDICK, Mr. CLARK, Mr. COTTON, Mr. CRANSTON, Mr. DOLE, Mr. DOMINICK, Mr. EAGLETON, Mr. ERVIN, Mr. FANNIN, Mr. FONG, Mr. GOLDWATER, Mr. GURNEY, Mr. HANSEN, Mr. HART, Mr. HARTKE, Mr. HOLLINGS, Mr. HUGHES, Mr. HUMPHREY, Mr. JACKSON, Mr. JAVITS, Mr. MAGNUSON, Mr. MANSFIELD, Mr. MATHIAS, Mr. McCLURE, Mr. McGEE, Mr. McGOVERN, Mr. McINTYRE, Mr. PELL, Mr. PERCY, Mr. RIBICOFF, Mr. SCHWEIKER, Mr. HUGH SCOTT, Mr. STAFFORD, Mr. STEVENSON, Mr. TAFT, Mr. THURMOND, Mr. TOWER, Mr. WILLIAMS, and Mr. YOUNG).

S.J. Res. 203. A joint resolution entitled "National Arthritis Month." Referred to the Committee on the Judiciary.

STATEMENT ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. MATHIAS (for himself and Mr. BEALL):

S. 3302. A bill to repeal certain provisions of the act entitled "An act to provide for the establishment of the Assateague Island National Seashore in the States of Maryland and Virginia, and for other purposes," approved September 21, 1965, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

AMENDMENT OF ASSATEAGUE ISLAND NATIONAL SEASHORE ACT

Mr. MATHIAS. Mr. President, on behalf of Senator BEALL, I introduce a bill to protect the Assateague Island National Seashore from development and to compensate Worcester County, Md., for the loss of tax revenues, which this development might have provided. Assateague is a barrier island of breathtaking beauty, great expanses of beach, dunes, and sheltered marshes. It dominates the Maryland Atlantic shoreline and provides needed sanctuary for many species of wildlife. The barrier island shelters Chincoteague and Sinepuxent Bays, which together support an irreplaceable, seafood resource. Assateague is vital to migratory waterfowl, marsh birds, and shorebirds which depend on east coast wetlands for food, rest, and protection during their period away from normal breeding grounds.

The national seashore was created by the Congress in 1965. That was a far sighted act on the part of the Congress, for Assateague is a fragile resource, which must be protected from development. But all legislation should be periodically reviewed to determine whether its purposes have been accomplished. Sometimes in hindsight, certain provisions may seem impractical or unwise. This is true of Public Law 89–195, which created the Assateague Island National Seashore. Section 7 of that act provides as follows:

SEC. 7. (a) In order that suitable overnight and other public accommodations on Assateague Island will be provided for visitors to the seashore, the Secretary shall select and set aside one or more parcels of land in Maryland having a suitable elevation in the area south of the island terminus of the Sandy Point-Assateague Island Bridge, the total of which shall not exceed six hundred acres, and the public use area on the Chincoteague National Wildlife Refuge now operated by the Chincoteague-Assateague Bridge and Beach Authority of the Commonwealth of Virginia, and shall provide or allow the provision of such land fill within the area selected as he deems necessary to permit and protect permanent construction work thereon: Provided, That the United States shall not be liable for any damage that may be incurred by persons interested therein by reason of the inadequacy of the fill for the structures erected thereon.

(b) Within the areas designated under subsection (a) of this section the Secretary shall permit the construction by private persons of suitable overnight and other public accommodations for visitors to the seashore under such terms and conditions as he deems necessary in the public interest and in accordance with the laws relating to concessions within the national park system.

(c) The site of any facility constructed under authority of this section shall remain the property of the United States. Each privately constructed concession facility, whether within or outside an area designated under subsection (a) of this section, shall be mortgageable, taxable, and subject to foreclosure proceedings, all in accordance with the laws of the State in which it is located and the political subdivisions thereof.

(d) The Secretary shall make such rules and regulations as may be necessary to carry out this section.

(e) Nothing in this section shall be deemed to restrict or limit any other authority of the Secretary relating to the administration of the seashore.

The Congress was correct in providing that Worcester County could tax the accommodations to be located on Federal land. Reference to section 7 indicates how this was to be accomplished. A number of events and changing attitudes toward the propriety of developing Assateague have combined to make this approach now seem misguided.

In March of 1972 the Joint Executive-Legislative Committee on Assateague Island reported to the Governor of Maryland. Their recommendation was that section 7, providing for overnight and other public accommodations, be deleted from the act. They stated in connection with this recommendation that compensation should be provided. Senator BEALL and I support those recommendations. I have also been informed by Maryland officials that Worcester County might be unable to realize tax revenues from development on Assateague Island, because of existing provisions in the State law. While it was clearly the intent of the Federal legislation that these improvements be taxable as if they were on private land, the Maryland law casts considerable doubt on whether the State of Maryland or any of its counties has the power to exact such a tax.

The combination of these two factors create a totally unsatisfactory condition. If indeed the Assateague Island National Seashore Act and Maryland law work at cross purposes, we will have created a tax-free haven for environmentally destructive development. This was not the purpose of the Congress.

The bill which Senator BEALL and I propose will eliminate section 7 and provide for an orderly and expeditious procedure for determining what compensation should be paid to the county.

Section 9 of the enabling Act provides as follows:

SEC. 9 (a) The Secretary of the Interior is authorized and directed to construct and maintain a road from the Chincoteague-Assateague Island Bridge to the area in the wildlife refuge that he deems appropriate for recreation purposes.

(b) The Secretary of the Interior is authorized and directed to construct a road, and to acquire the necessary land and rights-of-way therefor, from the Chincoteague-Assateague Island Bridge to the Sandy Point-Assateague Bridge in such manner and in such location as he may select, giving proper consideration to the purpose for which the wildlife refuge was established and the other purposes intended to be accomplished by this Act.

Most people have come to realize in the years since 1965 that construction of

a major roadway on such a fragile, shifting island would be an environmental disaster. Under these circumstances, it is entirely appropriate that section 9 be stricken from the act. Since the road was never proposed as compensation to Worcester County, its deletion does not in any way effect the compensation procedures provided in our bill.

Maryland is a coastal State. We have a great and bounteous estuary, but we have little land abutting the Atlantic. Ocean City has grown rapidly to become a major resort community. With only 32 miles of Atlantic shoreline, we must be very careful to create a proper mix of recreational and commercial activity. Such a mix must include significant, unspoiled areas. Assateague is such an area and it deserves our constant care and protection. We must preserve the island for future generations. I have heard it said that to some "Assateague Island is a barren place swept by wind and sun, its solitude broken only by the shrill cry of wheeling gulls and the metronome boom of the surf." To others, who take the time to look, listen, and understand, the island pulses with a rhythm of life and change at a place where the demanding ocean meets a determined strip of sand.

Senator BEALL and I today introduce a bill which has broad public support in the State of Maryland. It has been recommended by a committee composed of distinguished Maryland public officials in both the executive and legislative branches of Government. Under these circumstances, we are hopeful that our proposal will receive speedy and favorable consideration. I ask unanimous consent that the text of the bill be printed at this point in the RECORD.

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

S. 3302

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That sections 7 and 9 of the Act entitled "An Act to provide for the establishment of the Assateague Island National Seashore in the States of Maryland and Virginia, and for other purposes", approved September 21, 1965, are hereby repealed.

SEC. 2. (a) The Secretary of the Interior is authorized to receive, consider, hold public hearings, and act upon any claim filed by the County of Worcester, Maryland, within the twelve-month period following the date of the enactment of this Act for compensation for damages or other losses incurred by such County arising out of or in connection with the repeal of section 7 of the Act of September 21, 1965, relating to the authority to establish suitable overnight and other public accomodations within the Assateague Island National Seashore.

(b) The Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, such sum as may be certified to him by the Secretary of Interior on the basis of any claim filed pursuant to subsection (a).

By Mr. CLARK (for himself and Mr. BAYH):

S. 3305. A bill to amend the Public Health Service Act to provide assistance for programs for the diagnosis, prevention, and treatment of, and research in, Huntington's disease. Referred to the Committee on Labor and Public Welfare.

HUNTINGTON'S DISEASE

Mr. CLARK. Mr. President, I am introducing legislation on behalf of the Senator from Indiana (Mr. BAYH) and myself to amend the Public Health Services Act to establish a special comprehensive program to combat Huntington's disease. The bill provides Federal assistance for diagnois, prevention, treatment, and research with this most serious illness which affects thousands of families throughout the Nation.

One of this country's most precious assets is the health and well-being of its people. Good health and good health care ought to be a right for every individual—a right as basic and inalienable as the right to freedom of speech and freedom of religion. Good health and good health care ought not to be considered luxuries or frills, because nobody can do without them.

But right now, good health care is not a right in this country. And sometimes, this is the result of a lack of initiative on the part of Government, the public, and private industry. Huntington's chorea is a case in point. There has been a painful lack of research into this disease, and yet there is every reason to believe that a relatively small amount of money and a devoted, unified effort could overcome the tragic consequences of Huntington's disease.

Huntington's chorea is a chronic, degenerative disorder of the nervous system. The disease is genetically inherited, and the children of an affected parent have a 50-percent chance of developing the disease.

The clinical symptoms or manifestations of Huntington's chorea usually do not appear before the age of 30 or 40, and because of this, many people who develop the disease have become parents subjecting their children to the possibility of Huntington's disease as well. If an effective means could be developed to detect the disease earlier, it would then be possible to offer genetic counseling to those people about the risks of Huntington's chorea. More importantly, through an ambitious research effort the victims of this disease could be treated and, hopefully, cured.

Presently, the National Institute of Neurological Diseases and Stroke and the Division of Research Resources of the National Institute of Health, the National Institute of Mental Health, the National Institute of Arthritis, Metabolism, and Digestive Diseases, and the National Institute of Child Health and Human Development each have some type of program to study Huntington's chorea. However, there is no overall, unified plan to combat this disease.

The legislation which Senator BAYH and I am introducing—and which has been introduced in the House by Congressman ROE—will establish a comprehensive program to combat Huntington's disease. It would make a Federal commitment to attacking this disease—which affects over 100,000 people in the United States.

The initiative which we are taking is due in large part to the efforts of the National Committee to Combat Huntington's Disease, as well as our State associations.

I wish to urge my colleagues to join us in this long overdue effort to combat Huntington's disease, and I hope that the Senate will take up this measure at the earliest possible time.

Mr. President, I ask unanimous consent that an article from the November 1971 Today's Health concerning Huntington's disease be printed at this point in the RECORD.

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

MUST THEY SACRIFICE TODAY BECAUSE OF THREATENED TOMORROWS?

(By Aljean Harmetz)

Marjorie Guthrie, folk singer Arlo Guthrie's mother, is a cheerful woman whose energy defeats tragedy the way the sun burns through fog. Arlo's father was Woody Guthrie, the noted folk composer and singer of the Depression years who died in 1967, at the age of 56. He died of a disease called Huntington's chorea; before his death, he was bedridden and able to communicate only by opening and closing his eyes.

His death led Marjorie Guthrie to mount a nationwide campaign to help other victims of Huntington's chorea, one of the most fearsome of all genetic diseases. To help victims cut through the shame and secrecy in which many of them suffered, she created the Committee to Combat Huntington's Disease. The committee became Woody Guthrie's memorial: because of it, research into the causes of the disease has accelerated, and there is more hope that a cure may eventually be found.

Huntington's chorea is a fatal degenerative nerve disease that does not usually manifest itself until its victims are 30 or 40 years old and have already implanted the seeds in their own children. Its symptoms are terrifying. Muscle by muscle, the victim loses control of his body as the disease spreads in his brain from the caudate nucleus (a small part of the brain's gray matter affecting voluntary muscle movement). His body lurches awkwardly, giving the impression of a strange pagan dance. His face contorts, his speech slurs, his tongue refuses to obey the simple rules of swallowing learned in infancy. Brain cells die; mental agility and sharpness disappear. In some—but not all—cases, the victim loses all control of his mind. Some previously stable men and women become alcoholic, sexually promiscuous, insane. Many commit suicide. If they don't, death comes inexorably, five to fifteen years after the first symptoms.

"I happen to be a believer in life," Marjorie Guthrie says after a week's swing through the Midwest and South to open new chapters of CCHD in Oklahoma City, Houston, New Orleans and Cincinnati. "When I was pregnant with Arlo, our four-year-old daughter died in a fire. I asked Woody then, 'If someone had said you can only have this beautiful child for four years, would you have taken her' And Woody said 'yes,' and I said 'yes.'"

She calls the death of her daughter "my rehearsal for everything that came afterwards," but sadness is too tangential to her personality for her to allow it to be visible for long.

She badgers each congressional committee that allots money for medical research. She brings a card table to every neurological convention and sits at the entrance, handing out copies of Dr. George Huntington's 1872 paper on the disease which bears his name, and trying to interest the doctors who pass in doing research into the disease. (Some physicians currently studying the dis-

ease—and the National Institutes of Health—urge that it be called Huntington's disease, instead of Huntington's chorea, a name that emphasizes the spasmodic, involuntary muscle movements that usually result from the disease; the Greek word *choreia* refers to a kind of dance. The newer, more general name is being used today because the muscular spasms are not always prominent.)

Mrs. Guthrie comforts the victims who come to see her. "It's a little like Alcoholics Anonymous," she says. She tells them, "It is the quality of life, not the quantity, that is important," and assures them that they need not go insane, that Woody was sane until the *day he died*, and that there are even worse things than Huntington's disease. She hoards the dollars and dimes that are sent to her in the mail. Paying all her own expenses, she uses the money to set up workshops for doctors and researchers, to finance a bibliography of all papers written on the disease.

She keeps each heartbroken letter that comes into CCHD's tiny New York headquarters: "'We were informed only two weeks ago that our son, Billy, has Huntington's chorea.' 'Today my sister was admitted to a hospital for treatment of Huntington's disease. Now I am the sole one of four children who has escaped.' 'Do you know a nursing home that will take someone with this rotten disease?' 'HD is in my husband's family. I am just heartsick. I have three children, ages seven, nine and ten. If I had known this, I would not have brought my children into the world.'"

Fingering the stacks of letters, Marjorie Guthrie says, "Only if I can prove that the disease is more prevalent than anyone thought can we get large grants of money to fight it." Because of the victims she has brought out of hiding and the better diagnosis CCHD's publicity has facilitated, the estimate of HD victims in the United States has risen from 6,000 to 25,000. She expects that the final count will be closer to 100,000.

Three of those 100,000 victims may be Marjorie Guthrie's own children. Each child of an HD victim has a 50–50 chance of inheriting the defective gene and getting the disease. Of the hereditary nature of the disease, 22-year-old Dr. Huntington wrote in his original papers almost one hundred years ago:

"When either or both the parents have shown manifestations of the disease . . . one or more of the offspring almost invariably suffer from the disease if they live to adult age. But if by any chance these chidiren go through life *without* it, the thread is broken and the grandchildren and great-grandchildren of the original shakers may rest assure that they are free from the disease. This you will perceive differs from the general law of so-called hereditary diseases . . . when *one* generation may enjoy immunity from their dread ravages and in another you find them cropping out in all their hideousness. Unstable and whimsical as the disease may be in *other* respects, in *this* it is firm: It never skips a generation to again manifest itself in another. Once having yielded its claims, it never regains them."

Although approximately 2 percent of HD victims get the disease in childhood and 5 percent get it after the age of 60, the onset is usually when the victim is between 30 and 45 years of age. Folk singer Arlo ("Alice's Restaurant") Guthrie is 24. His younger brother, Joady, is 22, his sister, Nora Lee, 21. Maddeningly capricious, the disease may affect all of them or none of them. Even if they do carry the gene, their children may all escape—or all die.

The most important decision to be made by a potential HD victim is whether or not to have children. Arlo Guthrie is married and has one child. "But I'm in the clear," he says, smiling distantly. "I'm not going to get HD, and if I don't, my kids can't." He is deeply involved in spiritualism and has been assured by a medium that he will not get HD. "Besides," Arlo adds, "I have the capacity to walk into a room and make doors where they don't exist." If his spiritualism is a defense, his mother says: "I am not the one to take that defense away from him." Sometimes, for a moment, he drops the defense himself. Should worse come to worst, he says, "then I'll live like my father."

Across the country, in a small apartment in East Los Angeles, Tony Navarro also wants to raise children, although the Navarros have no children yet. "Tony always wanted children," his quiet blonde wife, Evon, whispers. "I didn't. But then I thought that 36 or 40 years is a long way off. They'll have a cure by then." She hesitates, searching for the right words as Tony watches. "It was . . . it was just the possibility of raising my children without a father," she says.

Tony Navarro is a 33-year-old schoolteacher, the youngest of eight children. He does not yet have Huntington's disease, but two of his five brothers and one of his two sisters do. Tony first learned that Huntington's disease existed in his family four years ago when a Veteran's Hospital in Southern California diagnosed it in his brother Eddie. Since that day, life for the Navarros has had the quality of a nightmare.

Of the three Navarros already affected by Huntington's disease, two are in its last stages. Eddie, 46, has been in a nursing home for the last three years. He cannot walk, talk or feed himself. He is strapped in bed so his wild involuntary movements don't cause him to fall, and he must wear diapers because he has lost control of his bowels. Eva, 42, has had the symptoms of Huntington's disease for nearly 10 years, but she has not been hospitalized. She lives with her husband, a sergeant in the Air Force, and with the youngest of her three daughters. Her speech is so slurred that her sister cannot understand her, but her attempts to speak still communicate to her daughters. She can feed herself only if her food is cut into small pieces so that she will not choke. Although she can no longer walk, she can stand and can be half-driven, half-dragged to the bathroom.

The third victim of Huntington's disease in the Navarro family is Rudy, the most intellectual member of the family. Rudy is 38 years old. He lives in the house he bought for his mother; now, he shares it with her. His brothers and sisters have suspected for over three years that he had Huntington's disease, but it was not officially diagnosed until last year. He still tries hard not to believe it.

Sprawled on the living room sofa, his blue-and-purple shirt stained by a breakfast eaten with shaking hands, Rudy flushes with embarrassment when he cannot make himself understood. He helplessly repeats the word "Coke" which his visitor has not been able to understand. He should be handsome, but his left eye squints and his face twists just a bit at the corners. The disease is present in little things rather than big ones—in the slowness with which he moves, in the lack of grace as he throws himself down on the couch, in the detached aimlessness of his eyes.

Rudy's apathy is the first faint sign of mental deterioration, of the disease spreading to the cerebral cortex. In Huntington's disease, as in the normal process of aging, brain cells are lost, but they are lost at a frighteningly rapid rate. Once an avid reader, Rudy is no longer interested in books. Formerly an enthusiastic talker, he now has little to say.

Most of the time Rudy watches television or visits his best friend, Mark. Sometimes he thinks about tutoring children at his house, but he doesn't act on the thought. A few months ago he went to Mexico with Mark for two weeks and for those few weeks he was almost free of the depression that clouds his waking hours.

"I'm still active," he announces. "I still drive." Most HD patients continue to drive as long as their licenses are valid. It is their way of retaining their independence and control, but Rudy has been picked up twice and charged with drunken driving. The first time he spent several hours in jail. Now he wears a Medic-Alert medallion and carries a letter from his doctor describing his disease.

The letter in his pocket forces him to face what he wants to escape. "I didn't want to believe it. I noticed the symptoms over a year ago, but I tried to cover them up." Until last December, Rudy was an elementary school teacher. He recalls, "When I was in the classroom, I kept dropping pencils, falling over the children. Because I was confined to a small space, I found I couldn't teach."

Rudy can still do everything for himself except button his shirt, but he is fully aware of the hopelessness of his future. Although he is, as his sister Bertha says, "the most Catholic of all of us," he now talks of suicide.

The guilt, the shame and the helplessness in the Navarro family have grown with Rudy's illness. "I look at Rudy and I wonder if there's really a God, and yet I still go to church every Sunday," says Bertha. A small, energetic, basically optimistic woman, Bertha tells her mother that "the law of averages says there should be four and so far there's only three of us with the sickness. That's something to be grateful for."

Mrs. Navarro does not listen. She lost her husband, sister-in-law and mother-in-law to Huntington's disease without knowing their sickness by that name. (Until the founding of Marjorie Guthrie's Committee to Combat Huntington's Disease, many doctors were unfamiliar with HD.) Mrs. Navarro remembers the doctor in the mining town of Bisbee, Arizona, who told her husband, "You have multiple sclerosis. It's not hereditary." "But, doctor," she had said hesitantly, "My mother-in-law and sister-in-law, they had the same sickness." "Don't worry, Mrs. Navarro," the doctor had said again. "Your children can't catch it." Now she knows the proper name for the sickness, but the proper name doesn't help. "It doesn't make any consolation to know what the sickness is," she says. "Until there's a cure, there's no consolation."

"Mom managed to accept Eddie and Eva, but when the sickness hit Rudy it was too much," says Tony. When Tony and his wife beg her to go to San Diego with them, she refuses, preferring to stay with Rudy. Her solicitude angers Rudy, and he lashes out at her. A moment later he stands in front of her and holds out his sleeves to be buttoned.

Still, the Navarros have found ways to survive. At a family picnic, Eva is fed champagne, Rudy is enticed into the games. Eddie is lost to the family now, strapped into his hospital bed, turning blank eyes on the mother who comes to sit with him every afternoon. But the family is fighting "to keep Eva and Rudy as active as possible as long as possible."

The Navarros who as yet show no symptoms of HD live from day to day, most of them rushing to live a lifetime in what may be only a few years. "I guess I'm just going to live every day as it comes and do my thing," says Tony. Says his 44-year-old sister, Bertha, "My husband and I have talked about it. I know that if I get the sickness, he'll take care of me. He says he'll keep me at home and take care of me and we'll face it together."

Psychologist Milton Wexler, president of the California chapter of CCHD, points out that "the response of people to HD is at least partially dictated by their characters. Passive people become more infantile, irritable people become more irritable. I've seen peo-

ple who go downhill quickly, almost from the initial diagnosis, and yet there are a number of people in CCHD who are very harmed physically but who are still psychologically intact."

Ray Miller is one of the latter. In 1966, when he was 57 years old, he was diagnosed as having Huntington's disease. He had known of the possibility for over ten years—since the disease was diagnosed in his mother. But until 1966, yearly neurological examinations had proved negative. He had been sure he was safe, since very few people get HD when they are over 55.

Ray Miller can still talk for himself, but he prefers not to. He is too proud to slur his words, and the effort to speak a few sentences clearly would leave him exhausted for the rest of the day. A few years ago he was an administrator for the Youth Opportunities Board in Los Angeles. Now it takes tremendous effort for him to get his meat on his fork. "He's using his spoon much more," say his wife, Kay, "and he spills and drips. It bothers him because he's so meticulous."

But Miller has not lost his dignity because he has lost control of his muscles, and there is no note of self-pity in the way he deals with his disease. When he was no longer able to hold down his high-pressure job, he looked around for a job he *could* handle—and found one as secretary to the bookkeeper of a workshop that retrains the handicapped. He makes the morning coffee for his wife, does the breakfast dishes, and he still can waste some of his precious energy in a strained attempt to make a joke.

"I used to say, 'I swing and sway with Sammy Kaye.' Now I say, 'I rock and roll with Nat King Cole.' "

Until the 1960s, Huntington's disease was usually misdiagnosed as alcoholism, nervousness, psychosis or any one of a dozen neurological disorders. Like most victims, Ray Miller was unaware that the disease was in his family until after his son was born. It is the game of Russian roulette that they have unwittingly forced their son to play that most torments Ray and Kay Miller. "The worst thing," says Kay Miller, enunciating each word precisely so that she will not cry, "was having to say to our one and only child, 'Look, this is what I have bequeathed you.' "

When the disease was diagnosed in Ray Miller, his son Michael, 23, was a helicopter pilot in the Marine Corps. Michael's wife was pregnant with their first child. "We couldn't tell Mike then," Kay Miller says. "Not then." Nor could they tell him a year later when he was on his way to Vietnam. "Not then." By the time they did tell him, a month after his return from Vietnam, Michael's wife was once again pregnant. "I've been living with a 99 percent chance of death for 13 months," Mike Miller told his parents, "so a 50-50 chance sometime in the future looks pretty good to me."

Part of Ray Miller's psychological survival lies in having volunteered himself as a guinea pig to Dr. John Menkes of UCLA. Dr. Menkes is experimenting with skin and blood tests, hoping to find a way to identify the disease in unborn children. "Ray has been accustomed all his life to contributing," says his wife. "He's always cared about people. I know he feels he can't do anything for himself, but if he can contribute to the little knowledge doctors have, then life is still worth living."

Help for Ray Miller's son and Rudy Navarro's brothers, sister, nieces and nephews may be imminent. One by one, diseases like HD are yielding to chemical treatment. Ten years ago Parkinson's disease was hopeless. Today it is controllable by a powerful synthetic chemical called L-Dopa. Tay-Sachs disease, which causes mental retardation, progressive loss of vision and death in young children, is not yet curable, but there is now a test to determine whether a fetus carries the defective gene that causes the disease. And the discovery that Wilson's disease—an affliction of the brain and liver which causes trembling and difficulty in speaking and walking—is caused by a hereditary defect in the body's metabolism of copper has at last made it remediable.

"We hope and expect to have a control drug for Huntington's disease," says Marjorie Guthrie firmly. "That's not wishful thinking. Today, when I speak of hope, I can give the examples of Tay-Sachs and Wilson's disease." She has joined Dr. Joshua Lederberg and others who are seeking a grant of $20 million from the federal government to support a genetic task force which will attack the more than 2,000 known genetic diseases. "I want to support all genetic research. Why should it only be my disease that is helped?" She is sure that her disease *can* be helped. When she speaks in public about that sureness, there is always a neurologist at her side. "I don't want people to think I'm just a kooky, optimistic lady. When I'm through, I challenge the doctor to disagree if anything I've said is wrong."

Researchers tend to agree with Marjorie Guthrie's optimism. "Anything is soluble but I think Huntington's disease can be solved in the near future," says UCLA's Dr. Menkes. "There are just too many clues around." Canadian neurologist Andre Barbeau has said publicly that he expects a control drug for Huntington's disease within seven or eight years. Dr. Louis Rosner, a Beverly Hills neurologist, adds, "The first clue to Parkinson's disease was the accidental discovery that reserpine caused the disease in some people. So researchers asked what reserpine did chemically. The answer was that it depleted the brain of dopa-mine. Right now there are several drugs, including L-Dopa (the drug that controls Parkinsonism, which is the mirror image of HD), that can product chorea (the characteristic jerky movements of most forms of HD). So perhaps we can figure out an antidote for Huntington's disease too."

Until that antidote is found, HD families must survive as best they can. "Wouldn't it be terrible," Nora Lee Guthrie once said, "if you lived to be 40 or 60 waiting for Huntington's disease to strike—and it never came, and because you had been waiting you never lived?"

Mr. BAYH. Mr. President, I am privileged to join with Senator CLARK today in sponsoring the National Huntington's Disease Control Act.

Huntington's disease, often called Huntington's chorea, is one of the most dreadful diseases facing mankind. Inherited from a parent, it strikes members of both sexes as they reach age 30 or 40. It is a progressive disease, leading over a 15-year period, to degeneration of the nervous system and eventual death. Because its symptoms first appear when victims are past childbearing age, those suffering from Huntington's disease must bear the added agony of knowing that they may have passed the debilitating gene on to their children.

I have met on a number of occasions with members of the National Committee to Combat Huntington's Disease and members of its local chapters, to discuss possible means to combat this dreaded affliction. I am happy today to respond to their requests and join in this legislation. We must harness our great scientific and technological skills and attack this most serious problem. This bill would establish a comprehensive program to combat Huntington's. It would provide Federal assistance for programs for diagnosis, prevention, and treatment. Equally as important, it would provide funds for research in this illness. I ask my colleagues to consider this legislation, and I hope that they will join us in striking a blow against Huntington's disease and aiding the thousands who are its victims.

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

S. 3307. A bill to authorize appropriations for the Coast Guard for the procurement of vessels and aircraft and construction of shore and offshore establishments, to authorize appropriations for bridge alterations, to authorize for the Coast Guard an end-year strength for active duty personnel, to authorize for the Coast Guard average military student loads, and for other purposes. Referred to the Committee on Commerce.

Mr. MAGNUSON. Mr. President, I introduce, by request, for appropriate reference a bill to authorize appropriations for the Coast Guard for the procurement of vessels and aircraft and construction of shore and offshore establishments, to authorize for the Coast Guard an end-year strength for active duty personnel, to authorize for the Coast Guard average military student loads, and for other purposes and ask that the letter of transmittal and bill be printed in the RECORD.

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

S. 3307

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That funds are hereby authorized to be appropriated for fiscal year 1975 for the use of the Coast Guard as follows:

VESSELS

For procurement, renovation, and increasing the capability of vessels, $22,676,000.

A. Procurement:

(1) One 160 foot inland construction tender;

(2) small boat replacement program; and

(3) design of vessels.

B. Renovation and increasing capability:

(1) renovate and improve buoy tenders;

(2) re-engine and renovate coastal buoy tenders;

(3) modernize and improve cutter, buoy tender, and icebreaker communication equipment;

(4) abate pollution by oily waste from Coast Guard vessels; and

(5) abate pollution by non-oily waste from Coast Guard vessels.

AIRCRAFT

For procurement of eight replacement fixed wing medium range search aircraft, $17,793,000.

CONSTRUCTION

For the establishment or development of installations and facilities by acquisition, construction, conversion, extension, or installation of permanent or temporary public works, including the preparation of sites and furnishing of appurtenances, utilities, and equipment for the following, $73,631,000.

(1) St. Petersburg, Florida: Establish a new consolidated aviation facility.

(2) Arcata, California: Construct air station, Phase II.

(3) Sitka, Alaska: Construct new air station.

(4) Woods Hole, Massachusetts: Construct small boat maintenance facility at Coast Guard Base.

(5) New London, Connecticut: Renovate and expand Cadet galley and dining facilities at Coast Guard Academy.

(6) Curtis Bay, Maryland: Renew steam system at Coast Guard Yard, Phase II.

(7) Yorktown, Virginia: Construct classroom building at Reserve Training Center.

(8) Portsmouth, Virginia: Construct new Coast Guard Base, Phase III.

(9) Virginia Beach, Virginia: Replace Little Creek Station waterfront facilities.

(10) Rodanthe, North Carolina: Improve Oregon Inlet Station.

(11) Port Canaveral, Florida: Replace Port Canaveral Station (leased property).

(12) Miami, Florida: Renovate Miami Air Station.

(13) Port Aransas, Texas: Rebuild Port Aransas Station.

(14) Traverse City, Michigan: Rebuild air station.

(15) Keokuk, Iowa: Construct depot building.

(16) Seattle, Washington: Relocate Coast Guard units to piers 36/37, Phase I (leased property).

(17) Alaska, various locations: Establish VHF-FM distress communications system.

(18) Kodiak, Alaska: Renovate and consolidate Coast Guard Base, Phase II.

(19) Valdez, Alaska: Establish vessel traffic system and Port Safety Station.

(20) Various locations: Improve radio navigation system of Pacific coastal region.

(21) Various locations: Waterways aids to navigation projects.

(22) Various locations: Lighthouse Automation and Modernization Program (LAMP).

(23) Various locations: Mediterranean Loran C equipment replacement.

(24) Various locations: Public family quarters.

(25) Various locations: Advance planning, survey, design, and architectural services; project administration costs; acquire sites in connection with projects not otherwise authorized by law.

SEC. 2. For fiscal year 1975, the Coast Guard is authorized an end strength for active duty personnel of 37,748; except that the ceiling shall not include members of the Ready Reserve called to active duty under the provisions of Public Law 92–479.

SEC. 3. For fiscal year 1975, military training student loads for the Coast Guard are authorized as follows:

(1) recruit and special training, 4,080 man-years;

(2) flight training, 85 man-years;

(3) professional training in military and civilian institutions, 375 man-years; and

(4) officer acquisition training, 1,160 man-years.

SEC. 4. For use of the Coast Guard for payment to bridge owners for the cost of alterations of railroad bridges and public highway bridges to permit free navigation of navigable waters of the United States, $6,800,000 is hereby authorized.

THE SECRETARY OF TRANSPORTATION,
Washington, D.C., March 5, 1974.

HON. GERALD R. FORD,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: There is transmitted herewith a draft of a bill, "To authorize appropriations for the Coast Guard for the procurement of vessels and aircraft and construction of shore and offshore establishments, to authorize appropriations for bridge alterations, to authorize for the Coast Guard an end-year strength for active duty personnel, to authorize for the Coast Guard average military student loads, and for other purposes."

This proposal is submitted under the requirements of Public Law 88–45 which provides that no funds can be appropriated to or for the use of the Coast Guard for the procurement of vessels or aircraft or the construction of shore or offshore establishments unless the appropriation of such funds is authorized by legislation. Section 2 of the proposed bill responds to section 302 of Public Law 92–436 which directs that Congress shall authorize for each fiscal year the end strength as of the end of the fiscal year for active duty personnel for each component of the Armed Forces. Section 3 responds to section 604 of the same Public Law which provides that Congress shall authorize for each component of the Armed Forces the average military training student loads for each fiscal year. Section 4 authorizes funds for the use of the Coast Guard for payments to bridge owners for the cost of alteration of railroad and public highway bridges to permit free navigation of the navigable waters of the United States under the Act of June 21, 1940 (54 Stat. 497, 33 U.S.C. 511 et seq.), as amended.

The proposal includes, as it has previously, all items of acquisition, construction, and improvement programs for the Coast Guard to be undertaken in fiscal year 1975 even though the provisions of Public Law 88–45 appear to require authorization only for major facilities and construction. Inclusion of all items avoids the necessity for arbitrary separation of these programs into two parts with only one portion requiring authorization.

The attention of the Congress is specifically drawn to the establishment of a search and rescue station at Port Canaveral, Florida, and to the relocation of Coast Guard units to Piers 36/37, Seattle, Washington (project numbers 11 and 16 under the heading "CONSTRUCTION" in section 1 of the bill). As indicated, both of these projects are planned at non-federally owned locations currently leased by the Coast Guard. The Coast Guard has commenced purchase negotiations for both of these locations.

Not all items, particularly those involving construction, are itemized. For example, those involving navigational aids, light station automation, public family quarters, and advanced planning projects contain many different particulars the inclusion of which would have unduly lengthened the bill.

In further support of the legislation, the cognizant legislative committees will be furnished detailed information with respect to each program for which fund authorization is being requested in a form identical to that which will be submitted in explanation and justification of the budget request. Additionally, the Department will be prepared to submit any other data that the committees or their staffs may require.

It would be appreciated if you would lay this proposal before the Senate. A similar proposal has been submitted to the Speaker of the House of Representatives.

The Office of Management and Budget has advised that enactment of this proposed legislation is in accord with the President's program.

Sincerely,

CLAUDE S. BRINEGAR.

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

S. 3308. A bill to amend section 2 of title 14, United States Code, to authorize icebreaking operations in foreign waters pursuant to international agreements, and for other purposes. Referred to the Committee on Commerce.

Mr. MAGNUSON. Mr. President, I introduce, by request, for appropriate reference, a bill to amend section 2 of title 14, United States Code, to authorize icebreaking operations in foreign waters, pursuant to international agreements, and for other purposes, and ask unanimous consent that the letter of transmittal and changes in existing law be printed in the RECORD with the text of the bill.

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

S. 3308

Be it enacted in the Senate and House of Representatives of the United States of America in Congress assembled, That section 2 of title 14, United States Code, is hereby amended by inserting the words "shall, pursuant to international agreements, develop, establish, maintain, and operate icebreaking facilities on, under, and over waters other than the high seas and waters subject to the jurisdiction of the United States;" immediately before the words "shall engage in oceanographic research".

THE SECRETARY OF TRANSPORTATION,
Washington, D.C., March 5, 1974.

HON. GERALD R. FORD,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: There is transmitted herewith a draft of a proposed bill "To amend section 2 of title 14, United States Code, to authorize icebreaking operations in foreign waters pursuant to international agreements, and for other purposes."

The proposed bill would amend section 2 of title 14, United States Code, to provide authority for the Coast Guard to conduct icebreaking operations in waters other than the high seas or waters of the United States, pursuant to international agreements. The proposed bill would not be self-executing. Icebreaking in other than the high seas or waters of the United States could not be carried out without specific international agreement.

One purpose of the proposal is to provide a basis to improve the efficiency of United States and Canadian icebreaking in the Great Lakes-St. Lawrence Seaway navigational system. The likelihood of coordinating United States-Canadian icebreaking operations in the Great Lakes-St. Lawrence area has been suggested by a study now underway on the feasibility of extending the system's navigational season. The study was authorized by the Rivers and Harbors and Flood Control Act of 1970 (P.L. 91–611). That authority expires on July 30, 1974.

The cost of the proposal would depend upon the degree of implementation. The budget for the Coast Guard demonstration project in fiscal year 1973 was just over $80,000, with approximately $80,000 also being requested for ship repair and damage.

It would be appreciated if you would lay the proposed bill before the Senate. A similar bill has been transmitted to the Speaker of the House of Representatives.

The Office of Management and Budget has advised that there is no objection from the standpoint of the Administration's program to the submission of this proposed legislation to the Congress.

Sincerely,

CLAUDE S. BRINEGAR.

COMPARATIVE TYPE SHOWING CHANGES IN EXISTING LAW MADE BY THE PROPOSED BILL

(Matter proposed to be added is in italics)

TITLE 14

§ 2. Primary duties.

The Coast Guard shall enforce or assist in the enforcement of all applicable Federal laws on and under the high seas and waters subject to the jurisdiction of the United States;

shall administer laws and promulgate and enforce regulations for the promotion of safety of life and property on and under the high seas and waters subject to the jurisdiction of the United States covering all matters not specifically delegated by law to some other executive department; shall develop, establish, maintain, and operate with due regard to the requirements of national defense, aids to maritime navigation, icebreaking facilities, and rescue facilities for the promotion of safety on, under, and over the high seas and waters subject to the jurisdiction of the United States; *shall, pursuant to international agreements, develop, establish maintain, and operate icebreaking facilities on, under, and over waters other than the high seas and waters subject to the jurisdiction of the United States;* shall engage in oceanographic research on the high seas and in waters subject to the jurisdiction of the United States; and shall maintain a state of readiness to function as a specialized service in the Navy in time of war.

PUBLIC LAW 92-583, 92D CONGRESS, S. 3507, OCTOBER 27, 1972

An act to establish a national policy and develop a national program for the management, beneficial use, protection, and development of the land and water resources of the Nation's coastal zones, and for other purposes.

Be it enacted by the Senate and House of Representatives of United States of America in Congress assembled, That the Act entitled "An Act to provide for a comprehensive, long-range, and coordinated national program in marine science, to establish a National Council on Marine Resources and Engineering Development, and a Commission on Marine Science, Engineering and Resources, and for other purposes", approved June 17, 1966 (80 Stat. 203), as amended (33 U.S.C. 1101-1124), is further amended by adding at the end thereof the following new title:

TITLE III—MANAGEMENT OF THE COASTAL ZONE

SHORT TITLE

SEC. 301. This title may be cited as the "Coastal Zone Management Act of 1972".

CONGRESSIONAL FINDINGS

SEC. 302. The Congress finds that—

(a) There is a national interest in the effective management, beneficial use, protection, and development of the coastal zone;

(b) The coastal zone is rich in a variety of natural, commercial, recreational, industrial, and esthetic resources of immediate and potential value to the present and future well-being of the Nation;

(c) The increasing and competing demands upon the lands and waters of our coastal zone occasioned by population growth and economic development, including requirements for industry, commerce, residential development, recreation, extraction of mineral resources and fossil fuels, transportation and navigation, waste disposal, and harvesting of fish, shellfish, and other living marine resources, have resulted in the loss of living marine resources, wildlife, nutrient-rich areas, permanent and adverse changes to ecological systems, decreasing open space for public use, and shoreline erosion;

(d) The coastal zone, and the fish, shellfish, other living marine resources, and wildlife therein, are ecologically fragile and consequently extremely vulnerable to destruction by man's alterations;

(e) Important ecological, cultural, historic, and esthetic values in the coastal zone which are essential to the well-being of all citizens are being irretrievably damaged or lost;

(f) Special natural and scenic characteristics are being damaged by ill-planned development that threatens these values;

(g) In light of competing demands and the urgent need to protect and to give high priority to natural systems in the coastal zone, present State and local institutional arrangements for planning and regulating land and water uses in such areas are inadequate; and

(h) The key to more effective protection and use of the land and water resources of the coastal zone is to encourage the States to exercise their full authority over the lands and waters in the coastal zone by assisting the States, in cooperation with Federal and local governments and other vitally affected interests, in developing land and water use programs for the coastal zone, including unified policies, criteria, standards, methods, and processes for dealing with land and water use decisions of more than local significance.

DECLARATION OF POLICY

SEC. 303. The Congress finds and declares that it is the national policy (a) to preserve, protect, develop, and where possible, to restore or enhance, the resources of the Nation's coastal zone for this and succeeding generations, (b) to encourage and assist the States to exercise effectively their responsibilities in the coastal zone through the development and implementation of management programs to achieve wise use of the land and water resources of the coastal zone giving full consideration to ecological, cultural, historic, and esthetic values as well as to needs for economic development, (c) for all Federal agencies engaged in programs affecting the coastal zone to cooperate and participate with State and local governments and regional agencies in effectuating the purposes of this title, and (d) to encourage the participation of the public, of Federal, State, and local governments and of regional agencies in the development of coastal zone management programs. With respect to implementation of such management programs, it is the national policy to encourage cooperation among the various State and regional agencies including establishment of interstate and regional agreements, cooperative procedures, and joint action particularly regarding environmental problems.

DEFINITIONS

SEC. 305. For the purposes of this title—

(a) "Coastal zone" means the coastal waters (including the lands therein and thereunder) and the adjacent shorelands (including the waters therein and thereunder), strongly influenced by each other and in proximity to the shorelines of the several coastal states, and includes transitional and intertidal areas, salt marshes, wetlands, and beaches. The zone extends, in Great Lakes waters, to the international boundary between the United States and Canada and, in other areas, seaward to the outer limit of the United States territorial sea. The zone extends inland from the shorelines only to the extent necessary to control shorelands, the uses of which have a direct and significant impact on the coastal waters. Excluded from the coastal zone are lands the use of which is by law subject solely to the discretion of or which is held in trust by the Federal Government, its officers or agents.

(b) "Coastal waters" means (1) in the Great Lakes area, the waters within the territorial jurisdiction of the United States consisting of the Great Lakes, their connecting waters, harbors, roadsteads, and estuary-type areas such as bays, shallows, and marshes and (2) in other areas, those waters, adjacent to the shorelines, which contain a measurable quantity or percentage of sea water, including, but not limited to, sounds, bays, lagoons, bayous, ponds, and estuaries.

(c) "Coastal state" means a state of the United States in, or bordering on, the Atlantic, Pacific, or Arctic Ocean, the Gulf of Mexico, Long Island Sound, or one or more of the Great Lakes. For the purposes of this title, the term also includes Puerto Rico, the Virgin Islands, Guam, and American Samoa.

(d) "Estuary" means that part of a river or stream or other body of water having unimpaired connection with the open sea, where the sea water is measurably diluted with fresh water derived from land drainage. The term includes estuary-type areas of the Great Lakes.

(e) "Estuarine sanctuary" means a research area which may include any part or all of an estuary, adjoining transitional areas, and adjacent uplands, constituting to the extent feasible a natural unit, set aside to provide scientists and students the opportunity to examine over a period of time the ecological relationships within the area.

(f) "Secretary" means the Secretary of Commerce.

(g) "Management program" includes, but is not limited to a comprehensive statement in words, maps, illustrations, or other media of communication, prepared and adopted by the state in accordance with the provisions of this title, setting forth objectives, policies, and standards to guide public and private uses of lands and waters in the coastal zone.

(h) "Water use" means activities which are conducted in or on the water; but does not mean or include the establishment of any water quality standard or criteria or the regulation of the discharge or runoff of water pollutants except the standards, criteria, or regulations which are incorporated in any program as required by the provisions of section 307(f).

(i) "Land use" means activities which are conducted in or on the shorelands within the coastal zone, subject to the requirements outlined in section 307(g).

MANAGEMENT PROGRAM DEVELOPMENT GRANTS

SEC. 305. (a) The Secretary is authorized to make annual grants to any coastal state for the purpose of assisting in the development of a management program for the land and water resources of its coastal zone.

(b) Such management program shall include:

(1) an identification of the boundaries of the coastal zone subject to the management program;

(2) a definition of what shall constitute permissible land and water uses within the coastal zone which have a direct and significant impact on the coastal waters;

(3) an inventory and designation of areas of particular concern within the coastal zone;

(4) an identification of the means by which the State proposes to exert control over the land and water uses referred to in paragraph (2) of this subsection, including a listing of relevant constitutional provisions, legislative enactments, regulations, and judicial decisions;

(5) broad guidelines on priority of uses in particular areas, including specifically those uses of lowest priority;

(6) a description of the organizational structure proposed to implement the management program, including the responsibilities and interrelationships of local, areawide, State, regional, and interstate agencies in the management process.

(c) The grants shall not exceed 66⅔ per centum of the costs of the program in any one year and no state shall be eligible to receive more than three annual grants pursuant to this section. Federal funds received from other sources shall not be used to match such grants. In order to qualify for grants under this section, the state must reasonably demonstrate to the satisfaction of the Secretary that such grants will be used to develop a management program consistent with the requirements set forth in section 306 of this title. After making the initial grant to a coastal State no subsequent grant shall be made under this section unless the Secretary finds that the State is satisfactorily developing such management program.

(d) Upon completion of the development of the State's management program, the State shall submit such program to the Secretary for review and approval pursuant to the provisions of section 306 of this title, or such other action as he deems necessary. On final approval of such program by the Secretary, the State's eligibility for further grants under this section shall terminate, and the State shall be eligible for grants under section 306 of this title.

(e) Grants under this section shall be allocated to the State based on rules and regulations promulgated by the Secretary: *Provided, however,* That no management program *development* grant under this section shall be made in excess of 10 per centum nor less than 1 per centum of the total amount appropriated to carry out the purposes of this section.

(f) Grants or portions thereof not obligated by the State, or during the fiscal year which they were first authorized to be obligated by a State during the fiscal year or immediately following, shall revert to the Secretary, and shall be added by him to the funds available for grants under this section.

(g) With the approval of the Secretary, the State may allocate to a local government, to an areawide agency designated under section 204 of the Demonstration Cities and Metropolitan Development Act of 1966, to a regional agency, or to an interstate agency, a portion of the grant under this section, for the purpose of carrying out the provisions of this section.

(h) The authority to make grants under this section shall expire on June 30, 1977.

ADMINISTRATIVE GRANTS

SEC. 306. (a) The Secretary is authorized to make annual grants to any coastal State for not more than 66⅔ per centum of the costs of administering the State's management program, if he approves such program in accordance with subsection (c) hereof. Federal funds received from other sources shall not be used to pay the State's share of costs.

(b) Such grants shall be allocated to the States with approved programs based on rules and regulations promulgated by the Secretary which shall take into account the extent and nature of the shoreline and area covered by the plan, population of the area, and other relevant factors: *Provided, however,* That no annual administrative grant under this section shall be made in excess of 10 per centum nor less than 1 per centum of the total amount appropriated to carry out the purposes of this section.

(c) Prior to granting approval of a management program submitted by a coastal State, the Secretary shall find that:

(1) The State has developed and adopted a management program for its coastal zone in accordance with rules and regulations promulgated by the Secretary, after notice, and with the opportunity of full participation by relevant Federal agencies, State agencies, local governments, regional organizations, port authorities, and other interested parties, public and private, which is adequate to carry out the purposes of this title and is consistent with the policy declared in section 303 of this title.

(2) The State has—

(A) coordinated its program with local areawide, and interstate plans applicable to areas within the coastal zone existing on January 1 of the year in which the State's management program is submitted to the Secretary, which plans have been developed by a local government, an areawide agency designated pursuant to regulations established under section 204 of the Demonstration Cities and Metropolitan Development Act of 1966, a regional agency, or an interstate agency; and

(B) established an effective mechanism for continuing consultation and coordination between the management agency designated pursuant to paragraph (5) of this subsection and with local governments, interstate agencies, regional agencies, and areawide agencies within the coastal zone to assure the full participation of such local governments and agencies in carrying out the purposes of this title.

(3) The state has held public hearings in the development of the management program.

(4) The management program and any changes thereto have been reviewed and approved by the Governor.

(5) The Governor of the state has designated a single agency to receive and administer the grants for implementing the management program required under paragraph (1) of this subsection.

(6) The state is organized to implement the management program required under paragraph (1) of this subsection.

(7) The state has the authorities necessary to implement the program, including the authority required under subsection (d) of this section.

(8) The management program provides for adequate consideration of the national interest involved in the siting of facilities necessary to meet requirements which are other than local in nature.

(9) The management program makes provision for procedures whereby specific areas may be designated for the purpose of preserving or restoring them for their conservation, recreational, ecological, or esthetic values.

(d) Prior to granting approval of the management program, the Secretary shall find that the state, acting through its chosen agency or agencies, including local governments, areawide agencies designated under section 204 of the Demonstration Cities and Metropolitan Development Act of 1966, regional agencies, or interstate agencies, has authority for the management of the coastal zone in accordance with the management program. Such authority shall include power—

(1) to administer land and water use regulations, control development in order to ensure compliance with the management program, and to resolve conflicts among competing uses; and

(2) to acquire fee simple and less than fee simple interests in lands, waters, and other property through condemnation or other means when necessary to achieve conformance with the management program.

(e) Prior to granting approval, the Secretary shall also find that the program provides:

(1) for any one or a combination of the following general techniques for control of land and water uses within the coastal zone;

(A) State establishment of criteria and standards for local implementation, subject to administrative review and enforcement of compliance;

(B) Direct state land and water use planning and regulation; or

(C) State administrative review for consistency with the management program of all development plans, projects, or land and water use regulations, including exceptions and variances thereto, proposed by any state or local authority or private developer, with powers to approve or disapprove after public notice and an opportunity for hearings.

(2) for a method of assuring that local land and water use regulations within the coastal zone do not unreasonably restrict or exclude land and water uses of regional benefit.

(f) With the approval of the Secretary, a State may allocate to a local government, an areawide agency designated under section 204 of the Demonstration Cities and Metropolitan Development Act of 1966, a regional agency, or an interstate agency, a portion of the grant under this section for the purpose of carrying out the provisions of this section: *Provided,* That such allocation shall not relieve the State of the responsibility for ensuring that any funds so allocated are applied in furtherance of such State's approved management program.

(g) The State shall be authorized to amend the management program. The modification shall be in accordance with the procedures required under subsection (c) of this section. Any amendment or modification of the program must be approved by the Secretary before additional administrative grants are made to the State under the program as amended.

(h) At the discretion of the State and with the approval of the Secretary, a management program may be developed and adopted in segments so that immediate attention may be devoted to those areas within the coastal zone which most urgently need management programs: *Provided,* That the State adequately provides for the ultimate coordination of the various segments of the management program into a single unified program and that the unified program will be completed as soon as is reasonably practicable.

INTERAGENCY COORDINATION AND COOPERATION

SEC. 307. (a) In carrying out his functions and responsibilities under this title, the Secretary shall consult with, cooperate with, and, to the maximum extent practicable, coordinate his activities with other interested Federal agencies.

(b) The Secretary shall not approve the management program submitted by a State pursuant to section 306 unless the views of Federal agencies principally affected by such program have been adequately considered. In case of serious disagreement between any Federal agency and the State in the development of the program the Secretary, in cooperation with the Executive Office of the President, shall seek to mediate the differences.

(c) (1) Each Federal agency conducting or supporting activities directly affecting the coastal zone shall conduct or support those activities in a manner which is, to the maximum extent practicable, consistent with approved state management programs.

(2) Any Federal agency which shall undertake any development project in the coastal zone of a state shall insure that the project is, to the maximum extent practicable, consistent with approved state management programs.

(3) After final approval by the Secretary of a state's management program, any applicant for a required Federal license or permit to conduct an activity affecting land or water uses in the coastal zone of that state shall provide in the application to the licensing or permitting agency a certification that the proposed activity complies with the state's approved program and that such activity will be conducted in a manner consistent with the program. At the same time, applicant shall furnish to the state or its designated agency a copy of the certification, with all necessary information and data. Each coastal state shall establish procedures for public notice in the case of all such certifications and, to the extent it deems appropriate, procedures for public hearings in connection therewith. At the earliest practicable time, the state or its designated agency shall notify the Federal agency concerned that the state concurs with or objects to the applicant's certification. If the state or its designated agency fails to furnish the required notification within six months after receipt of its copy of the applicant's certification, the state's concurrence with the certification shall be conclusively presumed. No license or permit shall be granted by the Federal agency until the state or its designated agency has concurred with the applicant's certification or

until, by the state's failure to act, the concurrence is conclusively presumed, unless the Secretary, on his own initiative or upon appeal by the applicant, finds, after providing a reasonable opportunity for detailed comments from the Federal agency involved and from the state, that the activity is consistent with the objectives of this title or is otherwise necessary in the interest of national security.

(d) State and local governments submitting applications for Federal assistance under other Federal programs affecting the coastal zone shall indicate the views of the appropriate state or local agency as to the relationship of such activities to the approved management program for the coastal zone. Such applications shall be submitted and coordinated in accordance with the provisions of title IV of the Intergovernmental Coordination Act of 1968 (82 Stat. 1098). Federal agencies shall not approve proposed projects that are inconsistent with a coastal state's management program, except upon a finding by the Secretary that such project is consistent with the purposes of this title or necessary in the interest of national security.

(e) Nothing in this title shall be construed—

(1) to diminish either Federal or state jurisdiction, responsibility, or rights in the field of planning, development, or control of water resources, submreged lands, or navigable waters; nor to displace, supersede, limit, or modify any interstate compact or the jurisdiction or responsibility of any legally established joint or common agency of two or more states or of two or more states and the Federal Government; nor to limit the authority of Congress to authorize and fund projects;

(2) as superseding, modifying, or repealing existing laws applicable to the various Federal agencies; nor to affect the jurisdiction, powers, or prerogatives of the International Joint Commission, United States and Canada, the Permanent Engineering Board, and the United States operating entity or entities established pursuant to the Columbia River Basin Treaty, signed at Washington, January 17, 1961, or the International Boundary and Water Commission, United States and Mexico.

(f) Notwithstanding any other provision of this title, nothing in this title shall in any way affect any requirement (1) established by the Federal Water Pollution Control Act, as amended, or the Clean Air Act, as amended, or (2) established by the Federal Government or by any state or local government pursuant to such Acts. Such requirements shall be incorporated in any program developed pursuant to this title and shall be the water pollution control and air pollution control requirements applicable to such program.

(g) When any state's coastal zone management program, submitted for approval or proposed for modification pursuant to section 306 of this title, includes requirements as to shorelands which also would be subject to any Federally supported national land use program which may be hereafter enacted, the Secretary, prior to approving such program, shall obtain the concurrence of the Secretary of the Interior, or such other Federal official as may be designated to administer the national land use program, with respect to that portion of the coastal zone management program affecting such inland areas.

PUBLIC HEARINGS

SEC. 308. All public hearings required under this title must be announced at least thirty days prior to the hearing date. At the time of the announcement, all agency materials pertinent to the hearings, including documents, studies, and other data, must be made available to the public for review and study. As similar materials are subsequently developed, they shall be made available to the public as they become available to the agency.

REVIEW OF PERFORMANCE

SEC. 309. (a) The Secretary shall conduct a continuing review of the management programs of the coastal States and of the performance of each State.

(b) The Secretary shall have the authority to terminate any financial assistance extended under section 306 and to withdraw any unexpended portion of such assistance if (1) he determines that the State is failing to adhere to and is not justified in deviating from the program approved by the Secretary; and (2) the State has been given notice of the proposed termination and withdrawal and given an opportunity to present evidence of adherence or justification for altering its program.

RECORDS

SEC. 310. (a) Each recipient of a grant under this title shall keep such records as the Secretary shall prescribe, including records which fully disclose the amount and disposition of the funds received under the grant, the total cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

(b) The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipient of the grant that are pertinent to the determination that funds granted are used in accordance with this title.

ADVISORY COMMITTEE

SEC. 311. (a) The Secretary is authorized and directed to establish a Coastal Zone Management Advisory Committee to advise, consult with, and make recommendations to the Secretary on matters of policy concerning the coastal zone. Such committee shall be composed of not more than fifteen persons designated by the Secretary and shall perform such functions and operate in such a manner as the Secretary may direct. The Secretary shall insure that the committee membership as a group possesses a broad range of experience and knowledge relating to problems involving management, use, conservation, protection, and development of coastal zone resources.

(b) Members of the committee who are not regular full-time employees of the United States, while serving on the business of the committee, including traveltime, may receive compensation at rates not exceeding $100 per diem; and while so serving away from their homes or regular places of business may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for individuals in the Government service employed intermittently.

ESTUARINE SANCTUARIES

SEC. 312. The Secretary, in accordance with rules and regulations promulgated by him, is authorized to make available to a coastal state grants of up to 50 per centum of the costs of acquisition, development, and operation of estuarine sanctuaries for the purpose of creating natural field laboratories to gather data and make studies of the natural and human processes occurring within the estuaries of the coastal zone. The Federal share of the cost for each such sanctuary shall not exceed $2,000,000. No Federal funds received pursuant to section 305 or section 306 shall be used for the purpose of this section.

ANNUAL REPORT

SEC. 313. (a) The Secretary shall prepare and submit to the President for transmittal to the Congress not later than November 1 of each year a report on the administration of this title for the preceding fiscal year. The report shall include but not be restricted to (1) an identification of the state programs approved pursuant to this title during the preceding Federal fiscal year and a description of those programs; (2) a listing of the states participating in the provisions of this title and a description of the status of each state's programs and its accomplishments during the preceding Federal fiscal year; (3) an itemization of the allocation of funds to the various coastal states and a breakdown of the major projects and areas on which these funds were expended; (4) an identification of any state programs which have been reviewed and disapproved or with respect to which grants have been terminated under this title, and a statement of the reasons for such action; (5) a listing of all activities and projects which, pursuant to the provisions of subsection (c) or subsection (d) of section 307, are not consistent with an applicable approved state management program; (6) a summary of the regulations issued by the Secretary or in effect during the preceding Federal fiscal year; (7) a summary of a coordinated national strategy and program for the Nation's coastal zone including identification and discussion of Federal, regional, state, and local responsibilities and functions therein; (8) a summary of outstanding problems arising in the administration of this title in order of priority; and (9) such other information as may be appropriate.

(b) The report required by subsection (a) shall contain such recommendations for additional legislation as the Secretary deems necessary to achieve the objectives of this title and enhance its effective operation.

RULES AND REGULATIONS

SEC. 314. The Secretary shall develop and promulgate, pursuant to section 553 of title 5, United States Code, after notice and opportunity for full participation by relevant Federal agencies, state agencies, local governments, regional organizations, port authorities, and other interested parties, both public and private, such rules and regulations as may be necessary to carry out the provisions of this title.

AUTHORIZATION OF APPROPRIATIONS

SEC. 315. (a) There are authorized to be appropriated—

(1) the sum of $9,000,000 for the fiscal year ending June 30, 1973, and for each of the fiscal years 1974 through 1977 for grants under section 305, to remain available until expended;

(2) such sums, not to exceed $30,000,000, for the fiscal year ending June 30, 1974, and for each of the fiscal years 1975 through 1977, as may be necessary, for grants under section 306 to remain available until expended; and

(3) such sums, not to exceed $6,000,000 for the fiscal year ending June 30, 1974, as may be necessary, for grants under section 312, to remain available until expended.

(b) There are also authorized to be appropriated such sums, not to exceed $3,000,000 for fiscal year 1973 and for each of the four succeeding fiscal years, as may be necessary for administrative expenses incident to the administration of this title.

Approved October 27, 1972.

LEGISLATIVE HISTORY

House reports: No. 92–1049 accompanying H.R. 14146 (Comm. on Merchant Marine and Fisheries) and No. 92–1544 (Comm. of Conference).

Senate report: No. 92–753 (Comm. on Commerce).

Congressional Record, Vol. 118 (1972): Apr. 25, considered and passed Senate. Aug. 2, considered and passed House, amended, in lieu of H.R. 14146. Oct. 12, House and Senate agreed to conference report.

Weekly compilation of Presidential Docu-

ments, Vol. 8, No. 44: Oct. 28, Presidential statement.

By Mr. MAGNUSON (by request):

S. 3309. A bill to amend the Merchant Marine Act of 1936, as amended, to provide for welfare of merchant seamen, essential to the foreign commerce of the United States. Referred to the Committee on Commerce.

Mr. MAGNUSON. Mr. President, by request, I introduce for appropriate reference, a bill to amend the Merchant Marine Act of 1936, as amended, to add a new section to title III, to be designated as section 303. This bill will expand the provisions of law to assist the United Seamen's Service in its mission of providing a number of services and facilities to American seamen in foreign ports around the world.

By Mr. McCLURE:

S. 3310. A bill to amend the Par Value Modification Act. Referred to the Committee on Banking, Housing and Urban Affairs.

Mr. McCLURE. Mr. President, on April 4, 1973, exactly 1 year ago, the Senate adopted my amendment to the Par Value Modification Act which stipulated that U.S. citizens could no longer be prevented from purchasing, selling, or owning gold. This amendment passed by a vote of 68 to 23. The same gold ownership provision was amended in the House by the Banking and Currency Committee. That committee struck the Senate specified enacting date of December 31, 1973 and substituted language which left it up to the President as to when gold ownership could go into effect. An amendment to this gold ownership provision was offered on the floor of the House to restore the Senate language with a definite effective date. That move failed on a tie vote. Conferees from both the House and the Senate in consideration of the two bills "compromised" by accepting the House language. The President subsequently signed the measure into law—thus restoring the right to own gold but not allowing its actual enactment.

Shortly after this, the Senate again showed its desire to allow citizens to own and hold gold. Senator DOMINICK offered an amendment to S. 1141, the bicentennial coinage bill. This amendment again called for a specific date as to when gold ownership would be allowed. With my strong support the Senate passed this amendment. Unfortunately, when the House and the Senate met in conference on the coinage bill to iron out the differences, the gold provision enactment date was once again stricken. Thus, on two separate actions the Senate has voiced its overwhelming support of private gold ownership.

On this day a year ago that battle was won for all American citizens. I find it appropriate to introduce legislation today that will amend the amended Par Value Act and allow citizens to own and hold gold immediately upon this bill's passage.

In the meantime 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 own gold. U.S. businessmen and artists own gold. 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 U.S. District Court for the Southern District of New York, in Campbell against 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 Secretary of the Treasury. The Court stipulated only that the Secretary and not the President do the requisitioning. In another case—Pike et al. against the United States, 1962—the appellate court in California's ninth circuit upheld 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 United States against Bride 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 did not 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 or 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 Judgment 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 are 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 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 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, the Treasury spokesman 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 prohibition against ownership of gold.

By Mr. CHILES (for himself, Mr. ROTH, Mr. NUNN, Mr. HUDDLESTON, and Mr. BROCK):

S. 3311. A bill to provide for the use of simplified procedures in the procurement of property and services by the Government where the amount involved does not exceed $10,000. Referred to the Committee on Government Operations.

Mr. CHILES. Mr. President, I am introducing on behalf of myself and other members of the Ad Hoc Subcommittee on Federal Procurement—Senator ROTH, Senator NUNN, Senator BROCK, and Senator HUDDLESTON—a bill to provide

for the use of simplified procedures in the procurement of property and services by the Government where the amount involved does not exceed $10,000.

This legislation will amend the Federal Property and Administrative Services Act of 1949, Armed Services Act of 1947, the Legislative Branch Appropriations Act of 1966, and the Tennessee Authority Act of 1933.

This legislation, Mr. President, represents continuing effort by the Subcommittee on Federal Procurement to modernize the complex procurement system and to update relevant statutes. We are in the process of developing more comprehensive legislation to provide a new statutory framework for procurement, of which small purchase procedures will be a part. But in advance of and in addition to this effort, it is only proper that we be able to have the option of capitalizing on the more straight forward reforms that can net significant savings.

The limit of $2,500 was placed on simplified small purchases procedures in 1958. In 1958, that may have been a reasonable limit perhaps but in 1974 it is totally unrealistic. Data for fiscal year 1972 indicates that the Department of Defense—DOD—alone issued nearly 800,000 formally advertised contracts under $10,000. This was only about 10 percent of all DOD military procurement in terms of dollar amount yet more than 98 percent of the transactions.

The General Accounting Office—GAO—has estimated that up to $100 million in administration costs can be saved annually by DOD procurement centers if contracts under $10,000 could be awarded under simplified, small purchase procedures.

This mandatory limit on small purchases not only takes up unnecessary paperwork and time but actually discourages many companies from competing for Government business.

All too often small businessmen give up trying to cope with all the procedure associated with formally bidding on small dollar amount procurement. Some try it once, do not like it, and simply throw up their hands in frustration.

The Commission on Government Procurement found the $2,500 limitation on small purchases to be a liability to everyone concerned with procurement—the businessman, the Government agency, and ultimately, the taxpayer.

LAST CHANGE IN 1958

An increase to $10,000 in the statutory ceiling on procurement for which simplified procedures are authorized is needed for the same reasons the limit was changed from $1,000 to $2,500 in August 1958. The Senate report gave this explanation for the change to $2,500:

Negotiated procurement contemplates suitable competition. In some instances greater competition may be engendered than by formal advertising, as where paperwork costs or lack of understanding of formal bid procedures may deter prospective contractors, particularly small business concerns, from submitting bids on small dollar amount procurements. Increased competition and lower prices would flow from the simplification, speed, and similarity to commercial practice * * *. Administrative savings to the Government also would result from the lesser cost in such cases of negotiated procurements as compared with formally advertised procurements.

There is today, as there was in 1958, a need to establish a limit that reflects current economic conditions. Since 1958 there have been significant changes in the purchasing power of the dollar and sizable increases in the wages of Government purchasing personnel. Expressed as an increase in the Consumer Price Index, the $2,500 ceiling in 1958 was equivalent to $3,842 in 1973; in terms of the Federal deflator for Federal spending for goods and services the increase was to $4,662 in 1973.

REPORT OF THE COMMISSION ON GOVERNMENT PROCUREMENT

During its extensive review of the Federal procurement process, the Procurement Commission found that the $2,500 statutory ceiling on the use of small purchase procedures is regarded as unrealistic by virtually every agency and procurement activity. The Commission also found that procurement agencies and field activities believe that large administrative savings would be achieved if the ceiling were raised to $10,000. The concensus among knowledgeable procurement people is that changing the ceiling to some figure less than $10,000 would reduce the potential savings, not take adequate account of inflation, or not be as compatible with existing reporting and other practices as the $10,000 figure.

PROCUREMENTS UNDER $10,000

The value of Government purchases ranges from a few cents to several million dollars but almost all of them are for small amounts. For example, in fiscal year 1972, the Department of Defense issued 795,917 formally advertised contracts under $10,000. This represented only seven-tenths of 1 percent of the total dollar value of all reported DOD military procurements. Another way of stating the small size of most purchases is that more than 98 percent of the procurement actions in fiscal year 1972—both negotiated and formally advertised—were for less than $10,000; these actions rperesented slightly more than 10 percent of DOD procurement monies. Data for purchases under $10,000 in the civilian agencies are probably comparable but this could not be verified.

POTENTIAL SAVINGS

The General Accounting Office—GAO—advised the Commission on Government Procurement that the savings might be as much as $100 million annually. In a later report, the GAO estimated that in fiscal year 1971, Department of Defense—DOD—procurement centers alone could have processed 176,000 additional procurements using simplified procedures if the ceiling had been $10,000. This could have saved about $30 million. This did not take into account the 1 million purchases of DOD posts, camps, and stations, many of which were in the $2,500–$10,000 range.

Potential savings are best illustrated by the following actual results from the same GAO report:

Under authority of the Armed Services Procurement Act (10 U.S.C. 2304(a)(2)), the Army Materiel Command, during the Vietnam crisis, used simplified procurement techniques for procurements up to $10,000 for high-priority items. These techniques included oral solicitations and one-page purchase orders, which are less expensive and quicker than formal advertising or more formal competitive negotiations.

At the Army Materiel Command's request, centers evaluated the increased use of simplified techniques. As a result, the centers recommended extending simplified techniques to other procurements up to $10,000 and gave some convincing statistics. For example:

Administrative leadtime was reduced by as much as 48 days;

Procurement backlogs were reduced by as much as 45 percent;

Average man-hours required to process these buys were reduced by as much as 75 percent; and

Paperwork was greatly reduced. For example, one installation generated a stack of paper 22 feet high. Had that installation used normal methods, the stack would have been 581 feet high—26 feet higher than the Washington Monument.

The Commission study disclosed that the mandatory procedures for small purchases in excess of $2,500 require a great deal of extra paperwork, time, and frustration and discourage many companies from competing for Government business. In addition to the administrative savings, it is contemplated that competition will be increased, particularly from small businesses, by simplified solicitation documents. Savings will also be achieved because the increased use of simplified procurement techniques would reduce procurement leadtimes which, in turn, would permit smaller inventories.

I do not need to tell this body that the business of the Government is big business, $60 billion worth of purchases a year. It is, I believe, incumbent upon Congress to insure that every expense is wisely considered and that taxpayers not have their dollars eaten up by excessive administrative cost, redtape, and bureaucratic procedures.

We need action of this type, Mr. President.

Action which will institute procurement reform and aid public confidence in the ability of Congress to go beyond yesterday's headlines into the nitty-gritty, everyday operations which have to be accomplished if we are to be effective.

As we move forward on meaningful reforms in procurement, I am hopeful that the Congress will continue to be responsive to those measures designed to upgrade an antiqued, fragmented system that has not kept pace with the times.

By Mr. DOMINICK (for himself, Mr. BENTSEN, Mr. BAYH, Mr. BUCKLEY, Mr. DOLE, Mr. STENNIS, Mr. TAFT, Mr. TOWER, and Mr. TUNNEY):

S. 3312. A bill to amend the Internal Revenue Code of 1954 with respect to certain charitable contributions. Referred to the Committee on Finance.

Mr. DOMINICK. Mr. President, I am today introducing a bill which would grant certain homes for the aged now classified as private foundations the same

privileged tax status extended to hospitals.

When the Congress enacted the Tax Reform Act of 1969, it was perhaps inevitable that such wide ranging legislation would inadvertently contain a provision or two which later would be found to cause certain inequities. For example, section 4940, requiring a 4 percent excise tax on investment income, and section 4942, mandating that 4 percent of their assets be disbursed each year by private foundations were enacted in an effort to correct certain abuses occurring in connection with such foundations.

While these provisions appear to be reasonable, they are in fact leading to the eventual depletion of some of our country's older charitable organizations, which have had the misfortune to be included under the definition of "private foundation."

Homes for the aging located in Massachusetts, Pennsylvania, Nebraska, Kentucky, Missouri, Delaware, New York, Ohio, California, Colorado and, I suspect many other States, have their very existence threatened by these tax provisions.

These organizations have been in existence for many years, and are able to offer long-term care at a reduced cost because of the existence of an endowment. The homes use the income from these invested endowments to meet their operating costs. Most of these homes have exercised a conservative investment philosophy, choosing to accept a lower interest or dividend yield in order to maximize growth potential as a hedge against inflation.

The Tax Reform Act of 1969 is siphoning off the top 4 percent of this investment income, and this, along with the requirement that 4 percent of their assets be disbursed each year, is forcing the homes to dip into their capital in order to avoid the penalties contained in the Internal Revenue Code.

Mr. President, it is ironic that if these nonsectarian homes were church affiliated and performing the same function, they would not be classified as private foundations and would not be subject to these harmful tax provisions. Why should we make this distinction when both types of organizations care for the aging? I urge my colleagues on the Finance Committee to give prompt consideration to this bill so that we may relieve these homes of the unintended burden we have imposed upon them by passage of the 1969 Tax Reform Act.

By Mr. BELLMON:

S. 3313. A bill to authorize the Administrator of the Environmental Protection Agency to carry out an emergency assistance program to assist States in relieving severe drought conditions that threaten to destroy livestock or crops. Referred to the Committee on Agriculture and Forestry.

Mr. BELLMON. Mr. President, this bill would authorize the Secretary of Agriculture to carry out an emergency assistance program to assist in relieving severe drought conditions that threaten to destroy livestock, crops, or water supplies. The bill will provide for short-term funding and coordination for drought prevention. If enacted, it would authorize a program to provide the benefits of wheather modification and drought prevention at an early date before long-range policy objectives and programs can be ended. This bill is designed to specifically assist communities and farmers and stockmen which would face economic disaster in the event of drought. Again, it is clear that the need for this type of legislation is well documented.

Mr. President, in the 1930's, the southwest part of the United States suffered one of the greatest natural disasters witnessed by mankind. During the Dust Bowl the land was literally unable to sustain its population because of severe drought. Such conditions have been the prime cause of human misery since the beginning of recorded history.

Regardless of where drought occurs, the results are always the same: loss of food supply and financial ruin, with mass outmigration of people. Problems of production may be further compounded by the severe erosion of the land due to a lack of vegetative cover. Accordingly, the ability of the soil to produce food after a drought is substantially and often permanently diminished. Such conditions weaken our Nation and are contrary to the public interest, especially in periods when world food supplies are low.

From 1952 to 1957, this country witnessed yet another drought. In 1955, more than 1,000 counties were designated for disaster relief because of drought.

In 10 Great Plains States, 3 million acres of land were damaged by wind and erosion, and 29 million acres suffered from insufficient cover, causing soil to be blown away. Much of this loss could possibly have been avoided by weather modification.

During 1969–1971, the horror created by drought manifested itself once again. During this period, there were 357 counties in 19 States declared disaster areas. Oklahoma experienced the driest winter in its history, destroying a good wheat crop and forcing cattlemen to sell beef cattle breeding herds. While Oklahoma's average yearly wheat production was 100 million bushels, in 1971, due to drought, we produced only 70 million bushels. In 1970, sorghums, cotton, and alfalfa were 10 percent of the average yield, and most were a total loss. During this period of time, political offices were literally swamped with phone calls and letters from farmers telling of burned crops and hungry cattle, and other hardships. Banks were forced to repossess mortgaged property, and many businesses were pushed into financial ruin. The USDA officials estimated that crops worth as much as $4 billion may have been lost. Costs and losses to the Federal Government are impossible to estimate, but they were immense. A modest investment in weather modification could have averted this tragedy.

Mr. President, records of precipitation of the past century show seven periods of drought, totaling 54 years in the southern Great Plains States—1865–1875, 1890–1895, 1901–1904, 1910–1914, 1920–1925, 1933–1940, 1952–1956). It is unfortunate that this natural disaster will probably continue to occur regularly in future years unless effective action is taken by the Government soon. In fact, Prof. John R. Borchert, in an article entitled "The Dustbowl in 1970's," in the Annals of the Association of American Geographers, volume 6, No. 1, March 1971, unequivocally states that based on certain indicators a drought will occur once again in the mid–1970's, with the most severe impact coming in the late 1970's. It is further interesting to note that the water under the vast Ogallala underground acquifer, extending from Lubbock, Tex., through the Oklahoma Panhandle, will be exhausted at the present rate of pumping in the year 2000. Studies indicate that the number of acres in 1971 irrigated from each well dwindled to 84, compared with 102 acres in 1960. The farmers very economic well-being and his ability to produce food for this Nation are dependent upon water. If the farmer's ability to irrigate his land due to decreasing water supplies is diminished, and periods of drought recur, the present-day energy crisis will stand in the shadow of a crisis in agriculture. An effective weather modification program can reduce demands for irrigation water and reduce the need for a massive water transfer construction program.

Mr. President, historically, and for good and well accepted reasons, our Government has come to the assistance of the communities and citizens caught in situations beyond their control. However, it is tragic that our present laws are woefully inadequate to provide the means for coping with drought disasters. Under present law, there are ways to get assistance in times of drought, but they are always too little and too late. The Secretary of Agriculture, on recommendation of the State Disaster Committee, may authorize livestock and feed programs, grazing and haying of land retired under USDA programs, and certain cost-sharing measures designed to control soil erosion and restore damaged grass. Further, the Secretary may authorize emergency loans through the FHA. Secondly, under Public Law 91–606, the President has the authority to declare any area hit by drought a major disaster area. Thereby, disaster unemployment assistance, food stamp programs, and surplus commodity distribution and low-rate SBA loan programs can be administered.

Mr. President, in my opinion, the best way to describe the existing programs is, as I said earlier, "too little, too late." After the farmers' crops are burning up and his livestock is starving, it is too late to avoid loss with Government handouts. It is not enough to let farmers graze their set-aside acres where nothing is growing. It is not enough to offer farmers limited credit if they can prove their eligibility. These programs are helpful, but a far wiser course of action is for the Government to help avoid the basic problem. We have the technology to avoid or ameliorate drought.

Mr. President, the bill I introduce to-

day is intended to prevent the economic devastation that inevitably results from drought before it occurs. My proposal allows a State or political subdivision thereof, an approved organization, to act "before the fact," rather than after, therefore heading off a catastrophe before it occurs. Under my proposal, a State or political subdivision thereof, or an approved organization, may act immediately in securing through the Administrator of the Environmental Protection Agency a matching fund grant for the purpose of assisting and initiating weather modification procedures designed to provide immediate relief from drought conditions. Further, the Administrator is authorized to enter into contracts with States, institutions, firms, or individuals for research necessary for the refinement of weather modification techniques for the prevention of disaster. Data accumulated therefrom can accordingly be used to enrich our knowledge and expertise of the use of weather modification as a means to control a natural disaster.

Mr. President, the advantages of the Emergency Drought Act of 1974 are threefold.

First, it creates a mechanism by which citizens can effectively deal with drought before property is destroyed. Therefore, citizens are in a position to prevent their own financial ruin, and they will no longer need to sit by helplessly in a time of natural disaster.

In addition, every time drought occurs, the Federal Government pumps huge sums of money into the drought region after the damage is done. Mr. President, the bill I introduce today would therefore potentially save the U.S. Government millions of dollars in aid and subsidies now used to help affected areas recover from the after-effects of drought.

Finally, this measure is intended to prevent an exodus of population from the farms and rural communities, and their subsequent migration to large metropolitan areas.

Mr. President, this legislation is desperately needed to preserve our food-producing capabilities and protect the social and economic stability of the vast areas of this Nation which are subject to periodic drought. Its greater impact may be upon the urban citizen, whose livelihood depends upon an adequate supply of food, which drought destroys.

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

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

S. 3313

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Administrator of the Environmental Protection Agency is authorized to formulate and carry out an emergency drought assistance and prevention program in any State in which livestock or crops are threatened because of drought conditions.

SEC. 2. Assistance under this Act shall be made available in the form of financial grants to States or political subdivisions thereof, or organizations approved by the Administrator for the purpose of assisting and initiating weather modfication measures designed to provide immediate relief from drought conditions. The Administrator shall not make any funds available to any State or political subdivision thereof, or organization under this section unless (1) a detailed outline of the proposed action intended to be taken with funds made available under this section is presented and (2) agreement is made to utilize for such proposed action an amount of non-Federal funds equal to not less than the amount to be made available by the Administrator under this section.

SEC. 3. Nothing herein shall prohibit any State, or political subdivision thereof, or organization from undertaking weather modification efforts independent of the provisions of this Act.

SEC. 4. The Environmental Protection Agency is authorized to coordinate with the Department of Commerce and the National Oceanic and Atmospheric Administration when mutually desirable to monitor and report the results of any assistance granted under any of the provisions of this Act.

SEC. 5. The Administrator is authorized to enter into contracts with Federal, State, or political subdivisions thereof, private firms institutions, and indvduals for the conduct of research or surveys, and the preparaton of reports and other activities necessary to carry out and monitor weather modification programs.

SEC. 6. The Administrator shall define by regulations the conditions under which grants shall be made available under this section.

SEC. 7. There are authorized to be appropriated from time to time such amounts as may be necessary to carry out the provisions of this section.

By Mr. BELLMON:

S. 3314. A bill to provide for a study of the need for regulation of weather modification activities, the status of current technologies, the extent of coordination and the appropriate responsibility for operations in the field of weather modification, and for other purposes by the Environmental Protection Agency. Referred to the Committee on Commerce.

Mr. BELLMON. Mr. President, today I am introducing three bills which are intended to coordinate, consolidate, and expand the current state of weather modification activities in the United States. Currently the authority and responsibility for weather modification programs are splintered throughout the Federal Government.

Since the time when the first pioneers settled in the Great Plains and the Southwestern United States, drought has been a periodic and serious enemy of mankind. Records of the National Weather Service for the State of Oklahoma, for example, show that a critical dry period has recurred about each 20 years since 1870. The most disastrous of these dry periods came during the mid-1930's, producing the devastation we know today as the Dust Bowl. During this period more than a quarter of a million persons gave up their homes and migrated out of Oklahoma, Texas, Kansas, and New Mexico. The drought of the 1930's lasted for more than 8 years—100 consecutive months during which time precipitation averaged only 65 percent of normal. According to the best available rainfall records, Drought Index, the long-range predictions of the National Weather Service, severe drought may soon again spread across the southern Great Plains—perhaps even worse than in the 1930's.

Since late in 1970, precipitation throughout large areas of the Great Plains has averaged less than 60 percent of normal. Some relief was experienced in the last quarter of 1970, but the areas of critical drought have grown rapidly since.

As of April 1, 1972, the National Oceanic and Atmospheric Administration published information showing drought conditions ranging from moderate to extreme in Oklahoma, Texas, Kansas, Nebraska, Wyoming, Colorado, New Mexico, Arizona, Utah, Nevada, California, and other isolated areas to the Great Plains. Many of these same areas experienced severe drought in the summer of 1971, with the resulting losses of crops and critical shortages of municipal and industrial water.

Mr. President, the result of drought, if not relieved, is human suffering and great economic losses to the areas involved and ultimately to the country and to the millions of people in other countries of the world who depend upon American produced food.

Today, because of increased sophistication and technology in meteorology, we do not have to sit idly by while the natural forces of drought wreak havoc on mankind. Rather, through the work of scientists and technicians, we are blessed with at least a basic understanding of the forces which create rain and transform atmospheric moisture into water which will benefit mankind on Earth.

It was the great humorist Will Rogers who once said:

Everybody talks about the weather, but no one does anything about it.

That need no longer be true. We now have the capability and the knowledge to modify the weather and manage precipitation to a significant degree. If we use this ability and knowledge properly, we can relieve great anxiety, reduce human suffering, prevent economic hardship, significantly reduce the damage from hail, tornadoes, and other severe weather, and greatly increase the productivity of our farms and ranches.

The first bill provides for a study of the need for regulation of weather modification activities, the status of current technologies, the extent of coordination and the appropriate responsibility for operations in the field of weather modification. The purpose of this bill is to provide a commission to provide for a study of the need for regulation of weather modification, to delve into the status of technologies which today exist and are available to State and private interests, the manner and extent of coordination between the various inputs in the field, and to study the appropriate responsibilities which should exist in a meaningful weather modification program. This commission will be composed of nine members appointed by the President.

It has the duty to undertake a comprehensive investigation and study of those questions and issues delineated in the bill as well as others which may be necessary to provide an adequate and comprehensive study of the problem as it exists today. Examples of some of the

areas which will be studied by the commission will include a review of the present projected needs for control of natural resources; a review of existing surveys and research programs; a review of the legal problems arising out of the management and use of weather modification, international cooperation, and development of an organization plan for a federally sponsored permanent weather modification office.

The need for such legislation is clear: at present there are few attempts to coordinate weather modification activities on the National, State, and local levels. Initial Federal efforts were concentrated in the Advisory Committee for Weather Control and subsequently in the National Science Foundation. These activities were largely monitoring in nature. Currently, there is no monitoring or coordinating function on the Federal level other than a voluntary program by the National Science Foundation. Yet $25 million per year is spent on weather modification in the United States by the Federal Government.

Mr. President, weather modification has been a reality for 25 years. The great benefits to be derived from weather modification have not occurred. Why not? Most of the answer lies in the manner in which the Federal Government, which has financed most of the work, has failed to organize itself to give these resources maximum impact. The funds have been disbursed in at least seven separate agencies, none of which has had enough funds or manpower to fully investigate the problems it was attacking. Additionally, funding emphasis has shifted from agency to agency. The old agency has to phase out its old operations, and the new agency has to build up a completely new staff organization to carry out the function. The consequence of this has been to make it appear almost as if there were a deliberate attempt by the Government to assure that we will make as slow a progress as possible in developing the true potential of weather modification.

Additionally, the number of people who are experts in the physics of cloud and weather modification is very small in the world and particularly small in the United States. Due to the lack of a strong Federal position with regard to weather modification, and due to the lack of any real guidance for those engaged in experimentation of weather modification, some groups have had to curtail or even discontinue work in atmospheric water control because of local apprehension about its impact. Also, local and State conflicts between interest groups who differ jeopardize meaningful progress. Another reason for the slowness with which weather modification has developed and the lack of agreement still found among reasonable people as to the outcome of many cloud-seeding operations is the extreme variability of natural precipitation. The understanding of internal physics and dynamics of the clouds is not at all clear at this stage.

For these and many other reasons, it becomes clear that the United States needs a group of concerned and educated people to study all the ramifications and policy implications of weather modification activities and to develop long-range recommendations to get our house in order. The time has come for this Nation to be about the business of assessing the potential benefits to be derived from weather modification and establish a body of law and procedures through which the maximum benefits from this technology can be secured.

I ask unanimous consent that the text of my bill be printed in full in the RECORD at the conclusion of my remarks.

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

S. 3314

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

DECLARATION OF PURPOSE

SEC. (a) It is the policy of the United States (1) to develop, encourage, and implement, through local, State, Federal, and private efforts, a coordinated, comprehensive, and long-range national program of weather modification for the benefit of mankind through precipitation augmentation, protection from severe storms, dispersion of fog, suppression of lightning, and similar weather modification activities for the management of atmospheric conditions, (2) to regulate as necessary, weather modification activities in the United States to protect, maintain, and improve the environment of the United States in order to safeguard the lives, property, and economic pursuits of American citizens and persons living in other countries, and (3) to encourage the use of techniques which have proven beneficial, particularly in certain States and regions of the United States and to encourage continued experimentation to achieve orderly and beneficial uses of weather modification and to encourage the safeguarding and enhancing of agriculture, water supply, energy sources, and the atmospheric environment.

ESTABLISHMENT OF COMMISSION

SEC. 2. There is hereby established under the Environmental Protection Agency a National Weather Modification Commission (hereinafter referred to as the "Commission").

MEMBERSHIP

SEC. 3. (a) The Commission shall be composed of 9 members to be appointed by the President, not more than two of whom are representatives of each of the following categories: Federal Government, the States, Colleges and Universities, and Private Industry and who by virtue of their experience and education, are knowledgeable in the field of weather modification. The chairman shall be the Administrator of the Environmental Protection Agency and the Assistant Administrator of the Office of National Weather Modification Policy. One of the members shall be a person who is recognized for his experience in the legal phases of weather modification. In making such appointments, the President shall appoint individuals who are representative of major areas of the United States where the several types of weather modification cited in Section 2(a) have been practiced. Not more than five members of the Weather Modification Commission shall be members of the same party and not more than four members shall be from State or Federal Government.

(b) Any vacancy in the Commission shall not affect its powers and five members of the Commission shall constitute a quorum.

DUTIES OF THE COMMISSION

SEC. 4. (a) The Commission shall undertake a comprehensive investigation and study of the need for a national policy on weather modification activities, the need for regulation of weather modification activities, the adequacy of coordination in the field of weather modification among Federal agencies, between the Federal Government and the States, between public and private agencies and organizations, and the areas of responsibility for appropriate agencies of the Federal Government and/or States in the field of weather modification. Such study shall include, without being limited to—

(1) a review of present and projected needs for and control of natural resources from the atmospheric environment to maintain the economy of the United States;

(2) a review of existing surveys, which will lead to research programs and engineering programs in the field of weather modification, particularly such programs as will build a strong physical basis for various weather modification experiments and operations required to obtain the needed resources from the atmospheric environment;

(3) a review of the legal problems arising out of the management, use, development, and control of weather modification programs and activities;

(4) a review of the status and required improvements of current regulation of weather modification activities at all levels of government;

(5) the development of an organization plan for a federally sponsored permanent commission or office designed to carry out a regulatory program consistent with the purposes of this Act; and

(6) the development of a program for international cooperation and necessary international regulation of weather modification activities.

(b) The Commission shall hold hearings throughout all regions of the United States in which there has been significant research and/or practice in weather modification where determined to be necessary.

(c) The Commission shall transmit to the President and to the Congress not later than two years after the first meeting of the Commission a final report containing a detailed statement of the findings and the conclusions of the Commission, together with such legislative and other recommendations as it deems appropriate.

POWERS OF THE COMMISSION

SEC. 5(a) The Commission or, on the authorization of the Commission, any subcommittee or members thereof, may, for the purpose of carrying out the provisions of this Act, hold such hearings, take such testimony, and sit and act at such times and places as the Commission deems advisable. Any member authorized by the Commission may administer oaths or affirmations to witnesses appearing before the Commission or any subcommittee or members thereof.

(b) Each department, agency, and instrumentality of the executive branch of the Government, including independent agencies, is authorized and directed to furnish to the Commission, upon request made by the Chairman, such information as the Commission deems necessary to carry out its functions under this Act.

(c) Subject to such rules and regulations as may be adopted by the Commission, the Chairman shall have the power to—

(1) appoint and fix the compensation of an executive director, and such additional staff personnel as he deems necessary, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and sub-chapter 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

(2) procure temporary and intermittent

services to the same extent as is authorized by section 3109 of title 5, United States Code, but at rates not to exceed $100 a day for individuals.

(d) The Commission is authorized to enter into contracts with Federal or State agencies, private firms, institutions, and individuals for the conduct of research or surveys, the preparation of reports, and other activities necessary to the discharge of its duties.

(e) The General Services Administration shall provide administrative services for the Commission on a reimbursable basis.

COMPENSATION OF MEMBERS

SEC. 6. Members of the Commission, other than members who are officers or employees of the Federal Government, shall receive compensation at the rate of $100 per day for each day they are engaged in the performance of their duties as members of the Commission. All members shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred by them in the performance of their duties as members of the Commission.

DEFINITIONS

SEC. 7. For the purpose of this Act—

(1) the term "weather modification" means any artificially produced changes in the composition, behavior, or dynamics of the atmosphere;

(2) the term "atmospheric environment" includes that portion of air and airbrone particles surrounding the earth and bound to the earth more or less permanently by virtue of gravitational attraction, and includes any resources contained therein;

(3) the term "weather modification activity" means the use of any weather modification apparatus or weather modification agent to attempt to expect any weather modification.

APPROPRIATIONS AUTHORIZED

SEC. 8. There are hereby authorized to be appropriated such sums as may be necessary, not to exceed a total of $400,000 to carry out the provisions of this Act.

TERMINATION

SEC. 9. On the ninetieth day after the date of submission of its final report to the President, the Commission shall cease to exist.

By Mr. BELLMON:

S. 3315. A bill to provide for a national policy on weather modification activities. Referred to the Committee on Commerce.

Mr. BELLMON. Mr. President, the third and final bill on weather modification activities and policy which I am introducing today is to provide for a national policy on weather modification activities and to establish an Office of National Weather Modification Policy within the Environmental Protection Agency. The purpose of this bill is to establish on a longrun basis an Office of National Weather Modification Policy to centralize weather modification and atmospheric resource management decisionmaking and policy formulation in the Federal Government. As previously discussed, it is clear that the time has come for the Federal Government to organize and coordinate its efforts. Also, hopefully, closer working relationships can be developed with State and local governments in utilizing weather modification technologies.

Many favorable results from weather modification have been produced. These include hurricane modification, hail and lightening suppression, rain and snow enhancement, and fog modification. Successful efforts have been carried out by many Federal agencies—Defense, Agriculture, the National Science Foundation, NASA, Commerce, and Interior. A number of States and counties, particularly in the West, have developed weather modification programs of their own. Universities have developed excellent cloud physics research programs, new research tools, mathematical cloud models to stimulate modification experiments and are developing the badly needed technical manpower for the field. But at this date, and this is one of the most fundamental problems we approach in this area, we have no central office in the Federal Government which has final decisionmaking power and responsibility to effectively carry out a program of weather modification and to establish and implement a national weather modification policy.

With increased world population and increasing pressure on the ability of the arable land to produce adequate food supplies, it seems that, if the potential exists for modifying weather to the benefit of the world population, we would be foolhardy, indeed, to fail to attempt to explore the technological feasibility, to arrive at a policy for implementing technological ability and to develop a centralized organization in the Federal Government to assist efforts to carry out that policy.

This bill would set up, within the Environmental Protection Agency, an office to carry out the functions described above. The Assistant Administrator would develop and promulgate national policy for all such activities by departments and agencies of the Federal Government. In addition, he would have the responsibility and the authority to monitor activities. The Assistant Administrator would also make appropriate recommendations for carrying out national weather modification policy and to inform appropriate State and local government agencies of such national policy. Of great importance, the Assistant Administrator would make recommendations to the President and the Congress as he determines necessary to implement the policy which is established.

Mr. President, in discussing potential weather modification, we must ask ourselves, can any society in a world of competing ideologies and increased demand on diminishing resources refuse to take the lead in developing the technology and the procedures for atmospheric recovery? And, can that society be the last to establish a policy and implement that policy for directing the technology which has the potential to eliminate one of mankind's most troublesome concerns—bad weather.

I ask unanimous consent that the text of my bill be printed in full in the RECORD at the conclusion of my remarks.

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

S. 3315

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Weather Modification Policy Act of 1974".

ESTABLISHMENT OF OFFICE OF NATIONAL WEATHER MODIFICATION POLICY

SEC. 2. (a) There is established within the Environmental Protection Agency an office to be known as the Office of National Weather Modification Policy (Hereinafter referred to as the "Office").

(b) The Office shall be headed by an assistant administrator (hereinafter referred to as the "Assistant Administrator"), who shall be responsible to the Administrator for the exercise of all the functions of the Office, and shall have authority and control over all activities and personnel of the Office. There shall be in the Office a Deputy Assistant Administrator who shall be appointed by the Assistant Administrator. The Deputy Assistant Administrator shall perform such functions as the Assistant Administrator prescribe and shall act as Assistant Administrator during the absence or disability of the Assistant Administrator, or in the event of a vacancy in that office.

(c) Section 5314 of title 5, United States Code, is amended by adding at the end thereof the following:

"(60) Assistant Administrator, Office of National Weather Modification Policy."

(b) Section 5315 of such title is amended by adding at the end thereof the following:

"(98) Deputy Assistant Administrator, Office of National Weather Modification Policy."

FUNCTIONS

SEC. 3. The Assistant Administrator shall—

(1) in conformance with Federal laws relating to weather modification activities, develop and promulgate a national policy for all such activities by departments and agencies of the Federal Government;

(2) observe, and require appropriate reports with respect to such activities by such departments and agencies, and make appropriate recommendations for carrying out such policy;

(3) inform appropriate State and local government agencies of such national policy and make appropriate recommendations to such agencies in order to promote such national policy; and

(4) make such recommendations to the President and the Congress as he determines necessary to further implement such national policy.

ADMINISTRATIVE PROVISIONS

SEC. 4. (a) The Assistant Administrator is authorized—

(1) to appoint and fix the compensation of personnel of the Office;

(2) to employ experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code;

(3) to appoint one or more advisory committees composed of such private citizens and officials of Federal, State, and local governments as he deems desirable to advise him with respect to his functions under this Act;

(4) to promulgate such rules, regulations, and procedures as may be necessary to carry out the functions of the Office, and delegate authority for the performance of any function to any officer or employee of the Office under his direction and supervision; and

(5) to utilize, with their consent, the services, equipment, personnel, information, and facilities of other Federal agencies and of State, local and private agencies and instrumentalities, with or without reimbursement therefor.

(b) Each member of a committee appointed pursuant to subsection (a)(3) who is not otherwise employed by the Federal Government shall receive $125 a day, including travel time, for each day he is engaged in the actual performance of his duties as a member of that committee. Each such member shall also be reimbursed for travel, subsistence, and other necessary expenses incurred in the performance of his duties. Each member of any such committee who is other-

wise employed by the Federal Government shall be reimbursed for travel, subsistence, and other necessary expenses incurred in the performance of his duties as a member of that committee.

AUTHORIZATION

SEC. 5. There are authorized to be appropriated such amounts as are necessary for the purposes of this Act.

By Mr. ROTH (for himself and Mr. ABOUREZK, Mr. ALLEN, Mr. BAKER, Mr. BARTLETT, Mr. BAYH, Mr. BEALL, Mr. BENNETT, Mr. BENTSEN, Mr. BIBLE, Mr. BIDEN, Mr. BROCK, Mr. BURDICK, Mr. CLARK, Mr. COTTON, Mr. CRANSTON, Mr. DOLE, Mr. DOMINICK, Mr. EAGLETON, Mr. ERVIN, Mr. FANNIN, Mr. FONG, Mr. GOLDWATER, Mr. GURNEY, Mr. HANSEN, Mr. HART, Mr. HARTKE, Mr. HOLLINGS, Mr. HUGHES, Mr. HUMPHREY, Mr. JACKSON, Mr. JAVITS, Mr. MAGNUSON, Mr. MANSFIELD, Mr. MATHIAS, Mr. MCCLURE, Mr. MCGEE, Mr. MCGOVERN, Mr. MCINTYRE, Mr. PELL, Mr. PERCY, Mr. RIBICOFF, Mr. SCHWEIKER, Mr. HUGH SCOTT, Mr. STAFFORD, Mr. STEVENSON, Mr. TAFT, Mr. THURMOND, Mr. TOWER, Mr. WILLIAMS, and Mr. YOUNG):

S.J. Res. 203. A joint resolution entitled "National Arthritis Month." Referred to the Committee on the Judiciary.

Mr. ROTH. Mr. President, I am pleased to introduce for the third consecutive year, a joint resolution that the month of May 1974 be proclaimed by the President as "National Arthritis Month." Similar resolutions were passed by the Congress and signed by the President in 1972 and 1973.

I would like to urge my colleagues to join me today in support of my Senate Joint Resolution 203, which is similar to House Joint Resolution 938 by Representative HOWARD of New Jersey.

Mr. President, despite all the biomedical research efforts in the public and private sectors and even though some breakthroughs have been made in screening and detection, this dreadful disease continues to be a major threat to human well being. Arthritis is the most prevalent of the crippling ailments, taking an annual toll of almost half a million people. Arthritis and rheumatism are degenerative diseases that will continue to afflict almost all of us as we get older. Unfortunately, those who will be most acutely affected are those who have passed their prime of life and who are subsisting on greatly reduced incomes. These are generally the folks that will soon be, or already are, on medicare and medicaid. Estimates show that among senior citizens—poor and rich, women and men, and regardless of race or geographic setting—about 97 percent have traces of arthritis in one form or another. Yet, arthritis is not common to the aged alone. It also is a major crippler of young adults in their early twenties. About 2½ million persons in this age bracket are incapacitated by this disease.

The incidence of arthritis in America is such that Government effort alone will not suffice. This disease cripples people not only physically but also financially, bringing them untold pain and anguish, compounded by the incapacity to work, thus precipitating loss of income. The individual and societal burden of arthritis stands at an annual estimated cost to the Nation of $9.2 billion.

In the private sector, the Arthritis Foundation is the primary nonprofit organization serving as a source of research and training funds for combating arthritis. Over the years, it has made great strides in organizing community based chapters throughout the country. In 1974, the foundation has a well-thought-out campaign, during the month of May—National Arthritis Month—to educate and inform our citizenry about the morbidity of arthritis, benefits and feasibility of early screening, detection, and treatment; breakthroughs in recent research; and to heighten public awareness on a national scale as to the support needs of the Arthritis Foundation and its local chapters.

Mr. President, Senate Joint Resolution 203, that I am proposing, enjoys the support of 50 of my colleagues. I ask unanimous consent that the list of these distinguished cosponsors be printed in the RECORD at this point:

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

COSPONSORS OF SENATE JOINT RESOLUTION 203

Mr. Abourezk, Mr. Allen, Mr. Baker, Mr. Bartlett, Mr. Bayh, Mr. Beall, Mr. Bennett, Mr. Bentsen, Mr. Bible, Mr. Biden, Mr. Brock, Mr. Burdick, Mr. Clark, Mr. Cotton, Mr. Cranston, Mr. Dole, Mr. Dominick.

Mr. Eagleton, Mr. Ervin, Mr. Fannin, Mr. Fong, Mr. Goldwater, Mr. Gurney, Mr. Hansen, Mr. Hart, Mr. Hartke, Mr. Hollings, Mr. Hughes, Mr. Humphrey, Mr. Jackson, Mr. Javits, Mr. Magnuson, Mr. Mansfield, Mr. Mathias, Mr. McClure.

Mr. McGee, Mr. McGovern, Mr. McIntyre, Mr. Pell, Mr. Percy, Mr. Ribicoff, Mr. Schweiker, Mr. Hugh Scott, Mr. Stafford, Mr. Stevenson, Mr. Taft, Mr. Thurmond, Mr. Tower, Mr. Williams, Mr. Young.

ADDITIONAL COSPONSORS OF BILLS

S. 1566

At the request of Mr. INOUYE, the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of S. 1566, the U.S. Pacific Island Surface Commerce Act of 1973.

S. 1844

At the request of Mr. ABOUREZK, the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of S. 1844, to provide for the establishment of an American Folklife Center in the Library of Congress, and for other purposes.

S. 2801

At the request of Mr. PROXMIRE, the Senator from Nevada (Mr. BIBLE) was added as a cosponsor of S. 2801, to amend the Food, Drug, and Cosmetic Act concerning safe vitamins and minerals, and for other purposes.

S. 2809

At the request of Mr. MONDALE, the Senator from Pennsylvania (Mr. SCHWEIKER) was added as a cosponsor of S. 2809, the National Employment Priorities Act.

S. 2854

At the request of Mr. CRANSTON, the Senator from Iowa (Mr. CLARK), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Hawaii (Mr. INOUYE), the Senator from Washington (Mr. JACKSON), and the Senator from Connecticut (Mr. WEICKER) 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. 3068

At the request of Mr. CURTIS, the Senator from Nebraska (Mr. HRUSKA) was added as a cosponsor of S. 3068, to amend section 103 of the Internal Revenue Code of 1954.

S. 3140

At the request of Mr. MCCLURE, the Senator from Nebraska (Mr. CURTIS) was added as a cosponsor of S. 3140, to prohibit increases in rates of pay to Members of Congress until fiscal balance is achieved.

S. 3147

At the request of Mr. CLARK, the Senator from South Dakota (Mr. ABOUREZK) was added as a cosponsor of S. 3147, to amend the Occupational Safety and Health Act of 1970 to provide additional assistance to small employers.

S. 3182

At the request of Mr. MCCLURE, the Senator from Connecticut (Mr. WEICKER) was added as a cosponsor of S. 3182, to prohibit the banning of lead shot for hunting.

S. 3207

At the request of Mr. KENNEDY, the Senator from South Dakota (Mr. MCGOVERN) and the Senator from Minnesota (Mr. HUMPHREY) were added as cosponsors of S. 3207, to amend the Sugar Act of 1948 to terminate the quota for South Africa.

S. 3259

At the request of Mr. TAFT, the Senator from Montana (Mr. METCALF) was added as a cosponsor of S. 3259, to amend the Rail Passenger Service Act of 1970 in order to authorize certain use of rail passenger equipment by the National Railroad Passenger Corporation.

S. 3274

At the request of Mr. GURNEY, the Senator from Hawaii (Mr. FONG) was added as a cosponsor of S. 3274, to establish a Tourist Advisory Board within the Federal Energy Office.

S. 3280

At the request of Mr. KENNEDY, the Senator from Minnesota (Mr. MONDALE) was added as a cosponsor of S. 3280, the Health Services bill.

ORDER FOR STAR PRINT OF S. 3261

Mr. TOWER. Mr. President, inadvertently, a subsection of S. 3261, the Federal Campaign Reform Act, was not included in the bill as originally introduced on March 28. Therefore, I ask unanimous consent that the following language be inserted in the bill as section 14(k) and

that a new printing of the bill be made to reflect the inclusion of this language.

Sec. 14(k) No political committee, national committee, or political action group shall receive a contribution from an alien whose domicile is not within the United States.

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

ADDITIONAL COSPONSOR OF CONCURRENT RESOLUTION

SENATE CONCURRENT RESOLUTION 79

At the request of Mr. STAFFORD, his name was added as a cosponsor of Senate Concurrent Resolution 79, expressing the sense of the Congress with respect to the celebration of the 100th anniversary of the birth of Herbert Hoover.

ADDITIONAL COSPONSORS OF RESOLUTIONS

SENATE RESOLUTION 67

At the request of Mr. KENNEDY, the Senator from Wyoming (Mr. MCGEE), and the Senator from Kansas (Mr. DOLE) were added as cosponsors of Senate Resolution 67, calling on the President to promote negotiations for a comprehensive test ban treaty.

SENATE RESOLUTION 281

At the request of Mr. MANSFIELD, the Senator from Arkansas (Mr. FULBRIGHT) 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.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974—AMENDMENTS

AMENDMENT NO. 1147

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

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

AMENDMENT NO. 1148

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

Mr. TAFT. Mr. President, I am pleased to join the Senator from Illinois (Mr. STEVENSON) and the Senator from New Mexico (Mr. DOMENICI) to introduce amendments to the pending campaign reform bill which we hope can serve as a basis for compromise on public financing and thus move the debate forward considerably.

At present the bill, without our proposed amendments, provides Federal matching payments for all contributions of $100 or less for primary election congressional candidates—$250 or less in the case of Presidential candidates—who collect certain minimum amounts of private funding on their own, and 100-percent public financing for the general election campaigns of major party candidates, up to overall spending limits. Limitations on private contributions would be $3,000 for individuals and $6,000 for any organization such as COPE or BIPAC.

By contrast our amendments would eliminate all public financing for congressional primary elections. For general elections, major party candidates could receive 25 percent of the campaign spending limit in Federal funds upon their nomination with no matching required, and $1 of additional funding for each dollar collected in private contributions of $100 or less for congressional races—$250 or less for Presidential races. As under the present bill, minor party candidates would operate under the same system but be eligible for proportionately less Federal funding in general elections, based upon their performance. No general election candidate could receive more than 50 percent of the overall campaign spending limit in public funds. Limitations on general election contributions for both individuals and organizations would be reduced to $1,000.

I believe that basic reforms in campaign financing are essential so that our citizens will be certain that their Government is not being operated to satisfy the interests of the few large contributors, rather than the Nation as a whole. The most important step we can take in this direction is to place strict limitations on the amounts which any single individual or organization can contribute to a candidate. The bill before the Senate attempts to do this, but has been loopholed with an amendment allowing contributions of up to $6,000 from organizations. The bill before us also provides public financing in the recognition that these limits in themselves will exacerbate the tasks of raising enough campaign funds for both incumbent and challenger to make their views known to the public. However, I am concerned that the bill will allow private contributions too high to eliminate the abuses it seeks to correct; unwisely provide public funding for congressional primary elections; allow more public financing than necessary for general elections; foster a mushrooming of wasteful campaign expenditures at taxpayers' expense; and unnecessarily eliminate a meaningful role for small private contributions.

The system we are proposing would clamp down on the size of private contributions for general election campaigns; provide full public financing for the crucial initial portion of campaign expenses but force heavy reliance upon small private contributions for remaining expenses; continue and increase the importance of the role of grassroots activities, and the small contributors involved, in campaign finance; and reduce Federal costs over the present bill by thousands of dollars for each campaign.

All public financing for congressional primaries would be eliminated in recognition that variations in their structure, conduct an operation and the participation and situation of candidates cast serious doubts upon the wisdom of public funding for primaries, particularly congressional primaries, at this point.

I am hopeful that the merits of this partial public financing approach will appeal to both supporters and opponents of full public financing.

AMENDMENT NO. 1149

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

Mr. STEVENSON (for himself and Mr. TAFT) submitted an amendment, intended to be proposed by them, jointly, to Senate bill 3044, supra.

AMENDMENT NO. 1150

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

Mr. STEVENSON (for himself, Mr. TAFT, and Mr. DOMENICI) submitted amendments, intended to be proposed by them, jointly, to Senate bill 3044, supra.

AMENDMENT NO. 1151

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

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

AMENDMENT NO. 1152

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

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

AMENDMENT NO. 1153

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

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

AMENDMENT NO. 1154

(Ordered to be printed.)

Mr. TALMADGE proposed an amendment to Senate bill 3044, supra.

NOTICE OF HEARINGS ON INDIAN HOUSING

Mr. ABOUREZK. Mr. President, with apologies for the late notice, I announce that the Subcommittee on Indian Affairs of the Senate Interior Committee plans to hold 1 day of hearings Thursday, April 11, on the subject of Indian housing.

We learned the other day that representatives of Indian tribes and Indian housing authorities are planning to convene in Washington next week to discuss common problems.

For some time, the subcommittee has intended to look into this special question of housing on Indian reservations and in Indian communities. Earlier hearings had to be postponed.

Next week's meeting offered a unique opportunity to hear a cross section of experience and ideas concerning Indian housing from around the Nation.

The hearings will be open to the public, and will be held in room 3110 of the Dirksen Senate Office Building, beginning at 11 a.m.

ADDITIONAL STATEMENTS

NOTICE OF REQUIREMENT TO FILE PERSONAL FINANCIAL DISCLOSURE

Mr. CANNON. Mr. President, as we come close to the filing deadline for our Federal income tax returns, most of us probably are also thinking about prepar-

ing our personal financial disclosures as required by Senate Rule 44. As it has become customary for the chairman of the Select Committee on Standards and Conduct to provide a reminder about this time each year, I wish to take a moment to draw attention to these requirements.

Each Senator and each employee generally who was paid by the Senate at a rate of more than $15,000 a year during 1973 must file two disclosure statements.

The first of these, the Statement of Contributions and Honorariums, should be filed with the Secretary of the Senate before May 15. This statement is available for inspection by the public and should list honorariums that were received of $300 or more as well as contributions accepted by the Senator.

The second statement, Confidential Statement of Financial Interests, must also be filed before May 15, but with the Comptroller General. The Confidential Statement should contain various items of financial information to supplement the Federal income tax return which is filed with this statement.

The third report required by the Senate Rules of Conduct, is the statement of personal service activity or employment which must be made in compliance with rule 41. This report should be made to his supervisory Senator or officer by each officer and employee of the Senate who performs outside personal service for compensation. The statement of personal service activity is made on May 15 itself and at any other date that outside employment starts or substantially changes.

Very early in this session, the Committee on Standards and Conduct sent a set of instructions and sample forms for these reports to each Senator and officer of the Senate. The chairman of the committee stated at that time that the committee was prepared to help all Senators and employees to prepare and file reports. I wish to reiterate that the staff continues to be available for this service. The committee office is in room 1417 of the Dirksen Building and can be reached on telephone extension 2981. Those persons who desire to use the suggested reporting forms and have not yet obtained copies may do so by telephoning the committee.

ADM. JOEL THOMPSON BOONE

Mr. HUGH SCOTT. Mr. President, we were saddened by the death on Tuesday of Adm. Joel Thompson Boone, a native Pennsylvanian whose illustrious career in the Navy Medical Corps exemplified the finest tradition of military service.

Throughout his 28 years with the Navy, Admiral Boone represented the epitome of the complete naval officer. Among the many honors he received were the Congressional Medal of Honor and the Distinguished Service Cross. More importantly, he exhibited a keen concern and understanding for those around him.

All those who knew Admiral Boone admired and respected him as an officer and as a man. He will be missed.

PAUL L. BOLDEN, WORLD WAR II MEDAL OF HONOR WINNER

Mr. ALLEN. Mr. President, in Huntsville, Ala., lives a man who is possibly the highest decorated World War II soldier living in the United States since the death of Audie Murphy. He is Paul L. Bolden, a native Alabamian who fought in World War II.

Mr. Bolden is one of 12 living Medal of Honor winners in the State, including those who fought in Korea and Vietnam. His quick action as a rifleman in an infantry unit in Belgium won him this honor. Other courageous acts during that war brought him further awards, including the Silver Star and four Bronze Star medals, and a host of other medals and awards.

An article written by Mr. Barry Casebolt and published in the Huntsville, Ala., Times tells of Mr. Bolden's heroic deeds and lists the names of the other Alabamians who have received the Medal of Honor. I asked unanimous consent that this article be printed in the RECORD that others might take note of the heroism and bravery of these fine Alabamians and fine Americans.

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

MEDAL OF HONOR WINNER LOOKS BACK ON WAR YEARS

(By Barry J. Casebolt)

When the putrid smoke had cleared out of the basement of a house in Petit-Coo, Belgium, on Dec. 23, 1944, a small, wounded, Madison County farmer stumbled outside in the cold air with an empty Thompson submachine gun.

Inside the death house were the limp bodies of 35 German SS troopers.

Sgt. Paul L. Bolden, a 21-year-old rifleman in an infantry unit who knew how to plow red Alabama soil with mules, had singlehandedly killed 35 of the enemy in less than five minutes.

Why did squad leader Bolden take it upon himself to quell 35 guns in a dark, Belgian basement during the Battle of the Bulge?

In an interview Wednesday, Bolden explained that it was simply a job that needed to be done.

"I wouldn't ask my men to do anything I wouldn't do," he said. 'We just had to get 'em out of there."

For that deed, Bolden was awarded the Medal of Honor by President Harry S. Truman. Bolden recalls Truman saying at the White House awards ceremony: "I'd rather have the Medal of Honor than be President of the United States."

For other courageous acts from June through Dec. 23, 1944, Bolden won the Silver Star, four Bronze Star Medals, the Belgian Croix de Guerre with palm, two Purple Hearts, the Combat Infantryman's Badge, European Campaign Medal with three battle stars, two Good Conduct Medals, and the World War II Victory Medal.

Today, he is the highest decorated living soldier in Alabama who fought in World War II.

He may be the highest decorated World War II soldier living in the United States since Audie Murphy has died.

Bolden is one of 12 living Medal of Honor winners in the state, including those who fought in Korea and Vietnam. The others are:

Col. Charles Davis, Gordo; Sgt. Henry Erwin, Bessemer; Col. William Lawley, Leeds; Sgt. Jake Lindsey, McIntosh; Capt. David McCampbell, Bessemer; Col. Jack Treadwell, Ashland; and Pvt. Wilson Watson, Tuscumbia—all from World War II.

Capt. Alford McLaughlin, Leeds; Maj. Ola Mize, Albertville and Warrant Officer Harold Wilson, Birmingham—Korea.

Capt. James Sprayberry, Sylacauga—Vietnam.

Bolden, the father of seven children, lives near the Tennessee line on a 40-acre farm.

He is employed by the Army Missile Command as a reproduction equipment operator in the Directorate for Management Information Systems.

Bolden, a quiet man, has a 40 per cent medical disability for combat wounds incurred "fighting just about every day" during the six-month period.

He landed at Normandy and fought in three major battles from St. Lo, France, through Germany and Belgium with Company E of the 120th Infantry Regiment.

Bolden was also part of the "lost battalion" cut off by a German panzer spearhead as Gen. George Patton rambled across Europe with his Army.

At about 3 p.m. on Dec. 23, 1944, Bolden and his company found themselves pinned down by heavy German machine guns and firepower from the house in Petit-Coo.

On his own initiative, and using a private named Snow from Massachusetts to provide covering fire, Bolden ran and crawled about 200 yards of open ground to the house crossing a bridge as he went.

"Sometimes I ran, and sometimes I had to crawl" to get to the house, said Bolden, who is 51 years old and greying at the temples.

At one point, a German machine gunner in the basement "ran a clip of bullets up my pants leg," he recalls. "That's how close it was."

When he got to the house and perched under a window, Bolden heaved two grenades inside. After the explosion—by this time, Pvt. Snow had been killed in the action—he went in a door and opened fire on the SS troopers.

He had killed 20 before being shot in the chest and stomach. The bullet lodged in his hip.

Bolden got back out of the basement and waited for the remaining troopers to come out and surrender.

The citation signed by Truman concludes:

"When none appeared in the doorway, he summoned his ebbing strength, overcame the extreme pain he suffered and boldly walked back into the house, firing as he went.

"He had killed the remaining 15 enemy soldiers when his ammunition ran out.

"Sgt. Bolden's heroic advance against great odds, his fearless assault and his magnificent display of courage in re-entering the building where he had been severely wounded, cleared the path for his company and insured the success of its mission."

A subdued man, Bolden exhibited a sense of humor during the interview when he said he knew it was his turn to rotate back to the U.S. in one week.

"I wanted to get home," he said, "and they (the SS troopers) done made me mad. It was just a week before rotation. . .

"Once I got in the house, it only took four or five minutes . . . There was a whole slew of them in there. It was kinda dark. . ."

He said he wouldn't kid anybody about being afraid, though.

"I was afraid the first day in combat and I was afraid up to the last minute of the last day," he said.

After it was all over for Bolden at Petit-Coo, he was taken to a field hospital, and then hospitals in France and in the U.S. It took months for him to get well enough to be released.

But it wasn't until he had been discharged

from the Army that he received a letter from Washington, telling him he had been awarded the Medal of Honor.

For several years after the war ended, Bolden worked around the area, but a new war had broken out in Korea and he re-enlisted.

"There was a war," he said, and re-enlisted. The Army made him a master sergeant, but would not send him up to the front in Korea, although Bolden asked to be sent there. He wound up in Europe.

The only reason he joined the Army in the first place was to serve, he said.

"I could have gotten out of the draft because I was a farmer," said the Micom employe, "but what would I think if the others came back.

"I would have felt pretty cheap if I didn't go."

After Korea, he tried for several months to get a job with the Army at Redstone Arsenal but was repeatedly turned down, he said.

Finally, Bolden wrote letters to the Medal of Honor Society in Washington, who he gives most of the credit for getting him the job he has now.

THE ENVIRONMENT AT VALLEY FORGE

Mr. NELSON. Mr. President, recently a distinguished colleague, Congressman MORRIS K. UDALL, was honored by the National Wildlife Federation as the "Legislator of the Year." He has been a Member of the House since 1961, and is chairman of the Environmental Subcommittee of the Committee on Interior and Insular Affairs.

Few men on the Hill or in the country, for that matter, are as knowledgeable about the real implications of environmental degradation or resource depletion as "Mo" UDALL. And few men are as vigorous in the cause of "Mother Earth."

Once again Representative UDALL has demonstrated keen insight into the cause of the environment in a thoughtful speech he delivered accepting the award.

I ask unanimous consent that Mr. UDALL's speech be printed in the RECORD.

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

THE ENVIRONMENT AT VALLEY FORGE

(Address by Representative MORRIS K. UDALL)

John Gardner once noted that the trouble with America was its uncritical lovers and unloving critics. What we needed were more critical lovers.

I come before you tonight both as a lover and a critic of the conservation movement, as one who is at once proud of our past accomplishments and disappointed by them, troubled about the future of the movement and hopeful for it. I stand here to receive this award with great pride, and yet my pride is tempered by my concern for the future of this fine movement. I catch myself wondering if future historians will say that our time was the beginning or the beginning of the end of the environmental cause.

And where could it be more appropriate to consider this question than in the great cathedral of nature known as Colorado? For this is a cathedral under siege. Before the 1930's there was another Colorado known as Appalachia with wooded mountaintops, wildlife, clean and plentiful streams—the kind of outdoor paradise that this Federation fights for. In Appalachia today there are muted mountains, gutted valleys, and nearly 10,000 miles of fishing streams deadened by industrial poison. Once a natural playground, it is now a natural graveyard. And there are people in industry today who would take Colorado down this same miserable road.

And so tonight in this period of transition, in this magnificent state, and in this gathering of conservation leaders, I will not mince words. I want to talk frankly about the problems of the conservation movement, for they are substantial. I want to be critical, for I believe a dose of loving criticism and analysis is badly needed.

As we meet here to celebrate the environmental achievements of the year, we find if we are truthful that the pickings were pretty slim. 1974 has not been a good year for the environment; nor was 1973. Yes, we can take solace in the addition of a few thousand more acres of wilderness, parks and refuges, in a few court decisions that went in our favor, in the election of a new crop of city councilmen and mayors across the country who believe in the conservation ethic and who are trying to implement the ethic on a local basis.

But on the big national issues that will decide the shape of life in the decades ahead, we are not making headway—on energy, clean air and water, land planning. Four years ago in the Congress when the word "environment" was attached to legislation it virtually assured passage; four weeks ago I went before the Rules Committee with my land planning bill and found that the same word stirred resentment and contributed to defeat. Three years ago Congress would have voted 2 to 1 to resist any attempt to override the basic provisions of the National Environmental Policy Act; when the vote came last year on the Alaska Pipeline, a majority stampeded not merely to override NEPA but to gut it. And apparently the judges are reading election returns and thermostats, and are waiting in lines at gas stations. Gone are the heady days when environmental lawyers could storm the courts with NEPA lawsuits in the knowledge they had a fighting chance to change major national policies. If you haven't noticed, the batting average for environmental lawsuits is slumping with judicial tolerance for NEPA injunctions having apparently worn thin. Worse, all of this is a reflection of waning public interest in the environmental movement; not by any means the public abandonment of the issue, but a general feeling that the movement must take a back seat to pressing natural resource shortages.

And this environmental slippage comes at a bad time. The nation faces now as never before an agenda of environmental decisions whose historic importance will rank with the American Revolution itself. I suppose you could say we are hunkering down at the environmental Valley Forge.

What do I mean?

Call it the energy crisis, or Mr. Nixon's politically comfortable term, the energy problem, it is the first in a series of stark realizations that will shock this country in the months and years immediately ahead. And life will never be the same. For despite the administration's false optimism, America is running out of oil and a whole list of other crucial non-renewable natural resources as well. Historians of the future will, I suspect, write that the last thirty years were the golden age of American growth and luxury, but increasingly they will write about it as a time when Americans of one generation unwittingly skimmed the cream of this country's most precious resources. For the age of abundant natural resources is over, I assert. And in the years ahead we will have to dramatically restructure our economy and resource policies. It does not mean the end to prosperity or happiness, but it will necessarily require fundamental changes in what many of our countrymen now view as "the good life."

Historian C. V. Wedgewood wrote: "History is lived forwards but it is written in retrospect. We know the end before we consider the beginning and we can never wholly recapture what it was to know the beginning only." I want to suggest that fate has cast us as witnesses and participants in one of history's briefest, most traumatic transitions—from the last whimpers of an age of abundance to the first painful groans of a new age of scarcity. But, as Wedgewood suggests, the perspective is distorted by our habitual allegiance to the policies of the past.

Faced with the scarity crises of 1973 and 1974, the country is not moving steadily toward enlightened new policies, but rather to a re-assertion—a disastrous one—of the old, discredited natural resource policies of a different age based on a different set of imperatives and a different list of assumptions. And if those policies are not turned around—and turned around during the next 36 months—it may be too late.

And so we're at the moment of decision—decisions whose consequences will pervade life for the last third of this century and beyond—and we find the environmental movement with less clout in national policy councils than it's had in a decade.

I want to suggest three reasons why this is the case, leaving aside for a moment the current concern over energy supplies.

1. The first reason is that the environmental issue has on the vital questions been substantially abandoned by the White House. And in our presidential system, that is to say it has been altogether abandoned by government. Congress and the courts can obstruct, they can delay, they can snipe and fight and sometimes have an impact, but the fact is if the weight of the presidency is thrown against you foursquare, you lose in this democracy.

I don't want to add to the travail of a wounded President, but someone ought to say that Richard Nixon is doing this nation a disservice by caving in on environmental issues for the sake of his impeachment politics. Someone ought to call him on his backtracking and, yes, double-crossing on basic policies such as land use reform. There is simply no decent rationale for such behavior, and we ought to let him know it.

There are good and noble men in this administration—men like Rogers Morton, Russell Train and Russell Peterson—but these men are finding when the crunch comes, they are left frequently, to borrow a notorious phrase, "twisting slowly, slowly in the wind." Those who have watched Richard Nixon turn his back on the conservation ethic ought to take this as a lesson. The President abandoned the conservationists because he never counted on them in the first place.

Your movement is essentially non-partisan, non-political, and there is much to be said for this approach. But in this system, policies are not pursued unless there is political pressure behind them. The conservation community really played no substantial role in the 1972 presidential campaign on either side. Crucial natural resource issues were never discussed. Never again should that be allowed to happen. As we go down the road to 1976, conservationists of all political stripes should be united in their insistence that candidates address these issues, and that the next American to occupy the White House—whether Republican or Democrat—be a responsible conservationist.

2. A second crucial weakness of the environmental movement is that it hasn't yet made the transition from a negative effort to a positive one. This is because, during the great membership growth period of the Sixties, the effort took form basically as an

insurgency. It was geared to "halt outrages"—and there were many—and "to defeat anti-environmentalists." This is a logical way to begin any effort; it provokes needed publicity and stirs the adrenalin of an outraged public. But the problem is that once the monsters were slain—and mostly they were—we did not know quite what to do with ourselves. You can defeat a hostile politician, impose an environmental review process on the agencies of government, even stop the SST, but if that is all you have achieved, it is far from enough.

After the insurgency succeeds you must govern. You must have positive, compelling *programs*, and we have offered far too few of them. There are still millions of Americans who view the conservation movement as a group of anti-everything fanatics who care more about bird life than human life. And to borrow a phrase from John Ehrlichman, that won't sell in Peoria, or for that matter in Brooklyn, Pittsburgh or Seattle either.

A measure of this criticism is unfair. Enlightened conservation leaders have for the last few years fought for good, positive programs like land planning, but the hard fact is that the engine for such an effort is still lacking. And part of the solution lies in my third reason for the weakness of the movement.

3. That reason is that the movement is still infected with a subtle form of elitism. The conservation effort is not perceived, as it must be, as a humanitarian effort keyed to sound stewardship of the long term future. The truth is it is the most basic of humanitarian causes: the cause of physical and spiritual health, decent communities, clean air and water, sufficient food and natural resources. And with the shortages crisis upon us, the environmental cause is inexorably tied to economic stability, jobs, housing—the gut issue of American life. This critical relationship—the direct tie between the three "E's"—energy, environment and economy—must be spelled out to the policymakers and the public with a massive new re-education effort which advances abroad and humanitarian themes.

The elitism to which I refer is a subtle and not at all the vicious kind. It was born of a time when environmentalists found it both possible and comfortable to avoid delving into the gut, controversial issues—racial harmony, jobs, etc. I say that day is gone. For if this society fails to face up to the problems of the cities, then it cannot begin to solve the energy problem. And if urban sprawl is to continue, no economic group, no section of the country will escape the consequences. An equally frightful price will be paid on the beaches of the Atlantic and Pacific coasts and on this great western plateau that houses the coal and shale oil of the future.

I remember one of those old patriotic movies when Bing Crosby defends the American flag against a cynic by asking others "to say what Old Glory stands for." A Southerner talks of red clay and pine trees. A Westerner describes sunset in the Rocky Mountains. But it's an old Brooklynite who gets the biggest cheer when he says: "Hey, Mac, ever seen steam comin' out a sewer in Flatbush?"

My point is, where is that environmental constituency in Flatbush? Can we long exist without it? The fact is most Americans will never see a wilderness area, park or wildlife refuge, and unless they are brought into the fold when the crunch comes they can be expected to opt for power, light and heat at any cost—even if the price be wall-to-wall power plants and refineries in Montana, Colorado, New Mexico and Arizona.

Emerson said that "the only way to have a friend is to be one." Part of the reason the environmental movement finds itself in trouble today is that we failed during the heady years of the Sixties to make friends and forge alliances with groups that might be largely with us now: blue collar America, enlightened industry, the minorities who inhabit our rundown cities. But in those days, environmentalists were not in a mood to compromise or to play a role in "their" issues, and we predictably find few friends around to sustain us during the dark days of the energy crisis.

And so we have labor joining the oil industry to cut the throat of NEPA during the Alaska Pipeline debate, and they should not.

We have civil rights groups in Jacksonville, Florida, joining with development-oriented industries in a coalition against wildlife groups who didn't want important spawning waters destroyed by a facility producing "floating nuclear power plants"—a concept not even approved by the AEC. And the blacks shouldn't have been there, siding against NEPA.

So my criticisms are that we have been too negative, too elitist, too self-centered. Well, what's my prescription? It comes in about three doses.

The first has to do with common sense, that elusive concept called reasonableness, and facing, as Casey Stengel said, "the conditions what prevail." The principal condition that prevails is an energy shortage that can cause high unemployment in blue collar America and in the neighborhoods of the poor. Our most immediate task as a nation will be to keep these millions of families on their feet through the worst moments of the economic downturn. The first line of attack will be on the energy supply front (energy conservation is meaningless to people without money or jobs) and here are some facts you and I will soon be facing.

The nation is going to insist on substantially increased coal production. While I and others wish it were not so, I believe we had better accept this fact and help the nation make the right decisions. I believe we can have an expanded coal program and one that is not destructive to the environment, but we'd better get cracking. The support of the National Wildlife Federation has been the key to our efforts in the Congress to get a balanced coal program underway this year with a responsible strip mining bill.

The American public is going to insist on drilling off the Atlantic coast and stepped up efforts elsewhere. I believe we should say we are not opposed to a careful program which is well conceived and is not a crash effort to ransack what's left of our oil reserves. Instead, we should insist that drilling procedures, environmental impact statements, and government oversight give every protection to the environment.

A MacKenzie Valley gas line, in addition to the Alaska oil line, is going to be built. The MacKenzie route might house that oil line as well if we had gotten behind the idea earlier, and fought *for* it instead of *against* the Alaska line. We ought now to say we will support a second line, but we will insist on the best environmental route and every practicable safeguard.

And then there is the matter of shale oil. Should we put our foot down on early efforts to explore the development of this new resource? The temptation will be there, but I say we can't. But we must insist that these initial efforts are truly prototype programs, not camouflaged commercial developments; that the environmental costs be carefully weighed and that the water supply, which is life and death to the West, be protected and fairly apportioned among competing users.

While I'm suggesting hardheaded compromise, I am also recommending that where basic values involving irreparable damage are involved, we will not yield. And let me give some examples:

Increased coal production does not mean stripping every last acre of the West. The new emphasis has to be on deep mining, because while cheap extraction is on the top, the massive reserves the country needs and can have with the least environmental damage are underground.

The mysteries of nuclear power may yet be solved to the benefit of this nation and the world, and we will not inhibit responsible development. But we ought to draw the line on this liquid metal fast breeder reactor program until its many designs and safety problems have been brought into the open, discussed and solved. We must insist further that there be a much more satisfactory solution to the problem of radioactive waste disposal before any reactor construction program is speeded up.

Recognizing the controversies brewing over the technology of auto emission controls, we will nevertheless keep the heat on Detroit to build the smaller cars and better engines which are the real solution to the auto exhaust problem, and part of the answer to the gasoline shortage. The Wyman amendment and other attempts to simply relieve the auto industry of this responsibility will be fought.

We will bow our backs if this or any administration attempts, as the Nixon administration is hinting, to turn over to its energy office the duties and responsibilities of the Environmental Protection Agency. We will not allow the political panic of this administration to bring on the dismantling of the nation's fledgling environmental program.

George Bernanos said, "The worst, the most corrupting lies are problems poorly stated." It is a misstatement of the problem and a misunderstanding of its causes to hold that the energy crisis the direct offspring of the environmental revolution of the Sixties. And yet, to an incredible extent, that is the belief in the White House and in the boardrooms of some of the country's largest corporations. It is indeed a corrupting lie, for on the issue of natural resources the conservationists have been largely right and their message of husbanding resources has been timely. But the lie is in circulation, and it must be fought by the conservation community with a reasoned, enlightened, cooperative approach in the months and years ahead.

The second big dose of medicine I recommend for the conservation movement is in the organizational area. Conservationists are notorious individualists who get their intellectual heritage from great iconoclasts like Muir, Twain and Thoreau. Will Rogers said, "I belong to no organized political party. I'm a Democrat." Many in this room could say, "We belong to no organized social movement. We are conservationists." But there is one compelling fact that the conservation movement had better come to terms with: in this democracy the key to political success is organization.

Common Cause does it. So do the doctors, organized labor, the homebuilders, the women's movement, and every political party. What do they do? They meet; they have annual conventions; they elect officers; and for five or six days fight each other for the centerpiece of a platform which their entire movement will support. "In politics," John Kennedy counseled, "there are no friends, only allies." People walk away from these annual internecine wars knowing that if they haven't won any friends, they have at least trapped reluctant allies into a common effort.

This is the uncomfortable part of democracy, but it is the most important part. And in the conservation field it is desperately lacking. Conservationists have no central policy institutions, no annual convention where they are packed into a room and forced to work out their differences, no place where they produce unified policy and emerge knowing they share priority goals in

the year ahead. In my opinion, this the conservation movement must do or perish as an effective agent of political change in this country. For the truth is the conservation groups are right now involved in self-destructive competition for headlines and a limited pool of members and dollars.

The price of membership expansion for many groups during the Sixties was chaos. Larger membership gave them the budget for expanded Washington staffs, to put out beautiful magazines, and so on—each of these developments wholesome—but too often they felt the price of membership drives was to adopt every policy and fight every fight dictated from the armies in the field. For a while it worked but, as I say, we are now at Valley Forge.

Conservationists have to get organized, limit their legislative targets, and consolidate their limited resources of money and manpower. And all of this has to do with the final dose of medicine I am suggesting.

It has to do with getting back to the basics. In a real sense the conservationist has been the fireman of this cruise ship we call earth, but as the lessons of the energy crisis begin to come home it looks like we have been putting out fires on a sinking ship. For the questions are really much larger than those with which we have traditionally dealt. The issue is not merely whether we will have human life. It is not whether we will pass on to our descendants isolated plots of wilderness or parks or a few clean fishing streams, but whether they will inherit anything like what we knew as civilization.

Some years ago my brother was thought radical when he wrote the following lines: ". . . at this moment in history we need to realize that: bigger is not better; slower may be faster; less may well mean more." Those lines look pretty good today. And it seems to me that this is the central message of the environmental movement—that there are indeed limits to growth, to speed, to luxury.

But those limits are not an indictment against all growth, against all science; it is not a call for a return to the rigid and uninteresting lifestyle of the Spartans or to the negative historicism of Malthus.

It is a balanced approach.

And it is a call—a national appeal—for a more sensible lifestyle, one free as much as possible of waste and despoilment, so that our children and their children can live to experience the magnificence of life. For the conservationist believes above all else that life is worth living, and the possibilities of man living in harmony with nature are endless.

Conservaton is not a piece of wilderness here, a wildlife refuge there. It is a celebration of life in its totality. It can be found at Yellowstone and in Jacksonville, at the Grand Canyon and in Brooklyn. It is, as Russell Train recently said, the kind of diversity where people are given choices. The more we exploit nature, the more those options are reduced until we have only one, like the conservation groups at this Valley Forge, to fight for survival.

And so I've engaged tonight in some loving criticism. Lest there are those who would twist my words or misread my intention, let me reconfirm my belief that this conservation movement, of which the Federation is an important part, is itself a symbol of national health and hope. I treasure the award I have received tonight as I treasure few honors I have received in public life.

And I believe that the conservation community will rise to the challenges I have outlined. I believe that like the wise sea captain the conservation movement can use this new current known as the energy crisis to refill its sails and to redirect the course of this society. For the end to cheap energy may bring on hardship, but it will also end abuses like this wild explosion of rural land development and put the speculators out of business. It may cause us temporary economic pain, but it will force an end to urban sprawl and maybe give the races more incentive to learn to live together. It may force us to redefine leisure and luxury, but it will teach us to better conserve the riches of the earth and thus to enjoy life more. And so we have a mission, you and I and the entire conservation community, to carry on and to work harder for the things in which we believe. In the words of Robert Frost:

"The woods are lovely dark and deep,
But I have promises to keep,
And miles to go before I sleep,
And miles to go before I sleep."

COVERAGE OF NONPROFIT HOSPITALS UNDER NATIONAL LABOR RELATIONS ACT

Mr. TAFT. Mr. President, I have recently received from the Secretary of Labor a letter relating to S. 3088 pertaining to nonprofit hospitals becoming covered by the National Labor Relations Act. I ask that it be printed in the RECORD.

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

U.S. DEPARTMENT OF LABOR,
OFFICE OF THE SECRETARY,
Washington, D.C., March 29, 1974.

Hon. HARRISON A. WILLIAMS, Jr.,
U.S. Senate,
Washington, D.C.
Hon. JACOB K. JAVITS,
U.S. Senate,
Washington, D.C.
Hon. ROBERT TAFT, Jr.,
U.S. Senate,
Washington, D.C.

DEAR SENATORS: We would like to take this opportunity to express our support for the concepts embodied in S. 3088, a bill introduced by Senator Taft "To amend the National Labor Relations Act to extend its coverage and protection to employees of nonprofit hospitals, and for other purposes."

As you know, we have been working closely with Senator Taft and his staff since Under Secretary Schubert's August 2, 1973, testimony on this matter before the Labor Subcommittee. Our objective has been to achieve an equitable balance among the legitimate interests of all of the parties in order to protect the important public interests involved. We believe that the clean bill which is being drafted based on S. 3088 accomplishes this objective. We further understand that this compromise legislation provides a satisfactory resolution to those issues which have been of concern to each of you, and that the new bill has your full support.

The Office of Management and Budget advises that there is no objection to the submission of this report from the standpoint of the Administration's program.

Sincerely,

PETER J. BRENNAN,
Secretary of Labor.

THE PATROL FRIGATE PROGRAM

Mr. PROXMIRE. Mr. President, one of the major weapons systems initiated in the past few years is the Navy's patrol frigate PF program.

Congress should turn down the Pentagon's request for additional Patrol Frigate funds and reevaluate the program next year.

COST INCREASE AND WEIGHT INCREASE

In the 3 months from September 30, 1973, through December 31, 1973, costs for the PF increased by $238 million, according to figures supplied to me by the General Accounting Office. The total program cost went up from $3.24 billion to $3.48 billion.

A new weight increase is as disturbing as the cost increase. The weight of the PF rose by 30 tons in the same 90-day period and by 130 tons since October 1972.

Originally Congress was told 50 patrol frigates would cost $45 million each. They were described as austere ships, smaller than destroyers, and were to weigh 3,400 tons each.

Not a single ship has been built and the costs are already up to $69.6 million each and the weight has increased to 3,530 tons.

The ship is also growing longer. It was supposed to be 440 feet long. It is now 445 feet.

A contract for the lead ship was awarded to Bath Iron Works in October 1973. Construction of the lead ship is supposed to begin in October 1974.

DECISION NOT DUE UNTIL MARCH 1975

The decision to go ahead with the other 49 PF's is not due to be made by the Navy until March 1975. This decision was originally planned for February 1975 but had to be delayed because of the 4-month delay in the award of the lead ship contract.

I am not attributing any fault to the contractor. The cost and weight increases appear to be primarily the result of decisions and foulups by the Navy.

The Navy has also had problems with the Dutch fire control system and the Italian gun which are to be installed on the PF's. The same two foreign items are being used on another Navy ship, the patrol hydrofoil missile ship.

The Pentagon is asking Congress for $436.5 million for new PF's this year. Congress has appropriated more than $200 million for the program so far.

THE NAVY DOES NOT NEED ADDITIONAL FUNDS THIS YEAR

The Navy does not need the additional money now and Congress should not appropriate it this year.

The Navy's earlier decision to rush ahead with the PF has already contributed to its present problems.

This is the same program which Gordon Rule, one of the Navy's top procurement experts, recently described as the worst example of concurrency he has witnessed in his many years in the Navy.

Large cost overruns and weight increases are warning signals that a weapon program is in trouble.

The decision to build additional PF's cannot be made until March 1975 at the earliest, so what is the big hurry?

CONGRESS NEEDS TO REEVALUATE PROGRAM

Congress should not commit large amounts of money to a new weapon program so many months before the Pentagon has decided to go ahead with it.

The PF was advertised as one of the first to be built according to the Pentagon's design-to-cost philosophy. The Navy told Congress it wanted to buy these ships because it could not afford the number of regular-sized destroyers it needed to have.

If the present trend continues, the

little patrol frigates could cost every bit as much as the big destroyers. We could end up with half the ship for the same price.

Congress should use the rest of the year to make a thorough study of the PF, identify the problems, and if the Navy cannot show how they are being fixed, scrap it.

HOUSING ALLOWANCE REEVALUATED

Mr. HUMPHREY. Mr. President, Herbert J. Gans has written an excellent article which appeared in the New York Times magazine of March 31, 1974. In his article, entitled "A Poor Man's Home Is His Poorhouse," Dr. Gans provided a pragmatic critique of the housing allowance concept of the Nixon administration's new housing policy.

The professor of sociology at Columbia University contends that the bias of Federal housing policy in favor of the middle class and the affluent will continue. The administration's allowance plan will aid those poor already located in standard housing and will serve to clear out some substandard areas, but it will not improve these areas by abandoning them in their dilapidated condition. Dr. Gans suggests that this situation be remedied by an extensive program of building and rehabilitation.

The article outlines a provocative plan under which near-poor and barely moderate-income people would also receive an allowance. The theoretical result of this program would be the availability of standard housing to all groups. Dr. Gans also discusses the feasibility of a universal housing allowance program tied to the application of a Federal tax against incomes above the median level.

Dr. Gans rightly asserts that a housing allowance program must go hand-in-hand with an effective program of construction and rehabilitation of low- and moderate-income housing, as well as a rigorous urban renewal program. He rejects the apparent intention of the administration to use housing allowances as a means of abandoning federally subsidized housing programs.

The housing allowance as proposed in this article will not actually relieve poverty in America. The real eradication of poverty requires a job-oriented program. But Dr. Gans correctly views an effective housing allowance plan as enabling the poor to participate in the private housing market for the first time.

Mr. President, I ask unanimous consent that this provocative analysis of Federal housing policy be printed in the RECORD.

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

EVEN A HOUSING ALLOWANCE IS NO ANSWER TO POVERTY—A POOR MAN'S HOME IS HIS POORHOUSE

(By Herbert J. Gans)

In America, as elsewhere, the welfare state is actually two: one for the affluent and one for the poor. Nowhere has this duality been more clearly expressed than in Federal housing policy. Ever since World War II, the Government has subsidized the affluent so that they could buy homes in the "private" housing market, but has placed the poor in specially designated projects, notably public housing. Last fall, however, the Nixon Administration proposed a new housing policy—the housing allowance—which would subsidize them so that they could also choose their homes in the private market. The housing allowance is intended for the 34 per cent of the poor who still live in deteriorating or dilapidated units, and would pay them the difference between the cost of private housing and a percentage of their income, probably 25, if they move into standard nonslum apartments. Actually, the White House is for only paying the allowance to an experimental 20,000 families in 12 metropolitan areas, and it has not yet explained what kind of legislation it has in mind, except to indicate that the undertaking would cost less than existing programs for the poor.

In the last 25 years Federal housing policy has not only meted out dual treatment of different income groups but it has also been biased in favor of the affluent. Various subsidies have helped the middle-class and rich home buyer: F.H.A. mortgage insurance, Federal highway construction that enabled affluent people to commute to work from the outer city and the suburbs without personally paying anywhere near the total cost of using their automobiles, and, above all, the deduction from Federal income taxes of mortgage interest, local property taxes and depreciation. Conversely, the public housing program was never very large; since 1937, when it began, only about one million units have been built. The vast majority of poor people did not (and do not now) receive housing aid, other than through welfare, which once led the late Charles Abrams to describe national housing policy as socialism for the rich and private enterprise for the poor.

Public housing had never been very popular with the taxpayers and politicians. And its popularity declined further when and where its population became poorer and predominantly black. Partly as a result, the Johnson Administration began to augment the public housing program in 1965 with subsidies for the poor, although these subsidies were quite different from the ones for the affluent. These helped only a small percentage of the poor; they were given to the suppliers of housing rather than to the occupants; and since the poor could only move into specially designed units, the subsidies did not provide the freedom of choice that people in the subsidized suburbs take for granted.

The first supplier-subsidy program provided rent supplements; it was followed by the so-called 235 and 236 programs, which aided in the construction of new or the rehabilitation of old dwelling units to be sold or rented to the poor. The 235 home ownership program was especially popular in Congress, the feeling being that if the poor could become homeowners, they would keep up their houses and thus prevent the growth of slums, and behave like middle-class people in other ways. Until all Federal housing programs were halted by the Nixon Administration in January, 1973, 235 and 236 were on the way to providing almost half as many dwelling units in four years as public housing had provided in 35 years, although most of them went to families well above the poverty line; the median income of their occupants was about $5,500.

The two programs were expensive for the Federal Government, because more than a quarter of every subsidy dollar went to the financiers and builders, but perhaps their main drawback was an astounding amount of corruption, especially in 235. Realtors and mortgage bankers often bought up houses in racially changing neighborhoods en masse at bargain prices from their frightened white owners, made cosmetic improvements to demonstrate that they had been rehabilitated, and then sold them at exorbitant prices to the near-poor, black and white, after obtaining excessive F.H.A. mortgages, sometimes by outright bribes to F.H.A. officials. In many cases, poor homeowners could not keep up their high monthly payments or walked away from collapsing houses, leaving the Federal Government with a large supply of nearly worthless units. The wholesale thievery in 235 and 236, some involving America's most prestigious financial institutions, helped to justify Mr. Nixon's housing moratorium.

The housing allowance, or, rather, the plan to experiment with it, was announced in September, 1973, as demands for an end to the moratorium grew insistent. As currently envisaged, the Nixon Administration policy calls for the permanent cancellation of all building programs and supplier-subsidies for the poor, and complete reliance on the housing allowance instead. This is egalitarian in theory, for the allowance would put money directly into the hands of the poor, to enable them to choose freely from the same private-but-subsidized housing market as the non-poor. As a result, they would not, again in theory, have to live with the rules and the stigma of housing publicly designated as being for the poor, and more important, they would be able to move out of the slums and raise their children in urban—and even suburban—neighborhoods with less crime and other pathology.

This optimistic assessment of the housing allowance is supported, at least in preliminary fashion, by a recent study, carried out by Arthur Solomon and Chester Fenton on the Harvard-M.I.T. Joint Center for Urban Studies, of an early housing alliance experiment conducted in Kansas City. Aided by a generous allowance averaging $104 per household, all but very large families moved to considerably better housing, in less crowded neighborhoods, and almost 90 per cent of the families interviewed three months after the move reported their new neighborhood to be better than their old one. Although the participants in the experiment were free to move anywhere in the metropolitan area, most went to "older residential areas on the periphery of the central city," not far from the slums they had occupied previously; whites moved to white ethnic areas, blacks into neighborhoods that had begun to undergo racial change.

As the authors point out, the experiment was conducted in an unusually favorable location, for Kansas City has a vacancy rate of 11 per cent for low and moderately priced housing, considerably higher than in most other cities. Also the experimental population consisted of only 225 families who, therefore, had an abnormally high degree of choice and could find the best of the vacant housing without reducing the supply of empty units to the point where landlords would begin raising rents.

Unfortunately, even the positive results of the Kansas City experiment are not likely to be duplicated if and when the housing allowance becomes Federal housing policy. The first and most serious drawback is that it would work, according to theory, only in cities with an adequate supply of inexpensive vacant housing. In cities where the vacancy rate is below 5 per cent, insufficient units would be available to enable slum dwellers to take advantage of the allowance. Worse still, those who could move would be competing for a limited supply of housing with extra money in hand, thus inducing landlords to raise the rents, and only a handful of American cities have rent control.

Some housing experts, particularly those allied with the real-estate industry, argue that the allowance would actually increase

the supply of standard housing, because landlords would be encouraged to improve substandard units to make them eligible for the allowance. But this argument, while in line with conventional economic theory, does not hold for the poor. Experience with many schemes to assist them in the private housing market, including the 235 program and the *de facto* rent allowance paid to New York City welfare recipients, indicates that many landlords would simply slap a new coat of cheap paint on their slum units and rent them to the poor at a higher price. The poor have always been exploited in the private housing market, and the housing allowance per se will not end that. Poor people lack the political influence needed for effective monitoring of governmental programs intended to help them in the private market, whereas builders and landlords have the political and legal power—not to mention the money for bribes—to take advantage of and extra profit from such programs.

The second shortcoming of the allowance program has to do with the amount of money appropriated for it and the number of poor people it can help. If it is going to be the money saver the Nixon Administration wants, it will be small, and the traditional bias of Federal housing policy in favor of the affluent will continue, for only a few slum dwellers could take advantage of the allowance. If the allowance program is generously funded to help large numbers to leave the slums, however, it might set off a process of urban neighborhood change that could anger and hurt city dwellers of just barely moderate incomes, and eventually force them to head for the suburbs. Most likely, the departing slum dwellers would move into working-class areas just beyond the slums. Since working-class people would undoubtedly consider their new neighbors as contributing to the social and economic decline of their neighborhoods, those who want to stay there or could not afford to move would protest and even fight against the influx of poor people.

Even so, past experience suggests that such protest will be short-lived, and in the long run, people who feel that they cannot live next door to poorer newcomers will move out voluntarily, or will be scared into moving by block-busting realtors who will then profit from the allowance as they did from the 235 program. While departing working-class residents will make yet more vacant units available to additional allowance recipients, they will have to buy or rent more expensive housing, and would thus in effect be subsidizing the poor (and the realtors) by surrendering their often still inexpensive housing; in addition, they would incur higher housing costs after moving without being eligible for the housing allowance themselves.

This method of redistributing resources to the poor by taking them away from the next lowest income group is not only grossly unfair, but is likely to turn Middle Americans even further against a Federal Government that does not exact similar sacrifices from the affluent.

A third problem with the allowance stems from the fact that it embraces two goals: an income-subsidy goal, providing extra rent money to poor people; and a housing improvement goal, requiring them to vacate the slums to obtain the allowance. Neither goal, however, is best achieved through such a program. The allowance would not help the poor who already live in standard housing, and, though it would empty some slum buildings, they might simply be abandoned—but not improved. Also, a new bureaucracy would have to be set up to determine whether the units into which allowance recipients move are standard, and to declare substandard units ineligible until they are rehabilitated, but since it is much cheaper to bribe an inspector than renovate a building, the allowance program could give rise to the same corruption that dogged the 235 program.

The success of the allowance program may also be impaired—and the freedom of choice of recipients restricted—if conventional definitions of standard housing are built into the legislation. At present, standardness is often defined (1) by the absence of clearly harmful slum conditions such as inoperative plumbing, rat infestation and leaking roofs; (2) in terms of other conditions which have not been proven harmful by housing research, but constitute sources of discomfort which poor people must accept in exchange for low rent, such as small rooms, or an inadequate number of windows; and (3) by esthetic criteria which designate buildings as slums simply because they are old and unattractive.

In the past, when such standards have been built into code-enforcement and rehabilitation schemes, they have forced poor people out of inexpensive but not harmful housing and have resulted in rehabilitation projects so expensive as to price them out of the reach of poor tenants. If the conventional definition of standardness is used in the allowance program, some old but harmless housing will not be available to potential allowance recipients, so that they will have to remain in harmful units. Equally important, too much concern with the physical standardness of eligible units will reduce the freedom of choice of poor people who would prefer a not-so-standard dwelling in a safe neighborhood to a standard unit in an unsafe area.

Since the Nixon Administration has not yet indicated exactly what kind of a housing allowance it favors, and since about two years remain to evaluate the current allowance experiments before legislation is actually prepared, many of the problems of the allowance I have described, and some I have not, can be studied in the experiments, and then dealt with when legislation is drafted. Even now, however, several recommendations can be made.

First, a decision will have to be made about the comparative importance of the income-subsidy and housing-improvement goals, that is, whether moving slum dwellers into standard housing is as important as supplementing their income. Obviously, no one should be permitted to occupy harmful housing, but it makes little sense to move people out of inexpensive but harmless units as long as inexpensive housing is scarce. Besides, giving poor people more money is of greater importance to them than moving them out of all but clearly harmful slums. Consequently, the allowance should be paid to *all* poor people, without requiring them to move, so that their own share of the rent is no more than 25 per cent of their income (or better still, the 20 per cent most nonpoor Americans pay); and the allowance legislation should include a Federal rent-control provision to prevent landlords from taking the allowance away from their recipients by raising rents. To accommodate the housing-improvement goal, a dual allowance scheme could be developed to pay the rent above 20 per cent of income to those choosing to move into standard housing, but less—only the rent above 25 per cent of income—to those remaining in substandard units, although this would be unfair to slum dwellers in cities where the supply of standard housing is limited.

Second, the housing allowance should not be limited to the poor and near-poor, but should also go to barely moderate-income people, say with earnings of less than $8,000 for the prototypical family of four, partly to help them make ends meet, partly to aid them if they want to vacate their present units to people leaving the slums. Perhaps the Federal Government should even consider giving every household a housing allowance regardless of income, which would, however, be liable to taxation so that affluent people would have to return it with their income tax payments. At the same time, the Government should eliminate present tax deductions for mortgage interest and local property taxes, thus doing away with the currently inequitable treatment of renters, who cannot deduct these housing costs from their taxes.

Paying a housing allowance to all poor people would, of course, be more expensive than what the Nixon Administration spent for housing for the poor before the moratorium, and what it seems to have in mind for the future. Although housing expenditures going to the poor are difficult to separate from those going to the nonpoor, the Federal Government probably spent under $3-billion for them in each of the last couple of years before the moratorium, much of it in rent allowances built into welfare benefits. An annual housing allowance of $1,200 each for the 5 million families and $400 each for the 5 million individual households now below the poverty line would cost $6-billion and $2-billion respectively, or $8-billion altogether, not counting administrative expenses. Extending a similar allowance to the approximately 12 million families earning between $4,000 and $8,000 (but excluding individuals) would add another $14.4-billion: extending it further to families earning between $8,000 and $10,000 would require a further $8.5-billion. Finally, if all American households (both families and individuals) were paid that allowance, but if it were taxed away from all households earning above the median income (currently about $11,000), the total Federal bill would come to about $34-billion a year, excluding administrative expenses. These figures could be reduced by paying a lower allowance to households above the poverty line, and at least $6-billion a year could be saved by eliminating the current tax deduction for interest and property tax payments and depreciation.

Third and most important, any allowance scheme which requires that recipients move into standard housing must be accompanied by a building and rehabilitation program to increase the supply of standard housing except in cities with abundant vacancies. This requirement may destroy the Nixon Administration's dream of getting the Government out of the housing business, but this dream is illusory anyway, and the White House must continue to grapple with the complicated question of what kinds of housing the Government should build or subsidize, at what locations and with what kinds of subsidies.

My own answer emphasizes pragmatism; to choose those strategies which will add effectively and quickly to the supply of housing, in a program that combines aid to the poor and the nonpoor, for otherwise the latter will not give it their political support. In fact, since the Government has never been able to build or subsidize much housing for the poor, the politically most effective strategy is to concentrate on building for the nonpoor, and to use the housing allowance and other policies to enable the poor to move into the housing they vacate.

To begin with, the Government should encourage the development of existing vacant or sparsely used land in the cities, especially in the outer parts of the city. In addition, it should provide decent housing for poor people who prefer or need to remain in central city areas, by reviving public housing, revamping the 235 and 236 programs, and aiding the efforts of slum dwellers to take over and rehabilitate their own buildings and transform them into cooperatives.

Nevertheless, the main thrust of the building program should be the construction of middle-income housing in the suburbs, using F.H.A. mortgage insurance and whatever other financial incentives are necessary to repeat the highly successful building boom

which took place there after World War II, although this time with adequate restrictions against undue profiteering.

A suburban building program is necessary for several reasons. First, it would fit in with the current housing preferences of the majority of Americans. Second, it would help house the young families of the post-World War II baby boom, many of whom have never lived anywhere except the suburbs, and the urbanites who still want to leave the city. Third, it will provide housing for those urban residents who will want to move when poor housing-allowance recipients come into their neighborhoods.

Encouraging further suburbanization at a time when the energy crisis has led some experts to call for a massive return to the city may appear illogical, but while that crisis may lead some present urbanites to think twice about moving beyond the city limits, America is now a suburban society, and it is inconceivable that any significant fraction of it could be moved back to the city. With a majority of metropolitan area residents now living in the suburbs, there is not even enough room in the cities to rehouse more than a few of them. Nor is there any indication that the suburbanites—and their number is increasing all the time—could be persuaded to give up their single-family houses, or merchants their shopping centers, or industries their modern low-slung factories and offices to live and work in higher-rise buildings in the city. Nevertheless, future suburban development can be planned, at least to some extent, around mass transit, with new housing built at higher density and shopping centers, industrial parks and office developments centralized so as to reduce automobile use.

Another wave of suburbanization would, however, further hurt the city, for it would also continue the present exodus of the nonpoor from the city, and could result in the departure of additional stores, factories and offices—and the jobs they provide—to the suburbs as well. This would produce another decline in the city's economic activity, its tax revenues and its ability to provide public services, which could then set off a new flight of the nonpoor in a never-ending vicious spiral. Although the poor would have additional vacant housing from which to choose as a result, they would suffer most from this spiral. Their own economic condition would deteriorate further if there were fewer jobs (and lower tax receipts to fund local welfare and service programs) and they would soon be unable to keep up and even pay for their new homes.

It could be argued that, if another wave of suburbanization accelerated the economic deterioration of the cities, the Federal Government would have to step in to aid them, but it is also possible that the Government might then do even less for the cities than now, for at this point, the poor would form a plurality in many cities, and policies which help mainly the poor have never been very popular with the White House or the Congress. Many planners have, therefore, argued that the middle class must be encouraged to return to the city, so that its presence—and its income—could revitalize the urban economy. Starting with urban renewal, numerous attempts have been made to lure the middle class back, but they have attracted only a handful of returnees, and I cannot imagine a new attempt being much more successful. Besides, the cost of a Federal program that would bring back suburban residents, shops and work places would bankrupt the treasury.

The other alternative would also be expensive, but at least it is rational. Instead of an illusory pursuit of the departed middle class, the more sensible policy is a massive economic development program to enable as many of the poor as possible to become middle class. Federal efforts to create secure and well-paying jobs in private industry, to create community development corporations and municipal agencies for the now unemployed, underemployed and underpaid would spur the urban economy, replenish local tax coffers and improve public services, even while poverty—and the crime and pathology it breeds—are vastly reduced.

Although a housing allowance can be a subsidiary part of such a policy, its effectiveness is clearly limited. Where it can enable poor people to move into better housing, it will make their homelife more comfortable, but it cannot relieve their poverty. Ultimately, a house is only a physical shell for people's lives; it cannot affect the deprivation forced by unemployment or underemployment; or lessen the anxiety of an unstable or underpaid job; or reduce the stigma and dependency of being on welfare; or keep out pathology. A housing policy is not and cannot be an antipoverty policy.

The White House is evidently well aware of the limits of the housing allowance, for it conceives the allowance as a supplement to a new guaranteed income and welfare-reform program which the President hinted at in his State of the Union address. Unless the new program is more generous, however, than its predecessor, the Family Assistance Plan, it will be far from sufficient to make inroads on poverty, even with the addition of a housing allowance. F.A.P. called for a minimal-income grant of $2,400 for a family of four and a declining grant for the working poor up to a total family income of $3,940, but even that figure is still well below the $4,200 poverty line. The eradication of poverty requires a job-centered development program as well as an income grant at least at poverty-line levels for those who cannot work or find work. Such a program would not only bring the now poor into the economic mainstream of American life, but it is also the sole way of enabling them to participate freely and equaly in the private housing market and thus of achieving the prime aim of the housing allowance. Without an effective attack on poverty, the allowance cannot possibly achieve that aim; with it, the allowance would actually be superfluous.

INFLATION WILL NOT GO AWAY

Mr. ROTH. Mr. President, I urge each of my distinguished colleagues to read an article by Cost of Living Council Director John T. Dunlop that appeared in last Sunday's New York Times. Specifically, I point out one paragraph which could come back to haunt Members of Congress if we give up the fight against inflation:

> Inflation will not simply go away. The market alone will not automatically produce price and wage increases within socially and politically tolerable limits. Politics cannot ignore the problem or easily stay away from programs that deal directly with inflation or its symptoms. The Government needs a continuing center of action, short of mandatory controls, to increase supply and capacity and to moderate wage and price increases.

Earlier this week, I introduced a joint resolution to establish a National Commission on Inflation. The commission would not have the authority to impose mandatory economic controls, but it would be a "watchdog" that would provide some degree of vigilance over abuses of economic power. If the Congress is not willing to extend the Economic Stabilization Act, the very least we should do is to provide the Government with a "continuing center of action." Senate Joint Resolution 201, to establish a National Commission on Inflation, would provide such a center of action for the fight against inflation.

Mr. President, I ask unanimous consent that the article to which I have referred be printed in the RECORD.

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

INFLATION, A FOE

(By John T. Dunlop)

I have heard a great many comments on my recent statement that our experience with inflation suggests no one truly knows how to control inflation—at least the type of inflation we have had in the last year.

Certainly we do not know how to constrain inflation by adapting our political institutions' taxing and spending, our private and public decision-making on wages and prices or our relations with the rest of the world. These are serious long-term problems that cannot be resolved by comprehensive mandatory controls or by returning to the so-called free market of pre-August, 1971.

The unique inflation of 1973–74 was largely unforeseen by all analysts, regardless of economic or political persuasion. As Walter E. Heller has said, "This was a year of infamy in inflation forecasting."

Today's inflation has been highly concentrated in primary products—feed grains, fibers, metals and petroleum. Two-thirds of the increase in wholesale prices has been in food and energy, and the inflation has been worldwide. The Economist's index of world commodity prices (in dollars) rose 54.4 per cent in the year ended Feb. 20, 1974, with the increase accentuated by the devaluation.

Nevertheless, on a relatively brighter note, consumer prices have increased in the United States at a lower rate than in many industrial countries. The nonfood and nonfuel items in the consumer price index increased 4.5 per cent in the year from January, 1973, to January, 1974.

The economic climate of 1973–74 has been markedly different from Phase I and most of Phase 2 (Aug. 15, 1971 to Jan. 11, 1973). Economic growth was extremely rapid in the first half of 1973 as the primary manufacturing industries pushed capacity levels in such sectors as steel, aluminum, fertilizer, cement, oil refining and paper.

That rapid growth put strong pressures on prices, as did cost pressures derived from worldwide raw-materials prices. The failure to apply tighter controls or to use a "stick in the closet" had little, if anything, to do with the rate of inflation we have experienced, despite much of the rhetoric of the spring of 1973.

In the current economic environment, stabilization authorities have had a very narrow course to navigate.

On the one hand, too stringent controls would reduce current output, destroy incentives to expand capacity and lead to abnormally large exports if not a system of extensive export controls. But too loose controls would result in larger present and future price increases, place even greater pressures on the wage structure and more certainly lead to industrial strife.

Therefore, the two beacons of more supply and price and wage moderation have dominated all Cost of Living Council activities during the last year.

This country is close to the limits of what wage and price controls can do in the present economic environment in all but a few cases. While prices received by farmers have increased 36 per cent over a year ago, controls can only hold down price increases by food manufacturers and limit retailers' profit margins. Yet, tighter control measures on farm products have been shown to restrict agricultural output and excite the powerful agricultural interests in Congress.

The answer lies in increasing agricultural

production, imports and productivity. And those steps take some time.

When production is pushing capacity in many primary industries, the urgent need is for prices that encourage expansion and permit imports. When living costs have increased so much, and profits have increased within control standards, wages should be allowed to adjust more flexibly to the economic and industrial relations realities of each situation to avoid disrupting this era of constructive labor peace.

Under present circumstances, the necessary labor-management participation cannot be achieved for the continuation of a general controls program as George Meany of the A.F.L.–C.I.O. made abundantly clear on March 6. Accordingly, the policy of deliberate and orderly decontrol, save for a few sectors, should be completed by April 30.

But inflation is a continuing and long-run problem in all Western societies. All governments regardless of economic or political complexion are likely to be engaged with these issues for a long time.

Fiscal and monetary policy, including exchange-rate adjustments, will not be seen by public opinion to be enough. Neither the expenditure nor tax side of fiscal policy is susceptible to rapid or reliable adjustments, and Congress is not well organized to coherent expenditure and tax decisions. Monetary policy suffers from the trauma of being held responsible for turning a boom into a recession.

And the society is unwilling to pay very much in terms of unemployment, economic growth, labor-management peace and freedom from regulation to achieve price stability. When citizens come down to realistic choices among these hard options, a degree of inflation is often perceived to be the lesser of other evils, despite the noise over inflation.

Wage and price controls, even in a different type of inflation climate than experienced in 1973–74, are a limited and special purpose tool. They tend to wear out. They have a relatively limited life wherever they have been used in Western countries.

While we recommend phase-out of comprehensive mandatory controls now, we need to avoid the twin fallacies that they are a powerful constraint to inflation or that they are the cause of most present shortages and are an unmitigated disaster.

Rather, the truth is that direct wage and price controls can make an incremental contribution to economic stability in some circumstances and in some sectors for a limited period, such as the health area (in the last two and a half years).

The Administration has urged that Congress approve the continuation of the Cost of Living Council as a Cabinet-level agency to work directly on the complex problems of inflation, without mandatory controls, except in a few sectors.

The program should have two main centers of action:

To increase supply, particularly in areas where governmental policies have a significant impact, as in agriculture, transportation and construction.

To work with the private sector to increase capacity and productivity and to improve the structure and performance of collective bargaining without mandatory controls.

Imaginative and pragmatic cooperation in these areas should help in the longer run to develop an economy less prone to inflation. Our present knowledge and capacity to develop effective programs of inflation restraint require humility and modesty.

Inflation will not simply go away. The market alone will not automatically produce price and wage increases within socially and politically tolerable limits. Politics cannot ignore the problem or easily stay away from programs that deal directly with inflation and its symptoms. The Government needs a continuing center of action, short of mandatory controls, to increase supply and capacity and to moderate wage and price increases.

These problems are not solely economic; they involve complex issues of economics and politics. They will be of central concern to all citizens and to all major countries for a long time. It is imperative that everyone—consumers, labor, business and government—reflect and grapple with these issues.

As it has been said, "When one lacks the will to see things as they really are, there is nothing so mystifying as the obvious."

OUR DEFENSE BUDGET

Mr. HART. Mr. President, as the Pentagon budget grows each year, more Americans conclude we must reevaluate our priorities as a nation to channel our energies to human and natural resources programs. I ask unanimous consent to have printed in the RECORD a letter from a citizen of Michigan. While Mr. Warner's figures may be inaccurate, I find it hard to argue with the conclusion that we need only destroy an enemy once, and that we should put health, education, and energy at the top of the priority list.

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

MR. HART: Since Mr. Nixon has sent a record budget to Congress this, I decided to write to you to express my views on one very large part of that budget, namely the defense budget.

In his State of the Union address, Mr. Nixon said that defense spending has gone down during the last four years. This is true *only* in terms of its portion of the overall budget for each year. In reality, defense spending has increased each year by about $2 billion (my memory might be off on the figure, but not on the increase). But that is only half the story. When Mr. Nixon took office we were spending (wasting!) $30 billion per year on Vietnam, so spending in other areas of defense was something like $45 billion. Now, with Vietnam spending very low (though not zero) he is asking for $87 billion, which is a 95% increase. This is outrageous.

Also, Mr. Nixon said we must remain strong, we must not become the second strongest country in the world. Regarding strength, we now have the capability to inflict unacceptable losses on any other country, even if they should attack first, wiping out all our land-based missiles and bombers and carriers. And even then, it would only take a few of our virtually invulnerable submarines to launch their MIRVS and wipe out anyone we chose. With such massive retaliatory capability (overkill of about 20), what is the need or sense in building more weapons? If we even chose to *stop* all development, the Russians couldn't match our capabilities for 5 years. (Even if they could, we can only destroy each other once—not twenty times).

Also, with SALT II coming up, we should not be rushing ahead with more weapons when we are trying to negotiate to limit them. There is no credibility in this policy. We should instead declare a temporary moratorium on weapons development as a sign of good faith. I feel negotiations would proceed better with this approach.

And finally, why must we be so concerned about being No. 1 in the world in military might? We proved ever so forcefully in Vietnam that might does *not* make right. Why not instead spend the taxpayer's hard earned dollars on medical research and alternative energy sources and education—things that will directly benefit *all* the people, rather than wasting billions so some generals and the JCS can play with their new toys of destruction. I would rather be able to tell foreigners that my country was No. 1 in taking care of its citizens, rather than being No. 1 in being able to kill.

Whatever you and your fellow congressmen finally decide to do about the new budget, please at least take the time to hold serious hearings on the Pentagon's request. Please do *not* just pass this extravagant budget just for the sake of expediency. The whole world can still remember the price we paid for expediency in 1964 and the Tonkin Resolution.

Sincerely, and Peace,

BILL WARNER.

THE COPING CATALOG

Mr. MONDALE. Mr. President, I wish to call my colleagues' attention to a small, but remarkable, local voluntary health agency, the Washington Area Council on Alcoholism and Drug Abuse, Inc. WACADA was organized to educate, inform, serve as a referral source, and act as a watchdog in the public interest in the areas of addiction and abuse of alcohol and other drugs.

One of WACADA's many activities last year was to publish, for the first time in this metropolitan area, an 87-page addiction resource guide "The Coping Catalog," written and edited by Eleanor Edelstein. Mary Kidd, WACADA's executive director, describes the catalog as follows:

As the only independent metropolitan agency offering information and referral on all addiction problems, WACADA is uniquely qualified to publish The Coping Catalog. It offers not only a comprehensive listing of treatment resources in the metropolitan Washington area, but a number of informative "coping" articles designed to aid parents, employers, attorneys, friends and other family members, as well as the addicted person himself.

I ask unanimous consent to have printed in the RECORD a review of the catalog from the Washington Post of Thursday, February 14, 1974, entitled "The Coping Catalog." WACADA will update the catalog annually.

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

THE COPING CATALOG

(By Mario B. Schowers)

If you can't cope with the unpleasant reality of addiction—drinking, smoking, gambling or drugs—perhaps the Coping Catalog can help.

The Coping Catalog is the only guide of its kind in the metropolitan area. It lists resources available to persons afflicted primarily with alcoholism and drug addiction.

It was compiled by the Washington Area Council on Alcoholism and Drug Abuse, Inc., (WACADA). With the exception of police departments, "people have nowhere to turn," said Eleanor Edelstein, research assistant for WACADA and editor of the catalogue. "This guide tells a number of things they can do."

The catalogue contains a Niagara of information on problems that affect millions of people. It also, in the words of the editor, "pushes the idea that something can be done" to help combat the problems. "The idea of the hopeless alcoholic is changing," said Mary Spencer, WACADA's alcoholism program director. "People know that recovery is possible and are looking for places of help."

Both officials point out that they are recovered alcoholics.

Alcoholism, an enduring concern of monumental proportions in the U.S., affects an estimated 9.6 million Americans and drains the economy of more than $15 billion annually, according to a special report to Congress by the Department of Health, Education and Welfare.

In the District alone, alcoholism afflicts 129,000 persons. Miss Edelstein feels the problem has gotten out of hand because alcohol is not legally a dangerous drug and most people think "There's nothing wrong with Mom and Dad having some cocktails."

The staff members at WACADA said that society's attitude toward the drug alcohol must change. They pointed out that until people begin to realize that alcohol can be as addictive as heroin, and even more physically debilitating, alcohol will remain a problem; and with it ancillary traumas: homicides, drownings, suicides, auto fatalities and a host of other tragedies.

The catalogue presents a variety of agencies created to help eliminate addictions. Alcoholics Anonymous initiates a frontal attack on the problem. It is a fellowship of alcoholics and ex-alcoholics who help each other achieve and maintain sobriety. The only prerequisite for joining the organization is a desire to stop drinking. There are locations throughout the metropolitan area.

Alateen is a self-help group designed for young people with either alcoholic parents or simply an interest in the problems of alcoholism. For further information, write: P.O. Box 6283, Northwest Station, D.C. 20015.

The guide emphasizes alcoholism because, WACADA says, the abuse of alcohol by far exceeds the misuse of other drugs such as hallucinogens, narcotics and stimulants.

But the catalogue "covers all addictions." For example, Gambler's Anonymous is another self-help group patterned closely after Alcoholics Anonymous. It seeks through discussion to understand the reasons for compulsive gambling.

Narcotics Anonymous, which mirrors AA, views drug dependence as a disease that can be arrested but incapable of cure. Recovered drug abusers hold weekly meetings.

The publication also addresses itself to the smoking problem, which imperils the health of an estimated 52 million persons. Although the per capita use of cigarettes is down, the annual total of cigarettes smoked in the United States has gone up from 523.9 billion to 583 billion last year, according to the National Clearinghouse for Smoking and Health.

The American Cancer Society offers to individuals or groups one-hour no-smoking programs designed to educate them on the consequences of smoking. The program includes film showings, a question and answer period in which a medical person responds to questions from the audience, suggestions on how to quite smoking and the distribution of literature.

Says Thomas Medford, a D.C. program assistant for public education at ACS: "We confine ourselves to education. Our biggest job is to get the facts to the public, to alert the public to the dangers of habituation of smoking."

Medford feels that providing facts on its hazards helps people stop smoking. "We never stop trying," he said.

The Institute of Applied Natural Science, which claims a quit-smoking success rate of 60 percent, offers free sessions in hypnosis. "Basic principles of self-hypnosis and its application toward smoking withdrawal are taught," said Thomas Mirabile, executive secretary of the institute. Because of classroom space shortage, advance reservations must be made for the two-hour course.

The first half of class "helps the individual master specific techniques in actual hypnosis," he said. In the second half, "A technique called 'hypnotic induction or progressive relaxation induction' places the individual in a tranquil, relaxed state." In that mood, the idea of smoking withdrawal is inculcated into the student by the institute's director, Dr. W. Michaluk.

Robert Kaufman, who prefers a name in Sanskrit. Srutadeva Das, and who represents the Hare Krishna Temple's approach to the smoking problem, offers another means to end smoking.

"People try to gratify themselves through so many different ways. Habits are hurting rather than helping them." He believes "most people are trying to enjoy life on the bodily level; some are trying on the mental level; but the 'highest' enjoyment of life comes from the spiritual platform."

Mary Kidd, executive director of WACADA, said "the Coping Catalog is intended to assist anyone who has occasion to make referrals for people with addiction problems."

She feels particular notice of the guide should be taken by physicians, employers, counselors and social workers. The cost of the catalogue is $3. However, for indigent cases, the guide is available at no cost.

For information about the guide contact WACADA, 1330 New Hampshire Ave. NW., Washington. Telephone 202—466-2323.

Mr. MONDALE. I am familiar with the work of this dynamic and active organization and strongly believe that WACADA's efforts toward the prevention of alcohol and other drug abuse are important and worthy of support. I have in fact been provided with a most pleasurable opportunity to actively support the work of this fine agency.

On Sunday, April 21, 1974, at historic Ford's Theater, WACADA will present the first preopening, benefit performance of the award-winning musical "Don't Bother Me, I Can't Cope!" This outstanding musical revue, written by the talented actress/lyricist Micki Grant, debuted at a small loft theater off-Broadway where it provoked instant excitement. It came to Ford's Theater for a limited 4-week run in September of 1971. Once again, unanimously hailed by all the local critics as a smash hit, it left Ford's to tour the country. Its success became legendary in the performing arts. It was brought triumphantly back to New York, where it has been playing to sold-out audiences on Broadway for the last 2 years.

Upon hearing of "Cope's" return to Washington, several organizations have decided to sponsor benefit performances. On April 21, WACADA will launch the first of a series of benefit performances. I have joined, with many other volunteers, a special benefit committee to support this worthy effort under the able leadership of Mrs. Caspar W. Weinberger. Benefit tickets are $25 per person and may be purchased by phone or at the WACADA headquarters.

WACADA's choice of this play for their benefit was inspired by their own publication of "The Coping Catalog." Learning to cope is a people's problem and the play's title serves as a reminder of WACADA's very serious task of reaching the many who suffer from the illness of addiction. I urge my colleagues to become familiar with the work of WACADA, to support its programs, and to attend the benefit performance on April 21 at Ford's Theater.

THE HIGH COST OF BREAD

Mr. BELLMON. Mr. President, it is high time for the bakers of the country to reduce the price of bread to consumers.

A month ago the American Bakers Association was in the midst of a nationwide campaign to frighten the American public. The association went before television cameras in staged press conferences to say that we were going to run out of wheat before the new crop comes on in May and June. They said that wheat prices would skyrocket this spring. They drew word pictures of empty bread shelves, long lines at the bakery counter, and $1-a-loaf bread.

The thrust of their argument was that when the price of wheat went up, flour prices went up, and that an increase in raw material flour prices multiplied the costs proportionately all down the processing, shipping, and retailing chain.

They demanded that we cut off wheat exports immediately to stop this frightening thing.

At the time, the U.S. Department of Agriculture was assuring us that we were not going to run out of wheat, that there would be plenty of flour. At that time, there was only about 8 cents worth of wheat in a 40-cent loaf of bread—which represented only 20 percent of the cost of the loaf. The USDA properly claimed that wheat should not be blamed for the increase in the other 80 percent of the cost in a loaf of bread.

Mr. President, look at what has happened since the American Bakers Association cried "wolf" in press conferences all across the country: In the month's time, it has become increasingly clear—as the USDA has said—that there will be plenty of wheat.

At my local elevator in Billings, Okla., wheat prices have dropped from $5.76 a bushel to $3.77—a plunge of $1.99 per bushel, or 35 percent. The bakers, who were paying $16.15 per hundredweight for flour a month ago can now buy their flour for $12.00 per hundredweight, 4 cents a pound less.

Now, since there is about 1 pound of flour in a 1½-pound loaf of bread, the cost to the bakers of the flour to bake a family loaf of bread has dropped 4 cents. Using the bakers' own argument that an increase of 1 cent per pound sends other costs up proportionately, then a drop in the price of the flour must reduce the costs all down the line proportionately.

The very least that bread prices should drop is 4 cents per pound—equal to the drop in the cost of flour. And, using the bakers' own argument, bread prices should drop much more!

Mr. President, I call on the bakers to drop the price of bread to consumers. To refuse to do so would be an unconscionable breach of faith with the public and their customers.

If they do not cut bread prices in response to the drop in their flour prices, then they should publicly confess that their aim was to mislead the American

public. And they owe an abject apology to the American wheat grower.

COSTLIER ENERGY EFFECTS

Mr. HUMPHREY. Mr. President an informative article, "Costlier Energy's Effects," by Matthew Kerbec, appeared in the March 10 issue of the Washington Post.

The article points out that in 1973 farm gasoline and fuel oil costs increased by $650 million, and fertilizer prices increased by 37 percent in the 3 months after those prices were decontrolled last October 25.

We all are aware that the costs of fertilizer have gone up even more in recent months, and in many cases are now double that of a year ago.

An important conclusion of the author is that the effects of the energy price hikes will not be a one-shot affair but the first step in a chain reaction.

We can see what effect this will have on our entire economy. The author feels that the basis is being laid for economic disruptions as soaring prices and fixed incomes collide.

Mr. President, I commend the article to the attention of this body. 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:

COSTLIER ENERGY'S EFFECTS

(By Matthew Kerbec)

Only when you try to think of any raw material or product that does not contain a percentage of cost due to energy does the enormity of the consequences of sudden massive energy price hikes hit home. In January 1974, the wholesale price index for farm products and processed foods and feeds went up 8.2 per cent.

It is pertinent to see what part the price of energy has to play in raising farm prices. A basis for predicting how prices would increase in 1974 was provided by William E. Simon, head of the Federal Energy Office, when he appeared before the Senate Permanent Subcommittee on Investigations on Jan. 15.

He testified that on the average, the price of each gallon of refined petroleum products would increase by 10 or 11 cents a gallon in 1974 to offset the increased costs for a barrel of crude oil (42 gallons per barrel) due to pricing actions taken by the Cost of Living Council and the oil-exporting countries. What this will mean to the economy is a vital concern for all consumers.

According to a Department of Agriculture report, farms used 6.5 billion gallons of gasoline and fuel oil in 1973. With an increase of 10 cents per gallon, this means farm costs will go up a whopping $650 million. Even more important is the price of fertilizer which was decontrolled by the Cost of Living Council last Oct. 25 and went up by 37 per cent in three months.

A 1972 Census of Manufactures report shows that 43 per cent of the material cost of producing fertilizer is due to petroleum-based chemicals and natural gas. Essentially, this means that any large increase in energy costs will have a corresponding effect on fertilizer prices.

The total cost of fertilizer used on all farms in 1972 amounted to $2.51 billion while the cost of seed was only $1.071 billion. A 37 per cent increase in fertilizer will add an additional $928 million to farm costs. More than 29 million tons of fertilizer was shipped to farms; while data on gallonages and ton miles are not a available, there is no doubt they are significant.

The largest single farm cost is in corn and soybean livestock feeds which amounted to more than $8 billion in 1972. It takes about 18 months from seed planting to marketable livestock at the wholesale level which means the massive energy hikes already set in motion will not be felt until sometime in 1975. But the farm cost and price story has only begun. Grain for human consumption also must go through a complex marketing process.

Contrary to the opinion of some government economists, the effects of these energy price hikes will not be a one-shot affair. They are only the first step in a chain reaction that will be multiplied throughout the economic system. Four major cumulative inflationary effects of sudden massive energy price hikes are:

Agriculture and industry are responding to equivalent price hikes, which makes price controls meaningless. Energy-intensive industries such as growing and marketing food, steel, transportation, petrochemicals and generating power have to charge higher prices if they are to pay higher costs and survive. Actually, there is a cost for energy in every raw material and product, which makes energy problems different from any other commodity.

Higher prices have led to an 8.8 per cent inflation rate in the last year which will force the unions to ask for compensation packages in the 12 per cent range, driving prices still higher when firms again crank up prices to pay for wage increases. Once triggered, inflationary wage increases will create massive ripple effects of their own that will continue even if energy prices are cut back.

Reduced buying power caused by massive inflation will lead to inventory buildups and layoffs. Greater percentages of income will be spent for necessities and distort spending patterns. In 1972, there were more than 10 million families with average relatively fixed incomes of less than $3,500 per year. Families in this income level are hit hardest by the pressure of steadily mounted prices.

Demand for luxury products and non-essential items will decrease, leading to more layoffs that will affect the salaries and security of executives and workers at all income levels.

It should be clearly apparent to all elected and appointed government officials that the foundation is being laid now for disruptions to our economic system, for management-labor confrontations and possibly, anti-social acts by those relentlessly squeezed between soaring prices and fixed incomes. The largest contribution to inflation has been the energy pricing actions and policies implemented in the last six months, and the responsibility rests directly with the officials who fashioned and promulgated these prices and policies.

YESTERDAY'S DISASTER IN THE SOUTH AND MIDWEST

Mr. ABOUREZK. Mr. President, I was deeply saddened to learn of yesterday's disaster in the South and Midwest.

I have acquired experience on disaster the hard way. My own hometown of Rapid City, S. Dak., was devastated by a flood in June of 1972.

More than a thousand families were left homeless. Hundreds died. It was a severe blow to the area's economy.

The Members of the Senate and House responded with extreme generosity to appeals for help made by myself and Senator MCGOVERN.

Our gratitude continues.

I would offer, in whatever humble way possible, to assist any Member whose State or district has been stricken by this latest disaster. The experiences we had in Rapid City may well serve as a beneficial lesson to those Members who will be involved in recovery efforts, and I am willing to share all that I know with you.

For starters, we should move quickly on Senator BURDICK's new disaster relief bill.

In many important respects, that bill incorporates solutions to problems we had to overcome in Rapid City.

Chief among those solutions is a well-written plan for long-range reconstruction. Under present law, such programs are too often left to a catch-as-catch-can basis.

Another feature worthy of immediate consideration is the provisions of legal services to disaster areas. Many victims are low-income, elderly, disadvantaged or simply unfamiliar with the immense redtape, financial complexities, and bureaucratic onslaught which they will face starting today.

We found a competent legal services program to be absolutely indispensable.

Another feature provides for a sensible program to rehabilitate partially-damaged homes.

There is one respect in which the bill needs improvement, in my opinion at least.

You will recall that following the Rapid City and Hurricane Agnes disaster, Congress expanded the major disaster relief program of SBA and Farmers Home Administration loans to include a $5,000 forgiveness feature, the balance of the loan to be repaid at one percent interest.

We found this single provision to be the most important in terms of relieving financial hardship and uncertainty in the wake of disaster. It was generous and compassionate. That single provision, more than anything else, is what put the economy of Rapid City on the road to recovery.

Last year Congress repealed that provision and inserted a plan offering disaster victims one of two options: $2,500 forgiveness on the loan with the balance financed at 3 percent—or, a 1 percent loan.

My suggestion is that perhaps we ought to reconsider that action and adopt something more generous.

This afternoon I am sending a brief memo to every Member of Congress whose State was affected by yesterday's tragedy.

I apologize if it will seem presumptuous. All it intends to do is tender my offer of whatever assistance I can give, and to outline a few suggestions which grew out of my experience after the Rapid City flood, in hopes that you may find them useful.

Mr. President, the tragic outbreak of tornadoes which hit the Midwest yesterday underscores the need for strong, permanent disaster relief laws.

To my mind, to help in the face of disaster is a fundamental duty of any government. It is one of the primary reasons that people band together to form a common society. Our record in meeting

this fundamental governmental obligation has been spotty at best.

We need consistent, permanent laws that tell people exactly what they are entitled to in the way of disaster relief and provide that relief promptly and fairly.

CANADA-UNITED STATES GOODWILL WEEK

Mr. YOUNG. Mr. President, perhaps the best example of peaceful relations between two neighboring countries is the one that has always existed between the Dominion of Canada and the United States. My State of North Dakota is one which borders Canada and so I have more than a casual interest in relations between Canadians and Americans.

Typical of our relationship with Canada is the International Peace Garden, which is located north of Dunseith, N. Dak., and extends into Manitoba. One of the most impressive sights at the Peace Garden is a rock cairn, flanked by the flags of our two countries. The inscription on the plaque placed on this cairn reads:

To God In His Glory. We Two Nations Dedicate This Garden and Pledge Ourselves That as Long as Men Shall Live, We Will Not Take Up Arms Against One Another.

Kiwanis International, a service organization of which I am proud to be a member, for the past 53 years has sponsored during the month of April Canada-United States Goodwill Week. This observance by Kiwanians is the most widely acclaimed of all its fine activities.

For this year's celebration of Canada-United States Goodwill Week, officers of Kiwanis International asked the noted Canadian author and broadcaster, Mr. Gordon Sinclair, to write a special message to coincide with this special week. Mr. Sinclair is the author of the broadcast essay, "The Americans," which was first heard over radio station CFBR in Toronto and which won widespread and instant acclaim. I am advised the recording of his broadcast has now sold more than 3 million copies.

The April issue of the Kiwanis magazine contained Mr. Sinclair's special message, which is in keeping with the thoughts and tone of his recording. I want to commend the leadership of Kiwanis International for their outstanding work in helping maintain our excellent relationship with our neighbors in Canada. I hope nothing will ever occur that would detract in any way from this warm friendship.

Mr. President, I ask unanimous consent that Mr. Sinclair's essay for Canada-United States Goodwill Week be printed in the RECORD.

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

A SPECIAL CANADA-UNITED STATES GOODWILL WEEK MESSAGE

(By Gordon Sinclair)

Some Americans, in the opinion of this border-watching Canadian, are suffering a national nervous breakdown. It is not severe and they are already getting over it. But they have been abused, insulted, swindled, ridiculed, and kicked around so hard, so often, and so mercilessly in the past eighteen months that they are punchy—and no wonder. In reacting to ingratitude and slanderous reproach they have begun to forget or shove into the back of their minds some of the greatest achievements in man's history.

Let's take a short look at Pearl Harbor as a sample. On a quiet Sunday morning the Japanese swung a massive sneak punch that left American armed forces in the Hawaiian Islands blooded and all but helpless. Not demoralized, not crying but almost helpless. They picked themselves up, dusted themselves off, buried the dead, cared for the wounded, and set forth on the long costly road towards vengeance and total victory. The Americans built new ships and planes, raised and staffed armies, found the genius of such men as Nimitz and Halsey, and fanned out across the greatest of all great oceans to find the enemy who had hurt them and to defeat that enemy.

Having done all this—by offence not defence—they picked up the fallen enemy, restored his faith in the one thing that he could still cling to—the Royal Family of Nippon—and helped repair his country to the point where it became one of the greatest industrial nations on earth, actively competing with its benefactor. Seems to me that's typical of the way Americans do things. They knock them down as enemies then pick them up again.

Remember the Berlin Airlift? Berlin—there was a broken and divided city. On one side the West or non-communist forces—life was beginning to stir, rebuilding to move toward high gear, lights to shine. So the disapproving Russians decided to block off the one road serving West Berlin and starve the city. With the help of the Royal Air Force the Americans said "Oh no you don't" and they mounted the greatest airlift in world history. They flew everything from food to fuel into the beleaguered city, the very capital they had earlier set out to destroy—two cargo planes every minute except on those few occasions when weather made flying impossible.

But why, I wonder, is all that put in the back of the mind to be forgotten, a magnificent humanitarian achievement that is seldom mentioned.

In my own country we are beginning to dust off and reexamine some of our own great days, the building of the Canadian Pacific Railway as a sample. Through forest and rockland, across the great plains and the Rocky Mountains when there were no power shovels, air hammers, or diesel diggers it was surveyed on foot, built by men using horses with scoop shovels, timber cutters to make the ties as they went along, and their own strength. Not only did they bridge the rivers with timber trestles cut from the nearby forest but they finished that railway on time. The master builder was William Cornelius Van Horne . . . American born.

There are hundreds of cases where the people of this continent have fought nature, man, and evil forces. When they win they appear anxious to forget and go on to other things. In the 70's we have seemed to dwell on the negative in people and achievement. But, like I say, there are signs now that we in Canada and you in the United States are getting over it. And there is renewed recognition of the old slogan "He can who thinks he can."

STARVATION AHEAD

Mr. HUMPHREY. Mr. President, in its April 1 issue, Newsweek begins the article, "Running Out of Food," by pointing out C. P. Snow's warning of some years ago that we could in the not so distant future be watching people die of starvation on our television screens.

The theme of the article is that, in spite of our own feeling of security, the threat of starvation is a very real one, and probably much closer than C. P. Snow anticipated.

Various experts offer approaches to increase food production, ranging from expanding the acreage under cultivation, to using more fertilizer, and concentrating more effort on the developing countries.

In addition, changing weather patterns are cited as another factor leading to further instability in agriculture production trends.

This brief article summarizes a great deal of useful information on the problem of future food availabilities and the cavalier fashion in which we as a nation have refused to face up to it.

Mr. President, I ask unanimous consent that the article be included in the RECORD.

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

RUNNING OUT OF FOOD?

(Perhaps in ten years, millions of people in the poor countries are going to starve to death before our very eyes . . . We shall see them doing so upon our television sets. How soon? How many deaths? Can they be prevented? Can they be minimized? Those are the most important questions in our world today.)

When that apocalyptic warning was sounded by British author C. P. Snow five years ago, it was dismissed by many food experts as unduly alarmist. At that time, miracle seeds and fertilizers were creating a global "green revolution," and there was even talk that such chronically hungry nations as India would soon become self-sufficient in food. But today that sort of optimism is no longer fashionable. World stores of grain are at their lowest level in years—only enough to last for 27 days—and there are grim signs that the current shortage is not just a temporary phenomenon but is likely to get worse.

In the coming decades, some scholars believe, food scarcity will be the normal condition of life on earth—and not only in the poor countries but in the richer ones as well. Unless present trends are somehow reversed, says biologist J. George Harrar, "millions of people in the poor areas will die of starvation. But the affluent societies [including the United States] will experience dramatically reduced standards of living at home." Even Agriculture Secretary Earl Butz, a notorious optimist on the subject of food, concedes that Americans may have to substitute vegetable for animal protein. "We have the technology," Butz told Newsweek's Tom Joyce reasurringly, "to make better hamburgers out of soy beans than out of cows."

Even now, food shortages affect the entire world. In the last two years, famine has threatened India and visited widespread misery upon the sub-Sahara nations of Africa where an estimated quarter million people have died. Scarcely less shocking, half of the world's 3.7 billion people live in perpetual hunger. The industrial nations are swiftly buying up the dwindling supplies of food and driving up food prices so high that poorer countries cannot afford to pay them.

Prospects for the future are clouded by the old Malthusian specter of population growth. A year from now there will be 4 billion human beings on earth, and by the end of the century that figure is expected nearly to double to 7.2 billion. Food production is simply not growing fast enough to

feed that many mouths, and it is unlikely to do so in the decades ahead. A complicating factor in the race between food and people is the burgeoning affluence in such parts of the world as Western Europe, Japan and the Soviet Union. Rising expectations in these areas have bred strong new demands on the world's food supplies. More and more people want their protein in the form of meat rather than vegetables, and this in turn has driven up the need for feed grains for the growing herds of livestock. "Affluence," argues economist Lester Brown, "is emerging as a major new claimant on world food resources."

To meet this proliferating demand for food, insists John Knowles, president of the Rockefeller Foundation, "the world's basic food crops must double in the next eighteen years." The more positive thinkers among the food experts are convinced that this can be done—basically by expanding the area of land under production and by raising the output of crops on the cultivated areas. The world has the means to do the job, they argue—*if* the underproductive countries would order their societies a little better, *if* the richer conutries would pump larger amounts of capital and know-how into the less fortunate nations for the development of agriculture, *if* more irrigation and fertilizer were brought into play, *if* mankind would use its common sense.

Many students of the food crisis are far less optimistic. "We have just about run out of good land, and there are tremendous limitations on what we can do in the way of irrigation," contends Prof. Georg Borgstrom of Michigan State University. Economist Brown supports this view. "The people who talk about adding more land are not considering the price," he says. "If you are willing to pay the price, you can farm Mount Everest. But the price would be enormous."

Moreover, Brown and other experts do not expect the sea to solve the world's food problems. Huge fishing fleets have depleted many traditional fishing grounds, and the overall catch is declining. Anchovies, one of the major ingredients in animal feed, recently disappeared from the waters off Peru for two years—largely a result of over-fishing. Water pollution, too, is taking a heavy toll of fish life along the world's continental shelves. And much of the fish that is caught each year is being squandered. "Every year, Americans use tons of tuna fish in pet foods," one food expert points out. "But how much longer will we be able to afford the luxury of feeding our cats and dogs on food people could consume?"

Fertilizer, an essential element, is also becoming prohibitively expensive. Petroleum is a major source of fertilizer, and the towering price of oil thus has a direct effect on agriculture. Dr. Norman Borlaug, sometimes called the "father of the green revolution," has complained bitterly that Arab oil politics, aimed at the industrial countries, will eventually strike most heavily at the developing nations. "India," remarks Brown, "is really up the creek. As a result of the fertilizer shortage, grain production is likely to be off 6 to 9 million metric tons."

On top of all these problems, the world's farmers have been beset by weather conditions that threaten to dislocate food patterns around the world. According to some meteorologists, these changes in climate will probably be a long-range factor. For a variety of reasons, they point out, the earth seems to be cooling off, and this cooling process is causing a southward migration of the monsoon rains. This in turn is producing a dry-weather pattern stretching from the sub-Sahara drought belt through the Middle East to India, South Asia and North China. Even the U.S. could soon be at the mercy of the weather. Some meteorologists, are predicting a cyclical return to drought in the Great Plains States—possibly even dust-bowl conditions. "Even a mild drought in this tight supply situation," said one Agriculture Department official, "could be a disaster."

Over the years, the U.S. supplied a staggering $20 billion worth of food to needy countries under Public Law 480, the so-called Food for Peace program. But in recent years, the program has been allowed to wither, and with food demand rising around the world, American farmers—encouraged by the Administration—have flung themselves into the business of exporting food on a strictly cash-and-carry basis. In the fiscal year ending in June 1972, the U.S. exported $8 billion worth of farm products; last year the figure reached $12.9 billion; and when this fiscal year ends in June it is estimated that it will have zoomed to $20 billion. The U.S. now views agricultural products not as a giveaway item but as a way of earning the foreign exchange needed to pay for imports, including high-priced crude oil. "Food for crude" is the shorthand for the current policy at the Department of Agriculture.

With virtually all U.S. food surpluses committed to trade, not aid, it is difficult to see how the U.S. can continue to play its old role as provider of food to the world's hungry masses. And there are many people in Washington who do not see this as such a bad thing. "The worst thing we can do for a country," says a State Department official, "is to put it on the permanent dole. That would be an excuse not to solve its own problems, especially population. Now, our thinking is that feeding the world is an international problem, maybe one for the United Nations." That view was underlined last September when Henry Kissinger asked the United Nations to call a world conference on the problems of feeding the world. "No one country can cope with this problem," said the Secretary of State.

In response, the U.N. plans to hold a World Food Conference in Rome this November. Among the major proposals certain to be made are that the less developed nations discourage population growth and that the industrial nations work together to help feed the world's poor. Indeed, Dr. A. H. Boerma, the Dutchman who heads the U.N. Food and Agriculture Organization, has proposed a "world food reserve"—roughly like that of the Biblical Joseph, who advised the Pharoahs to store up grain in good years against future famines. But so far, the suggestion has been greeted with a total lack of enthusiasm in the U.S., Canada and Australia, the only countries in the world with significant food surpluses.

Resistance to an internationally controlled food reserve is easy enough to understand. Farmers fear that such vast stores of controlled food might, at some point, be unloaded on the world market, sending prices down in a dizzying spiral. And governments do not want to give up a formidable political weapon. In the politics of international food, agricultural may very well turn out to be the United States' ace in the hole. "We are not," declares one high-level Washington official, "going to throw that away too easily."

And so, to the very large extent, the U.S., as the greatest food producer in the world, will still be in a position to determine who gets food in the decades ahead; it will almost certainly be American food and American policy that answer the questions posed by C. P. Snow. "We are going to have some big moral decisions to make," says Sen. Hubert Humphrey. "We will be faced with famine situations in Africa, Asia and other parts of the world where there are victims of rising population and bad weather. But the question, I believe, is going to come down to whether Americans will be willing to cut down on their own consumption to help those poor people."

PROPOSED AMENDMENTS TO INDIAN HEALTH BILL

Mr. KENNEDY. Mr. President, earlier this year the Senator from Washington (Mr. JACKSON) introduced the Indian Health Care Improvement Act, S. 2938. This bill constitutes the first major piece of Indian health legislation since the Indian Health Service was transferred from the Department of the Interior to the Department of Health, Education, and Welfare in the mid-1950's, and it is accurately trained on the important health needs of the Indian people, which have heretofore been unmet. I commend the bill's sponsors for this valuable legislative effort.

Over the past few years, I have received a number of letters and calls on Indian health problems from various segments of the Indian community. Clearly S. 2938 responds to the wishes of those who see from day to day the problems encountered in Indian health programs—the gaps in Federal support, the manpower deficiencies, and ultimately the debilitating impact of inadequate health care on native Americans. These communications, along with my exposures firsthand to Indian community health and education and manpower training problems from Alaska to Arizona, has made me acutely aware of the serious unsatisfied needs of American Indians. The comprehensive approach reflected in the proposed bill is most welcome and necessary.

There are a few areas to which I would like to commend the attention of the Interior Committee, presently holding hearings on S. 2938, where additions to the bill might prove fruitful. I am not formally introducing my suggestions as amendments at this time, but I am proposing specific language so that the committee might consider these areas during its deliberations on the bill.

MENTAL HEALTH

There is a chronic lack of adequate mental health care programs on Indian reservations across the country. Too often Indians have left the reservation only to return in despair, after having encountered insurmountable problems in an alien atmosphere. And the struggle to maintain a meaningful and dignified existence is constant for those continuing to live under the grievously substandard conditions prevailing on some reservations. The overwhelming nature of mental health problems may be so great as to constitute a real threat to any attempt to significantly improve physical health care on reservations. One of the most expressive letters I have received on this subject was from a frustrated medical officer stationed at an isolated post on the Navaho Reservation. He wrote:

> Social, cultural and environmental obstacles would make good health care difficult no matter how many physicians or modern facilities were available.

The mental health amendments I propose would increase the authorization for title II from $123,500,000 to $148,700,000 and create 370 new positions over a 4-year period. These additional expenditures would provide assistance for the

most obvious of the unmet Indian mental health care needs in five major problem areas.

The first area of concern, alcoholism, is probably the worst problem facing Indians. There is a demand for projects designed to provide residential care, individual counseling, job placement, referral services, group therapy and Indian AA groups. The objectives of these programs are to increase public understanding and awareness of the problem, to change community attitudes, to support rehabilitation sources, to develop preventive programs for Indian youth, and to design education and training programs in the field of Indian alcoholism.

A second need is for the establishment of four inpatient mental health service facilities. Projects of this type would provide an Indian-oriented service for treatment of acute and long-term mental illness at lower costs.

The miserable conditions existing in many Indian boarding schools have been documented by many studies and reports, including the report of the Indian Education Subcommittee, and most recently by the National Advisory Council's first annual report to Congress. Therefore, it is clear that a third portion of the mental health fund should go toward the development of model dormitories. Each dormitory would be operated by a local Indian board and would be adequately staffed by Indian people encouraged to behave as parents, thus creating a credible substitute for family life. These dormitories would follow the pattern set by an earlier pilot project, which demonstrated that increasing the size of the staff and providing training and direction to ordinary Indian people can result in improvements in physical, emotional, and intellectual growth of the Indian children.

The fourth problem area also relates to boarding school conditions. Many of the children residing in these schools are delinquent, disturbed, or both. Because the boarding school atmosphere can only result in the deterioration of the condition of disturbed children, there is a critical need for a therapeutic residential treatment center for Indian children, and sufficient funds should be authorized for this objective.

The fifth and final category on the list of major unmet needs is the shortage of practitioners of traditional Indian medicine. Traditional training in mental health careers, now provided to a limited number of students at the Rough Rock School on the Navajo Reservation, is considered extremely valuable by Indian Health Service medical personnel and by the Indian community. The Northern Cheyenne in Montana and the Seminole in Florida have requested programs of this type; I understand the Navajo are even willing to put up $50,000 in tribal funds toward the establishment of an additional center providing training in traditional Indian medicine. Evidence of the positive results of this program warrants adequate funding by Congress.

URBAN HEALTH

Next, I want to refer briefly to title V of S. 2938, Access to Health Services for Urban Indians. There are several facts which should be considered by Congress in its determination of funding for the health care needs of urban Indians. For many years, the Federal Government has encouraged the relocation of Indians to urban areas for the purpose of obtaining training and employment. In fact, a report by the National Council on Indian Opportunity following a survey in 1968 and 1969 revealed that one-half of the Indian population in the United States is located in urban areas. The same report found Federal programs for urban Indians "seriously deficient in funds and in professional direction for economic, social, and psychological adjustment to an environment that is almost totally strange, impersonal, and alien." Specifically, many relocated Indian families have encountered health problems only to find that the resources of the urban centers are frequently inaccessible to them for various reasons. In light of these facts, I am proposing to amend the present language of the bill to remove the prohibition against the use of grant funds for primary services for urban Indians. Because of the relatively low funding authorization for and the time limit placed on programs authorized under this title, I believe urban Indians should be allowed free use of their ingenuity, subject to the terms of their contracts, to expand the scope of available health care to include programs similar to those serving reservation Indians. At the very least, Congress should allow urban Indian organizations to use grants as a catalyst for generating funds for direct services.

DIRECT CONTRACTS, RECRUITMENT, COORDINATION

Another proposal in these amendments would include in parts A and B of title I language allowing the Secretary to contract directly with Indian tribes and organizations in order to minimize bureaucratic participation and administrative expense and to maximize Indian participation in and control of the programs funded under these parts. This language is similar to that incorporated in the Indian Self-Determination Act.

In recognition of the increasing shortage of Indian Health Service medical personnel and the critical need for other Indian health care professionals, I propose to amend part A of title I to provide for recruitment efforts to be carried out by qualified Indian personnel.

I feel amendments requiring coordination between the Indian Health Service and the Bureau of Indian Affairs particularly in the area of mental health, are necessary to avoid the traditional tendency of federally funded programs, administered by different agencies and authorized by different legislation, to overlap, duplicate, or even conflict with one another. For example the kind of coordination proposed would be particularly desirable where IHS personnel function in a BIA-owned health care facility.

MISCELLANEOUS

I am also offering an amendment which would permit use of Indian hospitals to non-Indians in remote areas on a fee-for-service basis, after Indian needs are met, and only with tribal consent. This arrangement was proposed by Senators BIBLE and CANNON in S. 1800, relating to the Duck Valley Reservation. It would allow health care to be provided to people in remote areas who might not otherwise have access to adequate medical care, and it would generate additional revenue to supplement the inevitably inadequate budget of the Indian health care facility.

On page 6, line 1 of the bill I propose additional language that would allow the Secretary to certify schools that he is satisfied meet criteria for adequate training in the allied health professions. The intent of this amendment is to grant eligibility under part A of title I to students receiving health care training in an Indian-run or Indian-controlled institution not licensed by a State.

Another proposal would authorize the Secretary to lease Indian-owned facilities directly. At present, if the Public Health Service wishes to lease Indian property or facilities for more than 1 year, the lease extension must be granted under the authority of the General Services Administration. That agency hesitates to grant lengthy extensions, as its policy is to encourage competitive bidding, a process which usually works against Indians. My proposal would remedy this situation and would increase stability of tribal revenue.

I am also suggesting a technical change in the language authorizing the preparatory scholarship program funded under part B of title I for the purpose of conforming that part to the language of the health professions scholarships program funded under part A of the same title.

Finally, I propose that the need for facilities for caring for the elderly be included in the "Findings" section of the bill as an unmet need. It is my hope that specific approaches to providing additional emphasis on this problem area will be considered in the hearings on this legislation.

Mr. President, I ask unanimous consent that these proposals be printed in the RECORD.

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

On page 11, line 10, strike out "$123,500,000" and insert "$148,700,000".

On page 12, between lines 17 and 18, insert the following:

"(3) Mental health: for fiscal year 1975, $9,125,000 and eighty positions; for fiscal year 1976, $7,925,000 and one hundred thirty positions; for fiscal year 1977, $7,125,000 and eighty positions; and for fiscal year 1978, $1,025,000 and eighty positions;".

On page 12, line 18, strike out "(3)" and insert "(4)".

On page 10, line 4, beginning with "premedical", strike out all through the period on line 5 and insert the following: "preprofessional course of study in any one of the fields listed in section 102(a)(1) of this Act.".

On page 6, line 1, immediately after "State", insert "or certified by the Secretary".

On page 9, between lines 10 and 11, insert the following:

"SEC. 104. The Secretary is authorized to enter into contracts with Indian tribes or organizations for recruitment of Indian professionals to participate under this part. Such recruitment program shall be administered by qualified Indian personnel."

On page 9, line 11, strike out "104" and insert "105".

On page 9, line 22, strike out "105" and insert "106".

On page 10, line 17, strike out "106" and insert "107".

On page 23, after line 25, add the following:

"SEC. 602. Subject to the consent of the affected Indian tribe, the Secretary is authorized and directed to take such action as may be necessary in order to make available the facilities of United States Public Health Service Indian hospitals for the purpose of providing nonemergency medical care on a fee-for-service basis to non-Indians living within an approximately fifty-mile radius of any such hospital.

"SEC 603. Notwithstanding any other provision of law, the Secretary is authorized, in carrying out the purposes of this Act, to enter into leases with Indian tribes for periods not in excess of twenty years.".

On page 24, line 1, strike out "SEC. 602." and insert "SEC. 604.".

On page 24, line 6, strike out "SEC. 603." and insert "SEC. 605.".

On page 9, between lines 19 and 20, insert the following:

"SEC. 104A. Notwithstanding any other provision of this part, the Secretary may enter into a contract with any Indian tribal government or tribal organization recognized by the tribal governing body to carry out any or all of his administrative functions, authorities, and responsibilities under this part.".

On page 10, between line 15 and 16, insert the following:

"SEC. 105A. Notwithstanding any other provision of this part, the Secretary may enter into a contract with any Indian tribal government or tribal organization recognized by the tribal governing body to carry out any or all of his administrative functions, authorities, and responsibilities under this part.".

On page 17, line 9, delete "outreach".

On page 18, line 13, delete "outreach".

On page 18, line 16, strike out "the means of" and insert "assist urban Indians in".

On page 18, line 20, delete "not to provide" and insert "to provide advisory and consultative".

On page 18, line 20, beginning with "but", strike out all through "Indians" on line 21.

On page 18, line 22, immediately after "of", insert "gaining".

On page 2, line 5, immediately after "services", insert "and care for the elderly".

On page 23, line 15, immediately after "Secretary", insert a comma and the following: "in coordination with the Secretary of the Interior,".

On page 23, line 18, immediately after "Secretary", insert a comma and the following: "in coordination with the Secretary of the Interior,".

On page 24, line 5, immediately after the period, add the following: "The Secretary, in carrying out the purposes of this Act, shall coordinate his efforts with the Secretary of the Interior.".

On page 24, after line 7, add the following new section:

"SEC. 606. (a) There is hereby established within the Department of Health, Education, and Welfare the Indian Mental Health Review Board (hereinafter referred to in this section as the 'Board'). The Board shall be composed of eleven members who shall be appointed by the Secretary. Not less than six members of the Board shall be Indians. The Board shall select a chairman from among the members thereof.

"(b) Members of the Board shall receive $125 per diem when engaged in the actual performance of duties vested in the Board, plus reimbursement for travel, subsistence, and other necessary expenses incurred in the performance of such duties.

"(c) The Board shall consider the mental health problems and needs of all Indians, and the mental health implications with respect to all Indian programs, and shall, in cooperation with the Secretary of the Interior, carry out a comprehensive review of all mental health problems and needs in connection with Federal Indian schools. On or before the expiration of the twelve month period following the date of the enactment of this Act, the Board shall report its findings, together with its recommendations, to the Congress.

"(d) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section.".

THE VOCATIONAL EDUCATION INDUSTRY

Mr. BROOKE. Mr. President, yesterday morning an extraordinary series of articles on the current status and practices of the private profitmaking vocational education industry was concluded in the Boston Globe. I found the series not only illuminating but distressing in the extreme. Many young people, and particularly Vietnam veterans, are not receiving the education and educational benefits they are promised by these schools, and millions of dollars of the taxpayers' money, through the various programs of the Veterans' Administration and the Office of Education are being wasted. These revelations, Mr. President, demand of us a response equal to their importance. At this point, I ask unanimous consent for the printing of the entire series in the RECORD.

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

[From the Boston Evening Globe, Mar. 25, 1974]

MANY CAREER SCHOOLS TURN EDUCATION INTO A FAST-BUCK INDUSTRY

Vocational education has evolved into a $2.5 billion annual business in the United States largely through the use of high-pressure salesmen, questionable advertising and the failure of government regulation at all levels, a four-month investigation by the Globe Spotlight Team has found.

And the principal victims appear to be young veterans—up in the air about their future but with lots of GI benefit money to spend—and underprivileged youths, frequently from minority neighborhoods in big cities.

Private vocational schools are an important part of this country's post-secondary education needs. And many have excellent programs, sucessfully mixing profit and education without cutting corners to stay out of the red.

However, the career-training field has been cornered by a profitmaking school industry which is dominated by a fast-buck mentality that sees students as dollar signs.

This highly profitable, publicly subsidized market has exploded in the past five years; spawning a plethora of unscrupulous correspondence and resident "career" schools that take the money and ignore the student.

While stacks of studies cite the urgent need for training highly skilled young workers for the nation's technical industries, many private vocational schools are simply bilking students instead of preparing them for such jobs.

And although the Federal government spends billions to underwrite short, career-oriented courses for youths not going to college, it has been a demonstrable failure in regulating the quality of the education being offered.

The Globe investigation has found the industry to be marked by overzealous management which pushes commissioned salesmen to enroll generally unqualified students in courses of dubious value. Many students do not finish and many others wind up in debt with no marketable skill.

Some schools concentrate sales drives in poor inner-city sections where success is peddled on an instalment plan.

Members of the Spotlight Team posing as prospective students and interviewing hundreds of students, salesmen and executives, found the private correspondence and resident trade schools surveyed to be selling expensive, virtually worthless courses.

These schools purport to teach everything from computer programming to upholstery, from truck driving to law, from home building to jet-engine repair. They cost anywhere from a few hundred to several thousand dollars.

One expert, a fiscal consultant to several proprietary schools, estimates that more than half the 10,000 profit-making schools in the country are "predatory," and a high Federal official concedes there is unchecked "widespread victimization" of students.

The need for technical training is attracting many large corporations who are selling education like toothpaste through slick advertising campaigns.

Commissioned salesmen, competing for prizes and cash bonuses, are frequently using Federal funding programs, designed to aid veterans and the needy, as selling tools to sign up anyone willing to pay for schools with phony placement service and astronomical dropout rates.

In Massachusetts, one private vocational institute uses a standard sales slogan that refers to the students as "asses in the classes," and other proprietary schools in the state use phrases like "hit the dummy market."

Today's instalment in the Globe Spotlight Team's series on private vocational education deals with ITT Tech, the largest technical training school in Massachusetts, which is owned by the International Telephone and Telegraph Corp.

[From the Boston Evening Globe, Mar. 25, 1974]

ITT TECH WATCHES PROFIT, PUTS QUALITY TRAINING IN BACK ROW

A Boston institute, owned by the giant International Telephone and Telegraph Corp. (ITT), has become the largest private trade school in Massachusetts while using misleading advertising and a highly deceptive sales force and flouting state education and consumer laws.

Although it heralds its courses as the doorway to financial success, the school, ITT Technical Instiute, has a demonstrably dismal record of training students for careers in their field of study.

Located on Commonwealth avenue, Brighton, ITT Tech has been offering about a dozen technical, automotive and health assistant courses for six years to the growing number of young people seeking a career alternative to four years in college.

The acid test of such vocational training is how many students finish the school's courses and how many are placed in related jobs.

However, statistics provided The Globe and the state Education Department show that about seven out of ten students who enroll at the school drop out and only half of those who graduate are placed in jobs. By contrast, comparable public nonprofit institutions show a 90–95 percent success rate in graduation and job placement.

ITT Tech, like the multibillion dollar corporation behind it, is understandably in

business to make money. However, it appears its pursuit of profits is often to the detriment of quality education.

The high $2000 cost for the one-year courses has translated educational services into a $15 million enterprise for the company.

But there is little semblance of academe at ITT Tech. Few of its 30 teachers hold bachelor degrees, its library is meager, classrooms dirty and in some cases ill equipped. Moreover, the highest paid employees at the school are not the instructors who teach the 1000 students, but the salesmen who convince them to enroll.

With the school's operation geared to making a profit, quality instruction has been consigned to the back row. With an accountant's cold, clinical eye, courses pay off or are cut loose.

The head of the company's education division is in fact an accountant and not an educator. Richard A. McClintock recently described his past corporate duties succinctly: "I count beans." Now he counts students—and ITT Tech is out to enroll as many as possible.

"As far as I can see, they'll sign up anyone," one instructor told The Globe. "As long as you have the deposit, they'll take you no matter what your qualifications or capacities are."

Persons interested in an ITT Tech course are referred to as "sales leads" until they sign up.

Faculty resentment over the signing of unqualified students at the school reached a peak last year when one instructor threatened to quit unless he was allowed to interview every prospective student signed for his class before the semester began.

Student resentment is also evident. A list of grievances was presented by some students to administrators last summer complaining of dirty halls and classrooms, broken equipment in labs, filth in the cafeteria, and defective air conditioning and ventilation at the school, which promotes itself as a million-dollar facility with modern equipment and conveniences.

No action was taken on the grievances, according to the students, and the school official they presented them to, Dr. Julius Batalis, now principal of Athol High School, refused to talk to The Globe.

Students said they had not demonstrated publicly against the physical and educational conditions at the school because the ITT Corporation could retaliate by revoking the low-interest federally-insured loans it obtains for the students to pay tuitions. School officials say such fears are groundless.

A four-month investigation by the Globe Spotlight Team into the quality of education offered by the 100 licensed profit-making training schools in Massachusetts, included research into the operation of ITT Tech. It found:

ITT Tech has one of the highest student default rates for federally-insured loans of any school in Massachusetts.

ITT Tech conducted a concerted drive to enroll students from numerous ghetto neighborhoods in Boston last November using phony telegrams that the Better Business Bureau had previously warned the school were "unfair," "deceptive" and against state and Federal laws.

The school's massive promotional campaign includes television and newspaper ads which have been used before being submitted as required by law to the state Education Department. When some of the ITT ads were brought to the state's attention by The Globe, they were found to be questionable.

Many of ITT's instructors have taught at the school for months without having their qualifications checked, as required by law, by the Education Department. This delay stemmed from laxness by the state and stalling by ITT Tech's director.

ITT salesmen, in standardized presentations to prospective students, routinely and improperly misrepresented vital features of the school's courses and completion and job-placement success.

Unlicensed by the state due to a loophole in the law, the salesmen are paid entirely by commission. For every student they enroll, the salesmen receive a $100 commission which is paid for by the student who is told the money is instead a "registration fee" like those paid at colleges.

School officials say that deception by ITT salesmen is "not a problem." However, the files of the state attorney general, the Education Department and the Better Business Bureau all contain complaints about deceptions by various ITT salesmen.

Three members of the Spotlight Team posed as prospective students and found that misrepresentation by ITT salesmen was the rule rather than the exception. Here are some examples:

Salesman Dexter Bishop told one caller seeking information about the mechanical drafting course that 80 percent of the course's graduates are placed in related jobs and that "just about everyone who starts the course finishes it."

In fact, only about three out of ten who enroll in the course have graduated, and only seven out of its 27 recent graduates, or 27 percent, have found jobs.

Salesman George Zack promoted an electronic engineering class as having a dropout rate of between five to ten percent. In fact, the only figures the school has on the course indicate a dropout rate of more than 80 percent.

Salesman Edward Calamese started his pitch on the medical assistant course by stating that "all of the graduates" are placed in jobs. School figures provided The Globe indicate that only 50 percent of the course's graduates find jobs in the field.

Salesman Robert Sousa assuaged the prospective student's fears of dropping out of a dental assistant class by saying that "only one or two girls a class leave." In fact, 85 girls have dropped out of the school's five dental classes in the last two years, an average of 17 girls per class.

False statements by school salesmen are considered a serious enough problem for the state's Consumer Protection Act to prohibit specifically the misrepresentation of a course "in any . . . material respect," including the course's influence in obtaining employment for its students. Neither ITT nor any of its salesmen have ever been prosecuted under the law.

False statements are also considered serious by the ITT Tech official who oversees the Boston salesmen. The official, Francis C. Curran, told a prospective student he is constantly on guard for misrepresentation by his salesmen.

"If any of our men did not represent a course precisely, he wouldn't be with ITT," he said. In his next breath, Curran exaggerated the school's success in placing automotive graduates by almost 30 percent.

A fast-talking former salesman, Curran is now second in command at the school, holding the curiously interchangeable titles of director of marketing and director of admissions. He even narrates some of its television ads.

Curran admits to spurring on his sales force to recruit more students with such phrases as "Get the asses in the classes."

GLOBE. What does that mean?

CURRAN. It means "students in the classes." . . . Our philosophy here is to get students into the classes.

But there are never enough students for ITT Tech. They recently advertised for three new salesmen. A Spotlight Team reporter answered the ad and in an interview for the job by ITT sales supervisor Donald MacCalmon was given a rare view of what is expected of their salesmen. MacCalmon contradicted official statements later made by the school that salesmen are constantly briefed and provided the latest information on ITT courses.

"You don't need to know much about the course—just how much it costs and when classes begin," MacCalmon said. "You have a canned speech you use with every lead; it's orderly, it's consistent and what's best, it works."

In an interview with The Globe, school director Charles Feistkorn, who resigned shortly before publication, defended his operation of the six-year-old school: "We have a good school here and good courses. When you have an excellent product like this you don't need to misrepresent." And he boasted of an overall completion rate of 52 percent.

However, of the 3500 total students enrolled during the last three years at ITT, figures show that only about one out of three have completed the course.

Its overall completion rate would be even lower were it not for its 50 percent success in training automotive repairmen at its garage in Chelsea.

Most startling is the fact that fewer than 15 percent of the 1400 students who have enrolled in its eight technical courses since 1970 have graduated, according to data in the school's latest report to the Education Department. The remainder either dropped out or failed to attend class.

Feistkorn also has defended the school's placement procedure. In 1971, he told the state that "each student" is interviewed by the school's Office of Student Affairs and its director, David Brockmeyer, on job opportunities.

This was false, many ITT graduates told The Globe. They had never been interviewed for job placement and said that Brockmeyer, a former semiprofessional football player, spent most of his time coaching the school's sports teams. The school says it has no record of placement statistics for much of Brockmeyer's tenure.

The present placement director, Victor Kissal, also has a background in sports. Before coming to ITT last March he was publicist for the Eastern Massachusetts Small Colleges Assn. At ITT, he is also responsible for sports, but he claims he has had time during the last year to place about 65 percent of its graduates.

His claim was deflated by a present ITT instructor who told The Globe: "I don't know what type of jobs these kids are being placed in. This school has no rapport with industry. The jobs certainly are not the 'high-paying' ones as advertised."

Far greater success in the training of students and placing of graduates has been experienced by the several public vocational institutes run by local communities or regions. At two of the schools, Quincy Vocational Technical School and the Blue Hills Technical Institute, courses similar in content but lower in cost than ITT's have completion and placement rates of up to 95 percent.

Some contrasts:

An architectural engineering course at Blue Hills Institute last year had 16 students start. Thirteen students, or 82 percent, graduated from the course. ITT's latest architectural engineering class had 77 students enrolled. Only seven graduated, or about 9 percent.

At Quincy Vocational Technical School, the latest electronics technology course had a 90 percent completion rate. The rate for the latest ITT course was 36 percent. Dental assistant courses at the Quincy school in the last three years have had a 92 percent completion rate, while the course at ITT has graduated less than half that percentage.

There are 28 such public schools in the state. All are nonprofit and maintain a limited enrollment. High school graduates seeking admission must show some capacity toward the field of study before acceptance. Such screening of prospective students is lacking at ITT Tech, several former and present instructors said.

"The school looked at the prospective student not to see if he had the capacity to learn anything, but did he have the capacity to pay his tuition or his loan," one former instructor said. "The school's philosophy was 'Sign the kid up. Tell him anything but get him signed up.' "

School Director Feistkorn said that each student is now given a qualification examination before being enrolled. But only a fraction are rejected, since the student must exhibit only an 80 IQ to pass.

Further, Feistkorn said, the decision to admit a student to the school was "not made by the salesman and it shouldn't be." However, he was unable to explain why the school's sales director, Frank Curran, is also its director of admissions.

More than half the communities in the state have no vocational institute for their high school students, and ITT Tech is trying to contract with them to provide the training. "We're out to get the public sector," Neil R. Cronin, recently retired president of ITT's Educational Services division told The Globe.

The recruitment drive, in the guise of public service, would bring hundreds of students into ITT. The school joined an association last year that hired a lobbyist and filed legislation which would have had the state pay for the high school students' tuition at ITT. The bill was killed, but could be revived in the future.

However, the public did pay ITT Tech $62,353 last year to train 76 students sent to the school by the Massachusetts Rehabilitation Commission (MRC). Comr. Russell E. O'Connell of the MRC said his agency makes no official check of the quality of the schools before recommending them to students.

Prospective students are enticed to enroll at ITT by having their tuition paid by a federally-insured loan.

ITT salesmen were found to use the loan forms like personal calling cards. When a Globe reporter sought a loan, an ITT salesman improperly filled out the program's Federal forms.

The reporter gave a family income that made his eligibility for the entire program questionable, but salesman Alan Brown told him, "That's all right," and put down a lower income figure on the official form.

With the loans insured by the U.S. government, ITT enjoys a no-risk proposition. If a student defaults on his loan—that is, refuses to pay it back—the school simply waits 90 days and informs the Federal government. The government then reimburses the school the entire amount of the default. Five percent of all defaults in Massachusetts come from ITT students although more than 200 schools in the state participate in the program.

But cracks have begun to show in the program. The high amount of defaults coming from students from proprietary schools such as ITT has caused Federal education officials to reconsider the program.

The officials said there was a direct correlation between the quality of education provided by particular schools and the number of students who default. "As the education standard decreases, you'll find an increase in defaults," David Bayer, acting director of the program, said.

However, ITT corporate executives disagree. Neil Cronin, in an interview before quitting the firm, blamed ITT's high default rate on the high number of minority students who attend the schools. "And you know, the low groups, the low socio-economic kids come in and they're not inclined to pay. They are used to seeing the generations before them go on welfare."

It is not an accident that a high number of persons from lower economic classes attend ITT.

Last November the school made a blatant effort to recruit students from neighborhoods in Roxbury and the South End.

About 17,000 persons were informed they had been "selected" to take a test at ITT for "our special scholarship program." The entire campaign appears, however, to have been fraught with deception, as the "telegrams" were in fact plain letters sent through the mail.

The recipients of the phony telegrams had not been "selected" by any personal achievement but rather by their zip codes. The "special scholarship program" consisted of but four scholarships to the school. Only one has since been awarded.

Weeks before, in late September, ITT began a similar recruiting drive by sending out phony telegrams with only the words "Call me," the phone number of the school, and a salesman's name on it.

The Better Business Bureau learned of the telegram, investigated and found its use was unfair, deceptive and against the state and Federal Consumer Protection laws. The BBB attorney expressed this opinion in a letter to ITT's lawyer.

Two weeks later the school sent out its second onslaught of phony telegrams exclaiming its "special scholarship program."

By law all such advertising and recruitment brochures must be submitted before being used to the state Education Department. But they were not—and Joseph DeRosa, the state official responsible for supervision of the trade school law, says he was therefore unable to check them for possible deception and misrepresentation.

DeRosa has not seen or approved many of the ads that ITT is supposed to file with him by law before using daily in newspapers like The Globe and nightly on television stations such as Channel 56.

Most of the ads tell of high-paying jobs waiting for graduates of ITT courses. "The jobs are waiting, the salary is good," states one ad for the heating and air-conditioning course. "One of these (173,000) new jobs can be yours if you start training now at ITT," states another for automotive mechanics. "If you'd like to become a dental assistant, ITT can make it happen," exclaims a third.

Incredibly, DeRosa says the "onus" is on ITT to submit its ads for clearance and he "hasn't got time" to monitor television and newspapers to see which ads the schools are running. There is a maximum fine of $500 for running ads before filing them, but ITT has never been questioned on the issue.

Nor was the school questioned by DeRosa last year when it failed to file its financial profit and loss statement as required by law. Feistkorn, the school's director, wrote that the statement was "very bulky" and could not be sent to DeRosa with ITT's license renewal application.

The "very bulky" statement—filed after The Globe threatened the Education Department with suit to obtain it—turned out to be one-page long.

But its contents showed that in 1972, ITT Tech had spent more than a quarter of a million dollars on advertising, promoting and selling its courses, almost $200 for every student it enrolled that year.

The school was also remiss in filing the names and qualifications of its teachers, as also required by law. The Globe found a pattern of ITT instructors teaching at the school for months at a time without their qualifications being first submitted to the state. ITT Director Feistkorn blamed the failure on the school's former education director, who he said "was not good on detail."

However, last Sept. 4, Feistkorn himself wrote DeRosa that "pending your approval" the school was considering hiring a new instructor for its heating and air-conditioning class. In fact, the instructor had been teaching at the school for nearly a year, having been hired in November 1972.

The school's failure to file the teacher qualifications on time was upsetting to state Trade School Supervisor DeRosa.

"I admit it's a real bitch," he told The Globe. "They've really been dragging their feet on this one."

ITT Health-Assistant Courses Prove Costly, Bitter Lessons

In single-file the young women walked quickly up to the stage to accept their diplomas. Dressed in crisp, white uniforms, each girl cradled in her arm a red rose, a fragile symbol of her graduation from ITT Tech.

The young women should have been about to enter the health professions because they had successfully completed their one-year course in medical or dental assistance. But for many the only thing the future would bring was a $2000 bill from the school.

The expert instructors, the modern equipment, the training programs, the countless well-paying jobs they had been promised by the school and its salesmen had wilted and disappeared as the roses would after that August graduation night.

One graduate recalls: "When I went up on the stage to receive my cap and diploma, I knew I was never going to wear it. When I got back to my seat, I took off my cap and I haven't worn it since. They didn't teach me anything, so how could I get a job?"

The medical and dental assistant courses attract 200 women a year to ITT Tech on Commonwealth avenue, Brighton.

No Federal or state agency approves any health assistant course, and ITT's courses have also not been accredited by professional societies evaluating the two fields. Yet, courses are a mainstay in ITT's big business of selling vocational education.

From interviews and personal experiences, the Globe Spotlight Team learned that misrepresentation by the school and its salesmen is a frequent occurrence in enrolling women in the courses.

An advertisement the school has been running on Boston television several times a week promotes its medical assistant course as including training at "one of the world's most respected private hospitals located right here in the Boston area." ITT salesmen identify the hospital as the Peter Bent Brigham in Roxbury.

However, the school has no training program with the Peter Bent Brigham Hospital at the present time. For less than eight weeks last summer, several students were "volunteers" at the hospital, but the program was canceled by the hospital after reported unresponsiveness by the school and the students.

"It was one of the worst experiences of my life," Mrs. Jacquelynn Hunt, director of volunteers at the Brigham Hospital said of the program. "The ITT girls all thought they would be doing nurse's duties and when I told them it would be routine work, they lost all interest. The school led those girls astray."

Months after the program had been discontinued by the hospital, the school was still running the ad on television and ITT salesman Edward Calamese was trumpeting it in this fashion: "You'll be working on the wards of the Peter Bent Brigham. You'll be giving shots, doing everything a nurse does."

The short-lived program has been used by the school for more than soliciting unwary

young women. School Director Charles Feistkorn listed the working agreement with the hospital as a major reason to state officials to have the course approved for the subsidized training of veterans.

Approval from the Veterans Administration (VA) for the course had been denied last July after a review of the curriculum and facilities by a team of medical and dental experts. Feistkorn was upset by the rejection and appealed the decision.

At the August appeal hearing before VA Approval Agent James E. Burke and state Vice-Chancellor of the Board of Higher Education Graham R. Taylor, Feistkorn cited the hospital program and also claimed the school had a "registered nurse and a doctor on its staff." He is also quoted as saying he had been a superintendent of a public school system in Ohio before coming to ITT in Boston.

In fact, two of the impressive claims were inaccurate and a third was misleading. Feistkorn has never been a public school superintendent. There is no registered nurse on their staff, although Mrs. Elizabeth Murphy, chief medical instructor, is listed as one in the school's catalogue. She is only a licensed practical nurse which requires much less skill and training.

And the doctor Feistkorn boasted about is a graduate of a medical school in the Philippines who is not a registered physician in Massachusetts and cannot practice medicine here.

But the state officials checked none of the claims Feistkorn made at that August meeting, and two months later, on October 10, 1973, Burke told the school its medical assistant course was approved for veteran training.

In September, about a month before it received its veteran approval, the school was informed by Peter Bent Brigham that its training program was being discontinued.

Although he had used the hospital program as a major selling point at the meeting with state officials, Feistkorn did not inform them when the crucial program was disbanded in September. VA agent Burke did not learn of the action until told by The Globe.

Asked about Feistkorn's activities, Burke said, "I guess I shouldn't have taken him at his word. I took him at face value . . . I guess I was naive." (Feikstkorn resigned as school director shortly before publication.)

Neither ITT course in medical or dental assistance is accredited by the professional associations in the two fields.

"The accreditors would have laughed in our face," a former dental assistant instructor said, "When I first came to the school, the girls were being taught without a formal curriculum. They were being instructed on whatever came into the teacher's head."

With its dental assistant course unaccredited by the American Dental Assn., ITT graduates cannot take the exam to become certified professionals, it is a crippling disadvantage when the graduates go looking for jobs.

Of the 236 students who have enrolled in the courses in the last two years, only 52, or 22 percent, have found jobs. In stark contrast, Northeastern University's dental assistant course, which is accredited, has placed 85 percent of the 334 students it enrolled during the same period.

Moreover, like all of the 13 schools which offer accredited dental assistant courses in Massachusetts, Northeastern's program costs much less than ITT's course.

The contrasting statistics take on a tragic tone when interviewing the numerous ITT graduates who have been unable to find the jobs the school had promised on graduation.

"Everywhere I went looking for a job it was the same question, 'Are you certified?' What could I say?" one graduate said, "I guess I was fooled by their being part of a big corporation. Well, the course was expensive, but I got nothing out of it but a big bill which I couldn't pay off because I could not find a job."

One girl found her ITT training so unsatisfactory that after graduating she enrolled in Northeastern's course so she could find a job. She says she recently called her high school counselor and advised her not to recommend ITT Tech's dental assistant course to any students.

The word appears to be getting around. An official of the state Board of Dental Examiners told a prospective student recently to "stay away from unaccredited courses like ITT's."

What the course lacks in substance, the school and its salesmen try to make up for in their promotion.

"Calling All Girls," one ITT health assistance ad appearing in The Globe begins. "Why settle for a humdrum office and secretary's salary—when exciting openings in industry and the professions are waiting to offer you more money to start, faster advancement, more interesting and challenging work."

ITT salesmen pick up where the ad leaves off. "We have the equipment here to teach you everything you need to be valuable to a dentist," salesman Robert Sousa told a prospective student recently as he showed off the school's new $20,000 laboratory. "You'll be able to clean teeth, take mouth impressions, take X-rays and all that once you finish our course."

The duties Sousa outlined are all beyond the scope of a dental assistant, and doing the work he described would put the dental assistant in violation of state law.

The prospective student—a Spotlight Team member—was then given a qualifying examination which she was told would determine if she could take the course.

A former dental instructor had previously told The Globe that the school "loved to sign up the unqualified girl. They were easy marks for the salesmen who were just interested in getting their commissions."

Purposefully, the reporter answered more than half the questions wrong, giving her a mark well below the national average. But it was still good enough to be accepted by ITT. "You're pretty smart," Sousa told the reporter. "You're going to make a lot of money from this course."

The money, however, is made by Sousa. Although he falsely told the reporter that he was a salaried employee of the school, Sousa is paid strictly on commission, $100 for every student he enrolls.

(The Globe found that ITT Tech goes to great lengths to satisfy its salesmen, even at times at the risk of violating two state laws—one giving students three days to cancel home enrollments and the other calling for refunding within 10 days all deposits to a student who has properly canceled.

(Although its practices have been the subject of complaints to the Better Business Bureau and the attorney general's office, the school has never been challenged for its actions which have kept substantial amounts in commissions in its salesmen's pockets.)

Once the $100 commission is secure, students say they are forgotten by the salesmen. Also forgotten for the most part are the exaggerated promises of expert training and high-paying jobs on graduation.

"I have an ITT diploma, but it is worthless," a medical assistance graduate says as she dusts off the display case of the watch repair shop where she now works as a clerk. "The only job I could get was here."

A customer enters the store and the medical assistance graduate walks over to wait on him. She is still wearing the white nurse's shoes she had purchased for the career ITT training was to provide her.

STUDENTS SUFFER BY INACTION OF REGULATORS

The failure of the Massachusetts Education Department and the attorney general to crack down on questionable schools can affect the financial and even the physical well-being of students.

The Spotlight Team found one Boston school that has served food and housed students for four years without either the requisite health or lodging-house permits. Nor did the school have the required state license to operate.

Two other schools folded up in January—in the midst of the Spotlight Team's investigation of them—and locked their 45 students out, owing them at least $15,400.

To determine the consequences of the state's lackadaisical regulatory efforts, The Globe investigated five schools that have either failed to obtain the required state licenses or have been the subject of complaints to consumer agencies.

Operating an unlicensed school may be punished by six months in jail, a $1000 fine or both.

FUTURE CAREERS INC.

Nineteen-year-old Susan DiNicola wanted to mail the deposit for her $500 medical secretary course, but the official at Pittsfield Medical Annex said she had to pay immediately if she wanted to enroll.

"I ran down to the bank and took out all my savings and paid him," she said.

Six days later, as an elevator carried her to what she hoped was her first class, the operator turned to Miss DiNicola and remarked. "Say goodbye to your money." It was sound advice.

When she reached the classroom, workmen were removing desks, chairs and other furniture. The school had closed without opening. Twelve students had lost $3400.

The would-be Pittsfield school was owned by Future Careers Inc., which also had schools in Boston and Worchester that closed about the same time. At the Worcester school 30 students who had paid some $12,000 were left stranded in mid course.

The Boston school reportedly closed at the end of its courses.

The attorney general's office has filed suit against Future Careers to recover the students' money and to prevent the company from engaging in further alleged "deceptive and unfair acts and practices."

But Future Careers, which offered courses in paramedical training at costs between $300 and $500, was well known to both the attorney general and the Education Department before any of its schools went out of business.

The Boston school had been involved in so many dubious dealings with students that Atty. Gen. Robert Quinn and the school entered into a formal agreement recorded publicly a year ago—the only one ever to involve a school—in which the company promised to cease certain allegedly deceptive practices.

The sudden closings of the Worcester and Pittsfield schools were precisely the events that a state law, passed in 1971, sought to avoid. To protect students, it requires certain schools to post a $25,000 bond before being licensed to sell courses in Massachusetts.

Yet Future Careers was able to escape the law and avoid licensing when a ruling by the Education Department allowed the company to change the name—but not the advertised content—of its courses.

FASHION SIGNATURES

"Want to model? Fashion Signatures needs girls. If not (a) professional, short training may qualify you."

This advertisement by Fashion Signatures Modeling Agency appeared recently in the "help wanted" section of newspapers. It was used to enroll students in a 48-class-hour, $345 modeling course at a school of the same name.

Under the state Consumer Protection Act, use of "help wanted" columns to solicit students by making them think a job is being offered is "an unfair and deceptive trade practice." In addition, the state rules governing private business schools prohibit them from advertising in employment sections.

(Until The Globe stopped accepting all such ads, McCall's Modeling Agency also placed ads for an associated school in the employment columns. John Porcello, director of the school, admitted recently he had only two modeling jobs to offer.)

All four Fashion Signatures schools are unlicensed—and consequently have not posted the required bond—because the state auditor has not certified their financial stability.

In the Spotlight Team's investigation, a reporter enrolled with Fashion Signatures school and mailed in a $50 deposit. Although the reporter canceled the following day, the school has refused to return the money.

The school's refusal contrasts with a statement its president, Harry W. Guida, made on Feb. 16, 1973, on a school license application he signed "under penalties of perjury." Guida said deposits were "not refundable unless notified within 48 hours."

JULIET GIBSON SCHOOL

"'Integrity' is a beautiful word!" says the sign taped to a door at Juliet Gibson Professional School for Women.

But judged by its professed standard, the Boston school is far from exemplary.

Juliet Gibson, which offers a $1,900 fashion course, recently lacked not only the required state license, but also a city lodging house permit and a state health permit.

In addition, Linda Ross, the school's youthful director, admitted she had used her position as membership chairman of the Massachusetts Personnel and Guidance Assn. to enroll students. All 10 of her current students, she said, were signed up after visits to high schools across Massachusetts.

Although the school has operated without a license for 1½ years, Quinn's office filed suit against Juliet Gibson only after the Spotlight Team inquired at his office about the school.

The suit seeks to enjoin the school from enrolling students until it is licensed.

Quinn has been acquainted with the school for two years. In December 1971 Miss Ross and "the Gibson girls" proclaimed "Bob Quinn Candy Day" to honor "the quality of character and sincerity of heart" of the donor of a box of candy—Quinn.

How did "Bob Quinn Candy Day" come about? As Miss Ross explains it, "There had been a complaint registered against the school in the attorney general's office, and, in order to investigate, he met the Gibson girls at a wedding reception that they sang at."

Later, Quinn brought a box of candy to the school and stayed for 10–15 minutes, Miss Ross said, but his acquaintance with the school apparently had one benefit to Juliet Gibson: Miss Ross heard nothing further about the complaint.

FRAMINGHAM CIVIL SERVICE SCHOOL

Salesman Alex Cataldo of Framingham Civil Service School was indignant at a caller's question about whether any complaints about the school had been filed with the state attorney general.

"Nope. Never," he declared. "The attorney general is a classmate of mine, so there better not be any complaints."

Actually, Atty. Gen. Robert Quinn's office has on file at least five complaints about deceptive selling by salesmen from the correspondence school—two about Cataldo himself.

Yet no action has been taken against the school, and its salesmen continue making false statements like the one by Bert Meltzer, who told a reporter posing as an applicant that no one could pass the state Motor Vehicle Registry Examiner's test without taking Framingham's $400 course.

In fact, the Framingham course is not even necessary to study for the test. A Boston bookstore offers a study guide for the test costing $4.

NEW ENGLAND SCHOOL OF INVESTIGATION

New England School of Investigation is one of the few state correspondence schools ever threatened with formal sanction by the Education Department, but the department's ire centered on a minor change in the school's contract.

The school is owned by Allied Adjustment Service, Inc., an insurance claims company that appears to use the course as a profitable in-house employment agency, hiring a large portion of the few students New England graduates.

However, the Allied corporation was dissolved in 1970, according to state records..

Walter J. Gillespie, vice president of Allied and an advisory faculty member of the school, refused to explain in a telephone interview why the company was operating under the name of a dissolved corporation, but he said Allied "might be incorporated under another name."

New England, which offers $600 courses in insurance adjusting and private investigation, is administered by Thomas Fortier, a boyish-looking salesman who has sold courses for at least three correspondence schools, including LaSalle Extension University.

Fortier claims to have done four years of college work at LaSalle, but the school says he actually finished one correspondence course in business administration. Fortier made his assertion on a license application he signed under "penalties of perjury."

SIGN NOW, SAID SALESMAN; $1,850 AND A YEAR LATER . . .

The ITT salesman jumped up from the living room couch and shouted at the youth; "If you don't sign up now, you won't get into the course. Those seats are selling like hotcakes. In fact, I'd better make sure you can get in."

The salesman, Donald Barbaro, reportedly rushed to a telephone in the next room and called. He returned breathlessly: "There's still a few seats, thank God, but you've got to sign now."

Hesitant up to that point, 17-year-old Robert Marquis made a decision that he has regretted ever since. He signed his name to an ITT contract to take its $1850 course in heating, air-conditioning and refrigeration.

There was no real urgency for Marquis to sign. The class did not begin for another nine months and there were seats available to the end. He was rushed into enrolling because salesman Barbaro wanted his $100 commission.

Within a year's time, all Marquis's reservations about the school and the instruction turned into reality. The course proved to be ill conceived, poorly taught and badly equipped.

When Marquis and his classmates complained to the attorney general, the state Education Department and to school officials, their pleas for the most part fell on deaf ears.

Marquis's year at ITT ended last August with graduation ceremonies at which 235 students and their families were given a stirring speech about the school's excellence by a Federal education official who now admits his praise was based on his friendship with the school's director.

In his address, Dr. Albert Riendeau of the US Office of Education said: "You made a wise choice when you enrolled here . . . I have discovered you have an outstanding program at all levels at ITT Tech . . . You have been taught by a thoroughly dedicated staff that has the interests of the students at heart."

He ended by extolling the school's "outstanding placement program."

Listening to Dr. Riendeau, the youthful Marquis, recalls thinking: "That guy just doesn't know what he's talking about." Dr. Riendeau now admits as much.

He recently told a Globe reporter that his acclaim of the school was "probably questionable" since he had never been inside ITT Tech before the afternoon of the graduation and he had based this speech on a tour and a short talk he had with his "personal friend," school director Charles Feistkorn.

Following the graduation speech, the ITT students field past Dr. Reindeau to receive their diplomas. One student recalls thinking, "It may not be much, but at least it shows I graduated." He was wrong. When he opened up his envelope, instead of the diploma, he found a notice from the school informing him that he still owed them money.

"My mother was sitting there with my grandmother and my sister and her husband. The all wanted to see my diploma. What do you say to them when all you've got to show for your year is a stinking bill," the student said.

Although Marquis received his diploma, he is just as bitter about his year at ITT. He says he was attracted to the course by salesman Barbaro's claim that it would include instruction in both auto and truck air conditioning. But in fact, the course did not cover these two areas.

Marquis also says the salesman told him the school maintained a free student parking lot. This also was false, as there is a $12.50 monthly parking fee.

Salesman Barbaro says his recollection of the interview is "fuzzy," but he does not remember making the claims were still available. Marquis's parents were present and they substantiate their son's version.

Also, a second student signed up for the course by Barbaro told the Globe he was rushed into signing "because the salesman told me I couldn't get a seat if I waited."

When Marquis signed his contract in February 1972, the course had no official status. It was not until Aug. 2, 1972, a full six months later, that the state Education Department licensed it. Joseph DeRosa, state trade school supervisor, told the Globe that state law prohibits a school such as ITT from soliciting students into a course until it is fully approved by the state.

In approving the course DeRosa notified Feistkorn that state regulation sets the maximum number of students who can be taught by one instructor in a laboratory at 15. A month later, when the course began, Marquis says he was crowded into his laboratory with 26 other students, a dozen above the state-allowed limit. The size of his lab stayed above the legal limit for more than half the year, he said.

From the beginning, the heating, air-conditioning and refrigeration students encountered trouble. Their instructor continually skipped classes and finally quit in November. The new teacher disliked his predecessor's methods and started all over at the beginning—meaning a month's instruction had to be made up.

The episode, like his year at ITT, still rankles Marquis. "I was one of the top students in my class, but I'll be frank; I hardly learned a damned thing. I had to drive 80 miles a day to go there but I wouldn't go back if it was next door."

[From the Boston Evening Globe, Mar. 27, 1974]

HOME-STUDY SCHOOLS: CON GAME OR WAVE OF THE FUTURE?

Correspondence education has been hailed by one congressman as the "wave of the fu-

ture" and condemned by another as "the last legalized con game in America."

Its proponents present home study as the last hope for those who cannot afford college in an education-conscious society. It's said to be the only place in America where opportunity knocks twice.

Opponents castigate the industry as a predatory, insatiable monster that feeds off people's dreams and gobbles up millions of tax dollars through systematic exploitation of government education programs.

A four-month Globe Spotlight Team investigation, based on extensive interviews with students, salesmen, school executives and government regulators and a survey of Federal research, found overwhelming evidence indicating the burgeoning industry is failing students in droves, with few finishing high-priced courses of negligible value.

Saturation advertising is the cornerstone of an industry that sells education like any other marketable commodity. And its surging growth is taking place in a comfortable void, virtually unchecked by consumer and education agencies across the country.

It's now big business and the trade is beginning to be dominated by huge corporations like ITT, Bell & Howell, McGraw-Hill, MacMillan Co. and Montgomery Ward.

What reliable data is available concerning a tenaciously insular industry shows correspondence education dramatically fails the acid test—do students finish their studies and get jobs in the field?

The answer, based on research by the General Accounting Office and the Veterans' Administration, is a resounding no.

Both found that about three out of four students using GI education benefits never finish the course and many wind up with only bills to show for it all. The GAO revealed that only six percent of sampled veterans achieved the critical objective of employment in the field of training.

Four well-known correspondence schools are examined in today's installment.

WANT A SCENIC JOB RAKING ROCKS?

Against the panoramic backdrop of a pristine forest, a solitary ranger rides slowly toward sundown. The narrator beckons man back to nature: ". . . Live and work by a peaceful lake, a sparkling river, in the mountains or by the seashore. . . . As a conservation officer, wild-life manager or forestry aide, you work outdoors, preserving our natural environment and protecting it against the dangers of violators. Call for this free career kit . . ."—television ad for the North American School of Conservation, Channel 56.

For $595, North American School of Conservation offers you a solid career away from smog, city crime, sirens at night, hurried people, snarled traffic. But the raw truth is it really can't deliver.

Government officials who hire in the conservation field have a decidedly negative view of the course as a job credential.

A Globe survey of state and Federal agencies found a firm consensus that the school's instruction is of negligible value in getting even a bottom-level forestry position—such as groundskeeper—and then only if all other things are equal.

The course is virtually worthless for obtaining a "professional" level job in the US Forest and Park Service Departments, where the starting pay ranges from $8,000 to $10,000 and requires a college degree.

The only job available for a North American graduate who had no other credentials would be at "the $100-a-week level raking rocks," according to one official. In most instances, the job would have been available without taking the course in the first place.

Orlo M. Jackson, director of management of personnel for the Federal Forest Service, criticized the school for using "misleading advertising" and said he had complained several times about it to the school without much success.

Jackson gave this characterization of North American's ads: "The stuff is right out of the 1920s—the rugged frontiersman who lives off the land and the romanticized stuff about nature and fishing and hunting. Today you need a specialized technical education to do this kind of work.

"Besides, there are not that many jobs available, period. Even on the professional level there's 300 applicants for every position."

North American doesn't see it that way.

In chatty, "howdy" letters from a man pictured in a cowboy hat, prospective students are told North American offers "the special training and skills you need . . . and the proof is in our graduates." The letters carry the picture and signature of a man who died several months ago.

Ironically, the school refuses to discuss its graduates and students, except to guess that about half finish the course and most get jobs.

However, a 1971 stock prospectus obtained by The Globe shows a stark dropout figure of 74 percent for all North American courses, which include other types of instruction.

North American's disregard for a student's job potential is illustrated by the fact it seeks employment and education information from students who sign up by mail only after they're enrolled and indebted to the school.

A Globe reporter who enrolled indicated he was an unemployed 31-year-old high school dropout who was color blind and partially paralyzed and wanted to be a forest ranger. A Federal expert said the description made "any outdoor job impossible." The school simply took the student's money and welcomed him aboard.

Despite any early contract cancellation, the reporter got nothing but increasingly hostile letters for more money—even though the school at one point was sending him the wrong person's bill and was informed about it.

In sharp contrast with the folksy letters from the dead conservationist, the school's executive vice president is the embodiment of corporate slickness. He refused to answer any questions about North American's faculty, course completion, job placement and financial structure. Most questions were in line with Federal Trade Commission (FTC) recommendations to students who want to "get the facts."

ADVANCE SCHOOLS—SELF-PROCLAIMED INDUSTRY SAVIOR

Advance Schools, Inc., of Chicago is the self-proclaimed savior of the home-study industry, sitting at the right hand of the Federal Trade Commission (FTC), high above the charlatans wallowing below.

"You won't find our ads in girlie magazines and matchbooks," one sales executive said. "We're in Time and US News."

Yet Advance appears to be the Elmer Gantry of the trade, using some of the dubious sales techniques and misleading claims it condemns. All of this is done under the appropriated seal of approval of the FTC.

Even as the FTC was investigating the school for possibly unscrupulous practices, one of Advance's sales managers, to the FTC's consternation, was claiming the school works "hand-in-hand" with the regulatory agency in cleaning up the industry.

In an interview with a Globe reporter posing as a would-be student, William A. Thurston, who managed a hamburger stand before joining Advance, was in high gear: "We're the so-called guys in the white hat. We're the shining example for other schools to follow. . . .

"We're working with the FTC. They've got a big push on now to clean up the home study industry . . . They're using us as an example to follow because of the type of contract we have, the quality of our programs and our high graduate rate . . . The FTC and the VA and anyone else concerned with education is very much pro Advance Schools."

Herbert Ressing, director of the FTC's consumer education division, was stunned by Thurston's assertion: "What can I say? That's outrageous." He said a current FTC educational campaign was directed against "just this type of misleading claim" and he had seen "no evidence" of Advance's ballyhooed cooperation.

The school's president and founder, Sherman T. Christensen, is a man who likes to appear above the venality of politics, but, in fact, he has his own lobbyist in Washington and other powerful friends there. He is also a dominant figure in the industry's fraternal accrediting body, based in the capital.

Christensen is a friend of former US Rep. Roman Pucinski of Illinois, who ran unsuccessfully for the Senate in 1972 against Charles Percy. Christensen denied doing any more for the Pucinski campaign than buying two tickets to a dinner for "20 bucks," but Illinois records show he donated $1000 to Pucinski.

(Christensen also denied making any political contributions other than at a local level, disdaining the process because of "what Watergate has shown us." But, again, records show he gave the Committee to Reelect President Nixon $1000).

Pucinski, now an alderman in Chicago, has long been an ebullient advocate of home study, calling it the "wave of the future." He has described himself as a consultant to the industry, but rejects the term "lobbyist."

In a public relations coup, Christensen was recently featured in Fortune magazine as the lone ranger of correspondence education.

"Christensen began cleaning up his own company's practices in 1967," the article states. "When he switched his salesmen (who had 'learned every trick in the book') from commission to salaries, 61 of 62 quit."

What Christensen did not say is that the reform is a matter of semantics. He initially claimed that his salesmen receive salary only but, under questioning, admitted they also receive substantial bonuses per sale and expense money.

Christensen, 64, started the family business in 1937 and now runs a nationwide corporation that expects to take in about $40 million in sales from 21 separate courses in 1974.

He told Fortune magazine last October he was "so pleased" with an FTC pamphlet warning prospective students about unscrupulous practices the he ordered 50,000 copies for distribution to his salesmen.

Or did he?

FTC education director Ressing said: "This has not occurred yet. In fact, I just sent Christensen a little note asking why this has not occurred."

Advance, like other large-scale correspondence schools, is highly dependent on government subsidies for its students and appears to be one of the foremost users of GI benefits.

VA records show that as of last October about one out of every seven veterans using benefits for home study across the country were students at Advance. It appears that the VA underwrites at least half of Advance's tuitions.

It is not surprising, then, that Advance was in the vanguard of an industry move to stop a reduction in GI benefits for vocational education, which dropped tuition coverage from 100 percent to 90 percent.

Advance even flew in some well-rehearsed students in 1972 to ask Congress not to make the cut, which Advance claimed would be ruinous to the industry and unfair to veterans.

One of them had his prepared statement taken away from him abruptly by an at-

torney for Advance, who told him to give an impromptu account. His written statement contained an admission that he had also attended a resident state-run trade school while taking Advance's $900 course in air conditioning and refrigeration.

"There's something I should tell you," the student from Fern Creek, Ky. sheepishly told the Globe. "I went to a trade school at the same time. It cost me $22.50 and had all the equipment and top teachers.

"Even though Advance Schools gives you (equipment) kits, it doesn't give you everything you have to have, so I went to this other school . . . That's how I got my real knowledge."

Here's what he told Congress: "I could have gone to a trade school and paid the minimum charge and made money (off the VA), but under the circumstances it was impossible for me to go to another school . . . I got all the help I could possibly need from (Advance) and I guess that's all I have to say."

LAFAYETTE—70 PERCENT DO NOT FINISH

A well-traveled salesman from Lafayette Academy of Rhode Island shifted uncomfortably in his chair, looked pale and coughed. He had been confronted with his erroneous claims and what the facts actually were and he was struggling to remain composed.

After assuring a prospective student that the material for a travel-agent course was prepared exclusively by the school's "experienced staff," he was shown a section of the school's textbook that matched up exactly with a section of a standard tour handbook used widely by travel agents.

Here's the by-play:

Q. The course material is prepared and packaged by the school itself. Correct?

A. Yes, that's correct.

Q. Is the so-called travel agent's handbook used as part of the course?

A. No. Your lessons won't come from that.

Q. Are you sure of that?

A. Yes.

Q. May I show you something? (School text and handbook material are the same.) You said no lessons would come from the handbook and here they match up perfectly. What's the difference between the $8.50 handbook and the $740 course material?

A. No difference. It's the same thing.

Murray Geberer went on to say there were many other things to learn from the course—"a little history of the business, a little geography"—but ultimately conceded the handbook material, which deals with the nuts and bolts problems of booking passengers, is a "significant portion" of the course.

Lafayette Academy was formed in 1969 by some young Turks from LaSalle Extension University, with headquarters in Providence and heavy selling concentration in New York City. It now has branch offices across the country.

Stuart Bandman, the operation's prime mover, is a 37-year-old former salesman who jumped from LaSalle and is now chairman of the board of a rival school that offers the usual wide array of instruction.

The move has paid off handsomely. He is paid a maximum of $75,000 in salary, has lucrative stock options, and lives in the posh bedroom community of Stamford, Conn. When the company offered its stock to the public, Bandman appears to have reaped about $300,000.

The firm's 1972 stock prospectus, under the heading of risk factors, revealed that seven out of 10 students do not finish the course. This starkly contrasts with Geberer's claim that 80–90 percent complete the courses.

Bandman, who cut short an interview when questions began to cut close to the bone of his operation, claimed 40 percent of the students graduated and 40 percent of those got jobs in the field. This means only four out of 25 who enroll get a job, according to the head man himself.

Informed that his answers were at sharp variance with claims made by one of his salesmen, Bandman ended the interview. "Let me tell you this. We are an accredited school. I refer you to the National Home Study Council. We're getting into an area where it's best that they handle these questions."

In January, the FTC cited the school in a proposed complaint containing a litany of deceptive sales and advertising practices. An FTC official said negotiations with the company could take years.

Meanwhile, it's business as usual.

LASALLE—THE NATION'S LARGEST

Just about dusk on a cold, gray Saturday, Samuel Ellison knocked on a suburban door and asked the little woman if the man of the house was interested in bettering himself at LaSalle's Extension University.

Ellison arrived—without any advance notice—because a reporter mailed in a request for information on a correspondence course. Instead, he got an unlicensed salesman at his door.

Contacted later by telephone, Ellison reeled off a long list of "careers" available through LaSalle Extension University, a subsidiary of MacMillan Publishing Co. The courses, ranging from bookkeeping to diesel mechanics, take in an estimated $70–$80 million a year, making LaSalle the biggest volume home-study operation in the country.

The school retains its leading position despite the fact it nearly had its accreditation withdrawn in 1969 by the usually docile industry-sponsored National Home Study Council. (The council, which backed off when threatened with a suit by MacMillan Co., refuses to give the reasons for the censuring action.)

Ellison in an interview, made several serious misrepresentations and managed to make two false statements in answering one question.

Asked if he had a license to sell correspondence courses as required by state law, he said: "Yes, I do. All LaSalle representatives have to be licensed by the state. Even though we are salesmen, the state positions us as guidance counselors."

At the time of the statement, Ellison was unlicensed and months later, still does not hold a license, according to records of the state Department of Education. Moreover, the state does not transform salesmen into counselors, and appropriating the title runs counter to the Federal Trade Commission Act and Massachusetts consumer laws.

Pressed for an explanation of why the state had no record of his license, Ellison referred the matter to regional manager James Davies of Dedham.

The telephone interview with Davies took a bizarre twist when Ellison called him on another line and held a conversation with Davies overheard by The Globe. It went like this:

DAVIES. Mr. Ellison is in the process of being licensed.

GLOBE. There's no application on file.

DAVIES. Did he come to your house? (Other telephone rings). Excuse me.

Hi, Sam. I know. He's on the other phone now. This is hairy. The only thing we can do is, I don't know, man. See, he already checked and found you weren't licensed. . . .

Davies went on to falsely state that Ellison only "checks out" a prospective student's "qualifications" and then turns over the student to a licensed LaSalle representative for enrollment.

Ellison, like all LaSalle salesmen, is trained in the "art" of negative selling, where students have to convince the salesmen they're good enough to give them their money.

An instructional booklet, given to salesmen and obtained by The Globe, outlines a five-step sales pitch "to take you right from the prospect's door . . . to an enrollment. It answers most of the prospect's questions before they are raised."

Success, according to company guidelines, means the applicant "has been trying to persuade you that he is qualified."

The booklet starts the salesman at the door: "Mr. ————, last year the university enrolled only 15 percent of over 500,000 interested people. Wouldn't you be interested to see if you qualify?"

Moving into the living room, the key, according to the booklet, is to extract—by repeated questioning—a confession of dissatisfaction with the prospect's current job and standard of living. "Are you happy? . . . Is this the job you want for the rest of your life? . . ."

The climax of the negative sell is sheer gall—given the specious nature of the school's "selectivity." It's called the summary question. "Now, Mr. ————, can you give me one final reason why your application should be accepted?" The booklet advises the salesman to wait a minute or two for an answer if necessary.

Ellison, in the best tradition of tenacious home-study salesmen, was undeterred by the dispute over his unlicensed status, which could bring a fine of up to $1,000. Contacted the very next day by a second Globe reporter, he snapped at the chance for a sale. "You called the right person. Now what's your address?"

He did not even blink when the prospect capriciously changed his mind at the outset and decided that he'd rather be a lawyer than an accountant. It only disturbed him when he was later questioned about his license.

In a classic oration, Ellison made multiple misrepresentations about LaSalle's four-year law course. They all paled before one overshadowing fact: the course, according to company policy, cannot be offered in Massachusetts or any other state except California, which allows some correspondence students studying law to take its bar exam.

To do otherwise is viewed as misrepresentation by LaSalle itself, according to its corporate general counsel.

Ellison, after enrolling the second reporter, was again questioned about his license. He went on the offensive this time, questioning the student's "whimsical lifestyle." He ultimately informed the school the prospect had decided not to take the course.

GLOBE. Now that I've signed a contract and asked about your license, you don't think I have the right motivation?

ELLISON. My not being licensed doesn't have anything to do with that. I'm simply asking you—do you really know what you want to be in life?

(Ellison later was fired for "breaking company regulations" that his superior, regional manager Davies, apparently knew about all along. Davies falsely told one applicant that Ellison was licensed.)

One former LaSalle salesman told The Globe he quit the firm largely because he didn't like what he was becoming. Even his friends said his personality was changing.

Lawrence Kiggins of Newburyport said: "My job was just a big con game." He was broken in by a salesman who told him to use whatever works. So, Kiggins began introducing himself as "Prof. Kiggins of LaSalle University."

"Actually," he said, "I was taught to be nasty. By being so aggressive you'd overpower some people. You'd force your way into their home, and I was doing things I didn't think I was capable of . . .

"I was degrading people. I was told by my friends that I was changing. By being so overbearing and gruff, it changed me as a person.

A McMillan Co. spokesman refused to

allow the Globe to interview the head of the Chicago-based LaSalle on the telephone "because nobody likes that."

In a written response, Warren B. Smith, president of LaSalle, ignored or only partially answered most of 18 questions. He also failed to substantiate several advertising claims and made at least three apparent misrepresentations of fact, concerning sales quotas for representatives, the total number of LaSalle salesmen and the use of salary figures in advertisements.

[From the Boston Evening Globe, Mar. 28, 1974]

CAREER SCHOOLS BULLY STUDENTS TO ENROLL

NOTE.—This is the fourth installment in a series by the Globe Spotlight Team on the profit-making vocational education industry. Today's article examines three resident training schools in Massachusetts.)

Brushing up on his lines like an actor before his entrance, business school salesman Charles Ahern mumbled to himself in preparation for the interview.

Suddenly Ahern stared sternly at the uncomfortable applicant seated across the kitchen table from him. "Why doesn't she care about you?" he demanded scornfully.

"Why doesn't who care?"

"Your wife. Where is your wife? If she doesn't care about your future, why should I?"

The question, which the prospective student thought both presumptuous and irrelevant, had its purpose. It was part of a potent sales technique known as "the negative sell." Employed by high-pressure salesmen, it puts the applicant on the defensive, debases him and evokes a groundless fear of rejection by the school.

Yet the Spotlight Team found the negative sell to be but one of many practices that lead past and present students, teachers, and school officials to speak of the profit-making, or proprietary trade school industry with bitterness describing it as an unregulated shell game in which the only loser is the student.

An estimated 150 proprietary schools operate in Massachusetts—and some 10,000 nationwide—selling courses that purport to teach everything from tractor-trailer driving to fashion merchandising, repairing televisions to assisting physicians. They cost from $500 to $4000 and last anywhere from four weeks to two years.

During The Globe's investigation of these schools in Massachusetts, Spotlight Team reporters posing as prospective students observed flagrant and repeated flouting of the law, both by salesmen and by school administrators.

The most frequently violated law was the Consumer Protection Act, which prohibits unfair or deceptive practices. Among salesmen of profitmaking vocational schools in Massachusetts, such techniques appear rampant.

Sampled schools were also found in apparent violation of state laws and rules regulating advertising, refunds to students, the licensing of salesmen and state approval of teachers. The laws carry criminal penalties.

In addition, several schools were found to have misrepresented the training they offered, which had little practical value, high dropout rates and dismal placement records.

Many schools exist, The Globe found, by virtue of expensive, high-powered marketing campaigns and systematic exploitation of Federal grant and loan programs created to help veterans and underprivileged youth.

Some schools concentrate their sales drives almost exclusively in poor neighborhoods, where they foster hopes that success can be purchased on the installment plan.

Others seek the teenage high school dropout, who is no match for the salesman's polished pitch.

"I would try to get him to believe the reason he has been such a failure lies within himself," one former salesman said in explaining his approach. "You try to degrade the kid in his own eyes. Once you've done that, you try to make him see that the school you are selling can offer him the gateway to a profitable future. He'll buy it every time."

Commissioned salesmen at some schools who are skilled in the negative sell are rewarded for lucrative enrollments with large cash bonuses or gifts such as stereos and leather chairs.

Predictably, the stock in trade of such salesmen is deception—practiced all the more effectively and forcefully in the intimacy of a prospective student's home. In such a setting, the Spotlight Team found, anything goes.

DEAD-END TRIP ON RATTLETRAP TRUCKS

On a windswept abandoned air strip in Quincy, dozens of young men sit in their cars for hours each day awaiting their turns to drive run-down tractor trailers.

They are there largely because a salesman from New England Tractor-Trailer School promised modern training equipment and individualized instruction. Instead, they sit and smoke and talk bitterly about the school.

For most, the "road to prosperity" depicted in school literature will be a dead end.

Those who eventually receive their truck drivers' licenses—and former students estimate that about half the graduates pass the license test—will likely face years of toil as delivery truck drivers or dock workers.

Only a few will become well-paid long-distance drivers.

Moreover, graduates who find jobs likely to get them on their own, for the school's "placement service" consists of distributing names of local trucking companies to the students.

And when they enroll in the $800 four-week course, prospective students do not expect to wait up to six hours they spend behind the wheel of a decrepit, sometimes unsafe truck.

Nor do they expect to be told by their classroom teacher, Fritz Heller, that "trucking is the lyingest, cheatingest business you could ever get into, and if you're not ready to lie and cheat then don't get into it."

But these and other experiences have been described by former students of New England who are bitter and angry about the school. "They don't really give a damn about anything except the money they're pulling in," said one graduate.

About a third of the students are veterans. At least one veteran, a former student is disenchanted with the Veterans Administration for allowing GI Bill benefits to be used at the school. "I thought to myself, being VA approved it must be a better school," he said. "That couldn't have been less true."

Former students also complained about the equipment and instruction at New England. While the school used some good trucks, the students said in interviews, they had driven trucks without brakes or clutches, with faulty steering, bald or flat tires, fuel leaks, broken transmissions, windows and heaters.

One graduate said the brakes on a truck he had driven were so bad that one of the school's mechanics rammed it into a wall trying to drive it into a garage. "The equipment is extremely ratty," he said. "I know you can't have beautiful equipment for guys who are just learning to drive, but this equipment is terrible."

Arlan Greenberg, the school's president, conceded his school was "not perfect," but he argued that he had "no incentive" to correct its problems. "If we're going to do it, let everybody do it," he declared. "We don't mind. If we have to follow them, we'll change our ways."

Salesmen for New England, which calls itself the largest such school in the region, do not include such sobering assertions in their spiels to prospective students.

In addition, the Spotlight Team has found that the school apparently has violated state laws in Massachusetts and New Hampshire, and Greenberg appears to have lied to the Registry of Motor Vehicles, which licenses New England.

In his tape-recorded interview with The Globe, Greenberg also made a number of demonstrably false statements and misrepresentations about the school.

Three years ago Registry inspectors examined the school and found defective trucks and filthy conditions. They described the equipment as being "in very poor condition" and "in rough shape."

It still is. A list of school trucks filed last March with the Registry showed the average age of the tractors to have been 10 years, while the average of the trailers was 17 years.

During its 1970 visit, the Registry made another discovery. When inspectors asked a school teacher to produce his instructor's certificate, which is required by law, he said he had left it at home. That was false; he did not have one.

Last August the Registry conducted a second inspection of the school. This time two more men were found teaching without required certificates. "This has been a common practice," a Registry examiner concluded.

The Registry held a hearing on the teachers, and Greenberg and school manager Richard Grassette admitted having violated the law. They were given a warning, although the infraction could have cost the school its license.

In an interview with The Globe, Greenberg maintained that no uncertified instructor had ever taught at New England.

Greenberg intimates his school is highly profitable. One reason for its success—and one way in which it appears to violate the laws of at least two states—is its practice of collecting a $200 "nonrefundable" deposit from applicants.

Under the laws of Massachusetts and New Hampshire, school contracts must contain a specific cancellation clause permitting full refunds in certain cases where students have enrolled in their homes. Greenberg contends New England's contracts contain both the cancellation and "nonrefundable" provisions. He refused to show a copy of the contract to a Globe reporter.

In fact, it appears his salesmen have not always used such a contract. The Globe has in its files copies of contracts signed recently in the homes of students from both states, and none contains the refund-cancellation provision.

In Massachusetts the penalty for violating the cancellation law is imprisonment for up to six months, a fine of up to $500 or both. In New Hampshire, violations can bring a $1000 fine, one year in jail or both.

The Registry supervisor responsible for licensing tractor-trailer schools, William Mitchell, said he had been assured by Greenberg that New England's contract had been "cleared" with the attorney general's office. Greenberg repeated the claim in his interview with The Globe.

An official in the attorney general's office denied the assertion and said contracts are not cleared by the office.

Dubious claims were made by other school officials, Richard Grassette, New England's manager, in trying to enroll a Globe reporter posing as an applicant, made a number of contentions that former students strenuously disputed.

The former students were especially incensed at his claim that the institution gives each student 10–20 hours of open-road driv-

ing practice and sends information on each student to potential employers. Grassette also claimed falsely that no student who wants a license leaves the school without getting it.

A major student complaint is overcrowded conditions at New England. One former student calculated he had not received eight hours of actual instruction in more than 100 hours spent at the school.

(Such practices are not confined to New England. Vito Augusta, a salesman who worked briefly for Andover Tractor-Trailer School, assured a Globe reporter acting as an applicant that despite the "one or two Registry examiners who are really strict," 99 percent of Andover graduates pass their licensing tests.

("There are certain days we go when you get the . . . (examiners) who bend a little," Augusta said. We know what towns they go to, what days, so you'll get the good guys. You won't have any problems.")

In a sworn statement, he said instructor Fritz Heller had told his class how to "get around" U.S. Department of Transportation (DOT) safety rules and also had "related personal experiences regarding such evasions."

The graduate recalled Heller telling the class not to become truck drivers unless they were ready to lie and cheat. Heller later provided him and other students with the answers to the DOT safety test while they were taking it, he said.

The former student's observations were corroborated by three other former students. Heller refused to be interviewed by The Globe about his teaching.

Greenberg was critical of state efforts to regulate truck driving schools, but he was openly disdainful of the license under which he operates New England.

As he put it, "I don't think the license means anything . . . It's like a fish peddler's license. If you want to sell fish on the street you've got to have a health department license . . . It's the same thing."

ABILITY TO PAY IS ONLY APTITUDE NEEDED FOR COSTLY COMPUTER COURSE

Salesman John Everson was nonchalant about the prospective student's near-failing performance on the "qualification" test given by Electronic Computer Programming Institute (ECPI).

"Although your test doesn't show it," he calmly assured the applicant, "I'm sure you can do the work here. You've got to stop guessing."

When the applicant—actually a Globe reporter—denied he had guessed, Everson became annoyed. "Don't worry. Just listen to what I say. You can do the work."

At the Boston branch of ECPI, located above a bar in Kenmore square, aptitude tests apparently are used not to weed out untalented prospects but to enroll them. Everson's applicant, deliberately giving wrong answers, scored 54 percent on the test.

ECPI, part of a nationwide chain, offers courses in computer programming and security services costing $1850. Until two years ago it was owned by a steak house operator and his headwaiter.

To evaluate ECPI, The Globe hired Alan Taylor, a consultant with years of experience in the data-processing field. Taylor found serious deficiencies in the school, including its use of the test as "a selling tool," a practice he sharply criticized.

Taylor concluded that the school appeared to be providing a course substantially different in content than the one it advertised, and he found ECPI to be distorting the purpose of its course.

While the student is led to believe the school will train him for a career in computer programming, he noted, ECPI actually regards lower-paying computer operator jobs as successful job placement.

During a tour of the school, Taylor found serious weaknesses in its methods of instruction. He observed that the computer used by ECPI had extremely limited capability for teaching students the fundamentals of computer programming.

Two ECPI officials refused to be interviewed about the school. Sidney Neely, director of the Boston school, refused even to state his own professional qualifications, while William Kalaboke, vice president of the company that owns the school, requested that questions be submitted in writing and then would not answer them.

Their reticence is understandable. Aside from its questionable educational value, the school gives its salesmen free rein in their sales techniques, which were frequently deceptive, The Globe found. Two ECPI salesmen made a series of false claims to a Globe reporter acting as a would-be student.

Everson maintained the school had placed 80 to 90 percent of its graduates in programming jobs, a claim that one knowledgeable former employee said was preposterous. The former employee estimated that no more than 10 percent of ECPI graduates get "decent jobs" in the computer field and said the school lost at least 50 percent of its students before graduation.

(By contrast, Blue Hills Regional Technical Institute, a Boston-area public school, reported that 82 percent of the 135 students who started its data processing programs over the past three years completed them, and 95 percent of the graduates were placed in jobs.)

Salesman John Stolos falsely said ECPI had "several" computers and confided, "Listen, if you can type on a Royal typewriter you can type on anything. Don't worry about the machines." In fact, ECPI has only one outmoded computer.

The competitive urge at ECPI apparently leads to excesses that surpass the fanciful claims of its salesmen. Perhaps the most serious was committed by director Neely himself.

On Oct. 9, 1973, director Neely wrote to an official in the state Education Department stating that "effective immediately" his school would not be "interviewing or enrolling students in their homes," according to a copy of the letter, which is in the Spotlight Team's files.

Because of Neely's assurances, ECPI salesmen were exempted from the state licensing requirement.

Just one week after Neely's letter, a Globe reporter was enrolled in his home by Everson. The next day, Oct. 17, the newly enlisted student visited ECPI and spoke to Neely, who was told several times that the contract had been signed in the home.

The penalty for violating the licensing law is up to six months in jail, a $1000 fine or both.

One former salesman said he and his colleagues knew of the licensing law but just did not bother to obey it. At ECPI, he said, student enrollments came first and successful selling was rewarded with expensive bonuses selected from a Gold Star Coupon book. He received a stereo set, a leather chair and a movie camera for high production, he said.

The school's primary market was high school dropouts and underprivileged youths, the ex-salesman explained, and television advertising was found to be "the perfect way of getting leads."

Salesmen used the negative sell to "break down" the prospect psychologically until he believed "the only friend in the world he had was the school salesman," he said. Applicants who asked tough, probing questions about the school were hastily abandoned.

Schools like ECPI have recently focused attention on the questions of professionalism and ethics in the computer training field. "This is a major problem for our profession, and it is degrading to us," said Homer Cates, president of the Boston chapter of the Society of Certified Data Processors.

Cates was especially critical of ECPI's claims about what it can teach its students.

"It is virtually impossible for the best of MIT's students to learn this amount of instruction in a year, studying eight hours a day with use of all their machines," he asserted. "To think that an ECPI student can do it in 4½ months with the use of a single Univac machine for four hours a day is simply ludicrous."

"It would be hilarious except that they are getting away with misrepresenting the course this way, and students are being misled."

MASSACHUSETTS RADIO—FALSEHOODS HELP SELL ELECTRONICS COURSE

A drawing of a rat running on a treadmill flashed on the television screen, followed by an unbeat voice: "Getting no place fast? Contact Mass. Radio and Electronics School. Join the change-of-pace people . . ."

A call to the school brought a quick response from one of the "change-of-pace people." His name was Maurice Sadur, and in a home interview with a reporter posing as an applicant he combined a tone of relaxed candor with a sale spiel filled with exaggeration and falsehood as he tried to sell a $1014 electronic technician course.

"We classify ourselves as a little MIT," he declared. Here are three of his more egregious assertions:

"We place you with a major company" (The state trade school rules prohibit such guarantees.)

"All my students pick up $50 to $100 a week doing part-time work" (This claim is contradicted by the school director).

The school is "endorsed by the state Education Department." (This false claim is an apparent violation of the state trade school rules.)

Sadur, a Dorchester High School graduate, is the school's "top salesman," according to Russell Heiserman, its director, who estimates Sadur enrolled about 200 of the school's 380 new students last year. There are two other salesmen.

Public funds are a major source of Mass. Radio's income. About 35 percent of its students are veterans, whose tuition is 90 percent paid by the Veterans Administration. Moveover, the state Rehabilitation Commission sent 41 students to the school last year at a cost $29,500.

When Sadur's applicant visited the Boston school at its second-floor 271 Huntington ave. location, the commissioned salesman warned, "You can't approach this like a college campus." It was sound advice. The front windows were filthy and several were broken. The halls and classrooms were dirty as well.

Less criticism of Mass. Radio was voiced by its graduates than by graduates of other schools about their own education. However, the school is not the "model institution" its parent cmpany depicted in its annual report.

"I like it OK because I was older and applied myself," said Edward DeCosta of Rolindale, "but for half the kids it was a case of the school taking their money and running." DeCosta said he would have to take a cut in his current salary to get a job using what he learned at Mass. Radio.

Other students were critical of the school for accepting applicants they regarded as unqualified or unmotivated.

Apart from such criticism, Heiserman concedes he has had problems.

In an interview, he admitted two apparent violations of the state trade school law. Two instructors taught for months before their qualifications were submitted to the Education Department as required, and Heiserman "forgot" to submit his television ads, he said.

Heiserman also took six weeks to refund a deposit paid by a Globe reporter acting as a

would-be student. He confessed he was unaware of the state law that requires such refunds within 10 days and carries a possible penalty of six months in jail, a $500 fine or both.

Mass. Radio's most serious problem appears to be its dropout rate of nearly two-thirds. Heiserman downplayed its importance, insisting the figure was inflated by an estimated 20 percent of enrollees who failed to appear for even the first class—one likely consequence of a high-pressure sales campaign.

INSIDER SAYS BELL & HOWELL USES ITS NAME TO "HUNT" STUDENTS

A rare inside view of one of the largest big-name correspondence schools in the country reveals it to be a fast-buck operation with little regard for its students.

A former regional manager of the nation's second largest seller of home-study education—Bell & Howell—claims the school bullies its sales force and gives its students short shrift, with the "annual revenue figure the only thing that counts."

For several months in 1973, Wallace C. Ralston was responsible for overseeing a network of 15 salesmen in New York and New Jersey and was intimately familiar with the New England district, which brings in "a minimum of $4.3 million a year"—making it one of the top sales areas in the firm.

Ralston rose to the managerial level with Bell & Howell despite a tainted background that the company apparently knew about when it put him at the helm of one of its sales regions.

About three years before he was hired, Ralston was arrested in Saigon carrying the seafaring papers of a dead man. Federal agents were waiting in San Francisco to interrogate him about a stolen stock scheme that involved some underworld figures.

Once a well-to-do insurance executive, Ralston returned home a penniless soldier of fortune.

Ralston eventually turned state's evidence and received suspended sentences for charges of receiving stolen goods. He had been "duped" by the pros, according to himself and the prosecution.

He tried to get back into the job market in 1971. It was not easy. "I tried everything to get work. The only industry open was home study. I hated selling, but I had no choice."

He started as a salesman for the Famous Artist Schools, but within two years held executive positions with the International Correspondence Schools and Bell & Howell.

HARD-NOSED SALESMEN FLOUT STATE LAWS, DECEIVE APPLICANTS AT CAREER ACADEMY

"Train for a rewarding career!" urged the quarter-page advertisement in the 1973 Boston Yellow Pages. "Exciting courses prepare you for one of the many good-income jobs available."

This appeal and others like it by Career Academy have lured hundreds of young people to the school near Kenmore square.

Only after enrolling, however, did they learn that Career—with a haphazard "placement service" and deficient curriculum and facilities—cannot deliver what it promises.

Located above a lounge and bowling alley, Career appears to have waived its student's welfare and given the run of the school to what one knowledgeable source termed "head-hunting" salesmen.

Its salesmen are masters of "the negative sell," a technique of breaking down applicants psychologically by creating anxiety and insecurity about whether the school will accept them. Among these salesmen, the Spotlight Team found, deception is canon and the negative sell veritable scripture.

Under Douglas Springmann, until recently the school's director, a hard-nosed sales force armed with Federal loans and grants was unleashed on a market of high school dropouts and underprivileged youths to compete for commissions as high as $275 per student.

Moreover, Springmann hired as his "admissions director" Judith Saperia, a former Playboy Bunny with no recorded previous experience in the education field.

About 50 new students are enrolled at Career each month, Springmann estimated, and about a third of them are members of minority groups.

The school offers resident courses in broadcasting and medical and dental assistance that cost $1700, as well as a $2300 drafting course and a $1270 correspondence course in hotel-motel management. Career's faculty, like that of many private vocational schools, has a high turnover and is paid about half what the school's salesmen earn.

In its zeal for more students, the school has flouted at least two state licensing laws designed to protect the public from unscrupulous sales practices: at one point, three unlicensed Career home salesmen were enrolling students.

Although Springmann claimed no salesmen had been guilty of "dishonest misrepresentation," Globe reporters posing as would-be students were told innumerable falsehoods by all of the Career sales representatives.

In the midst of the Spotlight Team's investigation, the hierarchy of the school resigned.

Joseph Maher, president of the Milwaukee-based chain, admitted the Boston school had "problems" and said he was pondering whether to comply with a request by The Globe for placement and dropout statistics. He provided no information.

His reluctance was understandable, for Career has a dismal record in the one facet of vocational education that matters most—job placement.

A former instructor in Career's broadcasting course n Boston said that of the 300 to 400 students he has taught, he could think of only four graduates who held jobs with a future.

Another knowledgeable former employee told The Globe that a recent survey by Career had disclosed that about 70 percent of graduates of the school's medical and dental assistant courses and about 95 percent of broadcasting graduates had not found employment.

Somber facts like these are seldom divulged in a Career salesman's spiel. On the contrary, favorable statistics are often invented.

Salesman Agammenon Topoulos told one applicant Career had a 15 percent dropout rate and found jobs for 85 percent of its broadcasting students and 100 percent of its medical and dental students.

Salesman Charles Ahern claimed all but one of the last broadcasting graduating class had gotten jobs, and "we could have gotten the last fellow a job, but he wanted to work in just one city."

(Ahern, who was unlicensed, later enrolled a Globe reporter in the broadcasting course in apparent violation of a law carrying a penalty of up to six months in jail, a $1000 fine or both. He subsequently resigned.)

Such assertions might be dismissed as predictably hyperbolic salesmanship were it not for their effectiveness in enrolling young men and women—especially the deprived—with little chance to succeed in the fields they study.

"They were really poor souls who had been taken advantage of," said G. Michael McKay, one of Career's few successful broadcasting students.

"They fooled around with the equipment, listened to tapes and records and took pictures of each other on the tape machine, but you knew they weren't going anywhere," McKay said. "They would never find a job. I don't know why the school ever accepted them. But I guess there's no law against trading on people's dreams."

Abuses in selling the broadcast course have been manifold. A former instructor said he had a student with a harelip and a lisp whose voice never fell below a high, squeaky pitch. One salesman even enrolled a woman student who could neither read nor write, and she was taken out of the class only because the teacher threatened to quit, the former instructor said.

This "turn no one down" policy was followed with a Globe reporter who applied at Career. The reporter, however, brought to his "audition" a professional broadcaster whom he introduced as his friend.

After reading three short paragraphs into a microphone, the reporter received a nod from Robert Patterson, a broadcasting teacher later elevated to acting administrator of the school.

"I could tell you knew how to speak from looking at you," Patterson remarked, "but I had no idea you were going to be that good." The reporter's "friend" was less enthusiastic. "You were terrible," he said, adding that even with training the reporter had little future in broadcasting.

The school's medical and dental assistant courses have little more to commend them than the broadcasting course.

The dental course is not accredited by the American Dental Assn.—a significant liability for graduates—and Springmann admitted he did not know whether accreditation was important.

Besides being unaccredited, the courses are extremely expensive, costing $1693. By contrast, regional public schools offer the same courses free to area residents and at nominal cost to outside students. Even local private nonprofit schools are considerably cheaper.

While Career refused to provide placement and completion statistics, nearby Quincy Vocational-Technical School gladly disclosed its record. Of 55 students who began the dental assistant course in the past three years, 51 finished and 50 were placed in jobs, the school reported.

One former Career teacher attributed his school's dismal record to three factors: Springmann's insistence on admitting anyone from whom a salesman could extract a check, a badly organized curriculum and infrequent placement service.

Mary Staton of Dorchester, a medical graduate, is angry about her experience at the school. Before enrolling, she said, a salesman extolled Career's "placement" service.

"They told me there was no sense spending all those years studying to be a nurse when I could get a good paying job as a medical assistant, and they would find me a job," she said. "What lies. I spent $1200 of my hard-earned money on that course and got nothing out of it." She is still looking for a job as a medical assistant.

Even some salesmen are disgusted by what they do for a living. A former salesman for Career and other schools told The Globe: "To be a salesman at these schools you need a rugged conscience. You've got to dangle that dream in front of those kids, knowing full well that it's a hopeless dream, and seldom have a second thought about what you are doing."

Salesman Agammenon Topoulos, one of Career's top sellers, personifies this philosophy.

In a home interview with a Globe reporter posing as an applicant for a drafting course, Topoulos made these false assertions: Career sends each graduate on four or five job interviews; Topoulos himself was a salaried "associate manager" of Career; and the school's "enrollment application" was not a contract.

In reality, the school did not routinely arrange one—let alone four—job interviews; Topoulos is a commissioned salesman; and the "application" can legally bind the student.

Topoulos falsely claimed to be licensed.

Admissions Director William Taylor, asked whether Topoulos was licensed, took the offensive: "I don't think it's really important as far as your career is concerned, is it?" (Taylor later resigned.)

Besides working for Career itself, salesmen also sign up students in mail-order courses offered by a subsidiary. Robert Burns, a portly, middle-aged salesman who improperly identified himself as an "educational counselor," enrolled in a correspondence course a Globe reporter acting as a would-be student.

Burns, also unlicensed at the time in apparent violation of state law, engaged in the traditional Career charade outlined in a "confidential qualification form" that comprises the heart of the school's negative sell. The Spotlight Team has obtained a copy of the form, which includes the following questions and parenthetical notations to salesmen:

"Were you using the crutch of procrastination and future plans as an excuse for doing nothing until now? . . . Also a lack of self-confidence? (If yes, self-confidence must be given at this point to prospect) . . . Do you want to remain a dreamer or do you want to become a doer? . . ."

Salesmen were not the only Career personnel found to have committed apparent violations of law. In a tape-recorded interview, Springmann admitted he had violated the legal requirement that the school's advertising be approved before it was used.

"I confess I have not done that," he told The Globe. "I know it's a violation."

The school itself consists of one upstairs floor at 70 Brookline av., Boston, paneled almost entirely in imitation wood wallboard and decorated with in-house "awards" to previous classes.

Plaques on the office wall recently identified the school as a member of the Better Business Bureau (BBB) and the Greater Boston Chamber of Commerce. In reality, Career belonged to neither organization. Its membership in the BBB expired in 1969, and its Chamber membership ended in 1971.

In this setting, a Globe reporter who had enrolled earlier wac escorted by Ahearn on a grand tour of Career.

Putting a final deceptive touch on the transaction, Ahearn stopped at a drawing of a building that hung in the corridor. Informing the student that the sketch depicted Career's planned new school in Boston, Ahearn pointed proudly to a window at the top of the building. "That's where my office will be," he explained.

Springmann said later that the sketch was merely a drawing by a Career drafting student. Apprised of what his salesman had said, he just shook his head and murmured, "Oh no. Please, no."

[From the Boston Globe, Mar. 31, 1974]

A STAMP AND SOME MONEY GET ANYONE INTO DREAMERS' SCHOOLS

The advertisements are found in girlie magazines, comic books, matchbooks, veterans' periodicals and "take one" displays at gasoline stations and liquor stores.

A postage stamp, a few lessons and you're out of your drab dead-end job. You're writing situation comedy scripts at $5000 each; an author of children's literature; building your own house; repairing jet engines; and assembling everything from a color television to an ottoman.

Everyone qualifies. All you have to do is "stop dreaming, become a doer, and send in your money.

Later, much later, it comes down to hard work and talent.

Then you are alone again, on your own again, probably in debt and still looking for the "well-paying" job.

If you fail—and most do because the vast majority never finish correspondence courses—the school writes you off as a slacker, a person who obviously didn't want to "better yourself" enough.

How many finish and get jobs? Salesmen guess that it's "just about everybody who wants one," and school officials tell you it's none of your business.

Are the schools selective? As one Massachusetts investigator put it: "If you're warm, they'll take you."

Here's what Globe reporters encountered as students in some of the more-off-beat courses:

HOLLYWOOD SCHOOL OF COMEDY WRITING, CALIFORNIA

School director Ray Worsley had a solution for a Globe reporter posing as a student who was having trouble with his lessons on how to be funny.

". . . OK, I can send you the next lesson if you just send $10 . . . Send the 10 bucks, OK? Swell."

Previously, Worsley had reprimanded the student for not being "more serious about the study of comedy."

Reached at the Hollywood School of Comedy Writing, located at his home in Sepulveda, Calif., Worsley elaborated. "Comedy is a serious thing, even though the idea is to make jokes . . . You seemed to be poking fun."

Q. There was a section on satire and I picked the field of correspondence education. Where's your sense of humor?

A. It's funny . . . But why don't you resubmit the jokes in a more serious vein . . .

The story of Worsley's school should be a chapter in one of its textbooks, which constitute the bulk of the course and sell for a "tuition" of $390.

The real-life script of the school's history goes like this:

The founder, a former stand-up night club comic, borrowed money in 1964 from the owner of a clothing store to help start up the school.

When he didn't pay off the loan after five years, he gave the school to the clothing store owner to cancel the debt.

The founder's ex-wife then became the school's registrar and the clothing store proprietor became the assistant director and owner.

The founder kept the title of director but has nothing to do with the school anymore.

He does, however, remain the star of the school's promotional and enrollment package along with some of his celebrity friends in show business.

The new owner's only comedy-writing experience is composing "funny little ads" for his clothing store.

Unlike other school operators, Worsley made no pretense about being highly selective. "We admit you if you can fill out the application right," he told the reporter.

After setting the course completion rate at 20 percent, he referred questions about job success to Ronald Carver, the founder and author of the textbooks.

Carver, who describes himself as "consultant director," would have none of it. He named three graduates now in show business—the same names that appear in the school's brochure—but refused to discuss it further "because I think this thing is going to be one of those exposes."

Asked for a completion rate, he said, "That's a percentage that's really our business . . . You're asking for something that is really part of whether we can continue in business . . . It's like going to General Motors and asking them about defects or something. I mean, come on."

Carver, who writes television comedy and teaches a course at UCLA, describes his function at Worsley's school as "answering questions about the course . . . After 10 years, it runs pretty much by itself. All the questions have been answered."

PEACE OFFICER TRAINING SERVICE, CALIFORNIA

The application tells the story.

The Peace Officer Training Service of Oakland promptly accepted as a student a Globe reporter whose physical self-portrait cast him as a virtually blind, dwarfish diabetic, shaped like a bowling ball.

The reporter, double checking to make sure there was no mistake, was told there were no problems.

The only section of the application left blank concerned a question on whether the student had ever been convicted of a crime.

Although all police agencies have rigid physical requirements for acceptance, the reporter was quickly informed of the good news—he had been approved for the $835.77 course geared to appeal to recently discharged servicemen.

"Congratulations," the school wrote, "our qualification department has processed your application and are (sic) forwarding your first set of lessons."

Shortly thereafter, a school official, who assumed the title of "VA liaison" specialist, called about the unanswered question on the application.

Q. There's something on your enrollment card that was not answered. Were you ever convicted of a felony?

A. I didn't answer it because I thought it might disqualify me. I've been convicted of failing to obey a police officer.

The response: "No, that wouldn't matter. Mild resistance is what it sounds like. It looks like you are qualified. Let's see, you've had diabetes since you were young, are you on insulin? . . ."

The first lesson arrived with a "certification of understanding"—a veiled disclaimer that, in effect, meant the school promised nothing and accepted no responsibility for job placement.

What the "VA liaison" had termed the "largest police officer school in the world" came as news to its chairman of the board, Joseph Lindsay, who did not even know how many students were enrolled.

"I couldn't really tell you off hand," Lindsay said. "Maybe you're not talking to the right person. I have three people that run that school. I don't have a hell of a lot of knowledge about specific problems."

CHILDREN'S LITERATURE INSTITUTE, CONNECTICUT

The ad for the Children's Literature Institute of Redding Ridge, Conn., could not have been clearer: its aptitude test is "carefully designed to uncover . . . natural writing ability . . . If we feel you do not have writing talent, we'll tell you so—right on the line."

The Globe's entry was written to test "the test" and included this answer on how to cook an egg; "Grab the egg with both hands. Put it in a pot of boiling water. Pull it out when it's done. If it's not done put in the oven. Baste occasional if it needs it."

The reporter's test answers, replete with egregious errors of grammar, spelling and common sense, were accepted with high praise by the school's "dean of admissions."

The test required a writing sample and The Globe submitted a nonsensical 210-word essay that had an error in nearly every sentence. The school titled it "Walk in the Woods," and the dean said he was "especially impressed" by the essay.

"In short," the dean wrote, "you are the kind of student we are looking for. You should be proud of your test result. Our standards are high."

The school later admitted the accolades are sent out in a standard form letter, with only five percent being rejected—also by form letter.

The test answers were a deliberate, top-to-bottom mess. They listed Hemingway as the applicant's favorite juvenile author and "Moby Dick" as the favorite adult author.

One entire section of the five-part exam was left blank. Another depicted a "typical four-year-old who enjoyed reading French; a sadistic 14-year-old girl who liked watching people "scratch and hop around" from flea bites and a seven-year-old boy with the vocabulary of a college student.

In a fill-in-the-blank section, the reporter had "Johnny gazing across the (dusty) waters of the lake . . ." while in the background "he could hear his mother (barking) in the kitchen of the (gingerbread) house."

The $300 course promised that after scrupulous screening the student who completes his lessons "will have a finished manuscript ready to send to a publisher."

Dean Robert Schneider was asked to personally review the test for a student surprised that he showed such promise. Schneider hedged a little, terming the ludicrous essay "a bit naive," but remained unshakable in his assessment that the prospect had talent and could "absolutely" become a published author.

Nearly everything the dean said was contradicted by the school's president, Douglas Chouteau, a former publishing house sales manager who has never written a child's book, or any other. "I'm rather illiterate when it comes to writing," he told The Globe.

He admitted using deceptive advertising; was unaware the school violates regulations of an accrediting body it belongs to; and conceded the aptitude test is virtually worthless, even though it is the chief screening device for measuring student potential.

While the dean found the essay "naive," the teacher tentatively assigned to the Globe student, Mrs. Elizabeth Lansing, was horrified that it was approved: "I thank God I never saw that before. Jesus . . . I would have thought it was written by a child of ten."

Despite the school's hyped-up ads about turning out "qualified writers with a future," Mrs. Lansing, a teacher there since 1972, has found the course fulfills a psychological need of its students rather than a practical purpose.

"Most of it releases creative energy," she said. "Quite often they have a message they're trying to get out, and it does satisfy something within them."

Q. The school's biographical sketch of you says you work there because "the course is outstanding." Is that true?

A. Sure. It's outstanding because I guess it's the only one. So there you are. Can't catch me on that one.

COMMERCIAL TRADES INSTITUTE, CHICAGO

Bold black letters in the brochure tell you that you can do it yourself; You Can Build Your Own House.

The course conjures up a picture of mailmen across the country staggering along city blocks and pastoral lanes, buckling under a load of bricks and two-by-fours.

Well, not quite. But let Bruce Troob, a salesman for Commercial Trades Institute (CTI) explain how it works. "The course enables you to become a contractual estimator." In short, you receive a batch of blueprints and the course tells what kind of subcontractors you need to do the work.

Although the construction industry is in a sharp decline, Bruce is very high on the $495 course—even plans to take it himself. "I want to build a house—that's the reason I'm getting the course. I'll have my choice of house, colonial or cape or whatever. . . . The course will save me $3000, $4000, $5000, just because I'll be hiring guys to build various parts of my house."

Ironically, the head of CTI, Kenneth Lotsoff, has his doubts about being able to handle construction of his own house, even though the school's brochure says knowledge of simple arithmetic is enough and many graduates "have only elementary-level education."

Q. Do you really think someone who was not in the industry could learn from a mail-order course how to build his own house?

A. Gee, I'm really not equipped to answer that question . . . I myself can't turn the key in an ignition. I really would not know what I was doing when it comes to something like that.

(Lotsoff is president of CTI, a subsidiary of Montgomery Ward, which offers several types of correspondence courses.)

Like his counterparts in the industry, salesman Troob refused to say precisely how many finish the course and get a job, retreating to the safety of a nebulous never-never land of obfuscation.

As usual, a dropout has only himself to blame. "If one of our guys enrolls a guy that takes six lessons and quits, then I'll find out why. Maybe the guys enrolled are not really interested in bettering themselves."

Pressed on the school's claim that "you can build your own house," Troob said: "Yeah, you're building it. It's not going to make you an electrician or a plumber. It's like a doctor doesn't make his equipment, but he knows how to use it. You'll take bids on each part of your house and you'll know exactly what kinds of questions to ask . . . There's nowhere else you can go for that kind of knowledge. The courses just aren't around."

BUREAU OF CARTOONING, COLORADO

The stick characters blurting banalities drawn in minutes by a Globe reporter, were christened Hippie the Hippo and Berty the Bird for no particular reason and shipped off to the Bureau of Cartooning school in Colorado for appraisal.

Only the reporter was confident he would be "accepted" by the school, even though he knew left-handed scrawling by Globe cartoonist Paul Szep had already been discarded as "too good." His colleagues did not share his optimism.

But the reporter was positively cocky, coyly implying he knew something no one else did. He even began to muse about national syndication.

Finally he revealed that along with his test, he had also enclosed a down-payment check.

After his acceptance into the $400 course (a more expensive one is available to veterans with GI benefits), he reluctantly gave up the school's overpriced 13-by-19-inch drawing board, T-square and two triangles and interviewed the head of the school, E. R. Powell.

The director was told that the best a full-time cartoonist for a local daily would say of the work was that it was "putrid."

Undeterred, Powell laughed it off and said, "I'd tell you not to listen to him so much because he doesn't sound like a friend to me . . . Stop straddling the fence and get to work on those cartoons right away."

Powell rated Hippie the Hippo's quality "right in the middle" of the school's current class caliber and reaffirmed that the student was on his way to a career as a professional.

"I think you can do it," he said. "Otherwise, we would not have accepted you. We have graduates making $15,000 to $25,000 a year who were showing less talent than you have shown me when they started."

Earlier, Powell had stressed the opportunities in newspaper cartooning work—probably the tightest job market in the country, with only a handful of persons making a good living at it.

"When you finish," he said, "you can walk into any newspaper in the Boston area and fill out an application form to get the job."

P. Couldn't I do that now without spending all the money on this course?

A. That's right, but wouldn't you like to have the calling card of the Bureau of Cartooning? That's going to open up a few doors. Right, E. R. All exits.

FAMOUS WRITERS SCHOOL, CONNECTICUT

In 1970, a free-lance writer named Jessica Mitford was received warmly by the late Bennett Cerf in his "wonderfully posh office" at Random House's headquarters in New York City.

Cerf talked about his role as one of the more prominent literary members of the "guiding faculty" for the Famous Writers School.

By the end of the interview, he had just about put the school out of business single-handedly.

Ms. Mitford did some famous writing for The Atlantic Monthly magazine in which Cerf confided to the self-described "governessy" journalist that he knew "nothing about the business and selling end and I care less. I've nothing to do with how the school is run."

But the Connecticut-based school used his name and others to sell its courses.

Asked how many books of Famous Writers' students Random House had published, Cerf said in the 1970 interview, "Oh, come on, you must be pulling my leg—no person of any sophistication, whose book we'd publish, would have to take a mail-order course to learn how to write."

Ms. Mitford charged the school had a "staggering dropout rate" due to "rapacious salesmen who sign up semi-illiterates and other incompetents."

The article had a devastating effect on the operation, which ultimately went into bankruptcy.

But Famous Writers School is back, and sales manager Bruce Toy was in Massachusetts recently recruiting commissioned salesmen ($125 maximum, monthly quota of at least 10 sales).

Since Massachusetts law does not provide for regulation of out-of-state correspondence schools, the revived operation is free to sell here as soon as its salesmen receive perfunctory licensing by the state Education Department.

In fact, some apparently don't even bother to do that. One salesman, who identified himself as Roger Daunais, 29, of Connecticut, arrived uninvited and unlicensed at a Globe reporter's home in February. He left shaking after being informed he may have broken a criminal law.

So, the same school is back using the same courses with the same "guiding faculty"—even though two of them—Bennett Cerf and John D. Ratcliff—are deceased.

Another Globe reporter discussed a job opening with Toy in late November after Toy had just signed up an Attleboro man. The sales manager explained the firm had a new president with a "financial background" and had formed a new board of directors.

Q. I was a little put off on the company after the Atlantic article.

A. Don't worry. That only had a small circulation. The public didn't know much about that.

UNIVERSAL TRAINING SERVICES, FLORIDA

A special paper ribbon is placed across the toilet seat for the purpose of:

(A) advertising; (B) giving the maid her instructions; (C) assuring the guest of cleanliness; (D) holding the seat up while cleaning.—from lesson nine, Universal Motel Schools of Florida.

The $795 course in motel training, one of six offered nationwide by Universal, also includes some resident instruction, but you have to pay your own way and then $14 a day to work free in a motel in Florida or Las Vegas. Food is also extra.

Charles Calareso, a Universal salesman with an expired license, sold a Globe reporter the course. It took two letters and six telephone calls to get a refund after canceling a contract that appears to violate Massachusetts law.

Calareso has a motto he carries on a card. He read it to the reporter: "I fully realize you believe you understand what you think I said, but I am not sure you realize what you heard is not what I meant."

UNITED STATES GIVES MILLIONS, REQUIRES LITTLE OF CAREER SCHOOLS

(NOTE.—This is the seventh in a series by the Globe Spotlight Team on the profitmaking vocational education industry. Today's article examines the performance of the Federal regulators of the industry.)

The private vocational school business has mushroomed into a multibillion dollar industry, thanks largely to the government's massive financing on one hand and its lack of regulation on the other.

While taxpayers' money flows smoothly into many dubious profitmaking schools, Federal and Massachusetts regulatory agencies have proven to be chaotic failures in protecting frequently abused students.

The system is geared to the flawless dispersal to the schools of millions of dollars and nothing more. A four-month Globe Spotlight Team investigation has found that state and Federal governments are headless monsters that simply have no idea of what the public has been getting for its money and lack even a method of finding out.

Government officials responsible for policing the schools wait passively in remote, private offices for consumer inquiries that rarely reach them. They have a standard line: "Except for a few bad apples, everything is fine."

This was pointedly contradicted by one of the handful of experts on the subject of private vocational schools. "The officials just don't want to know what's going on in the industry, because if they did, they'd have to go on such a head-hunting expedition to clean it out that few of the schools and fewer of the officials would be left standing," a financial consultant to a national network of the schools told The Globe.

An in-depth investigation by The Globe has found that a shocking number of vocational schools are operated primarily to make money, with the student's welfare a fleeting afterthought at best.

Poor performance by the official agencies responsible for protecting the public has allowed the situation to continue. The Globe investigation found:

The Veterans Administration and the US Office of Education, two agencies which have pumped more than a billion dollars into the schools in less than ten years, admit they have no control over what the student receive for the money.

The two steps—licensing and accreditation—that a school must take to open its doors for the glut of Federal programs are vastly overrated and provide virtually no protection for the public or the student.

In Massachusetts two harried officials rubber stamp licenses to operate with few of the intended safeguards fulfilled.

Nationally, accreditation of a school to qualify for the flood of Federal dollars is determined by industry-dominated associations that even their supporters admit are little more than self-serving, fraternal organizations.

Recent efforts to make the hulking bureaucracy more responsive to the student and public have been effectively opposed by the industry's two Washington lobbyists. Where congressional contacts failed, sheer official incompetence has nearly always stepped in to benefit the industry at the public's expense.

The agencies researched in The Globe Spotlight Team investigation were:

VETERANS' ADMINISTRATION

The title of the Federal report was to the point: "Most Veterans Not Completing Correspondence Courses: More Guidance Needed from the VA."

The little-noticed findings of the General Accounting Office (GAO) report were explosive: three out of four veterans whose Federal benefits were paying for their correspondence course were dropping out of the course before completion; a staggering 94 percent of the veterans had not reached their objective of gaining employment from the course; and most astonishingly, a vast majority said that if the VA had provided them with counseling, they would have never taken the course.

The Spotlight Team's findings paralleled the GAO report. The VA, the third biggest spender in the United States government, is unable to determine how much money has gone to each individual correspondence or resident training school, and it has no central office to handle the growing number of complaints regarding the schools.

Inquiries into the VA by a Globe reporter were invariably met with either stony silence or a bureaucratic shuffle. Officials evaded pointed questions by either handing out a VA pamphlet or referring the reporter to another bureaucrat down the hall. A Boston VA official protested being interviewed by saying, "How did you find me? Who said you could call me?' '

The implications of the GAO report were clear: veterans and servicemen have not been getting the education and training promised by the correspondence school industry. The $390 million the VA has given to the correspondence schools in veterans' benefits since 1967 has been virtually wasted.

The VA's first response was to check out the validity of the GAO's indicting report. A six-month study of the 1.3 million veterans and servicemen who had taken correspondence courses came to the same sad conclusion. However, the VA's findings were couched in neutral terms and never summarized for ready reference, The Globe found.

Despite the reports, the problem is growing. Last year alone, the VA spent $119.7 million on correspondence courses, almost twice as much as in 1971.

However, the VA's Washington headquarters, stunned by the critical findings on the correspondence school industry, followed two recommendations in the GAO report. It advised that the veteran be counseled personally on what he would be getting out of the mail course and also be told what were the course's graduation and job-placement rates—figures the schools had been unwilling to give out on their own—so that he knows his chances of success.

The stark figures, which had to be ferreted out of the VA by The Globe, have had no impact on the money spent for the demonstrably inferior product. The information has never filtered down to the veteran who needs it most.

Last May, the two recommendations were included on the back of the new veteran's-benefit applications sent to the VA's regional offices throughout the country with the VA's watered-down bulletin on the perils of correspondence education.

As far as the Boston VA office was concerned, the recommendations could have been written in Sanskrit.

William F. Connors, Boston regional director, was unaware on first being contacted, of either the bulletin or the new recommendations. "I'm the director of all trades and the master of none," he said.

On locating the bulletin showing high course dropout rates a week later, Connors said he was wary about disclosing the figures to either veterans or The Globe: "We're cautioned by Washington about giving out the dropout information. Those figures could be misleading." Connors recommended contacting his head counselor to find out how Boston-area veterans seeking advice on correspondence education are "handled." It didn't take long.

"Correspondent students do not need personal counseling," Walter Dray, head counselor, said. "They just sign up and send in the forms. They request the benefits and they get it." Asked if he had seen the VA bulletin recommending veterans seek counseling before signing for such courses, Dray said, "What bulletin? We get an awful lot of bulletins around here."

The VA has paid more than a billion dollars in the last seven years to the resident career schools for educating nearly a million veterans so they could find jobs. But there were indications, as in the correspondence field, that the money was being squandered.

In a bulletin to all its state agents in charge of approving the schools to train veterans, the VA directed the institutions show "substantial placement" of its graduates in jobs before being cleared.

In Massachusetts, VA Approval Agent, James E. Burke said he "just never received the bulletin" and approved 130 schools without checking for substantial placement.

Veterans' complaints persisted and in May 1971, the VA sent state agents a second bulletin, again requiring information from the schools about jobs obtained. Burke got this bulletin and "immediately implemented it by requiring 50 percent placement."

Burke's records show, however, that he misrepresented the VA directive, completely nullifying its effect. Instead of requiring a school to show that half of its entire graduating class were placed in related jobs, Burke only asked the school to submit the names of half the graduates who had found jobs. This sometimes meant that the names of three placed graduates won approval for a school and, even then, the school's word was taken on faith.

U.S. OFFICE OF EDUCATION

The under-paid clerks in this Federal office were the first to notice the multimillion dollar problem. Most of the defaults on federally underwritten loans made to students to pay tuition were coming from the minority of students attending profit-making vocational schools.

But the problem, which has cost the Federal government more than $50 million in seven years, is baffling the upper-echelon executives in the Office of Education.

Like the VA, no one has an overview, and there is no handle on the big picture. The department does not even know which correspondence and resident vocational schools are responsible for the high rate of student loan defaults and they have no constructive program to deal with it.

"Right now we have a massive computer problem trying to sort out which defaults are coming from which schools," said David C. Bayer, until recently acting director of the Federal-Insured Student Loan Program (FISL). "That's our first order of business. After that I don't know where we'll go."

The FISL program, which has insured more than $6 billion in loans to help six million students attend public and private post-secondary schools, is imperiled by the defaults.

Although officials claim the default rate for the student loans is 5.7 percent, a Bank of America vice president told The Globe that judging from his bank's experience the figure is closer to 20 percent.

One thing is certain: 75 percent of the defaults in the Federal program are coming

from the 30 percent of the students taking out the federally-insured loans to attend proprietary correspondence or vocational schools.

Globe reporters posing as prospective students found several correspondence and resident vocational schools using the insured loan program as a selling tool to solicit students.

All too often, the only recourse a student has, once he finds his training to be deficient and his promised job nonexistent, is to default on his loan. But the school is safe. It already has its money, and the defaulted loan is paid off by the Federal government.

The government then begins its chase of the delinquent student—another area where The Globe found taxpayers are taking a beating. During 1973, a year when the Federal government paid off more than $52 million in defaulted loans, the education regional offices throughout the country recovered less than $2.8 million.

Although officials see a distinct correlation between a school's high default rate and the inferior quality of its program, they are presently unwilling to cut funding to these types of schools.

The New York Higher Education Assistance Corp., a state agency that banned two profit-making schools from the insured-loan program several years ago because of a high number of defaults, was sued and had to reinstate the schools. The situation still rankles the agency's officials.

Also nettled by the default problem is the Massachusetts agency which operates the program. Helge Holst, president of the Massachusetts Higher Education Assistance Corp. (MHEAC), said: "The less said about defaults the better. The more publicity we get the more defaults we get."

A novel but effective approach to the default problem has been used by the privately-sponsored United Student Aid Fund in New York. Alarmed by the high number of defaults being logged by profit-making schools, the Student Aid Fund last April decided to make these schools financially responsible for their defaults. Any profit-making school with a default rate above five percent was asked to sign a contract making the school itself and not the fund liable for the defaults.

"This way we make the proprietary school responsible for his students," Robert C. Sinnaeve, vice president of the Fund said. "If the school is just giving out the loans to get bodies in their classes, then it'll show in their defaults."

The steps have worked, but curiously, the Office of Education is quick to debunk the approach for the Federal program. "Congress would never accept our cutting the program," acting director Bayer said. He may be wrong.

Congress has become increasingly alarmed over the rising number of defaults.

"We want to know what schools are responsible for these defaults and what the Office of Education plans to do about it," said Harley Dirks, staff director of the Senate Education Appropriation Committee. "We're not playing games down here; we mean business."

The Federal education officer in charge of accrediting agencies, initially told The Globe the government cannot remove a school from participation in the insured-loan program. John R. Proffitt said current law was too vague to give the US education commissioner this power.

However, Atty. Harold Jenkins of the office of general counsel of the US Department of Health, Education and Welfare told The Globe that according to a law passed two years ago, the education commissioner has the power "to remove a school from the approved list."

Proffitt subsequently agreed: "I guess no one has really been ready to bite the bullet against these schools. Maybe now we are."

ACCREDITING ASSOCIATIONS

The three associations that dominate the proprietary school industry are well represented in Washington. Their two spokesmen, Bernard J. Ehrlich for the trade and correspondence schools and Richard Fulton for the business schools, have friends in the right places in both Congress and the executive departments, and their activities have kept their associations in power despite growing complaints.

Ehrlich, a strong voice for the profit-making schools for more than 20 years, calls President Nixon his friend and every year like clockwork a presidential message is read at the correspondence schools' conference.

Although Fulton is newer to the business, having been hired as executive director for the business schools after Ehrlich resigned the position, he is also well connected in Washington.

A former aide to the late Louisiana Sen. Allen J. Ellender, Fulton used his connections to have removed from a 1972 Federal bill a provision which would have stripped from the three associations the sole power to accredit proprietary schools and allow states to share the responsibility.

Fulton agrees he had a hand in having the proposal changed, but said his role was limited to responding to a request for his opinion from the US Office of Education's accreditation division.

The head of that division, John R. Proffitt, however, disagrees with Fulton: "It was obviously a self-serving thing for him (Fulton) to do . . . That change was made without consulting us," Proffitt said.

In an interview, Proffitt called both Ehrlich and Fulton "effective lobbyists. They lobby Congress by the usual means, cultivating key people, watching over legislation that concerns them."

However, neither Ehrlich or Fulton are registered with either branch of Congress as lobbyists. Both men hedged when asked if their Washington activities for the association included lobbying. "I've done some; well, I don't know how you would define a lobbyist," Ehrlich said. Fulton meanwhile said, "All I can say is when I'm invited to give an opinion or testify, I will respond and I have done so in the past. There's a great difference between that and aggressively going forward."

The associations which the two men represent have an iron-grip on the proprietary school industry. Accreditation is the lifeline of a profitmaking school. If the school is not accredited by one of the three associations, it cannot participate in the wealth of Federal programs which have reaped profits in the past for the schools.

The performance of the associations was found by The Globe to be deficient in their two major functions: the investigation of a school seeking accreditation and the subsequent policing of schools which have received accreditation.

The linchpin of the original investigation is an evaluation of the school filled out and submitted by the school owner himself. A check on the evaluation report is made by an accrediting team whose members are cleared by the school itself before they enter its doors.

The Spotlight Team found numerous accredited correspondence and trade schools apparently violating the associations' standards regarding truthful and fair advertising, selection of salesmen with ultmost care, adequate testing and counseling of students, fair and equitable refund policies and acceptance of only properly qualified students.

Proffitt, who decided for the Federal government which association is recognized to accredit the schools in its field, is taking a hard look at the performance of the three associations. "They're the best we got, because they're all we got," he said. At the least, he said, the associations should be stripped of one of their two major functions, the policing of their member schools, a job which even Atty. Ehrlich says is not being done.

Proffitt also says the associations should require all schools to make public their dropout and job placement rates and asked both NATTS and National Home Study Council to provide The Globe the rates "in the public interest." The industry vehemently clashed with him on this consumer-oriented issue and put off Proffitt's request. William A. Goddard, executive director of NATTS says the figures should not be released because "truth can be misleading."

FEDERAL TRADE COMMISSION

The only national effort to protect and inform the public about unscrupulous practices by private vocational schools is being made by the Federal Trade Commission (FTC). The $80,000 FTC program which also includes detailed investigation of the operations of 400 of the 10,000 profit-making schools in the nation, was found by The Globe to be an over-promoted sham.

This is not the first time the FTC has launched a clean-up effort against vocational schools. In 1972, it said it intended to sue three major computer schools under the Federal Trade Commission Act for deceptive and unfair advertising and sales practices. The news gained national attention, but now, almost two years later, the cases are still being "negotiated," no suits have been filed and at least one of the schools, Electronic Computer Programming Institute, is still engaged in the allegedly deceptive acts.

But the FTC claims this is an all-out effort. As one spokesman told The Globe: "We feel only a small number of the schools actually have successful graduates."

The FTC began its program last summer with a debilitating compromise. A public brochure severely critical of the industry and its accrediting associations was replaced with a watered-down version after concerted industry opposition.

The brochure—93,000 copies of which had to be scrapped at the taxpayers' expense—warned prospective students of schools that promote their memberships in associations such as "NATTS, ACOS, NHSC, CAC, TOPPS." This struck a raw nerve and industry pressure caused the caveat to be dropped from the second brochure.

The brochure ended with a recommendation to the public to contact the FTC in Washington or its regional offices if it wanted further information. The Spotlight Team took them up on this and asked to see complaints concerning various vocational schools.

Martin Dolan, assistant director of the FTC Boston office said The Globe could not see complaints nor would he divulge if a school was under investigation. A lawyer for The Globe formally petitioned the FTC board in Washington in December for the complaints.

Without making a formal determination on The Globe's original request for records it had on 14 schools, the agency, after months of delay, finally provided some documents from a 20-year-old case against one school. A lawyer for the FTC said it would go to court to keep industry-supplied data out of the public's hands.

The FTC in the meantime has made another public pronouncement. Printed in newspapers throughout the country, the FTC statement last month promised the public greater access to its proceedings and the "wealth of information" it collects on advertising, business practices and frauds.

SCHOOL ABUSES UNCHECKED BY BAY STATE REGULATORS

The profit-making vocational school industry has gone virtually unregulated and the public left unprotected in Massachusetts because of the desultory performance of two state Education Department officials.

Schools are operating without required state licenses; salesmen are roaming house to house without proper credentials; advertisements are being shown on television and in newspapers without being cleared for deception and teachers are instructing without being registered with the state.

These apparent violations of state laws were uncovered by the Globe Spotlight Team in its investigation of proprietary (or profit-making) schools, which included evaluating the roles of state Education Department supervisors Joseph J. DeRosa and Donald A. Carbone.

These two men are responsible for the licensing of Massachusetts' 86 private trade and business schools and 13 correspondence schools and supervising the school's salesmen.

Overwhelmed by paper work, the two officials have been forced to be content with issuing the licenses without ensuring the quality of the schools' education and the honesty of their salesmen.

The interests of the students have been placed, as Carbone candidly admits, "on the low ebb . . . Our public is the school owner."

But Massachusetts is not the only state with poor licensing of the schools. John Proffitt, head of the Federal Accreditation Division in the U.S. Office of Education, said that three out of every four states have either no or inadequate licensing procedures. "This is a major reason for the low quality of schools in operation today," Proffitt said.

SCHOOL ABUSES UNCHECKED BY BAY STATE REGULATORS

Massachusetts, Proffitt estimated, should have between 12 and 20 persons responsible for the licensing of the private vocational schools in the state. Carbone agrees. He says proper implementation of the 1972 Massachusetts law requiring annual licensing of business schools would require as many as 12 more inspectors.

The 1972 Massachusetts law also required the licensing of all salesmen who sell business school courses in the homes of prospective students. A check in December showed that only four salesmen from one school in New Bedford had been approved in the law's 18-month existence.

Although they had been in the homes of Spotlight Team members soliciting for business courses, salesmen for the Boston schools of Career Academy and the Electronic Computer Programming Institute had not been licensed.

While misrepresentation by business and correspondence school salesmen was found to be a systemic problem, no proprietary school salesman has ever had his license revoked in Massachusetts, according to DeRosa and Carbone.

Nor have the two state regulators ever revoked the license of a school, and they are unable to say on what grounds they could take such action.

"We're here to work with the schools, not zap them," Carbone said.

In contrast, the state of Ohio enacted a proprietary-school licensing law in 1972 which has resulted in 96 schools being closed down and about 25 salesmen losing their licenses for lying to students.

Frank N. Alvanese, the Ohio state official responsible for implementing the law, is a tough regulator who says: "The student's welfare is our primary concern. We insist these schools be both legal and ethical. If they're dragging their feet, we put them out of business," Alvanese said.

Months ago, Carbone recommended to his Education Department superiors that two Boston Schools—Fashion Signatures and Juliet Gibson—be denied licenses to operate. However, his recommendation was caught in bureaucratic red tape and the schools' doors remained open even though they were unlicensed.

"I've got to go through channels on these matters," Carbone said when asked why the schools had been allowed to remain open. "I can't step out of line or you know what'll happen." He proceeded to draw his finger in razor-like style across his throat.

Carbone was not always a passive state regulator. He says that on being hired in the spring of 1972, "I was out to get these schools in line or else. If they dragged their feet, I was ready to zing them."

His hard-nosed approach to the schools was changed by a committee of business school owners that was created to advise the Education Department on the 1972 licensing law. "They cooled me down," Carbone said. "They gave me professional charisma. I thought I had more power than I did, and they showed me my job was to deal with the problems of the schools."

The regulation in Massachusetts of the two other types of profit-making schools—correspondence and resident trade institutes—has been equally lax.

Joe DeRosa, the Education Department official responsible for these schools, said a lack of manpower has forced him to "take the school owner at his word."

DeRosa said he does not have time to monitor television and newspaper trade school ads to determine if they have been submitted to him before being used, as required by law. DeRosa said he was therefore not able to check the ads for possible deception. The Globe found many dubious ads have been run by the schools and not submitted to DeRosa.

DeRosa cites his "good working relationship" with ITT Tech of Boston, the state's largest private trade school. Yet, The Globe discovered that ITT conducted two highly questionable promotional campaigns last fall with phony telegrams that had not been submitted to DeRosa. When shown the telegrams by The Globe, DeRosa became visibly upset and called them "a cheap way to get students."

Although he says he receives hundreds of calls a week, many of them complaining about practices by the schools and salesmen he supervises, DeRosa requires all complaints to be sent to him in writing before he responds.

A group of ITT students who complained last year about being lied to by a school salesman and about inferior instruction at the institute were summarily dealt with by DeRosa. He never called an official investigation into their complaint; never questioned the salesman named; took as gospel the explanation of the ITT administrators and never even bothered to inform the students of his decision in favor of the school.

In his three years as state Trade School Supervisor, DeRosa has been content to operate in a vacuum. He has never referred a single complaint he has received for possible prosecution to the state attorney general or the Federal Trade Commission.

Moreover, he has never informed a complaining student that the first section of the state's trade school law allows a person who has been subjected to misrepresentation by a school or its salesmen to recover in court three times the amount of money he lost.

But bureaucratic bungling in the state Department of Education is not limited to DeRosa or Carbone. Much to the disadvantage of the public, it was found to go higher.

In October 1972, Anthony V. Cipriano, assistant director of the state Division of Occupational Education, asked the Education Department's Legal Office if the attorney general should be asked to rule on whether the new business school law would require the licensing of numerous dental and medical assistance schools in Massachusetts.

Several months later, in March 1973, Cipriano was informed that head counsel Joseph Robinson had determined the attorney general should not be asked to rule on the question. Cipriano took this to mean that the health assistance schools were not covered by the law, and to this day they operate without regulation in Massachusetts.

Atty. Robinson, however, now says he meant no such thing. "All I meant was that we were asking the attorney general too many damned things and I didn't want to bother him with another question. Cipriano should have come back and asked me personally if the new law covered the schools. Since he didn't, I never brought it up again," Atty. Robinson said.

While the health assistant schools remain unlicensed, the attorney general's proprietary school investigator Arnold Epstein, firmly feels the courses are covered by the licensing law.

Q. Why don't you tell the Education Department of your opinion?

EPSTEIN. Hey, that's not my job.

Mr. BROOKE. Mr. President, although the series concentrates on the Boston area, the described abuses exist in all parts of the country. We are not dealing simply with "fly-by-night" or marginal schools, but schools run by large and nationally well-known firms. There are pressing questions. I am, today, addressing these questions in letters to Donald Johnson, Administrator of the Veterans' Administration, and to John R. Ottina, Commissioner of the Office of Education.

I am also bringing the entire series of articles to the particular attention of our colleagues, Senator CLAIBORNE PELL and Senator PETER DOMINICK, the chairman and ranking minority member of the Education Subcommittee of the Labor and Public Welfare Committee, and to Senator VANCE HARTKE and Senator ROBERT STAFFORD, the chairman and ranking minority member of the Readjustment, Education, and Employment Subcommittee of the Committee on Veterans' Affairs.

Mr. President, I do not propose to let this matter drop here. The Boston Globe has done its duty by turning the spotlight of publicity in the finest traditions of journalism, on federally subsidized education programs of questionable usefulness and repute. Government must accept the challenge by providing remedies and redress. When proposals for action are received from the Veterans' Administration and the Office of Education, I will have additional comments on the future of these vocational education enterprises.

TRIBUTE TO LAURENCE N. WOODWORTH, CAPITOL HILL TAX EXPERT

Mr. TALMADGE. Mr. President, in the more than 17 years that I have served in the U.S. Senate, I have known and worked with many hard-working and dedicated congressional staff people. Laurence N. Woodworth, chief of staff of the Joint Committee on Internal Revenue Taxation and adviser to all the members of the Senate Finance Committee, and the House Ways and Means Committee, is the most able and the most dedicated I have ever known.

There appeared in the March 30 issue of Business Week magazine an article entitled "Capitol Hill's Resident Tax Expert." It is a splendid tribute to the professional excellence of Dr. Woodworth.

Also, this morning's Washington Post carried an article on Larry Woodworth and the joint tax committee staff, which I also bring to the attention of the Senate.

I salute Larry Woodworth for his dedicated public service, and ask unanimous consent that these articles be printed in the CONGRESSIONAL RECORD.

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

CAPITOL HILL'S RESIDENT TAX EXPERT

When President Nixon surrendered his tax returns to Congress for an audit last Dec. 12, a veteran Capitol Hill staffer, Laurence N. Woodworth, suddenly found himself with one of the touchiest assignments in Washington. Since then, Woodworth, who is chief of staff of the Joint Committee on Internal Revenue Taxation, has devoted "at least a little time each day" to the President's returns. And although he has 10 assistants on the project, many a night he trudges home with some of the accumulated documents now filling six file drawers.

The President's taxes are only a part of his preoccupation, however. He is also enmeshed in the pension reform bill and the oil profits package the House is about to vote on. Although every Congressional tax bill passes through Woodworth's hands, he operates mainly behind the scenes and receives little public attention. In fact, he has tried hard to keep it that way, preferring to play the role of a faceless, no-opinion technician doing what his 41 "bosses" on the House Ways & Means and Senate Finance committees tell him. The Joint Committee staff serves as liaison and provides technical help to both House and Senate tax committees. The opening of Ways & Means bill-drafting sessions to the public this year, however, has blown his cover.

CENTER STAGE

Observers have had no trouble seeing how heavily the legislators depend on Woodworth in shaping tax bills. Seated at the center of a horseshoe arrangement of desks, ringed by some of the most influential members of Congress, Woodworth is peppered with questions about how various tax tactics would work, how much revenue they would raise, who would be hit.

Members' suggestions may rise or fall on his instant assessment. One, for instance, wanted to know recently if it would "be possible" to tap oil companies' income from shipping that is now sheltered by oil tax credits. "Yes," said Woodworth, "but I'm not sure they'd be American companies very long. They'd move to the Bahamas." End of suggestion.

Woodworth himself insists he is "just the sieve" through which members' ideas filter, and he goes to great pains to stay neutral. In the oil tax markup, one member asked if another's suggestion for a plowback formula would not "gut the bill." Woodworth, who has been around too long to get trapped in that one, just smiled and replied: "I'd rather not characterize it. I'll just give you the statistics."

In a town where knowledge is power, Woodworth is one of the power kings. Often the "consensus" of what the committee wants the staff to do is very muddy, so the staffer who drafts the actual proposal has a lot of leeway to make policy. When the committee was stymied on a way to phase out the oil and gas depletion allowance without hurting the independent oil companies unduly, Woodworth came up with a proposal for leaving at least 15% depletion on the first 3,000 bbl. a day until the phase-out is completed. The committee accepted it.

But while his ideas may bend the committee one direction or another, he can influence the outcome only at the parameters of policy. His formula for giving oil companies just a partial tax credit for the windfall profits they plow back into investment was rejected; the committee voted a 100% plowback.

But the committee's phenomenal reliance on Woodworth was shown when Ways & Means Chairman Wilbur Mills called for a vote last week on an amendment after members had been loosely discussing a half dozen different proposals. Members protested that they did not know what it was they were voting on. Neither, apparently, did Mills. "O.K." he said, "tell us where we are, Larry." Woodworth straightened them out.

THIRTY YEARS OF SAVVY

Such expertise is surprising for a man who is neither a tax lawyer nor an economist. He is backed up by a staff of some 20 professionals, but his own savvy comes simply from 30 years on the committee staff and 10 years as its chief. Woodworth has a B.A. from Ohio Northern University; his Master's from the University of Denver and PhD from New York University are in Public Administration.

As one of the two highest paid staff men on Capitol Hill ($40,000), the 56-year-old Woodworth could take early retirement next July on a comfortable pension. But he shows no interest in doing so. He thrives on a six-day week and pursues few outside interests these days, now that three of his four children are grown and gone. Once he served as the nonpartisan mayor of suburban Cheverly, Md., and he keeps an interest in Ohio Northern as a member of the board of trustees.

But he has little time for the traveling and camping he likes. In the pressure-cooker atmosphere he operates in, some irascibility would be easily forgiven, but he remains as patient, unassuming, and good-humored as a country parson. That could come from his upbringing as a Baptist preacher's son in various Northeastern Ohio towns.

What he would like to do with the nation's tax system himself, if given a free hand, he is reluctant to discuss. But he acknowledges that "all professional tax people get upset at things that create discrimination between taxpayers. I would work in the direction of eliminating shelters, simplifying the system, and broadening the base—as long as you don't upset basic elements of the economy."

Some tax reformers think Woodworth is too close to the Establishment. One member of the committee feels he "is too dependent on Treasury sources; his assumptions are too often Administration assumptions." But James S. Byrne, editor of a newsletter for Tax Analysts & Advocates, a public interest law firm, says Woodworth would lose all influence if he tried to be anything of a crusader. "He could be more aggressive on positions," he says, "but not much more,".

THE OPEN DOOR

Woodworth makes a great effort to keep in touch with outside sources. He likes to operate "with an open door," seeing one or two people each day. His visitors include academics of all points of views, Ralph Nader's tax crusaders, and nearly anyone with a big problem with the tax code. "A tax lawyer in town who doesn't try to get to Woodworth isn't doing his job," says the Treasury's Assistant Secretary for Tax Policy, Frederic W. Hickman. If a lobbyist wants something included in a tax bill, he will have to get a committee member to push it, but if he can sound out Woodworth's opinion first, he's ahead of the game.

While criticism of Woodworth is hard to find from members, one theme does recur. "He says he's for simplification," says former top Republican John W. Byrnes of Wisconsin, now in private law practice, "but he can come up with some pretty complicated ways of doing things." Representative James C. Corman (D-Calif.) jests: "Ask him what time it is and he builds you a watch." The complexities grow out of Woodworth's need to accomplish goals the members want without hurting economic interests by too simple an approach. The depletion phase-out Woodworth cooked up, for instance, achieves an end to depletion by 1981 but with some complicated steps to ease the jolt.

The next big test will come when the committee tackles another tax reform package, which Mills says it will do this year after finishing with the Senate-House conference on the pension bill. Woodworth is as inscrutable as Mills as to what he thinks the bill will look like, but he can point out what he thinks the committee wants as a "main thrust." Simplification will be one goal, perhaps getting more people on the standard deduction. A minimum tax is on nearly everyone's priority list. Capital gains will be dealt with, not to cut "true" gains but to get at shelters and perhaps introduce a sliding scale. He is not sure there will be time to do much about estates and gifts.

Taxes is one of the few areas where Congress still dominates the Executive branch, and Woodworth sits in the middle. Says Treasury's Hickman: "I don't know what kind of a mess we'd have if we didn't have someone that able in the job." Being in the middle also on the report on the President's taxes—which will be made public imminently—is an unaccustomed hot spot. Chairman Mills has said the report will be a "shocker," but Woodworth has maintained his traditional silence.

JOINT TAX STAFF REGARDED AS BEST ON HILL

(By Spencer Rich)

When members of Congress get legislative advice from Larry Woodworth, the 56-year-old soft-spoken son of an Ohio Baptist preacher, they listen with special care and respect.

For Woodworth—who heads the staff of the Joint Committee on Internal Revenue Taxation which has just issued a devastating report on President Nixon's taxes—has a universal reputation as one of the best, perhaps the very best, staff man on Capitol Hill.

And the 40-member staff over which Woodworth has ridden herd for the past 10 years is known as the ablest, most discreet, most savvy and most professional group of committee aides in Congress.

Few people on Capitol Hill and virtually no one off the hill—except the Treasury Department and the private tax lawyers and lobbyists—know much about the joint committee. Yet it is one of the most powerful in Congress, with tremendous influence over legislation affecting the lives of millions.

The joint committee, created under the Revenue Act of 1926, consists of members of the tax-writing committees—House Ways and Means and Senate Finance. The chairmanship alternates and the chairman this year is Sen. Russell B. Long (D-La.), with Rep. Wilbur Mills (D-Ark.) as vice chairman. For years the Senate chairman was Harry Flood Byrd Sr. (D-Va.), an arch-conservative in fiscal matters.

The joint committee provides the major staff for both chambers of Congress on tax matters, and right now—in addition to Woodworth, who holds a doctorate in public administration and isn't an economist or a tax lawyer—it has 25 professional staff members.

Including secretarial and clerical positions, the total staff is about 40. The professional staff members include two legislative counsels, six legislative attorneys, six economists and a number of economic and tax-statistic analysts. Several of the members have accounting training as well. The staff has been built up as a civil service-type staff—nonpolitical and nonpartisan.

When a tax bill is before either Ways and

Means or Finance or on the floor of either chamber, it is the business of the joint committee staff to draft the legislation, to write the reports and to be at the side of committee members to advise and assist. Four or five staffers are almost always seen on the House and Senate floors whenever a tax bill is being considered.

Woodworth gets $40,000 a year, the highest possible staff salary in Congress. With the committee since 1944, he is a master at trying to tailor and stitch the proposals of members into a coherent whole. He is the model civil servant—able, discreet, honest and hardworking, according to members and associates. He could probably triple his salary in private industry but he won't jump.

Second in command on the committee staff is Lincoln Arnold, 64, a one-time municipal judge in Thief River Falls, Minn., who was an Internal Revenue Service attorney, senior legislative counsel for the House, and worked in private practice for 15 years with Alvord and Alvord.

Another staff aide with a major role on the Nixon tax report is Bernard (Bobby) Shapiro, a soft-spoken lawyer in his early 30s with a trace of a drawl (he's from Richmond) and training in accountancy as well as law. Shapiro sometimes serves as a surrogate on the floor when Woodworth can't be there.

Assistant staff chief Herbert L. Chabot, 42, who comes from New York and got his law degree from Columbia, provided staff work on pension reform bills when they were considered by the Finance and Ways and Means committees.

From the start, a staff team worked extensively and virtually full time on the president's tax matters. It consisted of Woodworth, Arnold, Shapiro, attorney Mark McConaghy, attorney Paul Oosterhuis, accountant Allan Rosenbaum and economist James Wetzler. From time to time, other staffers pitched in, and at the end most of the staff was working to get the final report in shape.

PIPELINES KEY TO COMPETITIVE OIL MARKETS

Mr. HUMPHREY. Mr. President, last week I read a very insightful article in the Washington Post regarding the impact of control of oil pipelines by the major oil companies on prices and competition. The article, "Pipelines Key to Oil Markets," by Pete Bowles and Frances Cerra, provides evidence to support my contention for many months that "through joint ownership of pipelines, the major oil companies have managed to control the flow of oil and its products from the oilfield to the marketplace."

According to these journalists, these consortia possess two major advantages by building their own pipelines. First, major oil companies can recoup some of their shipping costs by paying themselves dividends as stockholders of their pipelines. Second, and most important, the major oil companies have constructed their lines close to their own refineries and away from competing independents who do not own an interest in the pipelines.

The article also points out that joint owners of pipelines have withheld fuel oil from certain market areas that needed it, in order to keep fuel oil from reaching independent distributors, currently underpricing the major oil companies. For instance, two detailed studies have reportedly found circumstantial evidence that Colonial Pipeline Co., owned by 10 major oil companies, prompted shortages in the upper Plains States last winter and in the late sixties. In addition, last winter's home heating oil shortage in the Midwest coincided with an enormous unexplained increase in fuel shipments to the east coast, where the winter was quite mild.

The Independent Fuel Terminal Operators Association notes that its members are in a very vulnerable position. According to Arthur Soule, president of the association, when the foreign market finally became available to his organization's members, Arab oil prices made it impossible to purchase and remain competitive.

Mr. President, it is certainly up to the Congress to further investigate all questions concerning recent shortages, price hikes, and most importantly, the oil companies' formation of consortia to control the oil business at every level.

Mr. President, I ask unanimous consent that this most informative article be printed in the RECORD.

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

PIPELINES KEY TO OIL MARKETS

(By Pete Bowles and Frances Cerra)

Through the joint ownership of pipelines, the major oil companies have managed to control the flow of oil and its products from the oil field to the market place.

A Newsday study of oil pipelines has found that a few major oil companies, by banding together to build their own highways of distribution, have gained domination of the marketing areas their pipelines serve.

Congressional investigators charge that the major firms have gradually squeezed out smaller, independent oil suppliers and distributors who don't own pipelines. The result has been scattered shortages and higher prices.

Like an invisible railroad network, more than 220 pipelines crisscross the country, silently pumping crude oil to refineries and refined products to terminal facilities in most major cities. The pipelines are underground, out of public view, yet they represent a significant key to the huge profits enjoyed by an industry that has been forced into the public spotlight because of the energy crisis.

Most of the pipelines built since World War II, about 40 in all, have been constructed by consortiums formed by actual and potential competitors.

There are certain advantages for the consortiums to build the pipelines. The oil company owners tend to construct their lines close to their own refineries and marketing terminals and away from those of competitors who don't own an interest in the pipeline. They also recoup some of their shipping costs—charges they assess themselves—by paying themselves dividends as stockholders of their pipelines.

Although they are classified as common carriers, and are supposed to be equally accessible to all shippers, pipelines enjoy certain benefits legally denied to other common carriers. Railroads, for example, are barred under the Hepburn Act of 1906 from shipping products which they "may own in whole or part." Efforts in Congress to apply the act to pipelines have failed.

Under the Elkins Act of 1903, which helped break up the Standard Oil Co. monopoly, all common carriers are prohibited from granting rebates to their shippers. However, the dividends paid to the pipeline shipper-owners have never been declared illegal rebates.

Congressional investigators, working for several committees now studying the oil industry, have uncovered evidence which, they report, proves that joint owners of pipelines have withheld fuel oil from certain market areas that needed it, diverting it instead to warmer sections of the country. The purpose, the investigators claim, was to keep fuel oil out of the hands of independent fuel oil distributors who had been underpricing the major oil companies.

In condemning the control of the country's oil products by the major oil companies which own pipelines, Sen. Frank E. Moss (D-Utah) recently told a Senate committee: "In effect, we have permitted a 'private government' to control our oil economy for its own advantage, regardless of the public good."

In two detailed studies, both involving Colonial Pipe Line Co., which operates the world's largest pipeline, investigators found circumstantial evidence that implicated Colonial and its owner-shippers in shortages of home heating fuel in the Upper Plains States last winter and in the New York and New England area during three winters in the late 1960s.

Colonial, a Delaware corporation with offices in Atlanta, has been "under study" by the Justice Department almost since the day it began its operations in 1963. However, the Department has taken no action against Colonial, or other major oil pipeline companies, apparently because of political interference at high levels of the department and timidity in the face of the industry's political clout.

Although some members of Congress feel that the petroleum industry should be made more competitive, they do not agree on how to do it.

Colonial pumps petroleum products through a large-diameter line stretching from Houston to New York. It is owned by 10 major oil companies which have refineries on the Gulf Coast: Texaco, Cities Service, Gulf, Standard Oil of Indiana (Amoco), Mobil, BP, Continental, Phillips, Union and Arco.

Last winter's home heating oil shortage in the Midwest coincided with an unexplained increase in shipments of fuel oil through the Colonial pipeline to the East Coast, where the winter was mild.

At the same time, shipments of fuel from the Gulf Coast through another jointly owned pipeline that serves the Midwest—where the winter was severe—were at least 20 per cent less than the pipeline had forecast.

At the time, the midwestern states could find no explanation for the shortages. "Demand was higher (because of the weather), but none of the oil companies said that less supply was coming in than in the past," said Dr. Samuel Tuthill, Iowa's energy adviser and chairman of the Midwest Governors' Task Force on Energy.

The oil companies, when asked for increased deliveries to meet the emergency, said only that "supplies were not available," according to Tuthill. He said the shortages forced independent jobbers—who sell on both the wholesale and retail levels—to increase prices, effectively eliminating them as competitive forces.

A Washington energy consultant who investigated the Midwest shortages said a number of small fuel oil dealers, mostly one-truck operators, were "wiped out" by the shortages. The independent jobbers managed to survive, he said, because of the efforts of several states such as Iowa. "At least three states bought fuel oil from other sources and sold it at cost to the jobbers on their certification that it would be used for emergency purposes," said the consultant, who asked for anonymity.

The pipeline that carries fuel from the Gulf Coast to the Midwest is Explorer Pipeline, a corporation which is owned by eight

major oil companies—Texaco, Cities Service, Gulf, Continental, Phillips, Shell, Sun and Arco. Five of them also are joint owners of Colonial. The Explorer line, which runs to Chicago, connects at Tulsa to the independently owned Williams Brothers Pipe Line Co., which moves products to the Upper Plains States.

A spokesman for Explorer conceded in an interview that its fuel oil shipments last winter were about 20 per cent below "original projections" but denied that this caused the Midwest shortages. "I don't have the basis to make the type of judgment (Sen.) Moss did," said Explorer's administrative vice president, Glenn Welsh, referring to Moss' accusations that Colonial's owners were responsible for the shortages.

Moss, in testimony Nov. 28 before the Senate special subcommittee on integrated oil operations, said he could not prove that the owner-shippers of the Colonial and Explorer lines devised a plan to create the Midwest shortages. But in a statement based on evidence gathered by his staff, he said: "One is unfortunately led toward that conclusion. There must have been, at the very least, a mutual, tacit understanding in which the Upper Plains States were shorted in winter of the fuel they desperately needed."

Shipments of fuel oil through Colonial to the East Coast increased last winter by almost 13.5 million barrels compared to increases in previous winters of about 4 million.

Moss reported that about 2 million barrels of fuel oil which entered the Colonial system last winter had not been delivered by last April 30. He said he suspected that the increased shipments ended up in storage tanks along the line and were withheld from the marketplace. Fuel oil storage tanks of Colonial and its owners have a capacity of 39 million barrels—which is half the fuel oil storage capacity on the East Coast.

Colonial has denied that it withheld any heating oil. A company spokesman told Newsday that it was possible that fuel oil had been stored by some of the line's 26 shippers, but that Colonial had no control over those storage facilities. Company officials charged that Moss had misinterpreted the mass of data supplied his staff and said that Colonial's increased * * *.

Shipments were due to expansions of the pipeline system, whose main line is more than 1,900 miles long, and whose branch lines total 1,600 miles.

The shortages of home heating oil in the Northeast began occurring in the winter of 1966–1967, a year after the Colonial line became fully operational to New York Harbor. During three winters of tight fuel oil supplies, several independent terminal operators in the area sold their facilities to major oil companies, and fuel oil prices climbed to new highs. The shortages ended in 1970 when the federal government allowed the independents to buy imported oil.

Until 1966, most independent terminal operators on the East Coast had purchased fuel oil by two means—mostly in "spot" or "distress" market sales in which major oil companies sold off their excess fuel, and to a lesser degree by contract with the Gulf Coast refiners. (Terminal operators, in most cases, are wholesalers with storage tanks who sell fuel oil to distributors. Some also sell on the retail level to homeowners and industries.) Up to then, most of the fuel oil they purchased had been carried to New York Harbor by tankers. With the arrival of the Colonial pipeline, the spot market began to dry up.

Although shipments of fuel oil increased on the Colonial line during the three years, less fuel oil was available for independents. An article in Platt's Oilgram Price Service, a trade journal, reported at the time that the "supply situation in New York Harbor is so critical" that the major oil companies had warned their suppliers that anyone caught reselling fuel oil to independent competitors "likely will be penalized by the same amount in his new contract." Staff members of the House special small business subcommittee, which studied the effect of Colonial on the Northeast fuel oil situation, reported that the "voluntary restrictions of supply of home heating oil by the large refiners" forced a rise in prices.

"We started fighting to get permission to buy foreign fuel oil because the integrated companies got less interested in selling to the independents," Arthur Soule, president of the 17-member Independent Fuel Terminal Operators Association, told Newsday. (An integrated company is one that owns drilling, refining, pipeline and marketing facilities.) "The foreign market was cheaper in those days, but it was not available to us," Soule said. "Finally, we got it (foreign fuel oil) and now we can't afford to buy it" because of the higher price of imported fuel resulting from the Arab embargo.

After the emergence of Colonial in 1963, the number of independent fuel oil terminal operators on the East Coast was cut virtually in half, to the 17 now belonging to Soule's association, the small business subcommittee reported. Soule named four independents in the Northeast who sold their terminal facilities to major oil companies during the three-year period of shortages.

Not all the independent operators agree with the contention advanced by Soule and the subcommittee that the independents were squeezed out of business by the emergence of Colonial. "People sold out at various times, but it was not related to Colonial, but to economic opportunity," said Howard Ross of Howard Fuel Corp., secretary of the terminal operators association. "We may have done a little crying, but those who sold did so because they got the price. I would sell now if the price was right."

Calling the allegation that Colonial had caused the shortages "another myth," Colonial's president, Fred F. Steingraber, testified before the small business subcommittee: "The shortages would have been even greater than they were if Colonial had not been in existence."

By the winter of 1966–1967, Colonial was supplying 50 per cent of all the heating oil that was delivered to the East Coast, up from 38 per cent the year before. The 12 per cent difference, the small business subcommittee reported, was equivalent to almost all the excess oil that previously had been available to independents on the spot market.

Committee investigators suspect that the increased supplies were kept away from the independents in two ways—by being stored along the Colonial system and by being exchanged among the owners of Colonial.

One reason for the shortages, small business subcommittee investigators said, was an exchange agreement reached in the fall of 1966 between Colonial and a competing line, Plantation Pipeline, which parallels Colonial as far as Washington.

(Plantation is owned by Exxon, Shell and Chevron.)

The agreement allowed the two companies to ship on each other's pipelines at certain points in order to supply products to cities their individual lines did not reach. "The owners of the two lines found strong motivation to combine, expressly to keep No. 2 (fuel oil) out of the hands of the independent terminal operators, namely the motivation of forcing out low prices and aggressive competition," the subcommittee charged.

The combination gave the two lines, whose owners have 82 per cent of the refining capacity on the Gulf Coast, control over most of the fuel oil that goes to the East Coast. Spokesmen for the two companies denied any wrong-doing behind their exchange agreement.

While the spot market was drying up, something also was happening to the contract market, according to the subcommittee. Independent terminal operators found that Shell and Amoco were making less fuel oil available for contract sales in 1966 than they had the year before. The two companies were joined by Texaco the next winter and, the subcommittee reported, "All three formerly major suppliers became negligible sources of supply." Asked by Newsday about the report, the three companies could offer no explanations.

The subcommittee concluded: "Somehow, those who produced most of the No. 2 were, for the first time, controlling its release to the spot and contract markets. In brief, they were holding the supply back; and this restraint accounted for the shortages and for the eccentricities in the price structure."

THE PRESIDENT'S TAXES

Mr. HANSEN. Mr. President, the media apparently plans to give the findings of the Internal Revenue Service and the staff of the Joint Committee on Internal Revenue Taxation rather extensive coverage as it relates to the President's tax returns.

Before it is lost forever in the rush of headlines, let me make a few brief observations:

First. The President has kept his word. He indicated that he would pay the additional tax if the committee found that it was indicated he do so and that is exactly what he plans to do.

Second. The joint committee's report is just that—a staff report— but the President has voluntarily agreed to abide by its recommendations.

Third. There is a significant amount of money, representing the 1969 tax year, that has run the statute of limitations but it is my understanding that the President will also voluntarily pay that closed year amount.

Mr. President, what I am suggesting is that the President has agreed to pay back taxes and interest even though his lawyers think they could make a very strong case against the staff report and IRS findings. I think it is a good gesture and I commend him for it.

DEATH AND DESTRUCTION IN INDIANA

Mr. BAYH. Mr. President, last night tornadoes ripped through a number of the Midwestern States and caused extensive damage. The State of Indiana was hard hit by this natural disaster.

It is my understanding that the Department of Housing and Urban Development's field staff, as well as the field staff of the Federal Disaster Assistance Administration, is already in the process of investigation and assessing the extent of the damage. But there is no doubt at this time that many thousands of families will become or have become homeless; and news reports indicate that hundreds have been found dead as a result of this disaster.

I have urged the Governor of Indiana to request disaster relief from the Federal Government and I assume that the President will respond in a positive manner. I have also checked with the Department of Housing and Urban Development to get an assessment of how much of the

1974 appropriation of $400 million for disaster is still available to meet this most recent disaster. I am informed that all but $63 million of these funds are already committed and that there is some question about the availability of that $63 million. I am also aware that the President's fiscal year 1975 budget includes a request of $100 million for disaster relief.

In order to assure that the necessary funds to meet the needs of the people in Indiana and the other States are available in a timely manner, I have today recommended that the Subcommittee on HUD, Space, Science, Veterans, Appropriations include an amount of $100 million in the second fiscal year 1974 supplemental appropriation bill for disaster relief. These funds will provide State and local governments, as well as individual victims, assistance in the form of temporary housing, free food coupons, unemployment compensation, and restoration of streets, roads, bridges, building and utility systems. If these funds are included in the supplemental appropriations the victims can be assured that the Federal Government will be able to respond quickly and effectively. The committee could then take another look at the fiscal year 1975 request at a later date with a view toward augmenting the supplemental request with whatever funds are needed.

I would also like to point out that the $100 million add-on over the supplemental budget request will be more than offset by my recommendation for a $1 billion reduction in welfare costs in the Labor-HEW chapter of the second fiscal year 1974 supplemental bill.

In summary, it will be possible to provide the $100 million for disaster relief without exceeding the overall President's budget request for the fiscal year 1974 second supplemental.

TRUTH IN SAVINGS

Mr. HARTKE. Mr. President, for the past 3 years, I have urged my colleagues to become aware of the need for greater consumer awareness in the field of banking. The practices of savings institutions are confusing to most depositors. Material which I have placed in the RECORD from time to time has made it clear that it is difficult for potential depositors to know just what an institution's earnings practices are, and for existing depositors to check an institution's earnings calculations for accuracy.

It was these difficulties which gave rise to my Consumer Savings Disclosure Act, S. 1052. During the 3 years which this bill and its predecessor in the 92d Congress have been before the Senate, I have been gratified that there is a growing realization of the need for fuller disclosure of essential banking information to consumers.

Mr. President, recently, an article by Paul Dickson on the subject of banking practices appeared in the Washington Monthly. I ask unanimous consent that the text of this article be printed in the RECORD.

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

THE SCREWING OF THE AVERAGE MAN: HOW YOUR BANKER DOES IT

(By Paul Dickson)

From Watergate and Equity Funding to the "Dare to be Great" program of Glenn Turner, the 1970s promise to be an era of bigger and better scandals. As a result of the publicity which these shenanigans have received there probably has never been a time in which the average man was more apt to look with skepticism on the fast-talking sharpy who offers him a "rock-bottom" price on the Brooklyn Bridge.

But let's face it, unless you happen to be George McGovern, the holder of paper which was once Equity Funding stock, or one who dared to be great, these scandals probably have affected your faith in America far more than your pocketbook. This is not to say that we should be unconcerned with multi-million dollar heists, but we must not be so hypnotized by the super-capers that we fail to notice the hundreds of mundane, little traps in our daily lives.

No area more clearly illustrates the pervasiveness of these two-bit gyps than our dealings with financial institutions—from opening checking accounts to taking out first mortgages. The average man, mystified by the overall system of gold crises, dollar devaluations, and floating prime rates, readily admits he is baffled by these monetary dramas, but he doesn't seem to know, or care, that he is equally in the dark on the level of his personal financial transactions. The bank down the street or around the corner from where we work is a place we patronize not because it offers the best deal, but because it is the most convenient or has the shortest lines on payday. We tend to regard bank advertising with the same skepticism we bring to airline commercials—since we know all banks are alike, what do their sales claims matter?

Consequently, many otherwise intelligent and well-informed people would be astonished to discover that banks are at least as diverse as restaurants or colleges. For example, some savings and loan associations in Massachusetts and New Hampshire will pay what is, in effect, interest on checking accounts. And, there are more than 50 different ways to compute interest—with the variations meaning a considerable difference in our earnings or the amount we pay for a loan. It is remarkable how little most of us who are pawns in the money game comprehend its rules and rituals. Even more remarkable in this age of consumer consciousness is how rarely these questions are even raised.

For starters, there is the basic question of what rate of interest we get for our savings and how often that interest is compounded. At the consumer level, bank profits stem from the difference between the interest rate granted savings depositors and the interest rate collected on loans. As fundamental as this is, the small consumer seldom shops this spread with, say, the care that is almost automatic in comparing the price of used-car dealers or supermarkets. For example, some savers can take money out of their accounts when they want without losing interest (because it is compounded daily), while others lose interest if they make their withdrawal at any time other than the first day of each quarter. There are, of course, limits imposed on the range of bargains. The federal government sets the maximum interest rates that banks can pay on savings. On the other hand, there are no explicit federal limits on the interest rates the bank can charge when you take out a loan.

The American Bankers Association—not known for self-flagellation—admits there are 54 widely used methods of computing interest; the total might be more like 100 if you count some of the rarer variations. The differences between the methods can produce dramatic results. There are those banks which pay interest only on the smallest balance held in the account during the entire quarter. Others pay interest on the entire account, but only if there is a minimum balance of $50 or $100. Jackie M. Pinson, a graduate student at Kansas State University, demonstrated that two accounts paying exactly the same rate of interest can differ as much as 171 per cent in earnings over a six-month period. (For the practical lessons of the Pinson study, see the box on "Comparison Shopping.")

Some banks provide customers with detailed information on their interest policies, while others are entirely mum. The Pinson study, *Truth in Savings*, has helped spark a movement; already bills have been introduced in both Houses of Congress to require that banks use standardized phraseology and provide certain standard information to their customers. The legislation would mandate the disclosure of such essential pieces of information as the time unit for compounding interest, the actual annual percentage rate of interest, and the actual annual percentage yield. In the absence of such laws, the jumble of bank practices leads the average man in confusing, often costly, directions.

But even if the average man prudently requests his friendly banker to explain the provisions of his new account, he may remain unenlightened, according to *Citibank*, an exhaustive examination of New York's First National City Bank (Citibank) recently completed by Ralph Nader's Center for the Study of Responsive Law. The study revealed that Citibank's platform employees—those who sit at desks rather than stand at windows—are not nearly as omniscient as they seem. The Nader organization somehow was able to jar loose a series of studies, conducted for the bank by an independent management consultant, which showed that only 40 per cent of the platform employees could explain the costs of different types of checking accounts, and only 35 per cent could unravel the requirements for the bank's highly touted "Ready Credit" form of instant loan. The Pinson study of savings account interest rates had a similar conclusion—most banks sampled had an extremely difficult time explaining how their account procedures work.

Apparently the inability to explain the many services offered does not deter the selling of them. *Citibank* reports that First National City has a volume-oriented incentive program to get its branch office personnel to "cross-sell" as many services as possible to each customer. Depending on the periodic needs dictated by the bank's overall cost flow, salesmen earn different commissions for selling certain services at different times of the year. For example, there are periods when it is worth more to a bank employee to get you to borrow than to save.

ROOKED AND CHECKMATED

One way the average man often suffers for his ignorance is through an immediate loss in his checking account. Since savings banks and savings and loan associations are forbidden by law to offer checking accounts, commercial banks have a virtual monopoly in this area. Across the country, commercial banks hold $200 billion in checking-account funds; this represents some 40 per cent of the bank's collective assets and amounts to a vast interest-free supply of capital. Yet despite this enormous booty, most banks still charge for each check you write and often for each deposit. Some banks do provide free checking, but only if you maintain a sizable minimum balance. Recently, though, some banks in Pennsylvania, Virginia and New York began to offer free checking accounts with no minimum balance. But in an industry as conservative as banking, such ag-

gressively competitive practices border on heresy.

In any event, free checking is as far as even the most consumer-oriented commercial bank can go since federal law states that no interest can be paid on checking accounts. Of course, the law does not require the banks to loan this money interest free.

FAIR WEATHER FRIENDS

The loan department is probably the one part of the bank most of us enter with an active sense of anxiety, the niggardliness of banks in this respect is enshrined in aphorisms like, "A banker is someone who lends you an umbrella when the weather is fair and wants it back as soon as it begins to rain." The same banks which had few qualms, until recently, about lending millions to corporations like Penn Central are often reluctant to make consumer loans. Take this letter sent out to all customers of a Washington, D.C. bank in 1971:

"Recent developments have made it necessary that we revise our policies for consumer lending. As a result, we normally require that new loans be made only to depositors with our bank, and we have also placed a usual minimum of $1,000 on all loans."

For a person who needs only $300, the only answer is a finance company—which often obtains *its* capital through bank loans—where interest rates sometimes run as high as 36 per cent a year.

Yet the average man's problems with his local bank only begin once they deem him worthy of borrowing. Take the 360-day year custom—interest is charged for each day of the real world's 365-day calendar, while the customer only gets the use of the money for 360 days. In a non-leap year, a 12-month loan comes due in 360 days, while the interest payments are calculated for the whole year. The sum lost by an individual borrower on a six-year loan comes out to be one month's interest—small potatoes, perhaps, except that in the aggregate the arrangement yields a healthy bonus for the banks. One estimate is that this calendar magic costs the consumer about $150 million a year. According to a 1971 Federal Reserve survey, 82 per cent of the banks contacted used some form of the short year in calculating interest on loans.

Whereas rent strikes are occasionally an effective weapon against recalcitrant landlords, defaulting on a bank loan to protest financial practices like the 360-day year is not advisable. *Citibank* researchers reported excessively harsh collection policies for overdue loans at First National City—abusive calls to the debtor and his family, complaints to the debtor's employer, wage garnishment, and the use of what has been termed "sewer service." (For those lucky enough not to be *au courant* with the vocabulary of collection agencies, "sewer service" is the practice whereby a process server purposely neglects to deliver the summons, preventing the debtor from appearing in court and resulting in a default judgment against him.)

Mortgages provide another maze of pitfalls for the borrower. One widespread practice which deserves closer scrutiny—and is beginning to get it—is the requirement that homeowners put money in escrow for payment on the property taxes and insurance on their homes. In effect, this means that the homeowner must pay his taxes to the bank a year in advance, giving the financial institution interest-free use of the money until the taxes are actually due. One study estimates that banks earn about $100 million a year from use of this money.

There is some good news here—this is one abuse that may soon be corrected. Last year there was an abortive effort in Congress to outlaw escrow accounts, and attempts are continuing on the state level. The practice is also being challenged in several law suits. At least one bank, Dade Federal Savings and Loan Association in Florida, has adopted a policy of paying three percent interest on money held in escrow. But most bankers still defend the practice by pointing out that the annual interest earned on escrow accounts would be small—a homeowner with a $400 tax bill would get only $5.92 a year if he were paid five per cent, compounded quarterly. The banks might put it another way: What does $5.92 mean to you against the millions it means to us?

OAKS FROM ACORNS DEPARTMENT

Lingering memories of the Depression have caused bankers, customers, and even lawmakers to defend policies which favor the banks at the expense of individual customers. When the average man thinks about the financial soundness of his bank, images of "panics," "runs," and "failures" may come to mind, despite the fact that the Federal Deposit Insurance Corporation (FDIC) now insures most personal deposits for up to $20,000. These memories of another era's fiscal catastrophes thus tend to blind us to the modern abuses we are far more likely to experience at our local bank. The average man may not endure a major loss each time he goes to the teller's window, but a number of little tricks his bank has devised may nickel-and-dime him to death.

Many of these Depression era fears are now almost comically outdated. During the Depression, banks were forced to foreclose when homeowners couldn't meet mortgage payments. Many banks ended up with a lot of houses they couldn't sell and a resulting cash shortage which caused them to fail. Today bankers will resort to almost any settlement rather than foreclose on a mortgage. But most people outside the banking world still haven't noticed.

The worst hangover from the Depression days may be the laws regulating banks. The 1933 law forbidding interest on checking accounts was clearly devised to help failing banks cut costs; escrow accounts for mortgages date from the era when houses were auctioned off to pay overdue property taxes. Forty years later, banks are no longer failing en masse, but they continue to cash in on the regulators' fears. Admittedly, the money any one of us loses yearly because our checking account doesn't pay interest might not fill our freezer with porterhouse steaks, but from the banks' point of view it adds up to a hefty amount when multiplied by the number of depositors.

Similarly, the memories of bank runs persist in the minds of government regulators. Today, the tight-lipped FDIC is reluctant to disclose to anyone that a bank is having difficulty. Releasing such information, the agency argues, might precipitate a run and thereby scuttle a bank which otherwise could have been saved. While there is merit to this reasoning, it raises difficult questions of whether the depositors or the banks deserve greater consideration when a bank starts having trouble.

A BANK BAEDEKER

The Depression mystique isn't the only obstacle to effective banking regulation and consumer awareness. The sheer variety in the *kinds* of banks existing today is also an impediment. First, there are the commercial banks, the savings and loan associations, and the mutual savings banks. Then there are all the other institutions which perform bank-life functions even though they aren't banks: credit unions, insurance companies, and for that matter, pawn shops. Each of these institutions operates under separate laws and customs. No wonder five financial institutions on the same block in the same community can have five different mortgage policies, five different formulas for computing interest, and one common claim—that each offers the best deal in town.

Sitting atop this entire structure is a series of federal regulatory agencies which creates complications unique even for the federal government. Regulatory responsibility is shared by the Comptroller of the Currency, the Federal Reserve Board, the Federal Deposit Insurance Company, and the Justice Department. This whole superstructure is shrouded in secrecy: even the General Accounting Office cannot audit the Federal Reserve, and their ability to oversee the Comptroller of the Currency and the FDIC is limited. State banking laws also vary widely—what is the standard interest rate in one state may be usury in another.

Since the government is mute, the average man is left to rely on the banks themselves for information. But false or misleading claims in bank advertising are exempt from the scrutiny given advertisements by the Federal Trade Commission. What regulation does exist comes from federal and state banking agencies. Federal truth-in-lending legislation affords some protection to the prospective borrower, but there are few protections regarding other banking services.

With restrictions like these, bank advertising can easily veer toward the far limits of plausibility. One New York savings and loan association advertised the highest rate of interest in America when, in reality, for most of its depositors it didn't even pay the highest rates in town. Commercial banks regularly promise "the highest rate of interest permitted under law," even though the law generally allows savings banks and savings and loan associations to offer somewhat higher rates.

HUNTING FOR MORE COMPETITION

Nonetheless, the future at the teller's window of your local bank is not entirely bleak. In late 1971 a presidential commission on "Financial Structure and Regulation," chaired by retired businessman Reed O. Hunt, came up with some 90 major recommendations for re-shaping the American financial world. The effect of these suggestions would be to foster greater competition between commercial banks and their rivals—the savings and loan associations, savings banks, and credit unions. One recommendation called for permitting savings and loan associations to offer checking accounts—a move that could hasten the spread of the free checking account. The report also urged that the federal government gradually lift the ceilings on the interest rates which can be paid to depositors. Unlike most commission reports, which are promptly filed under "Forget," this one has attracted serious attention, and many of its conclusions are being transformed into legislative proposals.

And even now, the banking world is bracing for a new specter which might best be called "Beyond Free Checking." A number of state-regulated mutual savings banks in Massachusetts and New Hampshire are trying to break the commercial banks' monopoly on checking accounts by offering a kind of savings account which for all intents and purposes functions as a checking account. Called NOW accounts—for Negotiable Order of Withdrawal—they allow you to pay the plumber or the phone company by writing a withdrawal order on your savings account in lieu of a check. This way you are able to use a savings account like a free checking account while still getting *some* interest, though rates tend to be lower than those on regular savings accounts. The NOW accounts are one of the most controversial banking developments in recent years—already one effort to ban them outright has been turned back in the House of Representatives—and are likely to provoke continued legislative battles.

Another encouraging sign is that bank customers are beginning to ask questions. It was basically consumer pressure, for example, that turned such sacred cows as no-

interest Christmas Clubs into plans which yield capital *and* interest at Yuletide. And, although there is still rampant inertia in the banking community, free checking is becoming more common, as people ask, "If the Mellon Bank lets its customers check for free, why doesn't my bank?"

But it's a long way from free checks to a square deal at the bank. The average man must learn to ask a lot more questions of the kindly institutions which safeguard his money. Those friendly folks at the local bank may need to hear from Marley's ghost before they start asking the questions of themselves.

OIL MONEY AND STARVATION

Mr. DOMENICI. Mr. President, the international monetary shifts which are occurring due to the rise in Middle Eastern crude oil prices will have many worldwide effects. As a developed country, we have been concerned primarily with our balance of payments, domestic implications of more expensive petroleum products, and initiating efforts to become self-sufficient in supplying our petroleum needs.

The world's underdeveloped countries are feeling these effects in other more drastic ways. Chester L. Cooper describes these effects in a New York Times article on April 4 entitled "Oil Billions for the Few—Sand for the Starving." That article is deserving of our attention and 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:

OIL BILLIONS FOR THE FEW—SAND FOR THE STARVING

(By Chester L. Cooper)

WASHINGTON.—By the grace of Allah, a few Middle Eastern nations have become rich beyond even the wildest dreams of the fabled potentates of ancient Araby. Through little effort of their own, 55 million people—or, more accurately, their leaders—of Saudi Arabia, Kuwait, Iran, Iraq, Abu Dhabi, Qatar and Libya "earned" $16 billion in 1973 and are expected to "earn" almost $65 billion this year. The spice trade was but salt and pepper compared with commerce in black gold.

The roll of the dice and the leaders' greed have combined to raise havoc with the energy-intensive, interdependent economies of Western Europe, Japan and the United States and to jeopardize the development prospects of scores of countries in Africa, Latin America and Asia. Because of quantum jumps in oil prices, worldwide inflation is sharply accelerating. International monetary arrangements, chronically fragile in the most stable of times, are under severe stress. The specter of a worldwide depression is becoming all too real.

Meanwhile, life goes on, at least for some—the lucky ones whose only urgent need is oil. But millions of Africans are facing another, more terrifying crisis. They are dying of thirst and hunger. Unknown thousands have perished over the last year and scores of thousands have fled from baked fields and destroyed herds to rot slowly away in unfamiliar, frightening cities.

On his return recently from the sub-Sahara region of Africa, Secretary-General Waldheim of the United Nations was aghast at what he had witnessed. "Peoples and countries could disappear from the face of the map," he said. "This region has not seen such a disaster in two centuries."

The international community, or rather a part of it, has not remained unconcerned. Approximately $350-million in aid—food, money and services (not including airlifts)—have been contributed to the stricken countries of Senegal, Mali, Mauritania, Chad, Niger and Upper Volta. Of this, the United States, despite domestic problems, has contributed more than a third. The European Economic Community, racked by balance-of-payment problems and inflation, has contributed slightly less than a third.

The United Nations and its subsidiaries, not includng the Food and Agriculture Organization, has given approximately 7 per cent. The F.A.O. has provided separate assistance, largely from American and European contributions. France, West Germany, Canada, China, Nigeria and the Soviet Union have made up the remainder.

On rereading the roster of contributors, one has the feeling that it must be incomplete. Are there not some countries missing? Some of the very rich, perhaps? Some Moslem countries, since most of the stricken people south of the Sahara are also Moslems? Some fellow African countries, possibly? We had better review the official data.

Strictly speaking, three countries were overlooked: Libya contributed $760,000—from the $2.2 billion it collected in oil revenues last year. Kuwait contributed $300,000—from the $2.130 billion of its oil earnings in 1973. But what of Saudi Arabia, which earned twice as much as Libya? Not a dollar in 1973, and only $2 million so far this year.

And Iraq, which earned as much as Kuwait? Not a penny. Abu Dhabi, which earned over $7 billion, or about $23,000 for every one of its inhabitants? Nothing. And Qatar, which earned almost $400 million, or about $2,600 per capita? Zero. Bahrain? Zero. Algeria? Another zero. And what of Iran, with almost $4 billion in oil revenues in 1973 and $15 billion projected for this year? A further zero.

Altogether, then, the Middle Eastern oil-exporting nations have contributed less than 1 per cent of the total aid to the starving people south of the Sahara.

This is not to say that they remained entirely aloof. Not at all. They raised the price of oil, not only for the rich industrial countries but for the desperately poor ones as well. As a consequence, virtually all of the American financial assistance to the stricken countries of sub-Sahara Africa will be absorbed by the increased cost of their oil imports—a "contribution" by the oil exporters to the needy that should not go unnoticed.

To be sure, the Arab League, with all deliberate speed, has been discussing easing the borrowing terms and doubling, to about $400 million, the capital of the Arab Bank for Economic Development in Africa. And there has been talk of preferential oil prices for some of the developing countries and some desultory discussion of eventually doing something about the famine. But, meanwhile, by the grace of Allah, the oil flows out and the billions flow in. And life goes on, for some.

PRESIDENTIAL ACCOUNTABILITY

Mr. MONDALE. Mr. President, a recent column by Austin Wehrwein, in the Minneapolis Star, thoughtfully discusses a question on which I have spoken repeatedly and which I believe to be central to the present dilemma in which we find ourselves—the problem of Presidential accountability.

I commend this article, which discusses both the difficulty and the necessity of restoring the office of the Presidency to a position of real accountability to the American people, to each of my colleagues.

Mr. President, I ask unanimous consent that this article be printed in the RECORD.

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

PRESIDENTIAL REFORM: PEEKING AHEAD TO '77

(By Austin C. Wehrwein)

NEW YORK.—Let us suppose that it is 1977.

Richard M. Nixon by then, by one means or another, is out of the White House. No longer can he kick the Constitution around.

Let us suppose that, by then, there is a mood of reform: a real sense that we can't slip back to "normalcy" but must, regardless of who is then president, make changes in "the presidency" that will prevent its being manipulated the way Nixon did.

What changes could we expect in the "post-Watergate" presidency?

A symposium at Columbia University Law School on that subject last weekend reached a consensus which is reassuring or disappointing, depending upon your viewpoint. It was that in basic, institutional terms, there isn't much that could or should be done.

Among those on the lecture platform were Prof. Louis Henkin, author of "Foreign Affairs and the Presidency," Prof. Arthur Schlesinger Jr., Sen. Clifford P. Case, R-N.Y. and William T. Gossett, former American Bar Association president.

In truncated, indeed perhaps simplistic, form, the discussion can be summarized along these lines:

We are dealing not only with the post-Watergate but the post-Vietnam War presidency. In retrospect, was the problem usurpation or was it simply that the Constitution didn't work very well?

In the area of foreign affairs the Constitution says very little about presidential powers. The specific references are to the president's power to "make treaties" with the advice and consent of two-thirds of the senators voting . . . and to "appoint ambassadors (and other public ministers) and consuls."

That's all.

The controversy, you see, is about what's missing.

The ability to run the foreign affairs of this country with a free hand is the result of the inevitable day-to-day monopoly a president has, whether he wants it or not. That began, not with Nixon, not with the Roosevelts. It began with George Washington.

Through the ambassador (actually, now the State Department) power, a president gets a monopoly on communication. Too, of course, only the president "speaks for the United States" in the world community. And unlike Congress, the presidency is always in session.

Delegation of any of this power serves to increase rather than diminish this presidential role.

Moreover, it is unrealistic to contend there is a clean line between foreign policy (to be made by Congress) and foreign affairs (to be conducted by the president). Simply by conducting those affairs a president makes policy. A dramatic example: Nixon's embrace of a newly compliant China.

Nevertheless, if Congress has the guts it can curb the president. It could have ended the Vietnam War, for example.

The Supreme Court refused to let Truman seize the steel mills under "war powers."

While it is often impossible to disentangle the parts of the presidency, it is absolutely and perfectly clear that not all foreign affairs involve "national security." Congress must force that issue.

Separation of powers does not of itself enlarge presidential powers, as Nixon contends.

The question, finally, is: Would major structural changes in the presidency be either possible or wise? Do we really want to "break up the presidency"?

Will a fervent desire to cut down Nixon in 1974 necessarily become in 1977 an equally ardent will to cut down the scope of the presidency?

Those who most ardently nurture the 1974 passion are usually those who in the past most admired strong presidents and their good works.

Where do would-be reformers go in 1977?

Well, far short of catastrophic confrontation, Congress could review and limit the massive body of legislation that has enhanced presidential discretion. Congress also has the ever-ready power of the purse to force the executive to come across with information. Congress must be a place where people can call the president to account. But any notion that a parliamentary system holds a clue is absurd, because that system unites executive power.

If the central problem stems from one man's control of day-to-day foreign relations, then it follows that the people, through and with Congress, must have more access to the presidency, day by day.

Congress might, for example, set up consultative joint committees with the whole house. Instead of calling the executive to Capitol Hill, Congress would go into the executive valley. To an extent, secrets would have to be shared far more than today.

Congress has already taken some steps toward collaboration. It did, after all, pass the War Powers Act, albeit after Vietnam involvement was ebbing.

In the pre-World War II era, Congress passed a Neutrality Act of 1935. That, however, was buffeted by the great debate between the isolationists and internationalists, so that the 1937 War Policy Act gave FDR the first of his wide "emergency" powers. The flood that began then surrounds the presidency like a Sargasso Sea, much to Nixon's glee.

But long before Nixon, it is obvious on reflection, Congress and the people lacked the will and-or the confidence to check presidential exercise of foreign affairs policies, and that spills over to domestic affairs. This is not, however, "inherent" or a form of divine right.

The solution is more a matter of increasing accountability than of reducing power, the Columbia Law School panel tended to agree.

In the words of Teddy Roosevelt, a president should be "sharply watched."

Rather than "getting off his back," the nation should be forever on it.

The oversight prescriptions do not so far sound remarkable. Or radical.

Still, their implementation would require tremendous skill, attention and energy on the part of both those on Capitol Hill and we, the people, who sent them there. Is there, however, no more concrete proposal to offer in 1977?

One object surely should be to avoid another White House staff like that under and over Nixon. It was an independent operating bureaucracy with absolute and, by axiom, corrupting power.

Appropriation authority can curb this sort of aggrandizement; such purse-power can in turn be combined with the requirement that all key aides be subject to confirmation plus constant inquisition on Capitol Hill.

Kissinger's former role as a de facto secretary of state should never be repeated.

What is often overlooked is that the Nixon system also is to "extrapolate" the staff, not only by adding (as others have done) droves of bureaucrats on White House detached service, but by putting its zealots into the bureaucratic structure, rather like implanting political commissars.

Be that as it may, the major points (slogans, if you will) at Columbia were that we should be able to punish the offender without punishing the office.

The goal is to restore the presidency, not to emasculate it.

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, it has been 25 years since the first nation signed the Genocide Convention. At that time the United States was in the forefront of those who sought to make genocide an international crime. In the intervening years over 75 nations have ratified this treaty, but this body has yet to give its consent. It is as vital that we do so today as it was 25 years ago.

Throughout history, the United States has been known for its leadership in the field of human rights. Our concern with preserving the right of religious, racial, and ethnic groups to coexist dictates that we sign the Convention. The fact that we have not yet signed the treaty puzzles our allies and delights our enemies. In fact, former U.S. Ambassador Charles Yost testified that our refusal to ratify the treaty was one of the most difficult and embarrassing things he has ever had to explain.

The psychological impact of our ratification of this Convention should not be underestimated. International law grows extremely slowly. It requires the unanimous support of the world community to become established. Thus it is hard to see how any international understanding can become binding without the concurrence of the United States.

Also, if the United States now adds its signature to the treaty, it could well prompt new nations to join in support of the convention. It is imperative that we here in the Senate give our consent to this treaty.

DÉTENTE: SOME QUALMS AND HARD QUESTIONS

Mr. DOMENICI. Mr. President, in today's New York Times an article by Gen. Matthew B. Ridgway voices some of the questions regarding détente that have been of some concern to me.

I ask unanimous consent that this article entitled "Détente: Some Qualms and Hard Questions" be printed in the RECORD.

There being no objection, the article was ordered to be printed in the Record, as follows:

DÉTENTE: SOME QUALMS AND HARD QUESTIONS

(By Matthew B. Ridgway)

PITTSBURGH.—"Détente," I believe, poses the potentially gravest danger to our nation of all the problems we face. Whether it is to prove a siren's call to lure us to our destruction, or the first long step toward defusing the terrible threat of nuclear warfare and worldwide holocaust, no man can today predict with any assurance.

But what any reasoning person can clearly perceive is the distinct possibility that treaties can be abrogated or ignored, that solemn undertakings by the Soviet leadership can be deliberately flouted or repudiated and that an overnight reversion to the hard-line policies of a former Soviet Government can take place.

Against these possibilities this country must have ample safeguards, for we are dealing not with the fate of our own nation, though that may well be what we are doing, but with the fate of a civilization, the fate of the fundamentals on which our nation and the free world have built that civilization through two millennia.

What must be done is to critically and coldly examine and analyze every facet of this problem through the widest practicable public debate and then to make basic decisions and formulate policy guidelines.

Fortunately, it appears that an assessment of where we may be going, for what reasons, and for what guarantees of national benefits, is being made, constructively, by highly qualified individuals, in and out of Government, whose intellectual honesty, integrity, competence and devotion to our country command respect.

There can be no real lessening of tensions, except in an atmosphere of mutual trust. Such trust does not exist. Positive action, not mere words, by the Soviet Government will be required over an extended period to create such trust. For America's part, I fail to see how it can exist in view of the unrelieved evidence of the actions taken and the courses pursued by the Soviet Government over the last fifty years, the frequently expressed fundamental objective of spreading its form and concept of government throughout the world—in short, of its aim of world domination.

Would it be in our national interest to extend long-term credits to the Soviet Union for the development and marketing of Siberian oil and gas reserves in exchange for Soviet promises to let us share them at fair prices years hence; to furnish technology that we have developed and that the Russians lack and eagerly seek; to continue to pare our military strength while the Soviet Union continues to augment its own in the nuclear and conventional fields, as it has been doing for the last five years; to consent to the present disparity in nuclear capabilities brought about by our 1972 agreement on limiting strategic weapons; to agree to a common percentage in the reduction of armed forces in Europe, leaving the Soviet Union in its present position of greater strength—another Soviet proposal?

These are hard questions of immense significance to us and to the free world. They demand hard thinking.

Under the vision of those who established our form of government, mankind's fires of imagination were kindled. They burned with an intense flame and spread over much of the world. They have yet to be extinguished. But now in the continuing erosion of morals and ethics, and in the apathy and muddled thinking of many of our own people today, they have been allowed to burn dangerously low.

We now have before us in our greatest hour for two centuries, an opportunity to show the world whether we are determined to keep those fires burning; whether we shall be found too lacking in integrity, too weak in moral courage, too timid in planning, too irresolute in execution to set before Almighty God and mankind an example of those principles, faithfully adhered to, on which our Founding Fathers staked "their lives, their fortunes, and their sacred honor"—whether we will show the world an example of what in our hearts we know is eternally right.

In this Bicentennial era, the choice is ours to make.

ENERGY SHOCK AND THE DEVELOPMENT PROSPECT

Mr. HUMPHREY. Mr. President, one of the people calling for immediate attention to the impact of the energy crisis

on the developing world has been James Grant, president of the Overseas Development Council.

In a council report, entitled "Energy Shock and the Development Prospect," he discusses in detail what the impact of the energy crisis will be on different groups of countries. He states that while the development prospects for most developing countries were fairly promising a year ago, they are now absolutely dismal for 40 of the poorest countries.

The article then sketches out certain elements of what could be looked at as a global strategy or game plan to deal with this problem.

Mr. President, whether or not we in the United States want to cope with this problem, we can only avoid it at our peril.

I commend this article to the attention of my colleagues, and 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:

ENERGY SHOCK AND THE DEVELOPMENT PROSPECT

(By James P. Grant)

Early in 1973, the growth prospects of most developing countries for the decade ahead appeared reasonably good. Twelve months later, these prospects are in grave jeopardy for some 40 countries with approximately 1 billion people because of the jolt of sudden massive price increases of their essential imports—primarily oil, food, and fertilizers. Many also will be hurt by the deepening of the global economic slowdown already in prospect for 1974 even before the announcement of the Arab oil embargo and the OPEC price increase for oil. The result of these massive changes is that some developing countries will suffer severe, but manageable, shocks; others now face catastrophe and their development prospects are endangered for the rest of the decade. Still other developing countries, notably the oil exporters, are, however, major beneficiaries of recent price changes.

The "energy shock" which many developing countries are experiencing comes from two different factors: (1) the increase in oil prices, and (2) higher prices for essential food and fertilizer from developed countries. If prices remain at current levels (which are four times those of 1972) the non-oil exporting developing countries will have to pay $10 billion more for necessary oil imports in 1974 than in 1973. Moreover, it is likely that most of this money will be "recycled"—in the form of oil-country purchases and investments *not* into these economies but into those of the developed countries. And the increased cost of food and fertilizer imports from the developed countries will exceed $5 billion. With wheat and nitrogenous fertilizer prices more than three times those of 1972, their increased import bill for these two commodities alone (primarily from the United States) will be over $3.5 billion.

As a consequence of these rises, *the developing countries will need to pay some $15 billion more for essential imports in 1974.* The massive impact of these price increases is indicated by the fact that they are equivalent to nearly five times the total of net U.S. development assistance in 1972, and almost double the $8 billion of all development assistance that the developing countries received from the industrial countries in the same year.

Equally important, many developing countries will be further damaged if the present worldwide economic slowdown drifts into a major global recession. Their export earnings would be reduced, and those countries depending heavily on workers' remittances and on revenues from tourism would suffer additional harm. Whether a global depression can be avoided depends on how the developed countries (and notably the U.S.) react to the new situation.

For many developing countries, however, a major offsetting factor is the higher prices they now receive for their commodity exports. Thus, Brazil's increased oil bill for 1974 of more than $1 billion is largely offset by the much higher prices for its commodity exports as compared to two years ago.

THE EFFECTS WILL VARY

The developing countries as a whole can be divided into four separate categories on the basis of how they will be affected by these new scarcities.

1. *The oil exporters.* These countries, with a combined population of more than a quarter of a billion (greater than North America, the European community, or Latin America) and whose governmental oil revenues will increase from $14.5 billion in 1972 to an expected $85 billion in 1974, obviously will be in a greatly improved position. Countries such as Nigeria and Indonesia, which have large impoverished populations, will now have sufficient resources to support and expand existing developing programs.

2. *A group which either will not suffer significant injury or who appear to be net beneficiaries of recent price increases.* Some are virtually self-sufficient in energy (e.g., Colombia, Mexico) or even small exporters (e.g., Bolivia, China); others, such as Malaysia, Morocco, Zambia, Zaire, are benefiting from the greatly increased prices for their raw material exports.

3. *A group of countries which will suffer disproportionately from serious slowdowns in the developed countries because major sectors of their economics (tourism, worker migration, fruits and vegetables) are closely linked by proximity with the developed countries (e.g. Turkey and Tunisia) or who are closely integrated into the world economy through the processing of goods (e.g. South Korea, Taiwan, Singapore).* The inherent economic strength of these countries and their access to the world financial markets will help them overcome the short-term difficulties.

4. *Some 40 seriously injured countries which together contain some one billion people and which have very dismal prospects for the future.* These countries, mostly the very poorest and already slowest growing countries, and without major increases in the prices of their exports (e.g., India, Bangladesh, Philippines, Sahelian Africa), urgently need aid in meeting an increased import bill of some $3 billion in 1974 for essentials ($2 billion for oil and $1 billion plus for food and fertilizers). They also will need additional capital of $1–2 billion annually for the next several years to increase domestic food and energy production so as not to be permanently disadvantaged by the higher prices.

THE ROLE OF THE UNITED STATES

Paradoxically to most Americans, the United States may be the only major industrialized country currently able to take a lead in a cooperative global effort to counteract the effect of these recent price changes. The United States is least dependent upon oil imports and is benefiting by about $6 billion in FY 1974 from higher prices for its food exports. Its balance of payments in 1974 and 1975 should be strongly favorable despite a possible trade deficit, reflecting the fact that the United States will provide the most attractive investment opportunity for the oil exporting countries with their potential $50 billion to $66 billion annual capital surplus. However, the moral and logical position of the United States in urging essential OPEC action to ease the world crisis would be greatly strengthened by an initiative to use our dominance (together with that of Canada and Australia) of the world food supply to work together with the OPEC countries who dominate the world's energy.

ELEMENTS OF A SOLUTION FOR THE DEVELOPING COUNTRIES

Possibly most important is the need to avoid a serious global recession. This requires that (a) the United States, with the potentially strongest economy, return to a healthy economy in 1974 and that (b) means be found for recycling funds from the foreign exchange surplus nations (OPEC, United States, and Canada) to the most seriously injured industrial and developing countries. Most developing countries will require special help:

1. *The International Monetary Fund.* Only the IMF is in the position to help the developing countries absorb the short-run impact of the price increases. However, its short-term, relatively high interest facilities are far better suited to helping the relatively advanced developing countries (e.g., Korea, Turkey) than those facing major problems with already limited repayment capacity (e.g., India, Sri Lanka).

2. *The OPEC Countries.* The oil exporters must play an important role through a combination of: (a) concessional sales of oil, (b) bilateral aid, (c) massive new support for international financial institutions, and (d) investment in fertilizer production and raw material development for the developing countries.

3. *The Developed Countries.* They need to provide additional help to the poorest countries through such means as (a) arranging a debt moratorium for the most acutely hurt developing countries, (b) redirecting major capital aid from the more advantaged developing countries (e.g. Nigeria, Indonesia) to those most hurt, (c) making available an additional two to three billion dollars annually to finance needed imports of food and manufactured goods by those countries, with one possible means being a new international food program to finance the needed food and fertilizer imports of these countries.

4. *The International Financial Institutions.* The World Bank, the Asian Development Bank, and the Inter-American Development Bank all play major roles both in transferring more resources and in providing leadership and coordination for a global effort to assist the hard-hit developing countries meet their needs for greatly increased production of food and energy. They can assist the IMF in meeting the short-term requirements by increased use of sector and program loans, and they can play a major role in an expanded development assistance effort which should include major contributions from the OPEC countries as well as an enlarged IDA "soft loan" program.

The world faces a crisis comparable in some ways to those of the 1930s and the late 1940s and one which requires a major response if disaster is to be avoided. In the next several months, the nations of the world will be participating in a number of international negotiations that provide a series of forums for the crafting of a new global effort that must include substantial new help—in several forms—to those poor countries which are most grievously injured. The energy conferences provide the first opportunity for exploring such broad approaches. In addition, the World Food Conference set for November could provide an opportunity to create a global program going far beyond food to encompass problems arising out of the energy crisis as well.

THE IMPACT OF ENERGY SHORTAGES ON ENVIRONMENTAL STANDARDS

Mr. HATHAWAY. Mr. President, the current energy situation poses a particular challenge to individuals concerned both about protecting the environment and producing adequate supplies of energy. We have to learn more about the areas where environmental and energy goals appear to be in conflict, if the wisest resolutions are to be reached.

At the request of my colleague from New England, Congressman MICHAEL J. HARRINGTON of Massachusetts, the Congressional Reference Service has conducted a study of the tensions which exist between environmental and energy objectives, with the goal of evolving policies faithful to both sets of values.

The research staff of CRS's Environmental Policy Division used the "team approach" to survey the effect of the energy shortage on air quality goals, nuclear power problems, powerplant siting, Outer Continental Shelf Development, and surface mining of coal and oil shale in the Western United States. The team's findings represent an invaluable contribution to the literature in this area, and I ask unanimous consent to have the report printed in the RECORD.

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

THE IMPACT OF ENERGY SHORTAGES ON ENVIRONMENTAL STANDARDS

[Figures referred to not printed in RECORD.]

INTRODUCTION

The recent energy shortages which have beset the United States have created numerous problems. Not the least of these are the environmental issues that have resulted from the imbalance between energy supply and energy demand. These environmental effects can be categorized as problems of extraction, combustion, or siting. All of these have generated considerable controversy in recent years and remain important issues. The seriousness of the present situation has led many to question the desirability of environmental controls regarding the production of fuels and their use. These issues and the energy supply and demand for fuels involved are discussed in the following brief overview. All of these issues could be examined in great detail. The purpose of this report, however, is to put these problems in perspective and to consider the possible impact of the energy crisis on regulations designed to protect the environment.

AN ENERGY OVERVIEW

Energy consumption in the United States has grown rapidly and exponentially. The United States is presently using twice as much energy as it did twenty years ago, and fifteen years from now the increase may be almost double the current usage. This growth rate will continue as individuals improve their standards of living by consuming more energy. The population surge referred to as the "baby boom" in the late forties and early fifties has produced a group of family-forming adults, placing additional demands on our energy resources. Efforts to improve the physical environment of the Nation will also require additional amounts of energy, compounding demand even more. A report of The National Petroleum Council (NPC),[1] for example, projects that environmental pollution control could account for up to 9 percent of total U.S. demand by 1985.

High output of goods and services requires high per-capita energy consumption. Nations with high energy consumption rates invariably have high standards of living. Figure 1 illustrates the relationship between Gross National Product and total energy use. All of the developed nations, including the U.S., in the upper part of the curve are major consumers of energy. The U.S., with about 6 percent of the world's population, presently consumes almost one-third of the world's energy resource output.

Recent data and information indicates that the rate of increase of energy consumption from 1971 to 1972 (4.9%) was more than double the increase from 1970 to 1971 (2.4%). The increase from 1972 to 1973 will very likely be even higher.

The United States obtains its energy from a variety of sources. Most important are the fossil fuels which require combustion to release their energy. Together, these fuels constitute 96 percent of our total energy consumption. Individually, oil is the most important with 43 percent of the energy market, natural gas follows with about 32% of the market, and coal trails with 20%, having lost part of its market to the other two fossil fuels. Hydropower, the generation of electricity by falling water, is diminishing in importance because of the lack of sites that are suitable for development. It currently provides only 4 percent of our total energy production. Nuclear power produces only 1 percent of the Nation's energy at present, but that figure will increase dramatically as new reactors are built and become operational. Figure 2 shows the U.S. current and projected consumption by source.

Petroleum

Petroleum is by far the most important energy source in the United States, supplying 43 percent of the Nation's energy needs. Of that total, gasoline is the largest component, followed by fuel oil and other products (Figure 3). The demand for fuel oil is still minor compared to that for gasoline, although it has risen sharply in recent years. Environmental restrictions on coal (primarily air pollution control requirements related to sulfur) and diminishing supplies of natural gas have forced many industries and utilities to switch to oil. It is conceivable, therefore, that fuel oil demand could grow at a rate of 4.5 percent or more per year. Emission controls and increased automobile weight have temporarily increased the demand for gasoline, although devices to be installed in the future may actually increase gasoline mileage.

Even though demand has risen sharply, supply has not. Domestic production since 1967 has fallen further behind each year. This may partially be due to the fact that oil is found in connection with natural gas, the price of which has made the exploration for new oil and gas fields uneconomical. Between 1955 and 1970, the oil industry spent $68 billion for exploration and drilled 653,000 wells which produced 50 billion barrels of oil. The Chase Manhattan Bank (CMB) estimated that to have met the demand completely, the industry would have had to increase its drilling efforts by 75 percent and spent an additional $50 billion. As the situation now stands, the U.S. demands an average 17.5 million barrels per day but can supply from domestic production only 11 million barrels.

To compensate for this shortage, the U.S. has been forced to turn increasingly to imports. From 1959 through 1973, the Mandatory Oil Import Program strictly controlled the access of foreign oil to the U.S. market. In the past the national policy was to limit foreign oil to about 12 percent of our total oil needs, and most of that oil came from Canada and Venezuela because they were considered to be secure sources of supply.

As demand increased in the United States, however, only the producers in the Middle East had reserves large enough to meet the gap between supply and demand, which had widened to 36% in 1973. By October 1973, close to half of our oil imports were directly from Arab states or refined in Europe or the Carribbean from Arab crude oil. The Arab oil embargo that began that month demonstrated quite clearly the increased vulnerability of the United States in terms of energy resources. Efforts to increase domestic production while promoting energy conservation were successful enough to keep the shortfall manageable. Many of these actions, however, created new pressures on the environment.

Prior to the embargo, the Department of the Interior estimated that the United States would be importing over 50% of its oil by 1980. To prevent that occurrence, the President established a national goal of energy self-sufficiency by 1980. The ambitious goals of "Project Independence" include increased domestic production of crude oil. Recovery of oil from abandoned reservoirs will be one method of increasing supplies but new oil will also have to be found. The most promising sources of new oil include the Alaskan North Slope, the Outer Continental Shelf, oil shale, and coal liquefaction. Development of all these new sources will create substantial environmental problems.

Natural gas

The demand for natural gas has risen at a spectacular rate for the past twenty years. Although the price of gas has risen 200% since FPC regulation began in 1954, compared to crude oil increases of about 50%, gas is still a relative bargain at about 23 cents per million Btus to 90 cents for oil and 30 cents for coal. The convenience of gas also added to its attractiveness as a fuel. A factor of increasing importance is the difficulty that industries and utilities have had in obtaining fuels that meet air quality standards. Because of the clean-burning characteristics of gas, many large users have switched to it from fuels that are more pollution-prone.

The production of natural gas, which was once far in excess of demand and flared just to get rid of it, is now insufficient to meet national needs. In 1970, estimated demand amounted to 59.5 billion cubic feet (bcf) per day, while supply was only 56.5 bcf per day, a daily deficit of 3 bcf. Even with total regulation of gas prices and a greatly expanded exploration effort, it is doubtful that enough additional gas could be found to offset the mounting gap between supply and demand. By 1985, according to the CMB study, there will be a deficit of 47 bcf per day if the study's demand projections are realistic. The self-sufficiency of the U.S. in gas production would then be little more than 50%, even with the addition of gas from the Alaskan North Slope. U.S. gas reserves are sufficient for less than twelve years at current rates of consumption. New additions to the reserves do not match the reserves that are being consumed, and curtailments of service have already been ordered in many parts of the country.

Alternate sources of supply plus synthetic gas made from other fuels offer one major hope of reversing the trend not dependent on successful new exploration. The U.S. presently imports about 4% of its gas from Canada and it is unlikely that a greater percentage will be imported. The amount of incoming Canadian gas will probably triple in the next 15 years, but the increased demand will likely offset that gain and keep the percentage of the total essentially the same. However, addition of a major gas pipeline from the Canadian Arctic could add enough gas supply to increase the percentage of demand met from Canadian sources,

[1] *U.S. Energy Outlook: A Summary Report of The National Petroleum Council*, December 1972, Washington, D.C.

as well as make Alaska gas available from the Prudhoe Bay field.

Imports of gas may become a significant factor in the gas supply. Consideration is being given to the importation of liquified natural gas (LNG) from Algeria, the U.S.S.R., and other countries that have a marketable surplus of natural gas. The costs involved are much higher than for domestic gas but are still presumably within practical limits. By 1985, LNG imports could add as much as 6.5 bcf per day to the supply.

Coal gasification may be a partial solution to the problem. Conversion of coal, our most abundant fossil fuel, to gas can be accomplished in several different ways. Pilot plants are currently testing the different processes to determine the most practical method. Whichever process is eventually selected, it will be more expensive than natural gas and perhaps comparable in price to LNG. Gasification would have a negative environmental effect in that it would require extensive mining of coal, most of which is now presumed to be strip mining. Even with these supplements, about a quarter of the market will not be satisfied, as indicated in Figures 4 and 5 from the CMB study. Other materials besides coal, such as animal wastes, garbage, and some petroleum liquids such as methanol and naptha can be converted into gas substitutes. Already plants producing gas from naphtha are in use and under construction.

The stimulation of flow of natural gas from tight formations in Colorado by nuclear explosives has been under R & D by AEC. A potential of some 300 trillion cubic feet (TCF) is said to be available from such stimulation but environmental intervention and other public concerns have to be resolved.

The AEC and the Department of Interior recently announced plans to proceed with further development tests (Rio Blanco test) in Colorado.

Despite these potential alternate sources of gas supply, the chief hope for eventually balancing the supply with domestic demand lies in new exploration. The Potential Gas Committee estimates that more than four times the presently proven reserves remain to be discovered in economically workable deposits. The Geological Survey estimates are higher yet. Much of this gas is offshore and in very deep formations onshore. The capital and equipment necessary to find and extract this gas will be very expensive. Thus producers want an end to the FPC regulation which has held prices to lower levels than the true market clearing price, so that domestic gas exploration will be encouraged.

COAL

Coal is by far the most abundant fuel in the United States, accounting for about three-quarters of our domestic energy fuel resources. The potential resource base is on the order of 800 billion tons, an amount sufficient to last 1,500 years at the current rate of use. Not all of that coal will be accessible, but even with existing technology about one-fourth could be extracted, enough to last well over three hundreds years.

Even though coal is the one fossil fuel the U.S. has in great abundance, the demand for coal has not kept pace with the demand for energy in general. Most of the traditional markets for coal disappeared when the railroads switched to diesels, industry to residual fuel oil and natural gas, and residences to distillate fuel oil and natural gas. Coal was unable to compete in price or convenience and lost most of its markets. Electric utilities still use large amounts of coal and are the primary users of coal, but they have also turned increasingly to oil, gas, and nuclear energy more recently in order to comply with air pollution regulations.

The President, in his recent energy messages, encouraged industry and utilities to convert back to coal wherever possible. Many of these companies would readily turn to coal in the face of shortages in other fuels if it were not for three factors: cost, air pollution controls, and availability.

Coal has not been able to compete in price with gas, and will be at an even greater price disadvantage with new mine safety laws and strip mining regulations. Utilities have come under considerable pressure in urban areas to limit their emission of air pollutants including sulphur dioxide, which is a product of coal combustion. If coal can be economically desulphurized so that it can be used in areas of high population density, it should experience considerable growth in that market, especially if shortages of other fuels persist. The major restraint is the limited capacity of the industry to produce the additional quantities of coal needed to permit a shift in use away from oil and gas. The decline in coal demand over the past several decades, the higher costs resulting from occupational health and safety laws and reclamation, and the shortage of freight cars have seriously reduced the productive capacity of the coal industry.

To ease the environmental problems associated with the use of fossil fuels, major research efforts are being conducted to determine practical methods of converting coal, which is relatively abundant, to gas, which is not. Several pilot plants are currently in operation. If successful, coal gasification would ease considerably the shortage of convenient, clean-burning natural gas and at the same time would permit utilization of a domestic resource rather than resorting to expensive and risky import plans. Coal gasification, if economically feasible, will greatly increase the demand for coal.

To meet the expected demand will require a doubling of capacity on the part of the coal industry. Environmental restrictions on sulphur content and on strip mining will add considerably to the cost, as will transportation from western coal fields to markets in the East. Even though these costs may be high, expansion of the Nation's coal production is deemed to be an important practical means of assuring adequate power for the rest of the century.

Nuclear energy

Nuclear energy offers considerable hope for a nation seeking more energy. Nuclear power cannot be substituted for all fuels, however, and is essentially limited to the generation of electricity. Development of this power source will relieve considerable pressure on fossil fuels for use as boiler fuel in power plants. That fuel would then be freed to accomplish tasks that cannot be done with electricity. The NPC has predicted that consumption of nuclear energy could rise from about 5 percent of the total electricity in 1972, to as much as 40 percent by 1985. Initially, most of that generating capacity will be from conventional reactors. The Atomic Energy Commission has estimated that proven reserves of uranium at reasonable costs will be available through 1985. Beyond that period more extensive exploration and development would be necessary to provide adequate supplies of uranium for the rapidly growing number of reactors.

Because of the relatively limited resource base of fissionable materials, the U.S. is actively pursuing, as a major national priority, the development of breeder reactors, specifically the Liquid Metal Fast Breeder Reactor (LMFBR). Besides producing thermoelecric power, the breeder makes more fuel than it uses. Since economy of operation of such plants is essentially independent of fuel costs, more expensive ore would be usable. It is unlikely that the first demonstration plant will be in operation before 1980, because of the need to test all systems for efficiency and safety. Another ten years will probably be required for construction of additional breeders before a significant impact is made on the demand for electricity. Conventional reactors will already be relatively numerous by that time.

The major objections to nuclear power have been based on possible environmental damage and radiation hazards. As a result, the nuclear power program has been considerably delayed in many cases. Siting of the reactors has been a major issue as has the discharge of thermal pollution into adjacent water bodies. Concern has been expressed over the possible hazard of radiation leakage and long-term management of radioactive wastes. It is recognized, however, that nuclear power does avoid many of the environmental problems created by conventional power plants. The use of cooling towers, careful site selection, and additional development of safe radioactive waste disposal will add greatly to the attractiveness of nuclear energy as a power source.

Other Energy Sources

Hydroelectric power was once a major source of electricity. Its importance has declined, however, as suitable sites were developed and as other types of generation entered the market. Only 16 percent of the electricity in the U.S. in 1971 was produced by water power, and most of that was concentrated in the western United States where it constitutes 60 percent of the total electric generating capacity. In addition, there are often objections to the siting of dams which would flood recreational areas. Because few sites remain, little growth in hydropower is expected. The NPC estimates average annual growth at only 1.6 percent. By 1985 hydroelectric power will probably provide less than 8 percent of the Nation's electricity.

Geothermal energy is becoming a significant source in areas where the geologic conditions are favorable, particularly in the West. There is currently an operational geothermal plant near San Francisco that produces nearly one-third of that city's electricity. If geothermal energy can be economically used in connection with water desalinization as well as power generation, additional sites will be developed. Under such favorable circumstances, geothermal energy could by 1985 produce 2 percent of the electricity needed by the United States.

Oil from oil shale (primarily the Green River Shale) found in Colorado, Utah and Wyoming represents a tremendous potential energy resource of some 1.8 trillion barrels. The organic matter contained in the shale can yield up to 30–40 gallons of crude oil per ton of shale. The technology of producing oil from shale is fairly well developed, and is economically feasible at current oil prices.

A major environmental problem concerning the disposal of spent shale (of much greater bulk volume than that originally in place) remains to be resolved, however.

Other forms of energy have considerable potential for the future but are not likely to be significant sources of energy before the end of the century. Fusion power is believed to be theoretically possible and has been demonstrated in the laboratory, but many technological problems remain to be solved before it could be developed commercially. Solar energy also has been considered a power source of the future, but existing devices for transforming solar energy to usable forms are too inefficient to be practical. Both these types of energy will be attractive when available because of their potential law cost and negligible environmental impact.

Tidal energy, fuel cells, thermionic devices, and magnetohydrodynamics may become important in the future but are not expected to affect the energy supply/demand balance for several decades, even if they are successfully developed.

ENERGY VARIANCES AND NEPA

In recent years Congress has shown a restrained willingness to waive or defer the operation of the National Environmental

Policy Act (P.L. 91–190, 42 U.S.C. 4321–47) for extraordinary reasons. NEPA applies to virtually every "significant" Federal action which would affect the human environment. For such actions, the agencies are required to develop an environmental impact statement which anticipates the effects of implementing the proposed programs. Compliance with NEPA is enforceable through the Federal courts by citizens with sufficient standing to challenge the action. The courts have interpreted NEPA to apply broadly to Federally-funded projects, even though Federal participation extends only to funding, licensing or permit approval. Over 350 cases have been filed in Federal courts challenging agency compliance with the statute. While few projects have been permanently terminated as a result of NEPA, litigation has, in some instances, caused delay in public works and other projects considered vital to meet the current energy shortfall.

In an action exemplary of the accomodations being made between the demand for energy and protection of the environment, the 92d Congress enacted an amendment to the Atomic Energy Act of 1954 (P.L. 92–307) which provided temporary operating licenses for nuclear power reactors.

AEC licensing procedures are subject to the NEPA impact statement process, and have been prosecuted vigorously by opponents of wholesale conversion to nuclear power. Prior to enactment of the interim licensing measure, several nuclear power stations had been enjoined from operating on line pending full compliance with NEPA. With the energy shortage predicted, Congress adopted the interim licensing legislation to permit reduced power operations at these plants during the licensing year, should extraordinary or emergency conditions develop.

The 93d Congress has also demonstrated a willingness to forego NEPA on specific energy-related projects. The Trans-Alaskan pipeline had been delayed by litigation of issues involving technicalities under the Mineral Leasing Act of 1920 and non-compliance with the National Environmental Policy Act. The Department of Interior was enjoined from issuing a right-of-way requested by the pipeline company on the basis that the Secretary did not have the authority to grant a right-of-way the width requested. As to the NEPA issues which alleged non-compliance, the court refused to decide on the adequacy of the impact statement until Congress amended the Mineral Leasing Act to permit the Secretary to grant the wider right-of-way. In the meantime, a nine-volume impact statement had been prepared by the Department of Interior. Congress adopted a provision in the pipeline Act (P.L. 93–153) which precludes judicial review of the impact statement. Plaintiffs recently announced that they will not litigate the constitutional question of separation of powers which surrounds the provision prohibiting judicial review.

Also, in the Northeastern Railroad Corporation Act (P.L. 93–146), the requirement for NEPA impact statements has been delayed during the preliminary organization stages or revitalizing railway services as a means of shifting transportation modes to meet the oil shortage.

It is reasonable to assume that case-by-case exceptions to NEPA will be granted by Congress on the basis of energy needs. It is apparent that partisans of environmental quality who have in the past been highly protective of the National Environmental Policy Act are willing to accommodate expansion of energy production to meet the immediate emergency. However, environmental consciousness remains high among the constituents, and it is doubtful that there will be a wholesale abandonment of NEPA based on the exigencies of the moment.

EFFECT OF THE ENERGY SHORTAGE ON AIR QUALITY GOALS

Among the most intensely debated issues in the 1st session of the 93d Congress were automobile emission controls and power plant pollution abatement under the Clean Air Act Amendments of 1970. Ever since, the cleanup required of cars and power plants has symbolized anti-pollution efforts to the environmental movement and expensive overkill to the industries affected.

In response to the 1970 amendments, the auto industry has been reducing emissions stepwise by a series of engine design changes and recalibration of operating conditions. These changes have extracted a fuel penalty variously estimated at 5–15% for 1974 model cars compared to 1970 models in exchange for an average emission reduction of about 60% from 1970 levels.

The power industry has claimed all along that there is no way that it can reduce sulfur oxide and particulate emissions to the extent and on schedule required by the Act other than by switching fuels. This the power industry has been doing. In the past four years, power plants burning an aggregate of 19 million tons of coal per year have switched to oil. This has increased oil demand by 208,000 barrels per day.

When the energy issue came to a boil late in 1973, it became clear that at least a portion of the predicted shortfall in petroleum stemmed from the increased demand for gasoline and middle distillate created by the new car emission controls and the power industry switch from coal to oil. When emergency energy legislation hit the floor or both Houses, much of the debate centered on how much of the shortage could be ascribed to these causes, how much fuel could be conserved by softening the Clean Air Act, and how much softening could be absorbed without sacrificing clean air objectives in the short term and the long term.

The emergency energy legislation has not made it all the way through the congressional process. Subject to the possibility of further change as Congress continues debate, the Clean Air Act has not been softened in ultimate objective. The changes to be made in it are in the timetable. And many other elements of emergency energy legislation appear to be proposing steps analogous to those required to reduce air pollution (Table 1).

TABLE 1.—*Some energy conservation proposals with clean air benefits*[2]

Automobile fuel economy standards.
Automobile excise taxes based on fuel economy.
Federal R&D support for fuel-efficient, low-polluting auto engines.
Study feasibility of alternative fuels (hydrogen, methane).
Gasoline rationing.
Promotion of commuter carpools.
Public Transportation experiments (low fare, bus lanes, etc.)
Federal purchasing on total lifetime cost basis.
"Truth in energy" labeling of appliances.
Ban on nonreturnable containers.
Removal of discrimination in freight rates for recyclables.
Personal income tax deduction for home insulation installation costs.

Auto emissions

The Clean Air Act Amendments of 1970 mandated that 1975 model year cars reduce their emissions by 90% compared to 1970 model year levels for hydrocarbons and carbon monoxide. When the 93d Congress began, both the deadline and the percent reduction were coming under heavy fire. In April 1973, EPA Administrator Ruckelshaus granted a one-year extension of the deadline and set a two-tier interim standard for 1975. The auto industry said that meeting these interim standards would require catalytic converters on all cars sold in California and on a significant number of cars sold elsewhere.

At that time, debate centered on how much the devices would add to sticker prices, how reliable they would be, and whether the catalytic converter would in the long run be better than an alternate engine design. Little attention was paid to fuel economy, although data on it were presented in both the EPA hearings on the extension and in Senate Public Works hearings on the EPA decision.

In July, EPA Acting Administrator Fri granted a one-year extension to the auto industry on nitrogen oxide emissions (required by the Act for 1976 model year cars to be reduced by 90% from 1971 model year levels). The energy issue was beginning to heat up about then, and testimony to both the EPA and Congress made very clear that reducing NOx emissions reduces fuel economy—and the more stringent the NOx reduction, the greater the fuel penalty.

When General Motors began to document with ever-increasing impact their claim that the catalytic converter would lead to improved fuel economy while meeting the 1975 standards, the issue was decided. In September, GM projected an 18% increase in fuel economy compared to 1974 models. By November, this projection had dropped to 13%, in January to 10%, because the energy shortage had already caused new car sales to shift toward more smaller cars.

When S. 2589, the Energy Emergency Act, came out of Senate-House conference the week before Christmas, it left the 1975 interim standards in place for 1975 and 1976, relaxed the NOx standards for 1977 to 2.0 grams per mile, and delayed the statutory 90% NOx reduction until the 1978 model year. It also provided authority to EPA to extend the 1975 interim standards into 1977, should going to the more-stringent mandated levels reduce fuel economy (as will probably occur unless new technology comes along).

During floor debate on the Energy Emergency Act, amendments designed to waive emission control requirements on all new cars and disconnect the controls on existing cars during the energy emergency, to waive emission control requirements in "rural" areas, and to soften the statutory objectives of 90% ultimate reduction in emissions were all defeated.

Power Plants

The Clean Air Act requires that new power plants, along with all other new industrial sources of pollutants, be designed to live up to a "standard of performance" in terms of emissions of air pollutants "which reflects the degree of emission limitation achievable through the application of the best system of emission reduction which (taking into account the cost of achieving such reduction) . . . has been adequately demonstrated." The major pollutants involved are sulfur oxide and particulates.

The Act also requires that power plants, again as well as all other pollutant sources, be subject to emission limitations (pollution abatement) when they are located in an air quality control region where the national ambient air quality standards are violated. In these cases, the plants negotiate with the State air pollution control agency (or the EPA in States whose implementation plans have not been approved) to reach agreement on both the extent of abatement to be required and the timetable on which the abatement is to be achieved.

Some States have developed laws or regulations specifying that the abatement is to be achieved by limiting the sulfur content of the fuels burned. Others have left the choice of fuel to the power company, but their requirements have been tough enough to de-

[2] Introduced in 93d Congress, 1st Session, either in bills or in amendments to bills during floor debate.

mand either a fuel switch or stack gas scrubbers, or sometimes a combination.

EPA's regulations specifying what "the best system . . . adequately demonstrated" can do have met with major resistance from the power companies. This argument is alleged to have been a significant factor in delay of some new power plants and in selection of oil or gas as fuel in others.

Thus, when the petroleum shortage hit in 1973, the need for power and the legal requirements associated with clean air came into direct conflict. Even the winter before, this conflict had developed, but at that time, the petroleum problem was one of refinery capacity, whereas this time it is crude oil supply as well. So this time the Congress faced the question of how to foster a return to coal for power generation and how to handle the violations of the Clean Air Act that would inevitably occur.

The compromise eventually hammered out provides for short term suspension of fuel requirements or emission limitations where plants cannot get the fuels they need to comply. Power plants switching to coal either on their own volition or by order of Federal energy authorities are free from any limitations in the short term but must develop a program to come into compliance by 1979 (five years), by switching back to oil, contracting for low-sulfur coal, or installing abatement equipment.

Plants certified to be phased out by 1980 are exempted from any emission limitations unless they are shown to be creating an imminent health hazard.

This compromise will undoubtedly mean that air quality in major metropolitan areas will decline (or at best get no better) for the next several years. Most of the air quality improvements cited in the last couple annual reports of the Council on Environmental Quality have been in sulfur oxides and particulates and have been the results of switches from coal to oil. In this sense, the compromise is a setback for the environment.

On the other hand, the power industry wasn't abating sulfur oxides and particulates anyway; it was switching fuels instead. But with the probability that low sulfur coal and oil will both be very expensive in 1979, the power industry now has only expensive choices remaining—and taking the sulfur out of coal or installing stack gas scrubbers may end up being cheaper than buying clean fuels. Further, the compromise provides a five-year breather in which the power industry, the coal industry, and the EPA can work out a program. One major thread of industry criticism of the Clean Air Act has been the "crash" time frame in which actions were required.

Summary

The power industry did not win its major points, even though it is off the air pollution abatement hook for the short term. The utilities have been pressing for removal of the requirement that all new power plants have the equivalent of best available abatement technology wherever located, have been pressing for utilization of tall stacks and intermittent controls (venting the gases upward and timing their release to protect the ground below), and pressing for enforcement on the basis of ground level air quality rather than stack-top pollutant concentrations and total outflow. None of these principles were put into the Act.

Similarly, the auto industry did not win everything it wanted. It had been pressing for a three-year hiatus at either the 1974 or 1975 interim levels (it got two years at the 1975 levels and authority for a one-year extension), pressing for permanent relaxation of the NOx standard (it got a one-year relaxation), and pressing for a softening of certification procedures from maxima to averages (it got nothing).

So the great goals of the Clean Air Act remain in place. The all-out attack on them made in the name of energy conservation and continuity of electrical service led only to temporary adjustments and a growing recognition that, more than had been realized before, the cause of clean air and the cause of energy supply flow more closely together than in conflict.

NUCLEAR POWER

It is generally assumed in forecasting future energy supplies that nuclear power will increase rapidly. The forecast by Dupree and West of the Department of the Interior,[3] for example, shows nuclear power supplying 0.6 percent of the total U.S. consumption in 1971 and increasing to 25.7 percent by the year 2000, which would be equivalent to more than half of the total electrical energy generated in that year. During this thirty-year period the total U.S. energy consumption is expected to increase almost threefold, from 69 quadrillion Btu in 1971 to about 192 quadrillion in 2000.[4]

The President's proposals for energy policy emphasize nuclear power. In particular, his message to Congress of April 18, 1973, included the following on nuclear power:

"At present, development of the liquid metal fast breeder reactor is our highest priority target for nuclear research and development.

"Nuclear power generation has an extraordinary safety record. There has never been a nuclear-related fatality in our civilian atomic energy program. We intend to maintain that record by increasing research and development in reactor safety. . . .

"Every effort must be made by the Government and industry to protect public health and safety and to provide satisfactory answers to those with honest concerns about this source of power.

"At the same time, we must seek to avoid unreasonable delays in developing nuclear power . . . This situation must not continue."

Concerning the future of enriched uranium for nuclear power, the President said:

"The Government now looks to private industry to provide the additional capacity that will be needed."

Concerning licensing of nuclear power, he said:

"The increasing occurrence of unnecessary delays in the development of energy facilities must be ended if we are to meet our energy needs. To be sure, reasonable safeguards must be vigorously maintained for protection of the public and our environment. Full public participation and questioning must also be allowed as we decide where new energy facilities are to be built. We need to streamline our governmental procedures for licensing and inspections, reduce overlapping jurisdictions and eliminate confusion generated by Government."

Environmental trade-offs

The overall trade-off for nuclear power is the addition of a substantial new energy resource to the Nation's energy reserves versus the inevitable environmental effects of building and operating large nuclear power plants and the environmental effects of some of the supporting mining, milling, and industrial and waste disposal activities of the nuclear industry. The principal environmental effects include the following:

(1) *Thermal pollution.* Water-cooled nuclear power plants of the kind now commercially available are not as efficient as the best modern conventional steam-electric powerplants. Consequently, they give off more waste heat to the environment per kilowatt hour of electricity sent out. Most of this waste heat is discharged into a nearby body of water where it is ultimately dissipated to the air by evaporation and conduction. Depending upon the amount of waste heat, the rate of its discharge, and the size and circulation of the receiving waters, the temperature of the receiving waters may be raised. Aggravating this situation is the characteristic of nuclear plants that all of their waste heat is carried away by the cooling water whereas in a conventional power plant some of the heat leaves via the smoke stack.

As a result, a water-cooled nuclear power plant discharges about 50 percent more waste heat to the waters than would a modern, conventional counterpart of the same generating capacity. The effects of waste heat from nuclear plants, and conventional plants also, is a matter of controversy. Certainly, heating the temperatures of receiving waters can and does change the nature of marine life present, both plant and animal. Some species disappear and others multiply. The effects may be objectionable to fishermen, both sport and commercial, who may find fewer fish of the kind they wish because of the direct and indirect effects of the waste heat. On the other hand, some species of fish react favorably, such as catfish.

A major commitment to water-cooled nuclear power plants means a potential trade-off of water quality for electricity, if corrective measures are not taken, or a trade-off of higher capital costs, reduced thermal efficiency, increased use of fuel, and higher rates to the user against better water quality.

(2) *Air pollution.* Emphasis upon nuclear power implies a favorable trade-off between its advantages on one hand and air quality on the other. A nuclear power plant discharges no combustion products. It emits no oxides of sulfur or nitrogen nor does it emit fly ash, cinders or grit. Nuclear power plants may routinely emit small quantities of radioactive materials (see below).

(3) *Water pollution.* Emphasis upon nuclear power implies a favorable trade-off between its advantages and improved water quality (aside from waste heat effects). A nuclear power plant has no coal stockpiles which may be a source of polluting runoff into the local waters nor does it involve the possibilities of fuel oil spills into waterways.

(4) *Radioactive wastes from routine operations.* Emphasis on nuclear power implies a trade-off between its advantages and possible increase of radioactivity in the environment. Nuclear powerplants are designed to emit only very small amounts of radioactive gases and solids into the air and water. AEC regulations and the AEC's regulatory programs are aimed at keeping normal operating emissions well below the maximum levels specified in part 20 of title 10 of the Code of Federal Regulations. Proponents of nuclear power hold that the amounts so released are so small that they would not noticeably increase the radioactive materials already present in nature or increase the exposure to background radiation from those materials, and so would not adversely affect the environment. Critics of nuclear power assert that routine emissions of radioactive materials from nuclear power plants may measurably increase the incidence of cancer in the population. One critic links such release to infant mortality. Other critics express concern about the genetic effect of exposing people in the childbearing age to any additional amount of radiation because of the general assumption that no exposure threshold exists below which radiation will not produce genetic effects. The ability of

[3] Walter G. Dupree, Jr., and James A. West. United States energy through the year 2000. Washington, D.C.: U.S. Department of the Interior, 1972, 53 pp.

[4] As a basis for comparison, a modern large steam electric power plant with a generating capacity of 1,000 megawatts—whether fired by coal, oil or gas, or using nuclear fission—would be expected to supply about 7.8 billion kilowatt hours, assuming full output for 90 percent of the time.

some marine plants and animals to concentrate selectively certain radioactive wastes in their tissues is also seen as leading to undesirable concentrations of radioactive wastes in the environment.

In November 1972, the Advisory Committee on the Biological Effects of Ionizing Radiations reported to the National Academy of Sciences upon the effects on populations of exposure to low levels of ionizing radiation. In its report, the Committee restated general principles for control of radiation exposure, principles that bear upon the trade-offs for a policy of emphasizing nuclear energy. The Committee advised:

(1) No exposure to ionizing radiation should be permitted without the expectation of a commensurate benefit.

(2) The public must be protected from radiation but not to the extent that the degree of protection provided results in the substitution of a worse hazard for the radiation avoided. Additionally there should not be attempted the reduction of small risks even further at the cost of large sums of money that, spent otherwise, would clearly produce greater benefit.

(3) There should be an upper limit of man-made non-medical exposure for individuals in the general population such that the risk of serious injury from somatic effects . . . is very small relative to risks that are normally accepted.

(4) There should be an upper limit of man-made non-medical exposure for the general population . . .

(5) Guidance for the nuclear power industry should be established on the basis of cost-benefit analysis, particularly taking into account the total biological and environmental risks of the various options available and the cost-effectiveness of reducing these risks.

(5) *Accidental releases of radioactive materials.* Another trade-off is between the advantages of nuclear power and the possibility that large amounts of radioactive materials might accidently be released from a nuclear power plant, or one of the industrial plants in the nuclear fuel cycle, or in a transportation accident. The effects of such releases could range from the inconvenience and expense of clean-up and decontamination but no personal injury, to virtually permanent contamination of land and hundreds or more injuries and deaths. Nuclear powerplants present a very small but still real risk of a catastrophic release of radioactive materials. At issue, then, is the trade-off between risks to the public that may be vanishingly small but still real against the benefits to the public of nuclear power.

A related trade-off is that between the advantages of nuclear power and the possibility that dangerous amounts of plutonium, a nuclear fuel, might be released to the environment either accidentally or as a result of terrorist or other dissident action. Plutonium is intensely toxic and if widely dispersed in a populated place could be expected to cause many deaths.

Quantitative environmental costs

Emphasis on nuclear power coupled with a forecast demand for electricity that continues past exponential growth rates would require the siting and construction of many large nuclear power plants by the end of the century. For example, Dupree and West indicate an increase in installed nuclear generating capacity from 8,687 megawatts in 1971 to a forecast of 960,000 Mwe by the year 2000, an increase of 951,000 Mwe. Assuming most future nuclear power reactors will be 1,000 Mwe in size, and two reactors per site, some 470 new sites would be needed, an average of between nine and ten per State for each of the 50 States.

Taking 470 sites at 2,000 Mwe each for nuclear power, each site represents a land use commitment of 30 to 40 years, depending upon time for construction and the subsequent operating life of the power plants. Each site would require perhaps 500 to 600 acres, for a total of 235,000 to 282,000 acres of land withdrawn from other uses, plus land required for transmission lines to the nearest electrical grid. Of this land, perhaps 20 percent would be occupied by buildings and structures, with the rest not used. Each site would require perhaps 6,500 cubic feet per second of water for cooling, or about 540 acre feet per hour or 4.7 million acre feet per year, assuming no cooling towers. Some of these plants would use cooling towers which are large and ugly structures. Some would use cooling ponds with a size of one acre of water surface per megawatt of generating capacity.

Validity of arguments

The principal arguments for nuclear energy are that uranium and thorium constitute a substantial additional national energy resource and that development and commercialization of the breeder reactor will multiply the energy recoverable from that uranium 30-fold or more. As noted earlier, Dupree and West forecast major increase in use of nuclear power. The National Petroleum Council's Nuclear Task Group estimated last year that, assuming continuation of present Government policies and economic climate, installed nuclear power generating capacity would reach levels of 150,000 megawatts in 1980 and 300,000 in 1985. Note, however, this assumes the development of ". . . an effective Government siting and licensing procedure that minimizes administrative processing and eliminates unwarranted delays in nuclear plant construction and operation."

The forecast that nuclear power will account for half of the electricity generated and a quarter of the total national energy supply in the year 2000 assumes a continued growth of supply and demand for electricity along historical lines. It assumes also a potential supply of uranium ores low enough in price to keep the cost of nuclear power competitive with that from fossil fuels (at 1971 prices). The rapidly rising prices for imported oil and a probable rising price trend for domestic coal ultimately will cause an increase in the price of electricity and so provide an easier target for nuclear power and permit use of less rich, more expensive ores. Also, some critics of the breeder believe that much uranium ore remains to be discoverd, so much so that expedited development and demonstration of the breeder is not necessary and could proceed at a slower pace. Furthermore, it is technically possible to recover uranium from sea water. The breeder concept is being emphasized in the nuclear power programs of Britain, France, West Germany and the Soviet Union, which could provide this country with an impetus for quickening the pace of nuclear power development.

If, for economic or other reasons, the demand for electricity does not increase as forecast, then the need for nuclear power would correspondingly decrease.

Environmental costs involved

The prospective major growth in nuclear power involves some genuine short-term and long-term effects upon the environment.

Nuclear power plants will inevitably dissipate waste heat to the environment which will produce immediate effects that will continue so long as the plants operate. Present nuclear plants discharge that heat into nearby bodies of water, as discussed above. Some present steam electric plants, whether nuclear or conventional, dissipate their waste heat through cooling towers which evaporate water into the air. Fog and ice from these towers under some weather conditions represent an environmental cost. Some future nuclear plants may discharge waste heat directly to the air, which would avoid thermal pollution of water, but could cause undesirable effects upon weather near the plants.

The radioactive wastes from nuclear power plants and the nuclear industry, if released in execessive amounts, could contaminate the local environment, which could cause clean-up problems or deny public access to the contaminated area for many years. The virtually perpetual storage of the intensely radioactive wastes recovered from used nuclear fuels could impose long term environmental effects if methods now being developed for safe storage of these wastes turn out to be defective. In that case, some of the wastes might escape into the ground waters and undesirably increase their radioactive content.

The mining and milling operations associated with uranium supply can be the sources of long term environmental effects. Much uranium is strip mined, or taken from open pit mines. Both mining techniques have pronounced environmental effects if left uncorrected. The waste materials or tailings from the mills that process mine outputs are themselves radioactive from the radium which occurs in uranium ores. Unless these tailings are properly controlled, they can spread radioactive materials into the environment, or if used in construction, can cause undesirable local concentrations of radium and accumulations of the radioactive gas radon.

POWER PLANT SITING

The following discussion is excerpted from two larger works, *Background Report on Powerplant Siting,* prepared for the Senate Committee on Commerce, July 1972, and *National Environmental Policy Act of 1969,* prepared for the Senate Committee on Interior and Insular Affairs, June 1973:

"The conflict over power plant siting developed quite recently. It involves a combination of several interrelated events which have taken place within the electric power industry over the past six to seven years.

"As noted previously, the Northeast Blackout of 1965 drew national attention to the growing problems of electric power reliability. Immediately following the blackout numerous legislative proposals were introduced in the Congress calling for the improvement of reliability to insure that power demands would be met nationwide. During the ensuing period of Congressional debate nationwide interest was also developing in the improvement of environmental quality.

"The power industry was affected by this development in two ways: First, strong interest was shown by citizen groups in the decisionmaking process of utilities resulting in increased demand for 'public input'. Secondly, citizen concern brought about new legislative and administrative action by governmental bodies at all levels to control the environmental impact of electric power generation.

Federal and State legislation enacted during the late 1960's placed increased environmental responsibilities on industry and government regulators. For utilities, the major responsibility took the form of larger investments in pollution abatement and control facilities which, in turn, required added lead time for plants to become operational. Also required is a reappraisal of existing planning processes to take into account such environmental factors as aesthetics and land use controls.

"The action of groups intervening to oppose the siting, construction and operation of many new electric power facilities brings new responsibilities to government regulators. These interveners have expressed the view that the existing siting process does not give adequate consideration to environmental factors and fails to address adequately the need for additional power.

"While environmental interveners have

been successful in some cases before the regulatory agencies, there are other important causes of delays which have been experienced by utilities in the last few years. In this connection, the Chairman of the Federal Power Commission noted at the House hearings on power plant siting, the contributing causes for delays associated with 114 steam-electric generating units of 300 MWe and larger between 1966 and 1970 were as follows: 52 percent involved labor problems; equipment failure, faulty installation of equipment and start-up problems accounted for 23 percent; late delivery of equipment was responsible in 14 percent; and various delays in the regulatory clearance process, including environmental factors, were the cause in six percent of the cases. Nevertheless, according to the testimony of the Office of Science and Technology, the FPC is projecting that the figure for environmental delays may rise to 50% for plants scheduled to begin operation in the 1973–1977 period.

"The existing systems for site approval (which has been changing rapidly in response to new environmental laws) have also contributed to delays in adding new generating capacity. Normally, the siting of a new power plant requires continued liaison between the utility and governmental agencies at all levels. The separate and sometimes conflicting review required by Federal, State and local agencies can mean that a utility would have to be in contact with as many as 70 different governmental bodies for approval of one site. An uncoordinated site application approval system can lead to excessive duplication and expense.

"Where Federal licensing is required for power plants, NEPA section 102 environmental impact statements must be filed. But in the case of all fossil fueled generating stations not requiring Federal action (all but the few built by Federal agencies), NEPA requirements do not apply. Some States have enacted comprehensive power plant siting legislation and unified regulatory authority in a single agency. A majority of the States continue to handle energy siting on an ad hoc 'public convenience and necessity' basis, in the absence of long-range planning and with little public participation in the process. This fragmented planning and approval process has resulted in delays in the siting and construction of needed energy production facilities, poor siting decisions with little regard for concomitant effects on land use and community structure, and failure to consider regional factors such as need and demand balanced against environmental damage. Failure to include the public in the decisional process has resulted in frequent litigation and untimely delays and expenditures by the utilities industry."

The major environmental influences associated with power plant siting revolve around air pollution, land use, water pollution and radioactivity from nuclear power. These last two are discussed in the section on nuclear power. Sulfur dioxide is the most significant form of air pollution produced by fossil-fueled electric power plants. Power plants now account for nearly 80 percent of all man-made sulfur dioxide emissions in the country.

Reduction in the adverse effects of air pollution emissions from power plants can be achieved by: (1) changing the fuel used, (2) improving plant design and operation, (3) invoking site selection factors, and (4) adding new abatement equipment.

The production of electricity is the major consumer of coal in this country. Most of this consumption takes place in the East where a majority of coal-fired plants are located. However, less than one-third of national coal reserves of all classes are located east of the Mississippi River, and nearly ninety percent of the low sulfur reserves (less than 1 percent sulfur) are found in the West. Of the low sulfur reserves that are available in the East, much is generally channeled to the steel industry. Since most thermal power facilities are located in the East, meeting future air pollution standards with low sulfur coal reserves may not be possible without considerable added transportation costs to consumers.

The general influence of power plants on landscape values can be divided into two forms: (1) physical modifications of the site; and (2) aesthetic impacts.

The land required for electric power generating facilities depends upon several factors including the type of facility, generating capacity, location considerations (rural, urban), needs for fuel storage and handling, methods for disposing of waste products, and exclusion areas for nuclear plants. Hydroelectric facilities require the largest amount of land.

The Office of Science and Technology estimated the land requirements for a fossil fuel and nuclear 3,000 MW station built in a rural or less populated area would be as follows:

Plant Fuel, land required (acres), and remarks

Coal, 900–1200 acres, assumes outside coal storage and ash disposal.

Nuclear, 200–400 acres.

Gas, 100–200 acres, assumes pipeline delivery and outside storage tanks.

Oil, 150–350 acres, assumes on-site fuel storage.

In addition to the land physically occupied by generating stations and transmission lines, there are numerous secondary environmental effects which result from air and water pollution, thermal effects on the atmosphere and aquatic environments, solid waste disposal, radiation effects and noise pollution. The projected demands for electric energy indicate that approximately 500 such new plants and their associated transmission lines must be sited over the next 20 years. Placement of these plants is particularly crucial in light of the pressure of land use and the sensitivity of ecosystems adjacent to generating facilities. Additional energy production may also act as a catalyst for stimulating industrial growth within a region, and may therefore create secondary effects which place additional burdens on regional infrastructure and land resources.

OUTER CONTINENTAL SHELF DEVELOPMENT

Outer Continental Shelf (OCS) oil and gas exploration and development have progressed slowly in the past because of the greater costs involved for extraction and the potentially disastrous environmental consequences. Inadequate preventive measures on the part of the oil companies and the often-ineffective regulatory activities of the Federal Government have aroused public consciousness and concern over further development in the wake of a major oil blowout at Santa Barbara in 1969 and numerous incidents in the Gulf of Mexico.

Since the Arab oil embargo began in the fall of 1973, spurring the President's avowal to become self-sufficient in energy resources by 1980, intense pressure has arisen to step up oil and gas exploration and extraction on the U.S. Outer Continental Shelf. In 1973 the Department of Interior leased about one million acres of Federal offshore land for development. This figure is expected to jump to five million acres in 1975 and ten million acres soon after.

Along the East Coast, from Maine to Florida, especially around Long Island, extensive oil reserves are believed to exist. Offshore drilling is meeting active resistance here because of the recreational value of the area and the fear of disastrous consequences. On the other side, many people in the Gulf region are beginning to resent bearing the risk and sending their oil products to the East Coast. What is arising is a many-sided controversy hotly debated by the industry, Federal and State governments, environmentalists and local jurisdictions.

The potential energy reserves of the Outer Continental Shelf, the areas surrounding the contiguous 48 States plus Alaska, have been estimated by the U.S. Geological Survey to be 368 billion barrels of petroleum and 1,598 trillion cubic feet of natural gas. This does not include State offshore [5] which represents less than 10 percent of the potential continental shelf. The potential onshore production is about two to three times the amount already extracted, with most of the significant oil and gas fields already discovered. The opposite appears true for the major fields offshore.

The two principle pieces of legislation that endeavor to control the environmental impacts of OCS development are the National Environmental Policy Act and the Federal Water Pollution Control Act Amendments. Several problems have been encountered in implementing the requirements of NEPA to offshore energy production. Most of these are characteristic of the problems all Federal actions have met in determining the specific content requirements of the environmental impact statement process in Section 102(c) of the Act. To some extent this confusion has delayed ICS development. What appears to be the major difficulty is the tendency to substitute Section 102 for energy and land use policies. The need for analyzing alternatives, deciding agency jurisdiction, and resolving land use conflicts cannot be thoroughly met through NEPA.

The Federal Water Pollution Control Act of 1972 attempts to control any pollution from OCS development through several of its sections. Section 402 establishes a permit system for discharges into the navigable waters of the U.S., including the territorial sea. Section 403, Ocean Discharge Criteria, extends this permit to the contiguous zone and the oceans.

Section 311 provides for liability for the removal of any hazardous material discharged into these waters, with a 12-mile maximum set for the contiguous zone. Two deficiencies for control of pollution exist in the Act, however. The first defines "offshore facility" to be within the navigable waters of the U.S., thus limiting the control of discharges to operations within the three-mile limit. Second, Section 311 does not cover the discharge of oil in cases where it is not dispelled in harmful quantities and is not in violation of the permit issued under section 402.

Although the National Oil and Hazardous Substances Pollution Contingency Plan, incorporated into FWPCA, and various private corporation plans provide for strike forces for expedient containment and clean-up of oil spills, they are faced with some major obstacles. One of these is the lack of adequate specialized equipment for dealing with a serious oil spill. Present plans appear to be successful only in the near-perfect conditions of a calm day, three feet or less wave height, and the close proximity of a clean-up response operation. In addition, jurisdictional authority for response is fragmented on the Federal level among four departments and agencies and five advisory groups which very conceivably could result in problems of coordination and cooperation.

The strain on public confidence in offshore oil and gas drilling is attributable to the very visible nature of blowouts and the potentially serious impacts of major spills. Gas blowouts, with complicating secondary factors, are diluted by the atmosphere without serious side effects. On the other hand, oil blowouts release oil in the form of a slick on the water's surface. This can often result in

[5] State jurisdiction usually extends out 3 miles. Texas and Florida have claims to 9 miles.

deleterious damage, especially if the slick reaches land. Both oil and gas blowouts on multi-well platforms are particularly hazardous, since they may damage other wellheads or, through fire, can have a multiplier effect. Data on the number of near accidents or those brought under quick control is not available.

Industry has identified the major problems contributing to blowouts to be human ones of inexperienced or ill-trained personnel, or inadequate procedures, rather than the lack of adequate technology. Although many companies have strengthened their procedures and initiated special training programs, none of these has been assessed sufficiently to determine its effectiveness.

The U.S. Geological Survey has the authority to require whatever it considers necessary to insure drilling safety. The Survey cites, however, the lack of manpower and resources to make consistent and detailed inspections of each drilling operation. The agency also collects reports on drilling accidents, yet little incentive exists for companies to report any loss of control cases, since poor performance records, restriction of operations, or increased Federal surveillance are likely to be the only rewards.

The percentage of major drilling accidents does not appear to be declining. If it can be assumed that future accidents will occur at a rate similar to the 1964–1971 period, then for every 10,000 new wells begun, 19 gas well blowouts and three oil and gas blowouts can be expected. The five-year schedule drawn for the Gulf of Mexico included 4,500 new holes, and appears to support the accident rate prediction. Out of 4,500 wells planned, nine gas blowouts and one oil and gas blowout can be predicted. Since this schedule was implemented in 1971, one gas well on the OCS and two in Louisiana State waters have experienced blowouts.

The Subcommittee on Immigration, Citizenship and International Law, of the House Committee on the Judiciary, began a series of hearings on acceleration of oil and gas leasing on the OCS January 24, 30, and 31, 1974. Representatives of Government, the oil industry, and consumer and environmentalist groups testified.

Summary of the environmental and economic impacts of OCS development

(1) *Oil and gas blowouts.* Despite a low accident rate and continuing development of technology, the expansion of OCS development will likely result in more accidents. This is especially true in areas where hazardous physical environments may exist, such as the faulted Santa Barbara Channel.

(2) *Damage to marine life.* Certain species of marine life will be adversely affected by oil discharges, although crude oil from drilling is less damaging than the refined oil in some tankers. The effects of crude oil on land biota, however, are fairly disastrous and clean-up nearly impossible without destroying plant life.

(3) *Sensitive areas.* Certain habitats and biological eco-systems will be more seriously impacted by pollution than other areas, among these are shallow water, arctic and tropical regions.

(4) *Chronic pollution.* Pollution in the immediate vicinity of oil facilities does not result in a decline of certain species of marine life. The long term effects are not known.

(5) *Marine traffic.* The increasing numbers of structures in certain areas may interfere with both pleasure and commercial traffic.

(6) *Sport fishing.* Although the structures of offshore oil facilities can provide breeding grounds or a sanctuary for certain fish, the actual benefit to sport fishing has not been thoroughly documented.

(7) *Commercial fishing.* Commercial fishing is unlikely to be affected except in cases where major oil spills prevent boats from going out and clogs fishing gear or where marine traffic is hampered such as in regions of the Gulf.

(8) *Recreation.* Certain areas, depending on the occurrence of major accidents or the degree of chronic pollution, may be adversely affected for recreational or tourist activities. Santa Barbara is a prime example of such a short term consequence.

(9) *Land use.* Any OCS development will necessitate the construction of onshore facilities for processing. Conflicts in both long and short term land use planning may arise if such problems are not properly anticipated.

(10) *Regional development.* The economic impact on particular regions is dependent on various factors. The effects on employment are dependent upon the level of regional unemployment, manpower needs, and the availability of trained personnel. In areas such as the East Coast, it has been estimated that only incremental benefits will result, due to the already existing and substantial industrial base.

SURFACE MINING OF COAL AND OIL SHALE IN THE WEST

The recovery of these fossil fuels is in two different modes; the surface mining of coal having been under way since the mid-1960's, while the use of this method for oil shale is just beginning. In both cases, the Federal role is paramount. The growth of the coal surface mining industry in the West is linked to the establishment of thermal electric generating plants in the Southwest under Federal auspices. This problem was explored in considerable detail by the Senate in 1971 hearings which were a part of the energy study authorized by S. Res. 45 of the 92d Congress.

Development of oil shale as an energy resource has been confined to the research stage until this time. Now that leasing of several large tracts of Federal oil shale land has been completed, that development will be accelerated. One of the 5,100 acre leased tracts in Colorado is to be operated as a surface mining facility in order to determine the feasibility of this means of recovery.

A more expensive survey of the environmental and economic considerations associated with the use of surface mining techniques in western coal and shale deposits is presented below.

Surface mining of coal in Western States

There are two centers of surface coal mining activity in the West which have undergone extensive economic/environmental analysis. The first is in the Southwest in the so-called Four Corners area where Utah, Arizona, Colorado and New Mexico meet. The second is further north in Wyoming, Montana and the Dakotas, and has only recently become quite active in coal stripping.

The Senate Interior Committee report on the Four Corners investigation of 1971 summarized the economic benefits of development of an areawide power generating complex with this excerpt from an Interior Department study:

"Construction of 30,352 megawatts and associated mine and transmission facilities would require a capital investment of $11,810 million. About $5,000 million of this would be spent for equipment and supplies manufactured outside the area of production. Approximately 365,000 man-years would be required for construction. Annual employment during operation would total about 17,600 jobs, including the employment of about 1,600 Indians. Payrolls would aggregate $4,765 million during construction and upon completion of Phase IV would total about $195 million annually during operation."

The economic returns from one of the huge surface operations, the Navajo mine, were described by a company representative, who said:

"In terms of local benefits, this year our mining operation alone is providing 300 jobs in the Navajo Reservation with a total payroll of $2,800,000. Sixty percent, or about 180, of our employees are Navajo Indians. Navajos occupy responsible positions at all levels of our mine operation. Navajos drive the big and costly haul units; they operate mining shovels and auxiliary equipment; our biggest draglines, four and a half million pound rigs valued at up to four million dollars apiece, are operated by Navajos and their performance is outstanding; and Navajos occupy key positions on our administrative staff. We have great pride in the competence and industry of our Navajo employees and I think they would tell you that Utah is a good employer.

"This year the Navajo mine will pay more than a million dollars in royalties to the Navajo Tribe, and $600,000 in taxes to the state of New Mexico. Our purchases in New Mexico during 1971 are estimated at more than $1,250,000.

"Also this year we will spend approximately $800,000 for purchases in Arizona, Colorado and Utah. By the "ripple effect" of these expenditures and payments, aggregating about $3,650,000, their benefits are multiplied throughout the economy of the four-state area. In addition we make purchases for the mine operation from as many as 15 or more other states annually, and this number is increased further when equipment purchases are included. As important as any other benefit is the fact that the mine operation has brought regular, long-term employment to the Navajo people on their reservation."

The dollar returns from surface mining to the Indians of the Southwest are of great importance because of the lack of other sources of income. Other witnesses, however, took the position that the tourist industry now provided a significant flow of money into the area, if not to the Reservations and the Indians. These witnesses suggested that tourism should be expanded and more opportunities made available for the Indians to benefit from this trade. One Indian, Robert Salabye, questioned the relatively short term nature of the mining jobs, 20–30 years, saying:

"Industries, such as Peabody Coal Co., moving into our land is not a true economic development for the Navajo people. Peabody Coal Co. will receive $750 million for the coal it mines on Navajo lands while the Navajo people will receive only a little over $1 million per year. In the process we will lose over a billion gallons of pure water. True economic development would be the Navajo Tribe developing its own resources, not giving them away. The jobs created by the mine will be over in 20 to 30 years and we will be like the people in the Appalachians where coal mines have destroyed the health of the people who worked in them, left the land scarred, and the people without hope.

"There are many advantages to locating large companies on Indian reservations yet few of these advantages help the Indian people. This appears to us as economic exploitation of our Navajo land. Our labor, our money, our resources, our personnel, everything necessary to create a viable Navajo Nation, is being taken. We get pollution, token jobs, and Indian friends."

The air pollution resulting from burning the coal at the power plants, and the scars left by surface mining were cited by other witnesses as factors which would reduce the economic benefits to be derived from a now healthy tourist industry.

The adverse environmental effects of surface mining in the mountainous East are well known. In the West, the problems are different, but of no smaller magnitude.

The Senate report offered these findings:

1. Two coal strip mines—Navajo and Black Mesa—are currently operating as parts of the thermal power generating complex in

the Southwest. The size of these operations is expected to increase greatly in the near future and these mines may become prototypes for similar operations elsewhere in the West.

Insufficient effort is being made at these sites to obtain environmental information and experience related to strip mining, and to demonstrate the success of available technology.

At the Navajo mine, 1400 acres have been mined since 1963, but only 100 acres have been reclaimed. A portion of the mined area is to be used as a disposal site for ash from the Four Corners powerplant, however, making liberal allowances for this purpose, more reclamation work should have been accomplished.

It is essential that full advantage be taken of these opportunities to obtain information and experience in minimizing the environmental impact of surface mining, and in reclaiming the land after mining.

2. The attempts at revegetation at the Navajo mine have not been successful. There has been insufficient effort to improve upon this record and to provide a convincing demonstration that effective reseeding is possible.

3. There is a lack of data and there has been practically no research on the actual and potential effects of wind or water dispersal of various trace elements from open pits, spoil areas, fly ash disposal areas, or coal processing facilities.

4. The role of the Interior Department as trustee for the Indian tribes demands that, notwithstanding the role of any other agency or party to the contracts, it is the responsibility of the Department of the Interior to inspect these mines and insure compliance with all provisions contained in leases, contracts, and mining plans.

Navajo Peter Zah expressed another concern of his people:

We are extremely concerned about the effect of the Black Mesa mine on the domestic water supply of the Navajos in the large area from which the five deep wells on the Mesa will draw water. The figures from Peabody Coal Co. are that they will draw over 1 billion gallons of water for the slurry lime each year, or a projected annual total of 3,200 acre-feet. An unavoidable effect of these deep wells will be to lower the water table by over 100 feet in the Navajo sandstone aquifer which might dry up many, if not all, of the wells surrounding Black Mesa. As for the surface wells on Black Mesa itself, Peabody Coal Co. proclaims that they will not be affected by the deep wells. However, in fact, the direct result of the strip mining operation will be to destroy natural springs, washes, and other places where the people of the Mesa water their livestock. Therefore, the Navajos in the Black Mesa area are facing the possibility of a critical water shortage, and a destruction of their way of life."

The particular set of environmental and economic factors changes in the northern Great Plains, but a problem of great proportion remains.

The economic use now being made of the land surface is greater than that in the Southwest. In the north, a more abundant (but scant by Eastern standards) rainfall allows farming and grazing of livestock as a financially rewarding venture. Thus, to destroy the agricultural capacity of this land is to destroy a more valuable (at least in dollar terms) resource than in the Southwest.

That same more abundant rainfall greatly enhances the chances for successful rehabilitation and revegetation of the Great Plains landscape upon completion of the mineral recovery phase of the mining operation.

If, however, power plants are to be built in the Fort Union coal formation underlying portions of the four States, the availability of enough water to supply existing requirements, plus the generating plants, is uncertain.

Surface mining of oil shale in Western States

Unlike the booming coal stripping operations in the West, the oil shale industry is still nascent. And while the economic benefits and environment costs are increasingly evident, these parameters for oil shale remain nebulous and speculative.

Economic considerations in the past have kept oil shale on the list of possible future sources of energy because the cost of extracting oil from the shale was higher than the cost of available domestic and imported crude oil. The gradual increases in crude prices over the years, and now topped with the astronomical leaps in price of Mideast crude since the latest Arab-Israeli war, have made the recovery of shale oil much more attractive. Cost of recovery is estimated at $6–8/bbl. as compared with a hoped-for stabilized price of $10–11/bbl. for foreign crude.

A clear measure of this increased attractiveness is found in the comparison of oil industry bids for the leasing of oil shale tracts on Federal lands.

An attempt at leasing was made late in 1968, with the bids reaching only $500,000. No bids were accepted by the Interior Department. Recently, however, another lease sale was held in which one tract of slightly more than 5,000 acres received a bid of $210,305,600—which was accepted by the Interior Department.

Audubon magazine recently summarized the impact of strip mining one of the leased tracts, as anticipated by the Interior Department's environmental impact statement, as follows:

"Of the six proposed sites, only the one designated as Colorado C-a is expected to extract the shale through surface mining involving the destruction of 1,800 acres of vegetation and the "disturbance" of 1,200 acres of topsoil. Over 7 billion tons of overburden, or non-oilbearing rock, would have to be removed to get at the oil shale beds that lie between 100 and 850 feet beneath the surface. The eventual depth of the mine pit is expected to be about 1,400 feet, and spent shale would not begin to be returned to the mined void until the sixteenth year of operation. In the interim the dry, pulverized shale would be stored aboveground in gullies and canyons."

There would be other adverse effects resulting from processing shale and refining the oil—air pollution, disposal of liquid wastes, for example—but these would follow from the other recovery and processing methods as well as from surface mining.

As in the case of coal surface mining operations and power generation, available water supply is expected to be a problem in the processing of oil shale.

A January 4, 1974, Wall Street Journal article noted environmental opposition to development of the oil shale because of the relatively small economic benefits to be derived from the current experimental program:

"Jim Moorman, executive director of the Sierra Club's legal defense fund, says, 'We think the oil-shale program is far more dangerous than any offshore drilling program, and all for maybe 500,000 barrels of oil a day 10 years from now. It just doesn't make sense.'"

In a comprehensive review of the Interior Department's environmental impact statement on the oil shale leasing program, an interdisciplinary group of scholars working on a project of The Institute of Ecology (TIE) offered these findings:

A. The EIS for the proposed oil shale leasing program is deficient in significant respects, including the accuracy of the data, the extent of the analysis and the manner in which the material is presented.

B. The EIS fails to give thorough consideration to alternatives and their environmental impacts: available program alternatives are dismissed, despite environmental impacts that may be less severe than those of the proposed program; energy alternatives are neglected on the basis of incomplete information and unsubstantiated assumptions.

C. Data on environmental impacts of the events to be caused by oil shale development are not presented or analyzed systematically. Critical cause-effect relationships, such as the ecological changes which might result from anticipated reductions of wildlife, or the environmental impact of offsite power generation, water supply and transportation, were misunderstood and/or neglected by the authors of the EIS.

D. The EIS evidenced a recurring tendency to over-estimate the importance of the proposed program to beneficial ends (energy supply, economic gain) and to under-estimate its importance with respect to adverse impacts (environmental damage of many types). Conversely, alternatives are characterized with the reverse emphasis.

E. Although large quantities of data are presented in the EIS, it lacks a balancing procedure by which decision-makers and the general public can weigh competing factors. Cost-benefit analysis, which can be a useful aid to such balancing, was not employed in the EIS.

F. The EIS neglects analysis of the environment effects of potential conflicts posed by the proposed program with existing Federal and State air and water pollution laws and suggests no measures to mitigate the many adverse impacts that can result from contradictions and legal loopholes in the program's lease form.

G. The EIS made no attempt to analyse the severe environmental changes likely from development of a mature oil shale industry despite implications that steps will be taken under the proposed shale program which may be practically and politically irreversible.

H. Despite its deficiencies, the EIS outlines clearly the immense magnitude of potential adverse environmental impacts of the proposed oil shale program. In this light alternative program design could be reconsidered and the lease redesignated as a mitigating factor.

ANNIVERSARY OF THE INDEPENDENCE OF SENEGAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD a statement by the distinguished Senator from Indiana (Mr. HARTKE).

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

STATEMENT BY SENATOR HARTKE

ANNIVERSARY OF THE INDEPENDENCE OF SENEGAL

Mr. President, today marks the celebration of the 14th anniversary of the independence of Senegal, with whom the United States has close and friendly ties. I am thus delighted to extend to President Leopold Sedar Senghor, Prime Minister Abdou Diouf, and the people of Senegal best wishes and congratulations.

Senegal is the African country physically closest to the Western Hemisphere, serving as an air and sea crossroads for West Africa, the Americas and Europe. Most Americans who visit Africa are likely to stop first at

Senegal's modern capital, Dakar. Culturally, Senegal also enjoys growing links with our own country despite barriers of language. American tourism is growing steadily as Senegal expands its facilities to accommodate the tourists seeking famous local art, crafts, dances, gracious beaches, exciting deep sea fishing, and even a budding movie industry.

Symbolic of these widening cultural ties was Senegal's decision to host the Pan African-United States Track and Field Meeting last August. The glowing success of this event was shared by spectators and participants alike, and moved President Senghor to write President Nixon that he hoped these competitions could be regularly scheduled on a biannual basis. President Senghor's own gifts as a world-reknown poet were given particular recognition in this country when the American Academy of Arts and Letters voted him honorary membership in May, 1973.

Under President Senghor's leadership, Senegal has benefitted since independence from political stability and steady social progress. President Senghor was re-elected to a third term of office in 1973 by an overwhelming popular vote. President Senghor is a champion of a national economic development through regional cooperation, and Senegal is taking a leading role in the formation of the West African Economic Community. Inspired in part by the success of our own Tennessee Valley Authority, Senegal joined with neighboring Mauritania and Mali to form the Senegal River Valley Development (OMVS) to help provide a viable economic future for the drought-affected northern parts of Senegal. President Seneghor is also the current president of the African, Malagasy and Mauritanian Common Organization (OCAM), which embraces a majority of French-speaking African nations.

This year, Senegal, like many of her neighbors, is working hard to overcome the serious effects of two years of drought, the worst Africa has known this century. During the last harvest year, the United States contributed to Senegal 45,000 tons of emergency food grains and this harvest year gave another 10,000 tons of additional food grains. The United States also contributed $1.14 million in various forms of non-food emergency assistance, and recently signed a special agreement with Senegal to provide funds for special drought recovery and rehabilitation projects. Already drought recovery projects totalling $1.4 million have been agreed upon, and more are being rapidly indentified. Our country clearly intends to continue to extend a helping hand to Africa's drought victims, including those in Senegal, and has confidence in the ability of the Senegalese people to meet the challenge facing them.

To help provide a better future and spur diversified economic growth, Senegal has adopted a highly favorable Investment Code backed by a record of respecting contractual agreements second to none. Senegal hopes many American businessmen will participate in Dakar's first International Trade Fair, which will run from November 28 to December 15, 1974. The Senegalese Government puts out the welcome mat for American investors, whose imagination and know-how Senegalese leaders believe will accelerate Senegal's economic progress. The Country's main export is peanuts, followed by increasingly valuable phosphate sales. Iron ore and other minerals await development as rising world prices encourage investors to seek new sources of raw materials. Senegal is already expanding its tourist, winter vegetable, fishing, and manufacturing industries, all sectors to which American managerial and technical skills can contribute. In business, as well as in cultural and social fields, ties between Senegal and the United States appear destined to multiply for the mutual benefit of the Senegalese and American people.

PRESENT FEDERAL DISASTER RELIEF BENEFITS TOTALLY INADEQUATE

Mr. TAFT. Mr. President, in addition to the tragic loss of lives the tornadoes have caused in the Midwest, they have leveled large parts of Ohio's communities and left many of our constituents penniless and homeless. These events remind us once more that the 5-percent loans, the only monetary relief now provided by the Government to disaster victims, are a shamefully inadequate response to the needs of families with modest means whose homes and businesses have been destroyed. The provision of this meager level of asistance to our citizens in their time of greatest need is all the more incredible when one considers that less than 10 days after the bill which abolished disaster grants then in effect was passed, the President asked for as much money as necessary to help victims of the Nicaraguan earthquake.

If the tornadoes had struck at the time of Hurricane Agnes, victims would have been able to receive $5,000 grants and 1-percent loans for repair and replacement of property, but a victim now can receive only a 5-percent loan. This is unjust and it underlines the need for fast legislative action.

The Emergency Disaster Recovery Act, which is supported by the American National Red Cross but has not been acted upon by Congress, would allow the Federal Disaster Assistance Administration in the Department of Housing and Urban Development to make grants to cover essential disaster relief expenses relating to the repair or replacement of housing and other personal noncommercial property. Grant amounts would be limited to expenses which could not be covered through other means, including the Federal 5-percent disaster relief loans, without causing the family affected by the disaster to incur financial hardship. These amounts would be determined on a case-by-case basis, but the total appropriation for grants per disaster could not exceed $2,500 multiplied by HUD's estimate of the number of families in need of grant assistance. Thus, if the bill were now in effect, disaster victims would be eligible for needed grant assistance in addition to the 5-percent loan.

The casework involved would be done by the American National Red Cross or other public or private nonprofit agencies or organizations with whom HUD contracts, or by HUD in areas without suitable agencies or organizations. The suggested amount per family would be certified by such groups to any "local citizens' review board," recognized by either the State or the local government as HUD deems appropriate, which could alter the amount certified. HUD could supply a grant amount to an affected family which differs from the amount certified, as altered by any local citizens' review board, only if the reasons for so doing were stated in writing. In addition, HUD's determination of the aggregate appropriation for grants would take into account evidence submitted by the certifying groups.

It is especially unfortunate that we are again faced with acting retroactively, because we have not been diligent in facing this problem. I warned specifically on December 18, 1973, that this would turn out to be the case.

THE VIETNAM POLICY QUESTION

Mr. KENNEDY. Mr. President, as Congress prepares to review and evaluate future American policy and assistance toward the countries of Indochina, the views of such seasoned diplomats as our former Ambassador to the United Nations, Mr. Charles Yost, should hold a high place in our consideration.

Recently, in a column published in the Baltimore Sun, Ambassador Yost discusses how the United States hand still tips the balance in Vietnam, and our need to further disengage. He asks the fundamental question that has plagued our policy toward Vietnam for over two decades: what is our national interest in Vietnam and the other Indochina countries?

Unless we ask, and answer, this question, we will be destined, as Ambassador Yost phrases it, "to pass Vietnam on to the next generation like some hereditary disease."

Mr. President, I would like to share Ambassador Yost's important essay with my colleagues in the Senate, and I ask unanimous consent that the full text, as well as a related editorial from the New York Post, be printed in the RECORD.

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

[From the Baltimore Sun, Apr. 1, 1974]

U.S. HAND STILL TIPS VIETNAM BALANCE

(By Charles W. Yost)

It seems as though it was impossible for the United States to unburden itself of Vietnam, as though we were fated to pass it on to the next generation like some hereditary disease.

The administration has recently asked Congress for authority to increase military aid to South Vietnam during the current fiscal year from $1,126 billion to $1.6 billion, that is, for authority to spend an additional $474 million for this purpose during the next three months. The New York *Times* points out that during the first year after "peace with honor" was concluded in Paris, U.S. expenditures for weapons and ammunition in Vietnam were only 25 per cent less than those of the war year 1972.

The fact is that the elaborate charade conducted at Paris was designed to bring about, not peace in Vietnam, but disengagement of U.S. forces and return of our POW's. Neither Vietnamese party was then prepared or seems now prepared for any political settlement which would not lead to the total elimination of the other from the South. The war, therefore, continues and will continue as long as both have the capability to pursue this unlimited objective.

There are still in Vietnam about 4,000 American civilians in military-related jobs in support of the Saigon government. We continue to supply that government with large quantities of arms, ammunition and highly sophisticated military aircraft. This may not be a formal violation of the Paris accord, but it is certainly a violation of its spirit.

It is argued that the North Vietnamese

and their allies also are violating the accord, which they no doubt are, and that we are therefore justified in doing so. This was the argument used in the 1950's, and early 1960's to justify our increasing intervention. We know where that argument led us then.

The fundamental question is of course the old one—what is our national interest in Vietnam and the other Indochina states?

In the mid-1960's the administration decided our interest was so great as to justify sending there 500,000 American troops and, before it was over, sacrificing 50,000 American lives. In the early 1970's we decided that was unnecessary and intolerable. Whatever happened to Vietnam was not worth such sacrifice.

But we have still not made up our mind what is the extent of our residual national interest. What are we still prepared to expend and to risk to maintain that status quo in Vietnam and Cambodia?

The administration obviously still has a profound emotional commitment, and a publicly stated military commitment, to both.

This formulation has been at the root of our difficulties in Indochina for many years. We would have been and would still be more likely to keep the peace if we reversed it, if we said "we will not tolerate violations" by our friends, and we expect the other side to observe the agreement to the same extent our friends do. Such a formula would be both more principled and, one would have thought, easier to enforce.

That, however, is not the policy of the administration. In a news conference last August, James R. Schlesinger, the Secretary of Defense, said we would support South Vietnamese forces from the air "in the event of overt North Vietnamese aggression." It is primarily for that purpose that we maintain large air forces (nearly 40,000 men) at bases in Thailand.

Since Mr. Schlesinger spoke, the Congress has adopted a joint resolution on war powers which provides, inter alia, that the President "shall consult with Congress before introducing U.S. armed forces into hostilities." One wonders whether the administration would undertake such consultation before commencing aerial bombing "in the event of overt North Vietnamese aggression."

The present ambiguous situation in Indochina, in which the U.S. is three-quarters out and one-quarter in, has two grave disadvantages. First, it risks leaving to Hanoi the decision whether, by escalating the fighting, to drag the U.S. back into combat, and incidentally by so doing gravely to damage our détente with China. Second, even if hostilities are not escalated beyond the present level, our involvement relieves President Nuguyen van Thieu of South Vietnam and President Lon Nol of Cambodia from the need to seek political settlements and further prolongs the endless agony of Vietnam and Cambodia.

It would seem that the clear implication of our decisions to withdraw our forces from Vietnam and to stop bombing in Cambodia is that maintenance of the status quo is not vital to the national interest of the United States. If the status quo is not vital to us, it is high time we removed our thumb from the balance and let it assume whatever its natural equilibrium may prove to be.

The latest Viet Cong proposal for a political settlement may or may not be serious, but the only way to find out is to negotiate. Any further U.S. aid to President Thieu, other than purely economic, should be withheld until he negotiates seriously, honestly and to some conclusive end.

[From the New York Post, Apr. 2, 1974]

UNWRITTEN TREATY?

While there is actually no "bilateral written commitment" requiring the U.S. to continue furnishing aid to the Thieu government in South Vietnam, official Washington is strongly bound by a much more solemn obligation—known as the Substantial Commitment. At least that is what Secretary of State Kissinger maintains in a message to Sen. Kennedy (D-Mass.), who asked for an explanation of the Nixon Administration's views about the Paris "peace" agreements. In Kennedy's opinion, the White House is "perpetuating old relationships and continuing old policies, as if nothing had changed."

According to Kissinger, however, the Paris accords and "our long and deep involvement in Vietnam" are both indications that "We have . . . committed ourselves very substantially, both politically and morally" to Saigon's survival and must continue to do so in the name of "self-determination" for the South Vietnamese—a statement inconsistent with Thieu's denial of basic freedoms to his people.

Now Thieu's information minister is calling upon Washington to deliver more economic aid, possibly up to $3 billion by 1980.

Since he took a principal role in the negotiations, it is Kissinger's privilege to expound the meaning of the Paris agreement as he understands it. But no irrefutable logic protects his argument that our prolonged involvement in Vietnam somehow obliges the U.S. to remain "committed" there indefinitely. Last fall, the Secretary of State informed the United Nations that "the Vietnam war has ended." Daily war news refutes that boast. He conceded that there was an "uncertain peace." It grows more uncertain and unstable each time that he or the President, or other Administration spokesmen reaffirm support of a government in Saigon "substantially committed" to unending war.

THE NATIONAL SMALL BUSINESS ASSOCIATION

Mr. BIBLE. Mr. President, certainly, no other single problem is causing millions of American small businessmen more anguish these days than the tax laws they believe discriminate against them in favor of their big business competitors. Additionally, the complexities of those laws and regulations increasingly seem to provide a maze of almost inextricable perplexity. Today, some 97½ percent of all American manufacturers, merchants, and construction companies are small businessmen who make up this key sector of our economic life. And let me suggest that the protests from this segment of our business community are getting louder and coming oftener as the small businessman's tax and paperwork woes increase.

An influential member of the prestigious tax-writing House Ways and Means Committee, the Honorable RICHARD H. FULTON of the Fifth Congressional District of Tennessee, pinpointed some of these issues in an excellent, thought-provoking address on March 27 before the Board of Trustees of the National Small Business Association here in Washington, D.C.

His remarks centered on the comprehensive small business tax and simplification and reform bill, that it was my honor to first introduce back on June 30, 1970, as an effort to provide a meaningful rallying point for small business tax advocates.

Now nearly 4 years later, this Bible-Evins tax bill is before the House Ways and Means Committee for consideration. We believe this progress has been made because of the determination and understanding among others of two distinguished Representatives in Congress, the Honorable JOE L. EVINS of the Fourth Congressional District of Tennessee, and Representative FULTON. Representative EVINS, as chairman of the House Select Committee on Small Business, is the chief proponent of this bill in his body and, as the dean of the Tennessee congressional delegation, has committed himself to seeking its enactment.

In advocating this long overdue relief measure for the 12 million smaller businessmen of the country, who furnish about half the Nation's jobs and nearly 40 percent of its gross national product, they both have high marks in trying to assist the small merchant in this vital area.

It is a matter of history that the only previous small business tax originated as a Senate amendment rather than developing through the usual Ways and Means Committee channel. Now, because of the efforts of these two Tennesseans, our comprehensive small business tax bill (S. 1098, H.R. 5222, H.R. 8705) is at the threshold of consideration in the fouthcoming executive sessions on tax reform of the Ways and Means Committee.

Accordingly, the small business community and the country owe to Tennessee and particularly to Representatives EVINS and FULTON a debt of gratitude for their advocacy of this excellent proposal and their effectiveness in bringing it to this point in the legislative process.

Because of the wide interest in the tax reform and relief goal in this bill, I ask unanimous consent that Representative FULTON'S remarks be printed in the RECORD.

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

REMARKS FOR THE NATIONAL SMALL BUSINESS ASSOCIATION, MARCH 27, 1974

(By the Honorable RICHARD H. FULTON)

Since being elected to Congress in 1962 I've learned a lot about this great country of ours. A major part of my education has been an insight into the gigantic sector of our economy known as the Small Business Community.

Before being elected to Congress, I was a small businessman, and still like to think of myself that way. During the past twelve years I've learned how Small Business works in Washington, and want to say at the onset this evening that I've never seen a better group in operation than the National Small Business Association.

I have been fortunate to get an advanced look at the presentation you will be making to the House of Representatives tomorrow morning. I have never seen the case for small business presented in a better or more forthright manner. I'll certainly be in there working for this program.

It concerns me when I consider the totality of small business in America—10 or 11 million of them throughout the country. That's really the problem—no one ever considers the totality of small business! When we come upon hard times as we have seen lately, and General Motors is forced to close down a plant, and lay off 30,000 or 40,000 employees, it comes as a great shock! But if these hard

times continue, and if each small businessman is forced to let go just two employees each, that would mean an additional 20 million unemployed across the country! That would add up to economic disaster.

As a member of the House Committee on Ways and Means, I have a proprietary interest in taxes and the Internal Revenue Code. Some time back, National Small Business approached me and asked if I would like to serve as a small business spokesman within the Ways and Means Committee. I happily agreed.

Serving on this committee puts a person in touch with fundamentals. The Constitution considered it fundamental that all tax measures originate in the House of Representatives, which is closest to the people. This committee is the practical instrument of this mandate.

Ways and Means membership is a constant reminder of our common enterprise of taxation to sustain the country. It is also a reminder that the incidence of those taxes depends upon the effectiveness of representation and thus reflects the common enterprise of our democratic government. But today, as always there is a tie between economic democracy and political democracy.

Theorists long ago pointed out that people who are financially independent are more likely to make up their own minds and act on their own opinions. The word "alienation" is a fancy 20th Century term for a man who feels he has no stake in the system. It is the same thing Thomas Jefferson was getting at when he held up as a model that each man should be the owner of his own farm—since farm land was the prime source of wealth in the thirteen colonies. If Jefferson were alive today his model would no longer be a farm; it would be a small business.

It is not well enough known in this country that small business forms not only the foundation of the economy, but much of its framing, roofing and other key parts.

We have learned in recent years that small business provides more than 50 percent of the jobs in the economy. It produces about 37 percent of our entire gross national product. Whether it is the 50,000 construction companies that build our homes and account for the highest dollar volume industry or the independent truckers and service station operators who keep America moving, small businessmen perform the vital functions of the economy and hold the vital position of community leadership of towns and cities across the nation. But small business provides even more. Small business is a tremendous engine of progress for individuals, for families and for their communities. In this it is also the surest safeguard we have of our political democracy.

And yet there is glaring discrimination against small business in our Federal tax system. For viable economic roots to grow into hardy plants, they need to be nourished. Our tax system over the past couple of decades has done the opposite. It has made it increasingly difficult for small firms to be born and to grow. We are indebted to the National Small Business Association and the National Committee for Small Business Tax Reform for pointing out, as Senator Bible, Rep. Evins and Rep. Vanik have also pointed out, that the actual operation of the corporate tax system is steeply regressive.

Frankly, it is surprising to me to hear the testimony last April for our committee that manufacturing corporations with less than $50 million in assets pay more than 50 percent of their income in Federal taxes, while the largest 100 corporations, as a class, pay an effective rate of less than 25 percent.

This is the surest guarantee that available investment capital will flow to the giant firms where it will be more profitable, thus directing a disproportionate share of market growth in proportion to size.

Senator Bible told our committee that this is economically unsound. It is also unfair on the basis of ability to pay the principal, which some of us like to think has some place in the field of taxation. However, today I believe there is opportunity for relief.

As Chairman Mills has pointed out, the three major tax reform movements since World War II originated with the Congress. Mr. Mills' own hearings on tax reform of 1958 and 1959 laid the foundation for the revenue reduction, depreciation, investment credit and excise tax measures passed between 1962 and 1965. The tax reform hearings launched and conducted by Chairman Mills in 1969 and 1973 have given us another golden opportunity in 1974.

The labor of many organizations and many people has brought a technically sound small business tax bill before the Ways and Means Committee as a subject for possible action during the executive sessions on tax reform. The National Small Business Association must be given credit for its sustained, imaginative and determined efforts of the last four years in advancing the legislation to this point. They have been responsible for aligning more than 30 national and regional organizations in support of this bill. I was impressed to learn of the many sections of the bill which the American Bar Association and the American Institute of Certified Public Accountants are directly supporting. I am impressed by the letter which your organization has obtained from Chairman Russell Long of the Senate Finance Committee that our bill will be the principal focus for consideration of small business tax needs when this matter reaches the Senate.

Because of all this hard work, and the testimony rendered in public session by Congressional witnesses and three private business organizations before our committee last spring, the Small Business Tax Simplification and Reform Bill has passed most of its procedural tests and is now eligible for consideration by Ways and Means in executive session.

There are additional technical requirements which the committee imposes before a bill can be deliberated among its members. We must have reports from the executive branch of the government from the agency or agencies concerned. I understand that such reports have long existed within the Small Business Administration and in the Treasury Department, but they have not been transmitted formally to Capitol Hill. I am in the position to request that such action be taken and I have done so.

For the information of the committee members who bear the fiscal responsibilities of the government, we must have estimates of the revenue gains or losses that would result from any tax bill. Our bill has been designed since its first introduction to raise a surplus of revenue for the Treasury. This is an anti-inflationary factor and is particularly appropriate to emphasize at this time. The present bill would bring in a surplus of about $300 million.

The Small Business Committee Chairmen have in the past I understand suggested that there be a detailed section-by-section estimate of the revenue consequences of our proposal. As a member of Ways and Means, I am in a position to obtain such an analysis and I have requested that it be done.

The third and perhaps most obvious requirement is that someone be willing to call up a bill for consideration. Because our committee is one of the hardest working Congressional committees it meets almost daily in public or executive session, and because of the tremendous pressures of events and time on our deliberations, this will not be an easy task. However, because of my belief in the free enterprise system and the meaning of small business to this country, I give you my commitment that I will raise this matter in the executive sessions on tax reform.

If we can succeed in placing small business tax reform on our agenda, it will be an historic step forward.

As most of you know, the 1958 small business tax bill was never approved by the committee as such. It was added in the Senate to a Technical Amendments Act and then came back to the House of Representatives to be approved in the conference report.

In my judgment, committee action on our bill in 1974 will signal that the branch of government closest to the people has declared its intention to be responsive to the needs of a greater number of our citizens for basic tax equity.

The practical significance of such Ways and Means action, in terms of the respect for which its opinions are held in the House of Representatives and elsewhere is well recognized.

The sum of what I have covered might sound to you like a major endeavor to make the American tax structure more equitable and to bring a fairer relationship between labor and reward. I think that is the cause in which we are engaged and, not only as a Member of Congress, but as a taxpayer and former small businessman I am proud to be associated with the National Small Business Association and the 12 million small businesses of the country in this worthy and honorable effort.

WILLIAM BUCKLEY SPEAKS OUT FOR A YOUTH-ELDERLY ALLIANCE

Mr. PERCY. Mr. President, William F. Buckley, Jr., has recently written two columns on the problems of caring for our elderly citizens. He has done an excellent job of diagnosing the reasons so many of our senior citizens wind up in institutions for the aged and for pointing out the tremendous financial cost of providing nursing home care.

For a long time now I have been extremely concerned with the adequacy of care for the elderly provided by our nursing homes. Although high quality care is available, it is, as Mr. Buckley points out, available to only a very few. And where high quality care is not available, the lack of money and manpower are much more to blame for substandard conditions than is a lack of human concern.

Mr. Buckley suggests as a possible solution to the evergrowing problem of adequate care for the elderly a partnership between the old, whose needs are often insufficiently met, and the young, whose energy and enthusiasm can be so beneficially utilized in caring for the old.

In Illinois, I have actively urged the implementation of just such a partnership between youth and the elderly. With my encouragement, large numbers of Illinois students volunteered to spend time in nursing homes assisting in the care of the residents. I wrote to high schools, colleges and nursing homes. The response from both groups was overwhelming: the young people were delighted at finding ways in which they could truly be useful and appreciated and at gaining firsthand an understanding of a different generation; the elderly residents enjoyed tremendously not only the services performed, but the warmth

of personal contact with young and vibrant individuals. I have reported to the Senate Committee on the Aging, on which I serve, the outstanding results achieved.

The concept of a partnership between youth and the elderly for their mutual benefit, is one which I therefore enthusiastically endorse now, after considerable experience.

There is reason for the fact that drug abuse is greatest among two groups—youth and the elderly. Both share in common a feeling of being out of the mainstream, American life—both on occasion feel unneeded and sometimes unwanted. Contributing to each others welfare in a meaningful way, can many times provide a focus and purpose to life that would not be there otherwise.

I hope that groups and individuals across the Nation will seek ways to encourage this potentially valuable alliance. I commend Mr. Buckley for his insight into the problems of the elderly and for his recognition of the very beneficial results of a youth-elderly affiliation. I ask that Mr. Buckley's two articles be printed in the RECORD.

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

[From the Washington Star, Mar. 21, 1974]

A UNION OF THE YOUNG AND THE OLD

(By William F. Buckley, Jr.)

I spoke the other day of the excruciating problem of the aged, and how it grows worse.

Simultaneous with the increase in the aged is the increase in the college population. That population in 1930 was 1.1 million. In 1970, 8.4 million.

It is my proposal that the burden of the nonprofessional work done in behalf of the aged should be done by young men and women graduated from high school, during one year before matriculating at college. The idea of public service of some kind or another by the citizenry has frequently been proposed. There has been an instinctive coolness towards the idea primarily because of the conscriptive feel of it: The suggestion that government require anyone to do anything of a philanthropic character tends to put one off, and for reasons not by any means all bad. The opportunity is great for initiative from the private sector.

I envision a statement by the trustees of the 10 top-rated private colleges and universities in the United States in which it is given as common policy that beginning in the fall semester of 1976 (to pick a year far enough away to permit planning, soon enough to generate excitement), no one accepted into the freshman class will be matriculated until after he has passed one year in public service. I say public service because if the plan were very widely adopted, there would be more young help available than could be absorbed in the nursing homes alone. There are many other ways in which the young could be used. As guards in the grade schools, just to give a single example (there are 1,700 auxiliaries in the New York schools alone), but for convenience I dwell on the care of the aged.

As regards the financing, it would be required only that the government exclude this category of volunteers from the provisions of the minimum wage. Otherwise the economic advantage would substantially dissipate. The nursing homes would of course provide board and pocket money (mostly, the volunteers could continue to live at home). In the unusual case where the 18-year-old is helping to support his own family, the college could either suspend the requirement or concert with foundations to find ways to permit the young volunteers to eke out the year.

The colleges would take the position that they desire, in matriculating freshmen, an earnest of public concern, and extra-academic experience of a useful kind. The intervention of hundreds of thousands of 18-year-olds into the lives of the aged would serve more than merely the obvious purposes of cleaning the rooms and pushing the wheelchairs and washing the dishes. It would mean, for the aged, continuing contact with young spirited people in their most effusive years.

For the young it would mean several things. It would postpone by a year their matriculation at college. College administrators are all but unanimous in their conviction that an older student, one year, rather than freshly graduated, from high school gets more out of college. The experience would, moreover, interrupt the inertial commitment to more-and-more education, and some of the less strongly motivated, the rhythm having been broken, would probably elect not to go on to college.

The experience—particularly because of the voluntary aspect of it—would remind young people at an impressionable age of the nature of genuine, humanitarian service, which is the disinterested personal act of kindness, administered by one individual directly to another individual. And the experience would touch the young, temperamentally impatient with any thought of the other end of the life cycle, with the reality of old age; with the human side of the detritus whose ecological counterparts have almost exclusively occupied fashionable attention in recent years. Their capacity to give pleasure to others, without the stimulant of sex, or the pressure of the peer group, or the sense of family obligation, or the lure of economic reward, could not help but reinforce the best instincts of American youth, and these instincts are unstimulated at our peril.

What it might provide for society as a whole, this union of young and old, is, just possibly, the reestablishment of a lost circuit: of spirit, and affection, and understanding.

THE PROBLEM OF CARING FOR THE AGED

(By William F. Buckley, Jr.)

I have made a proposal, outside this column, which is beginning to gather attention; and so I launch it here, believing, as I do profoundly, that it would go far in meeting a particular need, and in transforming the relationship, in America, between young and old.

James Michener says, bluntly, that in his opinion the problem of caring for the aged looms as the principal social problem of the balance of this century: greater than ecological asphyxiation, greater than the energy crisis. The figure is, I suppose, scientific impressionism, but it has been said that one-half of those who are now 65 years or older would be dead if medical science had been arrested even a generation ago. It is absolutely predictable that medical progress will continue, and with it the successes of gerontology.

Already it is a subject one shrinks from dwelling upon—the years and years between the time when men and women are, if the word can be used in this context, ripe to die, and the day that increasing millions will die. Euthanasia, pending word to the contrary from the Supreme Court, is unthinkable.

The cost of caring for the aged, most of whom need supervisory medical attention on a continuing basis, is suggested by this recent datum, namely, that the daily cost of a semiprivate hospital room in New York City is now over $100. Good private homes for the aged are beyond the reach of any except the very, very few. There are charitable and religious homes that will take in elderly people in return for their Social Security checks. But these—I think, for example, of the Mary Manning Walsh Home in New York City—are necessarily exclusive, with facilities cruelly unequal to the task at hand.

The physical facilities and professional services needed for the aged are extremely expensive, and there is no way to avoid the capital cost of them. Certainly there is no reason to discourage the private sector from addressing itself as vigorously as possible to the building of suitable homes. Professional medical aid will have to be furnished by doctors and highly trained nurses, the cost of whose services is high and will probably get higher.

The only variable is in the cost of unskilled labor. And the only human leaven is youth, whose functional companionship could greatly affect the quality of the last years.

The Mary Manning Walsh Home in New York employs full-time 40 doctors and 43 registered nurses. The cadre of its professional staff is 50. It employs, as cooks, waiters, janitors, nurses' assistants, elevator operators, laboratory workers, a total of 311. There are 347 beds in the home, so that the ratio of unskilled employes per patient is very nearly one for one. Or, taking the figures for the nation, in 1969 there were 850,000 Americans in nursing homes that employed 444,000 people, or one employee for 1.9 patients. (In 1963, there were 491,000 resident patients of nursing homes, so that in six years the figures almost doubled.)

The republic faces a crisis of a very particular and very poignant kind. We are aware of the reasons why less and less the aged die at home. The principal reason is the lengthening life span. Another is the need for certain kinds of care that cannot readily be provided at home. Another is the diminishing domestic utility of the great-grandmother or great-grandfather. Still another is the very high cost of urban living quarters where 73 percent of the American people live. All of these combine to create the institution of the nursing home.

COMMUNITY ACTION OF GREATER WILMINGTON

Mr. BIDEN. Mr. President, for the past 8 years Community Action of Greater Wilmington has been a leader in the fight against poverty in New Castle County, Del. CAGW has been responsible for the coordination of OEO programs in the county, and has helped meet the needs of 15,000 indigent Delawareans.

The President, in his budget for fiscal 1975, has proposed that the continuation of community action programs be a State and local option. However, it is not difficult to realize that State and local units of government lack the necessary revenues to adequately fund community action programs, and should the responsibility for their continuance be relegated to these State and local units, we would soon see the demise of community action programs.

The achievements of Community Action of Greater Wilmington have been recognized in a resolution passed by the Wilmington city council, which calls for the continued funding of the community action programs in Delaware and throughout the Nation.

Mr. President, I too commend Community Action of Greater Wilmington for its achievements, and I ask unanimous consent that the resolution of the

Wilmington city council be printed in the RECORD.

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

RESOLUTION

Whereas, Community Action of Greater Wilmington, Inc., has for the last eight years served as the official vehicle for a mobilization against poverty in New Castle County; and

Whereas, the Federal Government has, under the Economic Opportunity Act of 1964, provided CAGW, Inc. with the funds to plan, coordinate and carry out programs such as credit unions, neighborhood service centers and Head Start, which annually meet the needs of approximately 15,000 low-income and no-income residents of New Castle County; and

Whereas, the Administration has not requested funds in its fiscal 1975 budget for Community Action Programs, and instead places the responsibility for the continuation of Community Action on State and local governments; and

Whereas, these units of government do not possess the revenue to assume the Federal responsibility for advocacy on behalf of the poor.

Now, therefore, be it resolved by the Council of the City of Wilmington That we, the Members of City Council, call on the President and Congress to support National legislation that embodies the spirit and intent of EOA 1964, continues the funding of Community Action Programs, and insures the participation of the poor in a decision-making capacity.

Passed by City Council, Mar. 28, 1974.

THE 25TH YEAR OF THE NORTH ATLANTIC TREATY ORGANIZATION

Mr. HUMPHREY. Mr. President, 25 years ago, on April 4, 1949, the North Atlantic Treaty was signed in Washington by the Foreign Ministers of Belgium, Canada, Denmark, France, Iceland, Italy, Luxembourg, the Netherlands, Norway, Portugal, the United Kingdom and the United States. We all know that in October 1951, the Governments of Greece and Turkey also subscribed to the treaty, and that West Germany became a member of the alliance after the signing of the so-called Paris Agreements in 1954.

I believe that the NATO Alliance remains the cornerstone of national security for this Nation and its Allies. For a quarter of a century the alliance has provided protection and the means of cooperation which were envisaged by its architects.

I came to the Senate when the NATO Alliance was consummated. I voted for its adoption. And I have supported it throughout my years of public service.

Looking back at some of the circumstances which prevailed at the creation of the Western Alliance enables us to see how the alliance has changed and matured.

It is impossible to forget the great many ominous developments taking place in 1947 and 1948 at the time we were embarking on the Marshall plan. At the beginning of 1947, Poland came under direct Soviet control. By the autumn of that year, the Cominform was established to promote the ideological unity of the countries under Soviet hegemony. In February of 1948, the Communist Party gained control of Czechoslovakia through force and not through any expression of the will of the people. In June of that year the Soviet Union began the Berlin blockade.

We must not forget that it was in this context and atmosphere that the North Atlantic Treaty was drafted, beginning in December 1948, and then signed some 4 months later on the day we are now commemorating.

An alliance, like life itself, changes, and matures. NATO has as its sole original purpose the containment of the massive military power of the Soviet Union. In other words, the establishment of this alliance was viewed strictly in the context of military defense.

To be sure, that posture continues, but new dimensions have been added. Over the years, the NATO Alliance has provided the institutional foundation on which European economic and political unity was being constructed. In other words, we have witnessed economic and political cooperation being fostered by a mutual defense pact. This important phenomenon has been the source of NATO's great strength. It is also the source of many of its difficulties today.

If greater European economic and political cooperation has had an immeasurable effect on NATO, the changes in the Alliance's relations with the Soviet Union is the other critical factor in examining a changed NATO at its 25th year.

From the strictly defensive posture of the cold war days, we were able to work together within the North Atlantic Council to foster the twin themes of defense and détente. Let me stress here that our old ally France had much to do with this process and deserves considerable praise for cooperating in the Council in order to promote this shift of attitude and policies.

The much heralded advance toward détente with the Soviet Union has brought in its train problems of a complexity and sophistication unknown to the Alliance since its formation. Perhaps the advance has been a bit too rapid. Perhaps it has been to one-sided. Perhaps some members have feared that the United States was moving so rapidly it would leave its oldest friends behind in a race for seeming economic and commercial advantages. And today, some see a slowing down of détente and an increase of suspicions between East and West.

I do not believe we can pretend that these problems do not exist within the Alliance or that they are not serious. They go to the very heart of the Alliance and to its central purpose as a defensive mechanism ready to defend Europe against Soviet aggression.

Defining the areas in which the Alliance should operate is perhaps one way we can begin to resolve some of the problems and misunderstandings which beset NATO today.

NATO's military function is still preeminent. Western Europe is our first line of defense. In this capacity, I believe it is important to point out that the United States is not defending Europe—it is participating in the defense of Europe. Although we now have approximately 300,000 troops in Europe, our allies now provide about 90 percent of NATO's manpower, 80 percent of its ships and 75 percent of the aircraft in Europe. Our NATO allies have increased their defense expenditures between 1970 and 1973 by 30 percent. Total allied defense expenditures as a percent of GNP have held steady at 4.2 percent since 1970 following a general decline in previous years.

I was pleased to note that in the area of cost burden sharing, Secretary Shultz and Finance Minister Schmidt of West Germany have just concluded an agreement which would fulfill the provisions of the Jackson-Nunn amendment to the Military Procurement Authorization Act of last year. This agreement should go a long way to proving the sincerity of the Europeans that they are willing to share the great financial burden of maintaining a credible military alliance. This does not mean that more cannot be done or that we should not continue to encourage our European friends to increase their commitments. But recent progress made in burden sharing demonstrates the strongly felt need to maintain a strong alliance.

I consider the American commitment of troops to the NATO Alliance to be one of the cornerstones of our participation in the defense of a continent to which we are inextrictably linked. I strongly believe that a unilateral withdrawal of these forces or a considerable unilateral reduction would be a weakening of the physical and psychological fabric of the alliance. It would strike a serious blow to the prospects for peace, future chances of international cooperation and the security of the United States. Such a reduction now would be viewed as a serious weakening of our commitment to the defense of Europe.

Despite the great progress in easing the tensions between the United States and the Soviet Union, it is clear that the military situation in Europe has not been greatly altered.

The forces deployed by the Soviet Union and its allies remain undiminished and have been continuously strengthened. Hopefully, NATO possesses a marginal capability to successfully conduct a conventional defense against Warsaw Pact forces. But American forces are needed on the ground in Europe to maintain the balance we have with the Warsaw Pact in light of general nuclear parity between ourselves and the Russians.

I do not believe it is in the interests of the United States to unilaterally reduce its troop strength in Europe in the face of Soviet military power. Those who advocate such a move must ask whether our basic security interests would be served by a unilateral troop reduction. They must also consider the political implications of such a precipitous move on the domestic political process within Western Europe.

A brief examination of the political scene in Europe will reveal that a majority of governments within the alliance are experiencing serious political difficulties. The newly elected Labor Gov-

ernment in Britain holds a majority of unprecedented small proportions. Chancellor Brandt is said to be facing serious political difficulty within his own party which places added pressure on his coalition government. The Italians are continuing to have many of the same problems they have been experiencing over the years and, with the death of Georges Pompidou, there is new political uncertainty in France as the election process begins.

The clear lack of political stability in Europe, combined with the uncertain economic climate on both sides of the Atlantic, makes the coming months a particularly inauspicious time to embark on unilateral troop reductions. Some European experts of the political process see the very likely possibility that an American unilateral troop reduction would greatly "radicalize" European politics. Whether this is the case, it is clear that the political implications of an abrupt American move would add new and troubling uncertainties to the European political scene at a time of existing economic and political difficulties.

If a unilateral American troop withdrawal would cause increased political uncertainty, it would surely heighten nationalistic sentiment in Western Europe. I have little doubt that greater European nationalism could, in turn, trigger an increase in economic protectionism in the United States. Ultimately, the alliance would suffer from such a deterioration of economic and political relations. It is important to realize that security is not to be found in military power alone. It is also to be found in economic and political cooperation in a context of greater consultation.

Almost every member of our alliance at one time or another has complained because its allies were not giving it material or moral support in some area outside of the geographical limitations described as the treaty area. This is another fundamental issue which must be faced and discussed openly.

The Dutch had their complaints about the U.S. attitude toward the former East Indies. The Belgians have often believed that the United States somehow promoted the loss of the Congo. Above all, the French have complained bitterly about inadequate U.S. support in Southeast Asia and virtually nonexistent support with respect to North Africa. The United States for its part turned right around and complained about the lack of enthusiasm of its alliance partners for the struggle in Southeast Asia when we took it over from the French. There is a certain irony and a certain justice involved in that proposition.

Most recently and most importantly, the United States and its Western European Allies have had a very real difference of opinion over developments in the Middle East. This is a matter of profound regret to me personally because of my deep interest in a Middle East settlement. I have been disappointed that the weight of the Atlantic Alliance has not been placed in the scales alongside us in helping to bring about such a settlement.

At the same time, I can intellectually, if not emotionally, appreciate a number of the arguments made by our European friends about their desire for noninvolvement. Considering the more fortunate position of the United States with respect to energy, and the dominant role played by American companies in the oil business, I can even understand why Western Europeans should have parted company with us to some degree in their rather frantic efforts to deal with the energy crisis. The fact is they had some reason to feel frantic because of their higher collective rate of inflation, their far greater exposure to Arab blackmailing efforts, and their already enormously high cost for energy. I can only hope and express the belief that we have been making substantial progress in remedying the breach caused within the alliance by these very important disagreements. I am not just being an instinctive optimist in expressing the view that we will overcome any such problems; as we have overcome others in the past.

But I must state that on almost every occasion one NATO member or another has been disappointed by the behavior of other allies when efforts are made to transfer the moral and political authority of the alliance outside of the European context. Despite these understandable differences, the NATO alliance remains strong and durable.

During the past few weeks both Americans and Europeans have spoken more bluntly and frankly about European-American relations both within and outside of the NATO alliance than at any other time in the postwar period. I have expressed my dissatisfaction with the remarks made by President Nixon and others which seemed to threaten our allies and demand certain behavior from them in order to insure our participation in their defense.

I want to restate my strong belief that these tactics do not strengthen a military alliance and surely do little to encourage greater economic and political cooperation across the Atlantic. If the American presence in Europe is indeed a key element in our national security, then using this fact as a bargaining chip in economic and political negotiations among allies does little to convince Europeans of our desire to see the defense of Europe and the United States as one and the same. It is an unfortunate way of behaving when time and time again we have heard that our commitment to Europe is nonnegotiable.

It is clear that we must search for a way to increase the consultation procedures both in and outside of the alliance. Both the United States and its NATO allies have been guilty of failing to consult one another. Without the development of formalized consultation procedures, I fear that we will be continually faced with recurring crises as a result of precipitous action taken without consultation. The tendency for action without consultation to occur in the economic and political context is much greater than in the military context. But it is impossible to contain the resulting ill feelings and hostility among allies solely in the original area in which the crisis occurred. There is, of course, spillover which damages the entire range of European-American relations.

These are only some of the complicated areas we must deal with on a daily basis in order to maintain and improve our alliance relationships.

In conclusion, Mr. President, I believe we must continue to deal with the Soviet Union and the countries of Eastern Europe in ways approaching normal relationships as closely as possible, while simultaneously remembering that we cannot help but express and act in consonance with our opposition of the totalitarian rule of societies to the East. We are going to have to deal more vigorously with the question of creating a more coherent policy governing the use of nuclear weapons, in all their varieties and in all their menace. The critically important SALT talks must be fostered and assisted to the best of our abilities, as well as the current MBFR negotiations.

These are all great and challenging tasks. And the road ahead assuredly cannot be regarded as a smooth one. On both sides of the Atlantic we face serious economic and political dislocations which only serve to exacerbate tensions within a military alliance. But I am confident that both Europeans and Americans will be able to work together to assure their mutual security as they have done over the last quarter of a century. NATO continues to be the shield of our defense, and a vital force for peace and cooperation.

THE PRESIDENT'S TAXES

Mr. LONG. Mr. President, the Joint Committee on Internal Revenue Taxation has reviewed its staff report on the President's taxes for the years 1969 through 1972. While we have not completely analyzed all of the technical aspects of the report, the members agree with the substance of most of the recommendations made by the staff. Because of the President's decision to pay the deficiencies and interest for 1969 through 1972, as asserted by the Internal Revenue Service, whose determinations closely approximate the recommendations of the committee's staff, the Joint Committee on Internal Revenue Taxation has decided to conclude its examination of the President's returns. The committee commends the President for his prompt decision to make these tax payments.

The above statement was agreed to by all of the members of the joint committee present except the Senator from Nebraska (Mr. CURTIS).

Senator CURTIS expressed the view that he concurred in the motion to conclude the examination but dissented from the concurrence with the staff report.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974

The ACTING PRESIDENT pro tempore. Under the previous order, the hour of 11 a.m. having arrived, 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 the consideration of the bill.

The ACTING PRESIDENT pro tempore. Time for debate between 11 a.m. and 12 o'clock noon will be equally divided and controlled by the distinguished Senator from Nevada (Mr. CANNON) and the distinguished Senator from Alabama (Mr. ALLEN).

Who yields time?

Mr. ALLEN. Mr. President, I yield myself 5 minutes.

The ACTING PRESIDENT pro tempore. The Senator from Alabama is recognized for 5 minutes.

Mr. ALLEN. Mr. President, the question now before the Senate is whether debate on this great and fundamental issue shall be brought to a close and the bill in its present shape, with little likelihood of amendments, will be rammed through the Senate. A vote in the negative—a vote against cloture—would allow the bill to remain before the Senate in order that amendments not now at the desk may be presented and considered by the Senate and acted on. Hopefully, one such amendment would be to remove the public financing feature from the bill and retain the other features, the features providing for limiting contributions to $3,000. That is too high. Hopefully, that will be reduced.

On yesterday, the Senator from Alabama sought to get that reduced to $250 in Presidential races and $100 in congressional races. But that amendment was voted down.

Mr. President, the pending bill in its public financing aspects is not campaign reform.

What atrocities have been committed in the name of liberty. What atrocities have been committed in the name of campaign reform. Turning a bill for political campaigns over to the taxpayer is not reform.

That is what this bill provides, for greatly accelerating the costs of many races, and providing subsidies for candidates for the nomination for the Presidency up to $7.5 million for each of the multitude of candidates.

You can rest assured, Mr. President, that there will be a multitude running, with the Government paying up to $7.5 million per candidate.

With the Government paying the bill, it will draw our Government farther away from the people. The Government is already too far away from the people. But, as the taxpayers are required to pay the costs of Federal elections, there will be less consideration on the part of the incumbents in Federal offices for the people they represent. They will be less in touch with them. They will be farther removed from them. They will be less responsive to the wishes of the people.

If the public treasury is financing their campaign, there will not be the voluntary participation on the part of the electorate, on the part of individual citizens, because they are coerced into contributing, by the provisions of this bill, requiring the Treasury to pick up the tab. That will create apathy and less interest in political campaigns. Also, Mr. President, with the Treasury paying the bill and the taxpayers—that is a synonym for the Treasury—with the taxpayers paying the bill, this of necessity would require the taxpayer as part of the Treasury, whose funds go to make up the Treasury, to support candidates with whose views and philosophy he disagrees.

Now, what reform is there in that? What reform is it to pay, for example, in the State of California, over $2 million to each of the senatorial candidates in the general elections to enable them to carry on their campaigns, after having contributed up to $700,000 for each candidate in the primary?

A U.S. Senator from the State of California—and I notice both the California Senators are supporting this, and I use California obviously because it is a State with the largest population—but under this bill, if we do not have an opportunity to amend it, and I do have amendments that would cut these amounts down, but as the bill now stands, the public treasury would turn over to each of the candidates for the office of a U.S. Senator in California, each of the candidates of the two major parties, at the start of their campaigns, a check for $2,121,000.

When I talk about the evils of big contributions—and the Senator from Alabama has been trying to get them reduced, but the advocates of public financing do not want them reduced, they want it to be $3,000—I call that a big contribution myself—I would like to see it reduced to $250—what reform is there in financing half of the campaign of all the candidates in California, or any other State in the Union, and then paying a subsidy running up to over $2 million in the State of California for the senatorial campaign?

As I pointed out here on the floor, a U.S. Senator's compensation over a 6-year period would run about $250,000—about a quarter of a million dollars in 6 years; yet the Government, to enable the senatorial candidate under this bill—and I have tried to knock out House and Senate coverage in the bill, but Members of the Senate apparently want their campaigns financed by the taxpayers—and that is what this bill says—it provides that Senators and House Members will have their campaign in the general election financed 100 percent by the taxpayers.

Is that reform, Mr. President?

Reform comes from cutting down the overall amount of expenditures and contributions, with full disclosure of all the contributions and expenditures, and then cutting down on the amount of the individual contributors.

Now, Mr. President, on July 30 of last year the Senate passed a good reform measure, S. 372, and sent it over to the House. It did not have any public financing whatsoever in the bill. As a matter of fact, an amendment to put public financing in was rejected by the Senate by a substantial vote. We have not even waited on the House to act on that bill before changing the entire theory of our legislation.

I believe we are acting too hurriedly in this matter, Mr. President. I believe we need to consider this further, rather than to adopt a gag rule that will prevent the submission of any other amendments not now at the desk. There is no amendment at the desk that would try again to knock the public financing feature out of this bill; and if cloture is adopted, no such amendment can be offered.

I am hopeful that the Senate will not cut off debate and go ahead and ram this bill through, because the solution of the problems arising from political campaigns and the financing of political campaigns lies in true reform, not merely in public subsidy.

The issue presented here, as the Senator from Alabama sees it, is whether by extending the debate we might end up with a true reform measure, or whether we are going to settle for a solution of handing the bill to the taxpayer. Handing the bill to the taxpayer would require an "aye" vote on the cloture motion. Holding out for further consideration and possible true reform would call for a "no" vote on cloture. That is the issue here, as the Senator from Alabama sees it.

The issue is whether we are going to pass a measure, a so-called reform, which in actuality is for a Federal subsidy. We already have Federal subsidy to a great extent—Federal subsidy in every field one can think of, for that matter—and we are now getting around to subsidizing the politicians directly. There has been a great deal of talk about subsidizing them indirectly. This would subsidize them directly.

Mr. President, earlier this year, the Senate rejected an effort to increase the compensation of the Members of the House and the Senate by $2,500. The Senator from Alabama voted against that effort. How can we consistently say that we are not going to pay the House and the Senate Members $2,500 more in sallary, but that we are going to make it possible for them to reach into the Federal till and pull out up to $2.1 million in the State of California, on the part of Senators, and lesser amounts on down? I am not saying it is that amount in all States. It is going to enable the candidates for the Presidency—and there are approximately 10 of them in the Senate—to reach into the public till and pull out up to $7.5 million each. Is that reform? I submit that it is not.

If the public is unwilling to compensate the Members of the House and the Senate by an additional $2,500, once the media is willing to make this issue known, do you think they are going to look kindly on a bill that provides up to the neighborhood of a half billion dollars every 4 years for the politicians of this country, those who are in the House and the Senate, or want to be in the House and the Senate, and those who want the Presidency? I do not believe that the people of this Nation will do so, if this issue is properly presented, not presented as a reform measure. It is reform, all right, in the sense that it reforms. It reforms the law; it reshapes the law; but it is not reform. Yes, it changes the law by taking it out of the private sector and reforming the law to make the Public Treasury pay for it.

If the public ever finds out the true

issues involved here, they are not going to look kindly on this effort to saddle the taxpayers of this land with the campaign expenses of all the politicians in the country who aspire to serve in the House and the Senate or in the Presidency.

Mr. President, I reserve the remainder of my time, and I yield 5 minutes to the distinguished Senator from Michigan (Mr. GRIFFIN).

Mr. GRIFFIN. Mr. President, I shall cast my vote today against the cloture motion, although I realize full well that my position may be misunderstood. It is likely, I fear, that the public will be misled into the belief that campaign reform is being filibustered to death in the U.S. Senate.

Tragically, in my view, the American people will find it difficult to get the facts. Three of the four titles left in this bill can be described as genuine campaign finance reform. But unfortunately, title I, which would establish public financing of campaigns—financing directly out of the Public Treasury—does not contribute reform at all. It represents, instead, a raid on the Treasury and a huge escalation of the levels of campaign spending.

However, aside from the merits of public financing—there is also an important procedural question: whether it is appropriate at this point to cut off debate, particularly in light of the fact that there are some 86 proposed amendments pending at the desk which have not yet been considered.

Needless to say, this subject is not only controversial, but it is very complex. It is not surprising that many Senators have many ideas concerning amendments that should be adopted.

Now that the Senate has turned its attention to the subject of campaign reform, it seems to me that we should take the time necessary to fully and adequately consider all the proposals and options. If cloture were invoked, there would be no way that the Senate could give that kind of consideration to the 86 amendments still pending.

Aside from the merits, then, it seems to me that even those who may favor public financing should vote against cloture today. That would be a vote for orderly and careful deliberation of a most important and complex subject.

Returning to the merits of title I, taxpayer financing, I find it interesting—although I have not read this in the news report—that five out of the seven Senators who serve on Watergate Investigating Committee have registered opposition to public financing. The members of that committee have uncovered and exposed the abuses we are supposed to be seeking to correct. The Watergate Committee has been charged with the responsibility, not only of investigating but also of recommending needed reforms to correct the abuses.

Senate attention should be taken, by the Senate as well as the press, of that fact that a substantial majority of the committee best qualified to pass judgment does not view public financing as reform.

I wonder how many people know that. The Senator from Tennessee (Mr. BAKER), for example, has an amendment which will be considered later. It is my understanding that his amendment which would strike from the bill the title I public financing provisions and insert in lieu thereof a more liberal income tax allowance for individual contributions.

The ACTING PRESIDENT pro tempore. The Senator's 5 minutes have expired.

Mr. ALLEN. Mr. President, I yield the Senator an additional 2 minutes.

The ACTING PRESIDENT pro tempore. The Senator from Michigan may proceed.

Mr. GRIFFIN. Mr. President, the amendment to be proposed by the Senator from Tennessee (Mr. BAKER), is a very meritorious and important amendment, in my opinion. It can be said that to give tax recognition to an individual contribution is a form of public financing—and that is so. To that extent, the Government is being denied an amount of tax that otherwise would be paid into the Treasury. But there is a very important difference between this approach and the approach of title I in the bill.

The ACTING PRESIDENT pro tempore. The Senator's 2 minutes have expired.

Mr. ALLEN. Mr. President, I yield the Senator 2 additional minutes.

Mr. GRIFFIN. Under the Baker amendment, the individual citizen retains the important right of contributing to and supporting the candidates of his choice.

As I have pointed out before, one of the most serious defects in title I, as it appears in the bill, is that, instead of holding campaign spending in check or reducing the level of campaign spending, it would greatly escalate the levels of campaign spending. And, of course, the additional dollars to be spent would come out of the Treasury—which means that they would be taken involuntarily out of the pockets of the taxpayers.

As I have said before, looking at races for the House of Representatives alone, if title I should become law, the level of campaign spending for House races would increase from $39 million—which was the total for 1972 according to records on file with the clerk of the House—to a total of over $100 million, according to an official estimate by the General Accounting Office.

If the taxpayers of America ever become fully informed taxpayers on this point, and if they regard that as campaign reform, I will be a "monkey's uncle." I urge the Senate to vote today against the cloture motion.

Mr. CANNON. Mr. President, I yield myself 5 minutes.

The ACTING PRESIDENT pro tempore. The Senator from Nevada is recognized.

Mr. CANNON. Mr. President, I was delighted to hear the distinguished Senator from Michigan say that he supported the other provisions of the bill except for title I, and thought that was, indeed, campaign reform. That is exactly what we were attempting to achieve in the Committee on Rules and Administration. I may say, to respond to his statement concerning title I on public financing, that the Committee on Rules and Administration was charged with that responsibility by the Senate last fall, wherein we were to attempt to report to the Senate a bill on public financing within 30 days after the new session commenced.

This bill is the result of that charge which the Senate gave to us by a vote of Senators. The Senator has spoken at some length against title I, and said that he is opposed to the concept of public financing. The Senate already has voted on this issue and said, in effect, they want some form of public financing.

I do not know whether this is the correct formula for public financing, but it is quite clear that the majority of the Senate wants some form of public financing, not as a raid on the Treasury of the United States, but in an attempt to cure a greater evil, that of tremendously large contributions from private sources to individual campaigns, and to eliminate so far as possible the danger of undue influence as a result of those large contributions to particular candidates, or to particular committees for the candidates.

Now, we could argue a lot about the formula. The distinguished Senator from Michigan said the amount for Members of the House is too big. It may well be that it is too big. There is no magic in the figure of $90,000 maximum. We arrived at that because it was a figure we had used in S. 372 last year. But basically, I, for one, felt, and I think the remainder of the committee members felt, this is a matter that the House should determine. So let the bill go over to the House, and whatever figure they decide is reasonable for Members of the House we can go along with, but we did try to arrive at a formula that would determine the races for President and Vice President and would determine senatorial races.

I am not wedded to the figures there. When we use the figure 10 cents per voting age population in the primary, that may not be the correct figure. Perhaps 8 cents is more correct, with a maximum and a minimum floor to cover small States and small districts. I do not know whether 15 cents per voting age population is the correct formula or not on the general election. But I say the way to decide that is not to try to kill the bill. The way to decide that is to try to offer amendments to this particular bill to change the formula if one does not like that particular formula.

Last year the Senate voted 58 to 34 for some form of public financing of presidential primaries and general elections and congressional general elections only. In this bill we went further than that. We made one-half matching in the primary election if the person reached the threshold amount, so we would attempt to discourage persons who were not really serious candidates and who had no widespread appeal. We did include the primary elections based on that matching amount in this bill.

So, Mr. President, I find myself in a rather unusual position this morning. I am a person who has traditionally opposed cloture in the Congress, because

I felt these matters should be debated at length. On the other hand, as floor manager of the bill here, I would like to get at the issue. I have not voted for cloture many times in the period I have been in the Congress. While I did not join in signing the cloture motion, I do intend to vote for cloture in this instance, in the hope that we can go through the other amendments, that we can adopt amendments that may vary the formula we have adopted, may change some particulars of the bill itself, but mainly so that we can carry out what has now been determined on at least two occasions by the Senate—that we do want some form of public financing bill, and that we can get it to the House so they can work their will on it.

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

Mr. ALLEN. Mr. President, on whose time?

Mr. CANNON. On my time.

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

The legislative clerk proceeded to call the roll.

Mr. CANNON. 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. CANNON. Mr. President, I yield 4 minutes to the Senator from California (Mr. CRANSTON).

Mr. CRANSTON. Mr. President, I thank the Senator from Nevada very much for yielding, and I also thank him for the very effective work he has been doing in handling this measure on the floor.

I want to say to the Senator from Alabama that I am delighted he is on the floor, because I wanted to cover one point while he was present, since he has been mentioning one aspect of the bill as it relates to the State of California from time to time.

As I listened to his remarks a couple of days ago, I found myself in some agreement with him in his references to the amount of funding which would be available to a candidate from California under this bill.

This aspect of public financing of election campaigns has given me real concern. I am troubled by the amount of Federal funding which would be available to me personally as a candidate for the U.S. Senate in the Nation's most populous State, although, obviously, there is almost no chance that a public financing proposal might be enacted in time to affect this year's election.

So, as far as I am concerned, if I am reelected, we are looking ahead to the 1980 election.

Mr. CANNON. Mr. President, will the Senator yield on that precise point?

Mr. CRANSTON. I yield.

Mr. CANNON. One of the amendments we have already adopted now is to completely eliminate the 1974 election, so if the bill is passed with that amendment in it, it would preclude the Senator himself from being involved in it in any way.

Mr. CRANSTON. I thank the Senator very much. So, whether or not I will ever be affected by it depends on what will happen in this year's election.

My first reaction—and this was when I developed a similar bill affecting California campaigns as well as the rest of the Nation—was that I should propose a ceiling lower than 15 cents per eligible voter in Senate and Presidential races in such large States as California and New York—so that my proposal would not appear to be self-serving, monetarily, and also to reduce the total cost of public financing.

My second reaction was that such a ceiling in itself could be self-serving, since it might deny a potential opponent adequate funds to overcome whatever built-in advantage I have as an incumbent.

On Monday, I had the opportunity to vote with the distinguished Senator from New York (Mr. BUCKLEY) on his amendment to reduce by 30 percent the amount of money available to an incumbent. I supported that amendment, because I believe that incumbents do have a substantial advantage in their efforts for reelection.

A number of Senators in the course of this debate have commented on the inconsistency between recent polls showing that though Congress is held in extremely low esteem, a number of individual incumbents are running stronger in polls taken on their own races, and the majority of incumbents are expected to win reelection.

Possibly fewer incumbents will be reelected this year, but a majority will be reelected—that is normal insofar as incumbents seeking reelection is concerned.

This inconsistency, it seems to me, illustrates the enormous advantage to holding public office, which enables an incumbent to overcome this public doubt about the legislative body in which he serves. Clearly, it is reasonable to allow nonincumbents more campaign funds in order to try to equalize the imbalance in the present system.

Even though that amendment was defeated, the bill before us, which provides equal funding for incumbents and nonincumbents, will be of greater advantage to the challenger than the present system. The reason for this is fairly obvious: an incumbent usually finds it easier to raise campaign funds than does a nonincumbent. When I support public financing, I do so knowing full well that almost surely public financing will help my opponents more than it will help me.

The $2.1 million which a senatorial candidate in California would receive under the present bill is a lot of money. I, for one, indicated yesterday my willingness to reduce that $2.1 million by better than $600,000 for an incumbent.

But for a nonincumbent—a challenger who has not campaigned to the enormous constituency of a State of 21 million people—$2.1 million is in line with the amounts normally spent in major statewide elections under the present system of private financing.

The ACTING PRESIDENT pro tempore. The Senator's time has expired.

Mr. CRANSTON. Mr. President, may I have 3 or 4 additional minutes?

Mr. CANNON. Mr. President, I yield 4 additional minutes to the Senator from California.

Mr. CRANSTON. Mr. President, I believe a challenger must reasonably, under normal conditions and under present law, face the task of raising such sums to finance a successful campaign against an incumbent. And let us remember that California's $2.1 million is still based upon only 15 cents per voting age person—the same amount which would be available for a candidate in Alabama or any other State.

I do not know how much or how little my opponent this November will be able to raise for his campaign against me. But I do know that if this bill had been enacted, my November opponent would have $2.1 million to spend against mine.

Nevertheless, I support the principle of public financing and I support this bill—not because it is to my own political advantage, for it clearly is not.

I support the bill because it will end the corrosion big money brings to our system of representative democracy.

Mr. CANNON. Mr. President, is it not also very true that if a person does not want to go the public financing route, he has the option of remaining with private financing, if that is something that he prefers to do? It seems to me that public financing would help the challenger more than it would help the incumbent, which is quite contrary to the objection of the distinguished Senator from Alabama.

Mr. CRANSTON. Yes, I believe that to be the case.

Mr. CANNON. Mr. President, I yield 5 minutes to the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, the central issue in the struggle for cloture on the election reform bill now before the Senate is who owns Congress? Put another way, the question is whether we in Congress are going to put our own house in order by adopting public financing for our own elections.

We already have public financing for Presidential elections. In fact, we enacted it into law 7 months before the Watergate break-in. Yet, today, nearly 2 years after that break-in, Congress is still trying to decide whether public financing is right for its own elections.

If any set of facts can tip the balance in favor of public financing for Senate and House elections, it ought to be the news of the unconscionable war chests that special interest groups have already put together for the 1974 congressional elections. By the end of February, as reported recently by Common Cause, registered political committees affiliated with special interest groups had already amassed the enormous sum of $11.6 million, or more than the entire amount spent by such committees in all of 1972.

The message from that list is unmistakable. The lobbyists and special interest groups are alive and well in Washington. They haven't missed a stride over Watergate. Their pockets are already bulging with contributions to be made. They are on the prowl today in the halls of Congress, assessing Senators and Representatives for possible investment in the fall elections. Take but two examples:

One might have thought that after Watergate and the furor over the milk deal, the Associated Milk Producers, Inc.,

would have been gun-shy about campaign contributions. Hardly. Not when vast benefits worth hundreds or thousands or even millions of dollars are to be gained for the bargain price of a well-placed campaign contribution. And so, AMPI's political action arm, TAPE, leads the list of all special interest groups in the size of the warchest for 1974—$1.4 million by the end of February and still counting. The price of a quart of milk is already higher than Skylab. Who knows how much more the forgotten American consumer will be paying, once AMPI's 1974 war chest works its way into the mainstream of Federal legislation.

Or take the American Medical Association. The AMA has a war chest of $889,000. Is there any doubt that this AMA money will be used in the fall elections to subvert national health insurance and to support candidates who oppose health reform?

Undoubtedly, anyone in Congress who goes down the list of special interest committees and their war chests knows what each group wants from Congress.

The issue is an ancient one. No man can serve two masters. No Senator or Congressman can serve both the people of America and his big campaign contributors. So long as we in the Congress continue the practice of financing our campaigns with the dollars of a wealthy few who have a stake in the laws we pass, corruption will keep increasing and democracy will keep decaying.

The names of future scandals will be different, but the problem will be the same, because the laws we pass will always bear the brand of the special interest groups.

We can end this shameful spectacle by which Congress puts itself up for auction every second year. We can wash away the growing stain on America's democracy. But we can do so only by making a clean break with our corrupt and discredited system of private financing of elections.

It is time for Congress to change its spots. It is time we held up the mirror of Watergate to ourselves—if we take an honest look, we will recognize ourselves. And when we do, we will realize that we owe our constituents a better deal. Then, cloture will be invoked, and the Nation will begin a new era of clean and honest elections to Federal office.

Mr. President, the Senate itself first voted for public financing for presidential elections in 1966. Now, almost a decade later, we are trying to decide whether to have public financing for our own elections. I don't think we need more debate. This issue has been extensively debated. It was debated in 1966, in 1967, and in 1971, when the dollar checkoff was enacted into law. It was debated last year, as a major amendment to the debt ceiling bill. That is when the filibusters first began. We heard at that particular time that the reason why we needed extended debate was that we had not had hearings; that Congress must have a chance to consider public financing more fully, and must give people of differing views a chance to speak out.

Now, under the distinguished leadership of the Senator from Nevada (Mr. CANNON), we have had extensive committee hearings. Different groups put forward their ideas and suggestions. The committee has acted. We are ready to vote.

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

Mr. KENNEDY. I ask for 3 more minutes.

Mr. CANNON. I yield the Senator 3 additional minutes.

Mr. KENNEDY. Nonetheless, after we have come through this extensive and exhaustive procedure in the Senate, we find ourselves embroiled again in a full and extended debate that cannot go by any other name than filibuster. The overwhelming majority of Members of this body, want to face up to this issue. The overwhelming majority of the American people want Congress to face up to the issue. Still, we are being frustrated in facing up to it by a filibuster.

Many Members of this body recognize extended debate as the means of protecting a minority who feel strongly about an issue. Traditionally, a minority of one-third of the Members of this body is able to prevent the majority from acting. And so, the vote today presents a difficult decision and a difficult moral judgment because all of us in the majority want to respect the strong views of the minority among us, but all of us also want the Congress to get back on the path of truly representing all the people. It is not just today's vote we look at, but the road ahead for Congress in the Nation's future.

Few issues have been debated and discussed as extensively as this one has. There is a very clear mandate for this proposal from the American people. That mandate has been expressed here by past votes and during the course of this debate by the Members of this body. What we are asking is an opportunity to face up to the issue, and not to be prohibited from doing so by those who are unalterably opposed to this reform. I am hopeful that we will invoke cloture on this issue.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. ALLEN. Mr. President, how much time remains to the Senator from Alabama?

The ACTING PRESIDENT pro tempore. The Senator has 3 minutes.

Mr. ALLEN. I yield myself 2 minutes.

Mr. President, the distinguished Senator from Massachusetts has said that the issue is who owns Congress, indicating, I assume, that some Members of Congress are subservient to special interests. He did not bother to name any, and I wonder who those Senators are.

The Senator from Alabama is not one of them. I daresay that the Senator from Alabama, in the upcoming race in his home State this fall, will not spend one-twentieth of the amount of money that would be available to him under this public financing, so it would be interesting to know who some of these Senators are who are subservient to special interests.

Also, Mr. President, there is the nonsequitur that the distinguished Senator from Nevada has used and the distinguished Senator from Massachusetts is using that the way to remove the influence of the special interests is to provide for public financing, and hand the bill to the taxpayers.

That is not necessary at all. All that is necessary is to cut down on the amount of permissible contributions. That is what the Senator from Alabama has been trying to do. But I notice that the Senator from Massachusetts and the Senator from Nevada voted against my amendment to cut permissible contributions to $250 in Presidential races and $100 in House and Senate races. That is the way to remove any sinister influence, if there be any sinister influence.

Also, the Senator from Nevada said:

> Well, we ought to improve the bill by offering amendments.

The Senator knows that if cloture is invoked in a few minutes, there will be no way to offer any other amendments; so the way to get perfecting amendments offered and considered would be to vote down cloture, Mr. President, so that other amendments can be presented.

The issue here is whether we will continue to have the process of voluntary participation by the American people in elections, or whether we are going to turn the bill over to the taxpayers, and let the taxpayers pay the bill.

I was somewhat amused by the doubts of the distinguished Senator from California, who said he was disturbed about this $2.1 million that would be handed to a candidate for the Senate out there. He was troubled about it, but he has resolved his doubts and is willing to see a candidate for the Senate receive $2,121,000 to make his general election campaign.

Mr. President, I reserve the remainder of my time.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. CANNON. What is the time situation, Mr. President?

The ACTING PRESIDENT pro tempore. The Senator from Nevada has 3 minutes remaining. The Senator from Alabama has 1 remaining minute.

Mr. CANNON. At 12 o'clock, does a quorum call ensue?

The ACTING PRESIDENT pro tempore. A quorum call is automatic under the rules.

Mr. CANNON. To be immediately followed by the cloture vote?

The ACTING PRESIDENT pro tempore. When there is a quorum, that is correct.

Mr. CANNON. Mr. President, I do not know that there is much I can add to what has already been said on this matter. The issue is simply whether we do or do not want campaign reform, and with that reform, whether we have it include the public financing of campaigns on a matching basis in the primaries and on a complete basis in the general elections.

As I said before, the Senate has already spoken on that particular issue. A majority of the Senators have voted at least twice that that is what the Senate desires. So this is an opportunity, now, to make a determination of whether the percentage is high enough that cloture can be invoked, in order that this

bill can come to a vote of the Senate and the Senate can invoke its will.

Mr. KENNEDY. Mr. President, will the Senator yield for a question?

Mr. CANNON. I yield.

Mr. KENNEDY. Do I correctly understand that if cloture is invoked today, various amendments—of which I understand there are about 80 at the desk, dealing with a range of public and private financing issues—will be considered by the Senate, and that the Senate will have an opportunity to debate these amendments and vote on every one of them, and get an expression by Members of the Senate on each amendment? Is that correct?

Mr. CANNON. The Senator is correct. It is my understanding that there are about 86 amendments at the desk, each of which would be available to be called up and for a vote to be had on them in the process after the conclusion of the cloture vote, so that those particular issues certainly could be considered over and above the issues that have already been considered in the bill.

I do not know just how many amendments we have adopted so far, but I know we have had a considerable number of votes on the bill thus far.

Mr. KENNEDY. Would the Senator not agree with me that it would be surprising if any new issues are introduced, since this matter has been thoroughly discussed over the last 2 weeks?

Mr. CANNON. This issue has been before us for a long time, and it would seem to me that Senators who have issues about which they feel strongly would have them at the desk by now. I cannot conceive of many new issues that would come up by this late date.

The ACTING PRESIDENT pro tempore. All time of the Senator from Nevada has expired. The Senator from Alabama has 1 minute remaining.

Mr. ALLEN. I yield my 1 minute to the Senator from Michigan (Mr. GRIFFIN).

Mr. GRIFFIN. Mr. President, if this bill passes in its present form, the public may be fooled by the reports into thinking that the abuses of Watergate have been corrected—that Congress has voted for reform.

It is important, I believe, to state again that five out of the seven members of the Senate's Watergate Investigating Committee have positioned themselves against public financing. They do not regard public financing as the reform needed to take care of Watergate.

Furthermore, while the bill dips deep into the Treasury, it does not eliminate special interest contributions and influence. Indeed, the other day, an amendment which I opposed, was adopted to increase the ceiling on a contribution from a special interest group to a candidate from $3,000 to $6,000. So, we have been going in the wrong direction.

Mr. WILLIAMS. Mr. President, the campaign reform bill pending before the Senate today may well be more important than any other legislation to come before this Congress, in terms of its long-range ramifications for our country. In my judgment, it is essential that we overcome the delaying tactics being employed by opponents of this bill; I for one certainly will vote to limit debate so that we may take a final vote on this bill, and I urge my colleagues to do the same.

Every responsible American citizen has recoiled in revulsion at the disclosure of the abuses of our political system committed during the 1972 Presidential election campaign. These acts, lumped together generically as "The Watergate Scandal," represent an alien and diabolic perversion of our political system. Nevertheless they did occur, they occurred within the very highest levels of our governmental and political structures, and they occurred despite laws which prohibit such behavior.

The aftermath of Watergate has been a national trauma that continues to this day, and is likely to become even more serious before it is ended. It is a tribute to the American people that they have insisted on a full airing of this dismal business, despite the pain involved. It is a testament to our system of justice that those guilty of crimes are being called swiftly to account. And it is confirmation of the strength of our political and governmental systems that they will survive Watergate, perhaps stronger than before.

The Watergate scandal is the disgrace and tragedy of a handful of cynical men. But, it would be a national disgrace, and perhaps a national tragedy, if we as a people failed to learn from this experience and act to prevent it from happening again.

The mail I get from constituents, personal contacts, and the public opinion surveys, all tell the same story; Americans are disillusioned with elected officials, and are demanding steps be taken to guard against future Watergates. The bill before us today, S. 3044, is the single most important step we can take to both restore confidence, and prevent future political scandals.

As a member of the Committee on Rules and Administration, where this bill was developed, I can say it was carefully drafted with both the lessons of Watergate, and the guiding principles of our democracy, firmly in mind. It is certainly not a panacea, but no legislation is. However, I think nearly all Senators would agree that most provisions of this bill are necessary reforms that would be effective in insuring high standards of political conduct.

The provision that some Senators strongly disagree with is public financing of election campaigns. It is appropriate that this be the greatest point of controversy, since it is assuredly the most important reform contained in this bill.

I am not sure whether I would agree that "money is the root of all evil." But, it was unquestionably the root of much of the evil associated with Watergate, and much of the evil exposed in many other areas of political activity. Furthermore, we have seen that no number of laws to regulate the matter of political contributions can be effective in eliminating all abuses in this area. The only way we will ever effectively eliminate the abuse of political contributions as a deterrent to good politics and good government, is to finance campaigns for public office, from the public treasury.

This bill establishes the principle of public financing in both primary and general elections for Federal office. At the same time, it allows for gradual transition by offering candidates for Congress and for President the option of relying entirely on public financing, or on private contributions, or on a mix of both. Furthermore, it is carefully designed to preserve the two-party system, while allowing for challenges from serious third-party, or independent candidates. And, it contains safeguards against the public financing of frivolous candidates.

Mr. President, the provisions of this legislation, the reasons why it is needed, and the arguments for and against it, are well known to Members of the Senate. If we are to behave responsibly and respond to the demands by our constituents for reform, we must turn away from further debate and get quickly to a vote on the merits of this legislation.

CLOTURE MOTION

The ACTING PRESIDENT pro tempore (Mr. NUNN). The hour of 12 o'clock noon having arrived, under the unanimous-consent agreement, pursuant to rule XXII, the Chair lays before the Senate the pending cloture motion, which the clerk will read.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate upon the pending bill S. 3044, a bill 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.

Mike Mansfield, Warren G. Magnuson, James B. Pearson, Robert Dole, Hugh Scott, Claiborne Pell, Frank Church, Quentin N. Burdick, Marlow W. Cook, William Proxmire, Clifford P. Case, Henry M. Jackson, Daniel K. Inouye, Hubert H. Humphrey, Joseph R. Biden, Jr.,

Ted Stevens, Stuart Symington, Floyd K. Haskell, Birch Bayh, William D. Hathaway, Edmund S. Muskie, Jennings Randolph, Dick Clark, Jacob K. Javits.

CALL OF THE ROLL

The ACTING PRESIDENT pro tempore. Under rule XXII, the Chair directs the clerk to call the roll to ascertain the presence of a quorum.

The second assistant legislative clerk called the roll, and the following Senators answered to their names:

[No. 114 Leg.]

Abourezk	Bible	Case
Aiken	Biden	Chiles
Allen	Brock	Church
Baker	Brooke	Clark
Bartlett	Buckley	Cook
Bayh	Burdick	Cotton
Beall	Byrd,	Cranston
Bellmon	Harry F., Jr.	Curtis
Bennett	Byrd, Robert C.	Dole
Bentsen	Cannon	Domenici

Dominick	Johnston	Percy
Eagleton	Kennedy	Proxmire
Eastland	Long	Randolph
Ervin	Magnuson	Ribicoff
Fannin	Mansfield	Roth
Fong	Mathias	Schweiker
Goldwater	McClellan	Scott, Hugh
Gravel	McClure	Sparkman
Griffin	McGee	Stafford
Gurney	McGovern	Stennis
Hansen	McIntyre	Stevens
Hart	Metcalf	Stevenson
Hartke	Metzenbaum	Symington
Haskell	Mondale	Taft
Hatfield	Montoya	Talmadge
Hathaway	Moss	Thurmond
Helms	Muskie	Tower
Hollings	Nelson	Tunney
Hruska	Nunn	Weicker
Humphrey	Packwood	Williams
Inouye	Pastore	Young
Jackson	Pearson	
Javits	Pell	

Mr. ROBERT C. BYRD. I announce that the Senator from Iowa (Mr. HUGHES), and the Senator from Arkansas (Mr. FULBRIGHT) 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 Virginia (Mr. WILLIAM L. SCOTT) is absent on official business.

The PRESIDING OFFICER (Mr. HATHAWAY). A quorum is present.

The question before the Senate is, Is it the sense of the Senate that debate on S. 3044, a bill 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, shall be brought to a close?

The yeas and nays are mandatory under the rule, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. FULBRIGHT) and the Senator from Iowa (Mr. HUGHES) 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 Virginia (Mr. WILLIAM L. SCOTT) is absent on official business.

The yeas and nays resulted—yeas 60, nays 36, as follows:

[No. 115 Leg.]

YEAS—60

Abourezk	Haskell	Muskie
Bayh	Hatfield	Nelson
Beall	Hathaway	Packwood
Bentsen	Humphrey	Pastore
Biden	Inouye	Pearson
Brooke	Jackson	Pell
Burdick	Javits	Percy
Byrd, Robert C.	Kennedy	Proxmire
Cannon	Long	Randolph
Case	Magnuson	Ribicoff
Church	Mansfield	Schweiker
Clark	Mathias	Scott, Hugh
Cook	McGee	Stafford
Cranston	McGovern	Stevens
Dole	McIntyre	Stevenson
Domenici	Metcalf	Symington
Eagleton	Metzenbaum	Tunney
Gravel	Mondale	Weicker
Hart	Montoya	Williams
Hartke	Moss	Young

NAYS—36

Aiken	Bible	Cotton
Allen	Brock	Curtis
Baker	Buckley	Dominick
Bartlett	Byrd,	Eastland
Bellmon	Harry F., Jr.	Ervin
Bennett	Chiles	Fannin
Fong	Hruska	Stennis
Goldwater	Johnston	Taft
Griffin	McClellan	Talmadge
Gurney	McClure	Thurmond
Hansen	Nunn	Tower
Helms	Roth	
Hollings	Sparkman	

NOT VOTING—4

Fulbright	Scott,
Huddleston	William L.
Hughes	

The PRESIDING OFFICER. On this vote the yeas are 60 and the nays are 36. Fewer than two-thirds of the Senators present and voting having voted in the affirmative, the motion is rejected.

The pending question is on the amendment by the Senator from Tennessee (Mr. BAKER), No. 1075, on which there is a 1-hour limitation.

Who yields time?

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum, and ask unanimous consent that the time not be charged against either side.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. BAKER. 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. BAKER. Mr. President, would the Chair state the pending question?

The PRESIDING OFFICER. The clerk will state the amendment.

The assistant legislative clerk proceeded to read amendment No. 1075.

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

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

Amendments No. 1075 are as follows:

On page 35, line 14, strike out "tenth" and insert in lieu thereof "fifth".

On page 36, line 9, after "other than", insert the following: "the fifth day preceding an election and".

On page 36, line 15, after "filed on" insert the following: "the fifth day preceding an election or".

On page 63, beginning with line 11, strike out through line 5 on page 64.

On page 64, line 7, strike out "318." and insert in lieu thereof "317.".

On page 64, line 14, strike out "319." and insert in lieu thereof "318.".

On page 75, line 19, strike out "(a)" and insert in lieu thereof "(a)(1)".

On page 75, between lines 23 and 24, insert the following:

"(2) No person may make a contribution to, or for the benefit of, a candidate for that candidate's campaign for nomination for election, or election, during the period which begins on the tenth day preceding day of that election and which ends on the day of that election.".

On page 76, between lines 2 and 3, insert the following:

"(2) No candidate may knowingly accept a contribution for his campaign for nomination for election, or election, during the period which begins on the tenth day preceding the day of that election and which ends on the day of that election.".

On page 76, line 3, strike out "(2)" and insert in lieu thereof "(3)".

On page 76, line 6, strike out "paragraph (1)." and insert in lieu thereof "paragraph (1) or (2).".

On page 77, between lines 5 and 6, insert the following:

"(e) No candidate, or person who accepts contributions for the benefit or use of that candidate, may accept a contribution which, when added to all other contributions accepted by that candidate or person, is in excess of the amount which is reasonably necessary to defray the ependitures of that candidate.".

On page 77, line 6, strike out "(e)" and insert in lieu thereof "(f)".

Mr. BAKER. Mr. President, I yield myself such time as I may utilize.

I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. BAKER. Mr. President, the purpose of this amendment is to purify the process of public disclosure of campaign contributions by requiring the completion of that process before rather than after the election has taken place. In other words, my amendment would require political candidates to disclose the size and source of all contributions a time certain before each election. In this way the public is afforded their full and legitimate right to examine the sources of a particular candidate's financial support, and then draw their own conclusion prior to voting.

The mechanics of my amendment are quite simple. A deadline is established 10 days before each election. No contributions can be received by candidates after that deadline, from any source. This means that unless a contribution was either personally delivered or postmarked prior to the deadline, it would have to be returned to the contributor by the candidate.

Five days after the deadline, and 5 days before the election, each candidate is required to file a final report of all campaign contributions, including, of course, the sources and amounts. This better enables the public to review relevant disclosure data, so as to base their ultimate judgments on the complete record. That is the point of public disclosure, and we mislead ourselves and the American people if we give the impression that all the financial cards are on the table before the election. The fact of the matter is that they are not under the present system and will not be under the reforms embodied in S. 3044. That is why I have offered this amendment.

As of now, any candidate can postpone disclosure of potentially damaging information on political contributions until after the election and after it is too late to make a difference. My amendment would not permit this. The only circumstances under which contributions could be received after the 10-day period leading up to and including the election would be to defray debts incurred during the campaign.

I am aware that the establishment of a deadline 10 days before an election with the final report due 5 days preceding the election will require a massive amount of accounting at a very critical time in most campaigns. However, I believe, as I am sure most of my colleagues do, that public disclosure is essential to the success of any system of private financing of political campaigns, regardless of how limited the role of the individual contributor might be. This was

evidenced by the unprecedented public disclosure requirements enacted in the Federal Election Campaign Act of 1971. Moreover, it now appears obvious that we might have avoided a great deal of the campaign finance abuses associated with the 1972 campaign for President, and other races, had these provisions been in effect long before the spring of that year. For that reason, I have proposed an amendment which would not only seek to avoid the abuses of earlier campaigns, but also enhance the public's right to know.

That right is significant as it relates to the matter of public disclosure, because normally, a great deal can be learned from examining the sources of individual contributions. The names and occupations of the individual contributors tells the public where a particular candidate's strongest support lies; and it can often imply how that candidate would vote on a particular issue without knowing the candidate's personal view.

For example, if it were disclosed that a candidate had received contributions, regardless of the amount, from a dozen or two dozen individuals who all happened to work for various veterans organizations, then it might be assumed that those individuals considered that candidate generally sympathetic to veterans' concerns; and the same example could be applied to countless other occupations. The point is that public disclosure plays a very important role in assisting the voters to make up their minds, whether it is for a primary or general election.

And yet, that role is substantially hindered by the present reporting procedures. The question is not so much whether those procedures are used to purposefully deceive the public, but rather whether they actually retard the public's ability to base their judgment on all the facts. I believe clearly the present procedures and the reforms proposed in S. 3044 do retard that ability and that they are not consistent with the true intent of public disclosure. Thus, I urge that we amend that procedure by prohibiting the receipt of additional contributions after 10 days preceding the election, and require a full and final reporting of those contributions 5 days before the election takes place. It is the only way I know of to guarantee the public's right to know, and it is for this reason that I urge the support of my colleagues.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. CANNON. Mr. President, I am opposed to this amendment. In the first place, with respect to the contributions, it is completely unrealistic, because the rough part of the campaign, insofar as the need to have funds available is concerned, occurs in about the last 10 to 15 days. The prohibition in the amendment would make it so that no contribution could be made within 10 days of an election, and the candidate could not accept a contribution within that period of time. So really, if we are going to do this, we may just as well move the election up 10 days. That, for all practical purposes, is what it means.

With respect to the reporting provisions, we have checked carefully with the peope who have had some experience in the field of reporting and making the information available on some useful basis, and they advise us that this type of reporting is not long enough for a report to be mailed in and for them to put out that information and make the information public as it should be made.

Therefore, I am opposed to the amendment. I think that page 3, subsection 6, is completely redundant. It provides that a person cannot accept a contribution in an amount in excess of the amount reasonably necessary to defray the expenditure. We will never know what the expenditures are until they have been incurred. Sometimes the expenditures occur late, at the last minute. Sometimes bills come in even after the campaign is over. We have in the bill a provision for payment to the Treasury over the excess amount that may have been collected. That provision is in the bill. I think it is adequate.

This amendment is vague and uncertain and would impose an undue burden on a candidate and those working in his behalf to determine what is reasonably necessary to defray the expenditures of the candidate, so that he will not have excess money and be in violation of that particular provision.

Mr. BAKER. Mr. President, I am virtually prepared to yield back the remainder of my time and proceed to a vote. I have one brief remark in response to the observations of the distinguished chairman, the manager of the bill.

Briefly stated, the rationale of the amendment is that if there is to be public disclosure, it has to be an integral part of the system if it is to attract importance in the eyes of the public, and if it is to have something to do with whether one votes for or against a candidate. It seems essential to make that final report before the election, because between the time 10 days before the election and January 31, a candidate could collect a million dollars, and the public would never know it. The sole purpose of the amendment is that if we are going to have full disclosure, let us make it before the election, not after the election.

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

Mr. CANNON. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment of the Senator from Tennessee. The yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Iowa (Mr. HUGHES), the Senator from Louisiana (Mr. LONG), and the Senator from Wyoming (Mr. MCGEE) 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 Kentucky (Mr. COOK), the Senator from Arizona (Mr. GOLDWATER), the Senator from North Carolina (Mr. HELMS), and the Senator from Ohio (Mr. TAFT) are necessarily absent.

I also announce that the Senator from Virginia (Mr. WILLIAM L. SCOTT) is absent on official business.

I further announce that, if present and voting, the Senator from North Carolina (Mr. HELMS) would vote "yea."

The result was announced—yeas 33, nays 57, as follows:

[No. 116 Leg.]

YEAS—33

Aiken	Dole	Metzenbaum
Allen	Domenici	Nelson
Baker	Dominick	Packwood
Bartlett	Ervin	Proxmire
Bellmon	Fong	Ribicoff
Bennett	Griffin	Roth
Biden	Gurney	Schweiker
Brock	Hollings	Stevens
Byrd, Harry F., Jr.	Hruska	Thurmond
Cotton	Mansfield	Weicker
Curtis	McClure	
	McGovern	

NAYS—57

Abourezk	Hansen	Moss
Bayh	Hart	Muskie
Beall	Hartke	Nunn
Bentsen	Haskell	Pastore
Bible	Hatfield	Pearson
Brooke	Hathaway	Pell
Buckley	Humphrey	Percy
Burdick	Inouye	Randolph
Byrd, Robert C.	Jackson	Scott, Hugh
Cannon	Javits	Sparkman
Case	Johnston	Stafford
Chiles	Kennedy	Stennis
Church	Magnuson	Stevenson
Clark	Mathias	Symington
Cranston	McClellan	Talmadge
Eagleton	McIntyre	Tower
Eastland	Metcalf	Tunney
Fannin	Mondale	Williams
Gravel	Montoya	Young

NOT VOTING—10

Cook	Huddleston	Scott, William L.
Fulbright	Hughes	Taft
Goldwater	Long	
Helms	McGee	

So Mr. BAKER's amendment (No. 1075) was rejected.

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

The PRESIDING OFFICER (Mr. CLARK). The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

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.

REPORTS OF SIX RIVER BASIN COMMISSIONS—MESSAGE FROM THE PRESIDENT

The PRESIDING OFFICER (Mr. HATHAWAY) laid before the Senate a message from the president of the United States, which, with the accompanying reports, was referred to the Committee on Interior and Insular Affairs. The message is as follows:

To the Congress of the United States:

I am happy to transmit herewith the annual reports of the six river basin commissions, as required under section 204

(2) of the Water Resources Planning Act of 1965.

The act states that commissions may be established, comprised of State and Federal members, at the request of the Governors of the States within the proposed commission area. Each commission is responsible for planning the best use of water and related land resources in its area and for recommending priorities for implementation of such planning. The commissions, through efforts to increase public participation in the decisionmaking process, can and do provide a forum for all the people within the commission area to voice their ideas, concerns, and suggestions.

The commissions submitting reports are New England, Great Lakes, Pacific Northwest, Ohio River, Missouri River, and the Upper Mississippi. The territory these six commissions cover includes all or part of 32 States.

The enclosed annual reports indicate the activities and accomplishments of the commissions during fiscal year 1973. A brief description of current and potential problems, studies, and approaches to solutions are included in the reports.

RICHARD NIXON.

THE WHITE HOUSE, *April 4, 1974.*

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDING OFFICER (Mr. HATHAWAY) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

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

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974

The Senate continued with the consideration of the bill (S. 3044) to amend the Federal Election Campaign Act of 1971 to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns.

Mr. ALLEN. Mr. President, I call up an amendment at the desk and ask that the clerk please state the amendment.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

On page 75, line 23, strike out "exceeds $3,000." and insert in lieu thereof "exceeds—".

On page 75, between lines 23 and 24, insert the following:

"(1) in the case of a candidate for the office of President or Vice President, $2,000.; and

"(2) in the case of any other candidate, $1,000.".

On page 76, line 2, strike out "exceeds $3,000." and insert in lieu thereof "exceeds—".

On page 76, between lines 2 and 3, insert the following:

"(A) in the case of a candidate for the office of President or Vice President, $2000; and

"(B) in the case of any other candidate, $1000.".

Mr. ROBERT C. BYRD. Mr. President, will the Senator from Alabama yield for a unanimous-consent request?

Mr. ALLEN. I yield.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that time on the pending amendment be limited to 35 minutes, to be controlled and divided as follows: 25 minutes under the control of the distinguished author of the amendment (Mr. ALLEN), and 10 minutes under the control of the distinguished manager of the bill (Mr. CANNON).

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

Mr. ALLEN. Mr. President, I thank the distinguished majority whip.

Mr. ROBERT C. BYRD. I thank the Senator from Alabama.

Mr. ALLEN. Mr. President, the argument has been made time and again here on the floor that in order to remove the influence in Government of large contributors to Federal election campaigns, it is necessary to resort to public financing. It occurs to the junior Senator from Alabama that this is certainly a non sequitur, that it is not necessary to resort to public financing in order to remove the influence of large contributors or to prevent the making of large contributions. All that is necessary is to reduce the amount of the contribution.

The bill provides the limit that is a step in the right direction, because under the present law there is no effective limitation on a contribution. There is a limit as to how much can be contributed to one committee. I believe that is $5,000. There is a limit to how much can be contributed without incurring the gift tax liability. I believe that is $3,000. But we have seen that many candidates set up multiple committees—in some cases, a hundred or two hundred. The Senator from Alabama does not have but one committee during a campaign. Some candidates apparently find it necessary to have 100 or 200 or 300 committees so that these massive contributions can be split up among all those committees. So there is no effective limitation. But the $3,000 permitted by the bill and the $6,000 for a man and his wife are tremendous contributions, in the view of the Senator from Alabama, and should be cut drastically.

Earlier this week, the Senator from Alabama offered an amendment to cut the maximum permissible amount of a contribution in Presidential campaigns to $250—that is, both the nomination race and the general election—and $200 for House and Senate races. How did we arrive at those figures? Very simply, Mr. President, because the bill before the Senate, S. 3044, provides that in primaries, contributions to Presidential races up to $2,500 shall be matched out of the Public Treasury and contributions up to $100 in House and Senate races shall be matched out of the Public Treasury by subsidizing, out of the pockets of the American taxpayers, the campaigns of politicians running for various Federal offices.

Apparently, the theory of the bill is that there must be something evil, something sinister about contributions in the area between $250 in the one case and $100 in the other case, and the $3,000 permissible contribution, because they do not match those amounts.

Where does that leave a challenger and an incumbent? Mr. President, it leaves the incumbent at a decided advantage—and I suppose this certainly could be called an incumbent's bill—because it provides matching funds for incumbents as well as challengers who run for the constituencies that they have or that they might hope to have. So only these amounts are matched. It gives the incumbent the decided advantage that since the amounts in the area from $100 to $250 up to $3,000 are not matched, the incumbent, on account of being better known and having accommodated, during the term of his office, many of his constituents, is in better position to get contributions in that area—from $250 up to $3,000—leaving the challenger at a decided disadvantage. Even as to the matching amounts, it is stacked in favor of the incumbent, because—I have used this example before—in the State of California, theoretically, they match up to $700,000 of contributions, of up to $100 in House and Senate races.

Let us assume that the challenger in a State, because of being less well known, is able to raise $100,000—or $125,000, since that is the threshold amount, but let us say $100,000 because it makes the arithmetic a little easier—and the incumbent raises $700,000. So there is a $600,000 spread.

Then public financing comes into the picture and matches the incumbent's $700,000 and then matches the challenger's $100,000. This is in the primary. The incumbent then would have $1.4 million, and the challenger would have only $200,000, which would give the incumbent a $1.2 million advantage over the challenger.

The Senate, in its wisdom, saw fit to strike down the amendment offered by the Senator from Alabama to cut the contribution down, to leave it in the private sector; but the amendment, of course, would not have accomplished that, and still kept the public financing. But it would have reduced the amount of permissible contribution. The Senate voted down the $250 and the $100 limits.

The pending amendment would raise the permissible contribution from those figures to $2,000 in Presidential races and $1,000 in House-Senate races, which would be a reduction from the flat $3,000 provided by the bill. That still would leave the right to make massive contributions, in the view of the Senator from Alabama—a $2,000 limit in a Presidential race and a $1,000 limit in the House and Senate races.

It is said that we should get rid of the big contributors. I submit that this amendment would do that to a greater extent than would the pending bill, which allows contributions of up to $3,000 a person or $6,000 for a couple. The figures in this amendment still would be capable of being doubled by a man and his wife. So, effectively, it would be $2,000, but it could be doubled by a man and his wife. Therefore, $4,000 really could be contributed in a Presidential race.

Then, doubling the $1,000 permitted by the bill in House and Senate races would

increase to $2,000 the amount that a couple could contribute. So these amounts are large enough if we want to get rid of the influence of so-called large contributors. I am not familiar with large contributors myself. I have not had the benefit—or detriment—of that situation. I would feel that these limits are ample. I might say that this bill does not cut down on campaign expenses. It greatly escalates the cost. It gives each candidate for the Presidential nomination of the two parties up to $7.5 million. They talk about that being campaign reform.

Mr. President, how much time does the Senator from Alabama have remaining?

The PRESIDING OFFICER. The Senator has 13 minutes remaining.

Mr. ALLEN. I thank the Chair.

Mr. President, these contributions offered by the amendment would still be ample. If we are going to try to clean up the political campaign, the way to do it is not to just hand a great big pile of money to these various candidates to office but to restrict the amount that individual contributors contribute.

A little later on I have an amendment I wish to bring up that would reduce by one-third the permissible overall expenditures.

For instance, in the State of California they would give a candidate for the Senate in a general election, a candidate from a major party, a check for—I guess he could ask for cash, I do not know, but he could get the check cashed if he were given a check—he is handed $2.1 million. I have another amendment that I shall call up later to cut that down to $1.4 million. That would seem quite adequate to the Senator from Alabama to present to the various candidates; $1.4 million in California, and lesser amounts on down as the population of States would decrease from that level.

So, Mr. President, the answer is not just giving tremendous sums to candidates out of the Public Treasury. The answer is limiting the overall amount that can be spent by a candidate and then reducing *drastically* the amount of individual contributions.

The amendment that we have before us now approaches one of those aspects, that is, reducing the amount of permissible contributions.

If Senators want reform, this is reform. I get a little displeased and frustrated sometimes when I read in newspapers that an effort is being made here to kill a campaign reform bill. Well, if this bill providing for paying for political campaigns out of the Public Treasury is reform, a different idea of what reform is must prevail from the idea that I have about reform.

This bill reforms the law, changes the law, changes it over from a voluntary participation by all the people to recommended payment out of the Public Treasury. So this is no reform bill we have before us. It is another Federal subsidy bill. It is a bill that would remove Government and candidates away from the people they represent. How do we figure that? Well, if they give a candidate up to $2 million to run a general election campaign, do Senators think he is going to bother to ask for modest amounts of support from his constituents, or would his campaign committee bother to try to get voluntary participation from his constituents? Why, no.

The Senator from California earlier today was stating that he was a little bit worried about this $2.1 million. He thought maybe that was too much, but then he got to worrying about the challenger out there and thought he should be well funded and, therefore, he was not going to raise any point about the $2.1 million a senatorial candidate might receive.

I might say with respect to the Senator from California (Mr. CRANSTON), who was making the remarks, that the subsidy would not apply to his upcoming race, because it would go into effect January 1, 1976. But it would apply to all these candidates in Congress who are running for the Presidency.

As I read the various Gallup polls and Harris polls, there are about 10 candidates for the presidency here in the Halls of Congress, candidates eligible for up to $7.5 million in Federal subsidies. Is that campaign reform? That is a campaign handout, in the view of the Senator from Alabama.

Now, Mr. President, earlier today we had a vote in the Senate on the matter of whether the debate on this issue should be brought to a close. I believe that by a vote of 60 to 36, a two-thirds vote being required and that not being a two-thirds vote, the Senate refused to stop the debate. That is fine. The Senator from Alabama is glad to see that. But he recognizes and realizes from the analysis of that vote that this bill, this pernicious bill has not been defeated because there will be subsequent votes on the clotures issue. I understand another vote is coming, possibly next Tuesday, and the battle is far from being won. The task will be to encourage the 36 Senators who voted against stopping debate on this bill so it could be rammed through the Senate, to continue being against the bill, and pretty soon it is going to get down to the point where, if one is against public financing, he will vote against the invoking of cloture. If he is for public financing, he will vote for it. There is not going to be any middle position on it. Either one is for it or against it.

So the lengthy discussion and the lengthy amendment process that the bill is being subjected to might possibly result in agreeing on a true campaign reform bill, a bill leaving out the Federal subsidy provisions, provisions requiring that the taxpayers pay for the campaign of the politicians throughout the country, when the people realize that this is not a reform bill, but is a scheme whereby a large number of Members of Congress, a minimum of 10, would obtain massive financing for a race for the Presidential nomination. Knock that out of the bill and we would see the wind go out of the sails of this bill. That is the important feature of the bill, followed by the provisions giving Members of the Senate and Members of the House up to a 50-percent subsidy in primary campaigns and a 100-percent subsidy in general elections.

Mr. President, I do not see that. I do not see that it is in the public interest. I will have to oppose that, but I do feel that this amendment would be in the public interest, because it reduces to $2,000 the amount of permissible contributions for President and to $1,000 the amount of permissible contributions for House and Senate primary and general elections. It would not knock out the matching feature. Senators and Representatives would still be able to participate, to put the hand in the Federal till. They would still have that right. Members of Congress who want to run for President still have the right to get up to $7.5 million, but their ability to get matching funds would be reduced if we cut down the amount of permissible contributions.

I hope the amendment will be agreed to. It would improve the bill. It would not improve it to the point where the Senator from Alabama would go for it, but it would make it a better bill, and he is hopeful it will be agreed to by the Senate.

Mr. President, how much time does the Senator from Alabama have?

The PRESIDING OFFICER. Less than 1 minute.

Mr. ALLEN. Mr. President, I yield back my time.

Mr. CANNON. Mr. President, I find the Senator from Alabama's argument somewhat amusing in some particulars, in that he suggests we ought not to have public financing and then at the same time says that we ought to reduce the amount of financing from private sources. If we are not to have public financing, when there has to be some form of raising money to carry out a campaign. The committee considered that, and this is one of the reasons why we put in the alternative provision so a person could elect to go to public financing, if he could meet the matching money requirement in the primary and desired to do so, but, on the other hand, candidates were not forced to go to public financing if they did not desire to do so.

The Senator's amendment, if it were adopted, would force practically everyone to go to public financing, which is the very thing he opposes. The very thing he is speaking against is public financing. If his amendment were adopted, and if his amendment of the other day, which was more restrictive, had been adopted, there would have been no alternative, because it would have been impossible to raise funds for campaigns for these types of election and raise enough money to carry on a campaign.

He also indicated that the amendment was not really going to reduce the expenses of campaigns. I have made just a quick review of some of the States involved in the last campaign to see if it would, and I will read some of them. Here are 12 States, and I may say, they were States which had the most expensive campaigns last year: Texas, Michigan, Illinois, Alabama, Kentucky, Oklahoma, North Carolina, Tennessee, Louisiana, Georgia, Idaho, and South Dakota. Those States would not be able to spend as much under the limits of this bill as was spent in the last campaign, and some of

those States actually had no primary. There are others besides the ones I read; these just happen to be some on which I had statistics readily available, partly because the chart indicates that some of those States did not have primaries and partly because the chart indicates they were some of the most expensive States when it came to spending in the last general election.

I may say that in some of those very States, the reduction would be quite substantial in the amount that could be spent for a particular race.

The Senator has indicated that he is going to move later on to reduce the formula that we set as the limiting factor. I have already stated I find no particular magic in the formula. It was the best we could devise in committee. We tried to do it, based on some experience we had on what the previous races had cost, recognizing the fact that some of them had cost too much and there ought to be some limit imposed. The Senator has indicated he is going to make a move later to reduce authorized spending to 5 cents per voting-age population, and to 10 cents per voting-age population in the general election. Frankly, I think that is too low. I think it would overly restrict a campaign and would really make it an incumbent's bill if we cut it down to the area where a nonincumbent, a challenger, would not have an opportunity to go out and make himself known to the proposed constituency in order to compete against the incumbent.

If the Senator from Alabama were to increase that figure somewhat, I would be inclined to support it. If he were inclined to reduce the primary figure perhaps from 10 to 8 cents and the general figure from 15 to 12 cents, I myself would find no difficulty in going along with some sort of reduction along that line. I think that the people who really should be heard in that instance are those who come from some of the larger States that have problems peculiar to their own States and may feel that that limit may be too small.

So I think that issue should be thoroughly debated before the vote comes up and should be debated by those who have more of a personal interest in it than I have. As I said, we decided on this particular figure based on an overview of what campaigns had been costing and recognizing that the 10 States whose names I read a moment ago had campaigns that were entirely too costly, and that some of the States had no primaries but still had campaigns that were too costly. That was the basic information we considered in deriving the formula of 10 cents per voting age for the primary election and 15 cents per voting age for the general election.

I see my good friend from Texas (Mr. BENTSEN) in the Chamber. I read the definitions a few minutes ago under the formula. In the general election campaign in the State of Texas, the formula, at 15 cents per voting age population, would permit an expenditure of $1,167,750. According to our table, the expenditures in the general election in Texas, in the last election for the winning party, amounted to $2,301,870.

Mr. BENTSEN. Mr. President, will the chairman yield?

Mr. CANNON. I yield.

Mr. BENTSEN. Will the chairman also say that was not for this particular Senator? [Laughter.]

Mr. CANNON. Yes. I merely wanted to point out that the expenditure was considerably above the amount of the limit that would be imposed under this formula.

Mr. BENTSEN. Let me also say, so far as the limits are concerned, that I think that the committee has done a good job. I wanted to be sure that we did not have an incumbent's bill.

I know that when I was considering running for the Senate, running against an incumbent, we took a public opinion poll to see what my name identification was. It was a little under 1 percent. I was practically unknown. Most people confused me with Ezra Taft Benson, who was an unpopular Secretary of Agriculture. So, in effect, I had a negative recognition. I stayed well within the amount of money that is indicated by the committee. I ran against an incumbent; and to win in the general election means that one has to have enough money to spend. But this has not become an incumbent's bill. I commend the Senator from Nevada.

Mr. CANNON. I pointed out to the Senator from Alabama that that was the effect of an amendment he had offered, to reduce the amount to 5 cents in the general election. If the amount were to be reduced in that magnitude, it would really become an incumbent's bill. I said I would support something identical.

Mr. BENTSEN. I stayed within those limitations; but if they were dropped back to the limits here proposed, I think it would be very difficult to secure recognition by the public and interest them in what the issues are.

Mr. CANNON. We have gotten somewhat off the track of the amendment; but the Senator from Alabama had discussed these very issues. If his amendment were to be adopted, it would drive people away from the opportunity to use private financing, if they did not want to go the public financing route.

That is the reason we arrived at a somewhat arbitrary figure and used $3,000 in the bill. It is true that a husband and wife could give $6,000—$3,000 for each of them.

Mr. ALLEN. I appreciate the Senator's saying that he would personally favor a reduction in the figures; and possibly the Senator from Alabama will modify his amendment to conform to that.

The PRESIDING OFFICER. All time on the amendment has expired.

Mr. ALLEN. Mr. President, I thought we had until 12:45.

The PRESIDING OFFICER. Until 12:44. Debate started at 12:14.

Mr. ALLEN. Mr. President, I ask for the yeas and nays.

The yeas and nays were not ordered.

Mr. CANNON. 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. CANNON. 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. CANNON. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Alabama (Mr. ALLEN). The yeas and nays have been ordered, and the clerk will call the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Iowa (Mr. HUGHES), the Senator from Louisiana (Mr. LONG), and the Senator from Wyoming (Mr. MCGEE) 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 Kentucky (Mr. COOK), the Senator from Arizona (Mr. GOLDWATER), and the Senator from Ohio (Mr. TAFT) are necessarily absent.

I also announce that the Senator from Virginia (Mr. WILLIAM L. SCOTT) is absent on official business.

The result was announced—yeas 38, nays 53, as follows:

[No. 117 Leg.]

YEAS—38

Abourezk	Cotton	Nunn
Aiken	Dole	Packwood
Allen	Domenici	Pearson
Baker	Eagleton	Pell
Bartlett	Ervin	Proxmire
Beall	Griffin	Randolph
Biden	Gurney	Roth
Burdick	Hart	Stafford
Byrd Harry F., Jr.	Helms	Stennis
Byrd, Robert C.	Hollings	Stevenson
Chiles	McClellan	Symington
Clark	McGovern	Thurmond
	Metzenbaum	Weicker

NAYS—53

Bayh	Hansen	Mondale
Bellmon	Hartke	Montoya
Bennett	Haskell	Moss
Bentsen	Hatfield	Muskie
Bible	Hathaway	Nelson
Brock	Hruska	Pastore
Brooke	Humphrey	Percy
Buckley	Inouye	Ribicoff
Cannon	Jackson	Schweiker
Case	Javits	Scott, Hugh
Church	Johnston	Sparkman
Cranston	Kennedy	Stevens
Curtis	Magnuson	Talmadge
Dominick	Mansfield	Tower
Eastland	Mathias	Tunney
Fannin	McClure	Williams
Fong	McIntyre	Young
Gravel	Metcalf	

NOT VOTING—9

Cook	Hughes	Scott,
Fulbright	Long	William L.
Goldwater	McGee	Taft
Huddleston		

So Mr. ALLEN's amendment 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 agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the amendments of the Senate to the bill (H.R. 12253) to amend the General Education Provisions Act to provide that funds appropriated for applicable programs for

fiscal year 1974 shall remain available during the succeeding fiscal year and that such funds for fiscal year 1973 shall remain available during fiscal years 1974 and 1975.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (H.R. 6186) to amend the District of Columbia Revenue Act of 1947 regarding taxability of dividends received by a corporation from insurance companies, banks, and other savings institutions.

INCREASES IN CERTAIN ANNUITIES

The PRESIDING OFFICER (Mr. STEVENS). Under the previous order, the hour of 2 p.m. having arrived, the Chair lays before the Senate the amendment of the House of Representatives to the bill (S. 1866) to provide increases in certain annuities payable under chapter 83 of title 5, United States Code, and for other purposes which was to strike out all after the enacting clause, and insert:

That section 8345 of title 5, United States Code, is amended by adding at the end thereof the following new subsection:

"(f)(1) Notwithstanding any other provision of this subchapter, other than this subsection, the monthly rate of annuity payable under subsection (a) of this section shall not be less than the smallest primary insurance amount, including any cost-of-living increase added to that amount, authorized to be paid from time to time under title II of the Social Security Act.

"(2) Notwithstanding any other provision of this subchapter, other than this subsection, the monthly rate of annuity payable under subsection (a) of this section to a surviving child shall not be less than the smallest primary insurance amount, including any cost-of-living increase added to that amount, authorized to be paid from time to time under title II of the Social Security Act, or three times such primary insurance amount divided by the number of surviving children entitled to an annuity, whichever is the lesser.

"(3) The provisions of this subsection shall not apply to an annuitant or to a survivor who is or becomes entitled to receive from the United States an annuity or retired pay under any other civilian or military retirement system, benefits under title II of the Social Security Act, a pension, veterans' compensation, or any other periodic payment of a similar nature, when the monthly rate thereof, is equal to or greater than the smallest primary insurance amount, including any cost-of-living increase added to that amount, authorized to be paid from time to time under title II of the Social Security Act".

"SEC. 2. (a) An annuity payable from the Civil Service Retirement and Disability Fund to a former employee or Member, which is based on a separation occurring prior to October 20, 1969, is increased by $240.

(b) In lieu of any increase based on an increase under subsection (a) of this section, an annuity payable from the Civil Service Retirement and Disability Fund to the surviving spouse of an employee, Member, or annuitant, which is based on a separation occurring prior to October 20, 1969, shall be increased by $132.

(c) The monthly rate of an annuity resulting from an increase under this section shall be considered as the monthly rate of annuity payable under section 8345(a) of title 5, United States Code, for purposes of computing the minimum annuity under section 8345(f) of title 5, as added by the first section of this Act.

SEC. 3. This Act shall become effective on the date of enactment. Annuity increases under this Act shall apply to annuities which commence before, on, or after the date of enactment of this Act, but no increase in annuity shall be paid for any period prior to the first day of the first month which begins on or after the ninetieth day after the date of enactment of this Act, or the date on which the annuity commences, whichever is later.

The Chair will state that one-half hour of debate is allowed. The Senator from North Dakota (Mr. BURDICK) is recognized.

Mr. BURDICK. Mr. President, it is my strong hope that the Senate will agree to S. 1866 as amended by the House. The House amendments are minimal, so that the measure before us is very similar to the bill to which the Senate has already agreed.

There are three main purposes of the bill. The first of these would establish a minimum civil service retirement annuity equal to the minimum social security benefit. Under present law, this is $84.50 per month, with increases provided for under the provisions of Public Law 93–182.

Second, the bill would increase the annuities of those who retired prior to October 20, 1969, by $240 annually—$20 per month—for a retiree and by $132 annually—$11 per month—for a retiree's surviving spouse. Members will recall that October 20, 1969, was the date on which the law liberalized the retirement-computation formula. Prior to that date, an annuity was computed upon the basis of the high-five highest salary; after that date, annuities were computed on the high-three average salary. With higher salary averages used as a computation base, retirees since October 20, 1969, enjoy substantially improved annuities. The thrust of this provision is to take a step toward redressing this unequal computation method.

Third, the bill provides that the surviving child of a deceased annuitant would receive a monthly minimum annuity of $84.50—the social security minimum—and provides that no more than three times $84.50 would be payable to the surviving children of any annuitant.

When I introduced S. 1866, it contained the $20 per month across-the-board benefit which I have described. In committee, the bill was amended to remove that provision because of its cost. In floor action, however, Senator GURNEY's amendment restored it by a vote of 70 to 20. This vote represents strong Senate approval; we know the provision was approved in the other body; and I am satisfied that it should remain, as being in accord with a substantial congressional consensus.

Mr. President, the merits of this measure speak for themselves— to help those Federal annuitants and their families who need help most, those struggling to subsist on small annuities based on the lower salaries of past decades and computed under a less liberal average-salary formula. Approximately 15 percent of current civil service annuity beneficiaries are receiving less than the present minimum social security benefit of $84.50. Included among these 145,000 people are 65,000 retirees, 75,000 surviving spouses, and 5,000 children. Many of these people live on the ragged line of poverty; they need and deserve congressional help.

Now, as to cost. Members are aware that, under law, increases in the unfunded liability of the civil service retirement and disability fund are amortized by payment of 30 equal annual installments. The annual cost of this bill over 30 years would amount to $119 million.

I mentioned earlier that the House amendments were minimal in their scope. Under the Senate bill, the $84.50 minimum would not apply to a retiree receiving social security benefits; the House version broadens this exclusion to a retiree receiving any other pension, including social security.

The effective date of the measure as amended by the House is upon enactment. In the Senate version, the effective date was 90 days after enactment.

For the surviving child, the House measure allows $84.50 per month, but limits the total amount payable to the children of a deceased retiree to $243.50 per month. The Senate bill allowed three-quarters of $84.50 or approximately $65 for the first child and $84.50 a month each for additional children.

Mr. President, the Senate has already enacted virtually the same measure. I move that the Senate concur in the amendment of the House.

Mr. FONG. Mr. President, in rising to oppose passage of S. 1866 as amended, I would like to cite the following reasons for my opposition:

First. This bill was originally unanimously reported from the Post Office and Civil Service Committee and I concurred in approving it. It came from the committee for one purpose, and one purpose only; namely to help about 70,000 Federal retirees and their survivors who are in dire financial need by raising the annuity of each retiree or survivor to the minimum amount payable to beneficiaries under social security.

It was felt that if a Federal retiree or his survivor was not receiving any social security benefits, his Federal annuity should at least match the minimum payment under social security, which is now $84.50 per month.

Second. The bill now before us, however, is greatly expanded, by amendment in the Senate and in the House of Representatives, so as to give a $20 monthly increase to pre-October 1969 retirees, even those receiving more than the social security minimum benefit. It would also give an $11 a month increase to their surviving spouses.

These additional retirees and their surviving spouses—numbering more than 500,000—have not been neglected by the Congress. They have been given automatic cost-of-living increases on their annuities. Since 1969, their annuities have increased by 35.4 percent. They will continue to receive cost-of-living increases according to law, all without contributions from them.

Third. Retirees benefiting from this

amendment have not contributed 1 cent to the retirement system for this particular increase. Annuities under the Federal Employees Retirement System are based on service, salary, and contributions. Contributions by the employees are matched by the Federal Government. Contributions and annuities are based on actuarial tables. This amendment destroys the principle of service, salary, and contribution and puts the retirement system out of kilter. Actually, as amended, S. 1866 is an attack on the financial integrity of the retirement system.

Fourth. The cost of the amendments to the committee bill total the enormous sum of $1.5 billion. This increases the cost of the committee bill from its original $433 million to $1.9 billion.

Fifth. Payment of the $1.9 billion is to be spread out over 30 years with interest added. This would balloon the $1.9 billion cost to $3.5 billion. This is the type of uncontrolled spending which the Senate and the House voted to control in passing the budget reform measure just a few days ago.

Sixth. As neither the retirees who will receive the increase under S. 1866 nor the present Federal employees will contribute to the retirement fund to pay the cost of this bill, the cost must be paid out of general revenues of the U.S. Treasury. In other words, the $3.5 billion cost of this bill is imposed entirely on the American taxpayers.

Seventh. Passage of this bill would increase the present $68.7 billion insolvency of the Federal Retirement Fund by $3.5 billion, to $72.2 billion in deficit. There is no question that the retirement fund already is in grave jeopardy. Many retirees and employees are very worried—rightly so—and I am also very worried about whether the money will be in their retirement fund to pay their annuities in the future. We certainly owe a primary obligation to those Federal employees who have paid their way with the expectation that they will receive their full annuity when they retire.

Eighth. Congress, only a few weeks ago, denied comparable pay to top-level employees and officials in the executive, legislative, and judicial branches of our Government. These employees have given and are giving valued service in positions of very high responsibility. Yet, we deny those currently on the job their just pay and even denied them a cost-of-living increase. S. 1866 as amended would grant annuity increases where the case for equity is far, far weaker.

Ninth. S. 1866 as amended would cost 3,300 percent—or 33 times—more than the bill the Senate recently rejected to give the top-level executive branch personnel, Federal judges, and Members of Congress a long-overdue 7.5-percent increase per year for 3 years as recommended by the President. That proposal would have cost $56 million. S. 1866 as it stands would cost $1.9 billion fully funded. This is the sum which should be paid to the retirement fund immediately upon enactment to cover the cost of the benefits in this bill. If not funded immediately but over a period of 30 years as intended, the cost will be $3.5 billion.

Tenth. Enactment of this bill will set a very bad precedent. Every time in the future that Congress liberalizes Federal salaries, overtime pay, years of service, credit for annual leave, retirement annuities, retirement age, and other fringe benefits, Congress will be under intense pressure to provide for those already retired additional increases in their annuities over and above the automatic cost-of-living increases they already receive by law.

For these reasons, Mr. President, I strongly oppose enactment of this bill and ask that my colleagues vote against it.

The PRESIDING OFFICER. Who yields time?

Mr. McGEE. Mr. President, will the Senator from North Dakota yield me 2 minutes?

Mr. BURDICK. I yield.

Mr. McGEE. Mr. President, with all due respect to my colleague, the ranking minority member on the committee, we do not have an opportunity here today to vote on this bill. The bill has been voted on and passed by the Senate and passed by the House by overwhelming majorities.

The only question here is whether this body, this afternoon, accedes to the House amendments or whether we reject those amendments and go to conference with the original bill that came out of the Senate. That is the only issue.

The House amendments cut the bill by $900,000 annually; $14 million in a little more than 30 years. That is the only difference in the House amendments.

The question is, Do we accede to the House amendments or do we hold the Senate bill, with all these horrible things in it that my colleague has just alluded to, and go to conference with the House on the difference of $900,000 a year? That is why the vote here ought to be resolved with dispatch. There is no other question.

The substance of the bill has been acted upon. This is not a motion to reconsider. It is out of order. This is not a motion to do it all over again. This is simply a motion to decide whether the $900,000 cheaper House measure, as amended, ought to be accepted, to avoid going to conference, or whether we ought to reject the House proposal and take the measure to conference. The issue in conference will be that $900,000.

Mr. President, the matter before the Senate with respect to S. 1866 is primarily procedural rather than substantive. The Senate debated this measure, amended it, and passed it on September 11, 1973. The House, too has debated the bill, amended it, and passed it, with its final action coming on March 5, 1974.

S. 1866 as it is before us, as amended by the House, is a somewhat less expensive bill than the Senate approved last year. The question before the Senate is whether to accept the House version.

With respect to the cost of the legislation, however, the differences are relatively small, though the eventual cost is not. The cost of the bill before us is $1.9 billion, which would be increased by interest charges over the 30-year amortization period provided for by law, making the long-term cost $3.5 billion. That is the cost cited here by the ranking minority member of the Committee on Post Office and Civil Service, based on computation by the Civil Service Commission, and I accept it.

The one difficulty I have with this $3.5 billion cost is that it includes the cost of a 30-year mortgage in the advertised price of the house, to use an analogy which I think most people will understand. It is true that a home buyer pays out $80,000 or more, over the life of his mortgage, when he buys a $40,000 house these days. He still gets a $40,000 house, however. Just so, the beneficiaries of this bill would get $1.9 billion, not $3.5 billion.

By contrast, the bill which the committee reported to the Senate on July 27, 1973 would have increased the unfunded liability of the civil service retirement fund by $233.4 million, to be amortized by 30 annual installments of $14.5 million, for a total cost of about $435 million. That version was significantly amended on the floor to restore the provision, struck by the committee, which would give those annuitants who retired prior to October 20, 1969, an across-the-board increase of $20 per month. The vote on that amendment, offered by the Senator from Florida (Mr. GURNEY) was 70 to 20. Passage of the bill followed on a record vote of 71 to 19.

While there are differences between S. 1866 as it passed the Senate and the version of the bill which comes to us from the House, both include the $20 monthly increase for annuitants who retired under the old formula of computing pensions on the basis of their high 5-year-average salaries instead of the present-day formula based on the high 3-year-average salaries. In the case of a surviving spouse, the monthly increase would be $11.

As it was reported from the Committee on Post Office and Civil Service, the purpose of the bill was to place a floor under civil service annuities so as to provide that the minimum annuity for those not receiving social security benefits already would be equal to the minimum social security benefits. That amount is presently $84.50 per month.

That provision remains in this version, slightly changed. S. 1866 as it is before us today would not guarantee the minimum annuity to anyone receiving other civilian or military pension benefits. In addition, whereas the original Senate verson of S. 1866 was more liberal for the families of survivors with more than one eligible child, permitting the $84.50 per month payment for each, the version now before us establishes a maximum of three times the minimum of $84.50 for famiiles with more than one child. For one surviving child, the Senate's original version permitted a payment of three-fourths of the $84.50 minimum, while the House version before us permits the full $84.50 for a single surviving child.

Finally, while our original bill would have been effective days after enactment,

the version now before us would be effective upon enactment.

It is not my belief that the relatively minor differences I have just detailed are the occasion for this debate today. Certainly, the other provision of S. 1866 as we passed it last year, the amendment relating to social security which was offered by the Senator from Minnesota (Mr. HUMPHREY), and which has been removed by the House as the result of passage of Public Law 93–182, which resolved the social security cost-of-living issue, is not at stake.

So, Mr. President, we come back to this procedural question: Shall the Senate concur in the amendment of the House?

The Senate, I believe, is quite ready to vote on that question, having thoroughly considered the substantive provisions of the legislation and recorded its decision on those previously.

Mr. COTTON. Mr. President, will the Senator yield me 5 minutes?

Mr. FONG. I yield 5 minutes.

Mr. COTTON. Mr. President, I suppose that the Senator from New Hampshire must assume the blame that this matter is being taken up at this time today. Last night, after it had been announced that there would be no more rollcall votes, it was taken up by the leadership, and quite properly so. But only seven Senators were on the floor.

The Senator from New Hampshire felt that when we are dealing with $3.5 billion over the next 30 years, with this greatly expanded bill, with people sitting in the newspaper galleries and the commentators watching us, with the situation we face today and the distrust that the public has for public officials and for men in public life, politicians, I did not want to hear over television when I went home that a $3.5 billion bill was finally approved after everybody had gone home, with only seven Senators on the floor.

Now, Mr. President, I do not for one single moment question the logic and the truth of everything the distinguished Senator from Wyoming (Mr. MCGEE) has just said. It is true that the question before us today is simply accepting the amendment of the House. But, Mr. President, if my recollection is adequate, 19 Senators, and I believe I was one, voted against this bill when it was passed by the Senate in its expanded form. I did so with a great deal of reluctance and a good deal of soul searching because in all my years here I think it can be said to be the first time I have ever voted against any measure that had in it a provision for increasing the social security and aid to the aged. But it has so many other things in it.

Of course, this conference report is going to be accepted. Of course, the Senator from Wyoming is correct that the question at issue here does not in any way undo the expenditures, the vast expenditures in this bill.

There is some significance, however, in permitting Members of the Senate to once more register such doubt as they have about this measure, even though it is indirect.

The part of this measure that is absolutely necessary, for instance, the $400 million in social security, could easily be taken care of without any delay from the committee by another bill. I cannot believe that this bill will be signed by the President. I think we will sooner or later have to vote on a veto. That is my own opinion; I have no information from the White House.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. COTTON. Mr. President, I ask that the Senator yield to me for 2 additional minutes.

Mr. FONG. I yield to the Senator from New Hampshire.

The PRESIDING OFFICER. The Senator has only 1 minute remaining.

Mr. COTTON. Very well. I shall finish within that time.

Mr. President, the fact remains that we are today paying over $29 billion a year and soon it will be $30 billion a year in interest on our debt, and that even under the unified budget for the coming fiscal year we are going into the hole $9 million more. This is too expensive a bill, in the opinion of this Senator, to let it go through without protesting on the part of those who feel they must protest at every stage in the proceeding.

Therefore, with no reservation about the outcome, 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. GURNEY. Mr. President, today we are again voting on S. 1866, legislation to improve benefits for civil service retirees.

S. 1866 has two provisions: First, a section increasing the minimum benefit payable to civil service retirees to correspond to the minimum for social security retirees. To those few Federal annuitants who receive no social security and who will benefit by this section, an increase in benefits will be helpful. Second, S. 1866 has a provision of great importance to all pre-October 1969, retirees, whether they receive social security or not. These older retirees will receive a $20 per month increase if S. 1866 passes. This provision of the bill, which was formerly my amendment No. 448, will help stem the tide of inflation many Federal retirees are facing.

With the rise in the cost of living in these past years, pre-1969 retirees have felt a terrible financial pinch. The cost-of-living increases available under current law have been too little and too late, and while social security annuitants will receive 11 percent higher benefits by July, civil service annuitants will only receive about half that.

We passed S. 1866 here in the Senate last September. Today we vote on whether to accept a House amendment which deletes a now-outdated social security section.

Federal retirees were relieved 6 months ago to think a benefit increase was at last in sight. We cannot disappoint them now. I urge my colleagues to give their full and unqualified support to this legislation. Our Nation's civil service retirees have waited long enough.

The PRESIDING OFFICER. The time of the Senator has expired. The Senator from North Dakota has 7 minutes remaining.

Mr. BURDICK. I yield back my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the motion of the Senator from North Dakota (Mr. BURDICK). 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 Arkansas (Mr. FULBRIGHT), the Senator from Iowa (Mr. HUGHES), and the Senator from Louisiana (Mr. LONG), 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 Utah (Mr. BENNETT) and the Senator from Arizona (Mr. GOLDWATER) are necessarily absent.

I also announce that the Senator from Virginia (Mr. WILLIAM L. SCOTT) is absent on official business.

The result was announced—yeas 77, nays 16, as follows:

[No. 118 Leg.]

YEAS—77

Abourezk	Eastland	Montoya
Aiken	Ervin	Moss
Allen	Gravel	Muskie
Baker	Gurney	Nelson
Bayh	Hart	Nunn
Beall	Hartke	Packwood
Bellmon	Haskell	Pastore
Bentsen	Hatfield	Pearson
Bible	Hathaway	Pell
Biden	Hollings	Percy
Brooke	Humphrey	Proxmire
Buckley	Inouye	Randolph
Burdick	Jackson	Ribicoff
Byrd, Harry F., Jr.	Javits	Schweiker
Byrd, Robert C.	Johnston	Scott, Hugh
Cannon	Kennedy	Sparkman
Case	Magnuson	Stafford
Chiles	Mansfield	Stennis
Church	Mathias	Stevens
Clark	McClellan	Stevenson
Cook	McGee	Symington
Cranston	McGovern	Talmadge
Dole	McIntyre	Tunney
Domenici	Metcalf	Weicker
Eagleton	Metzenbaum	Williams
	Mondale	Young

NAYS—16

Bartlett	Fong	Roth
Brock	Griffin	Taft
Cotton	Hansen	Thurmond
Curtis	Helms	Tower
Dominick	Hruska	
Fannin	McClure	

NOT VOTING—7

Bennett	Huddleston	Scott, William L.
Fulbright	Hughes	
Goldwater	Long	

So the motion to concur in the House amendment was agreed to.

AMENDMENT OF CHAPTER 5, TITLE 37, UNITED STATES CODE

Mr. STENNIS. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 2771.

The PRESIDING OFFICER (Mr. STEVENS) laid before the Senate the amendments of the House of Representatives to the bill (S. 2771) to amend chapter 5 of title 37, United States Code, to revise and special pay bonus structure

relating to members of the armed forces, and for other purposes, which were on page 2, line 16, strike out "$12,000," and insert "$15,000,".

On page 2, line 18, after "computation.", insert "Bonus authority provided under this section shall be administered in such a manner that no member reenlisting for two or more reenlistments may receive a total bonus amount that is larger than the amount to which he would have been entitled had his initial reenlistment or active duty extension been for a total period of additional obligated service equal to the two or more reenlistments."

On page 3, line 14, strike out "Navy.". and insert "Navy."

On page 3, after line 14, insert:

"(f) No bonus shall be paid under this section with respect to any reenlistment, or voluntary extension of an active-duty enlistment, in the armed forces entered into after June 30, 1977.".

On page 5, line 14, strike out "January 1, 1974." and insert "the first day of the month following the date of enactment."

On page 5, strike out all after line 14 over to and including line 4 on page 6.

Mr. STENNIS. Mr. President, I move that the Senate disagree to the amendments of the House and request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. STENNIS, Mr. SYMINGTON, Mr. JACKSON, Mr. THURMOND, and Mr. TOWER conferees on the part of the Senate.

AMENDMENT OF CHAPTER 5, TITLE 37, UNITED STATES CODE

Mr. STENNIS. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 2770.

The PRESIDING OFFICER (Mr. STEVENS) laid before the Senate the amendments of the House of Representatives to the bill (S. 2770) to amend chapter 5 of title 37, United States Code, to revise the special pay structure relating to medical officers of the uniformed services, which were to strike out all after the enacting clause, and insert:

That chapter 5 of title 37, United States Code, is amended as follows:

(1) Section 302 is amended to read as follows and the item in the chapter analysis is amended to correspond with the revised catchline:

"§ 302. Special pay: physicians, dentists, veterinarians or optometrists

"An officer of the Army or Navy in the Medical or Dental Corps or in the Medical Service Corps if he is designated as an optometry officer, an officer of the Army in the Veterinary Corps, an officer of the Air Force who is designated as a medical, dental, veterinary, or optometry officer, or a medical, dental, veterinary, or optometry officer of the Public Health Service, who is on active duty for a period of at least one year is entitled, in addition to any other pay or allowances to which he is entitled, to special pay at the following rates—

"(1) $100 a month for each month of active duty if he has not completed two years of active duty in a category named in this section; or

"(2) $350 a month for each month of active duty if he has completed at least two years of active duty in a category named in this section.

The amounts set forth in this section may not be included in computing the amount of an increase in pay authorized by any other provision of this title or in computing retired pay or severance pay."

(2) That portion of the first sentence of section 311(a) preceding clause (1) is amended to read as follows:

"(a) Under regulations to be prescribed by the Secretary of Defense or by the Secretary of Health, Education, and Welfare, as appropriate, an officer of the Army or Navy in the Medical or Dental Corps above the pay grade of O–6, an officer of the Air Force who is designated as a medical or dental officer and is above the pay grade of O–6, or a medical or dental officer of the Public Health Service above the pay grade of O–6 who—".

(3) By adding the following new section after section 312a and by inserting a corresponding item in the chapter analysis:

"§ 313. Special pay: medical, dental, veterinary or optometry officers who execute active duty agreements

"(a) Under regulations prescribed by the Secretary of Defense or by the Secretary of Health, Education, and Welfare, as appropriate, an officer of the Army or Navy in the Medical or Dental Corps or in the Medical Service Corps if he is designated as an optometry officer, an officer of the Army in the Veterinary Corps, an officer of the Air Force who is designated as a medical, dental, veterinary or optometry officer, or a medical, dental, veterinary or optometry officer of the Public Health Service, who—

"(1) is below the pay grade of O–7;

"(2) is designated as being qualified in a critical specialty by the Secretary concerned;

"(3) is determined by a board composed of officers in the medical, dental, veterinary or optometry profession under criteria prescribed by the Secretary concerned to be qualified to enter into an active duty agreement for a specified number of years;

"(4) is not serving an initial active duty obligation;

"(5) is not undergoing intern or residency training; and

"(6) executes a written active duty agreement under which he will receive incentive pay for completing a specified number of years of continuous active duty subsequent to executing such an agreement;

may, upon acceptance of the written agreement by the Secretary concerned, or his designee, and in addition to any other pay or allowances to which he is entitled, be paid an amount not to exceed $15,000 for each year of the active duty agreement. Upon acceptance of the agreement by the Secretary concerned, or his designee, and subject to subsections (b) and (c) of this section, the total amount payable becomes fixed and may be paid in annual, semiannual, or monthly installments, or in a lump sum after completion of the period of active duty specified in the agreement, as prescribed by the Secretary concerned.

"(b) Under regulations prescribed by the Secretary of Defense or by the Secretary of Health, Education, and Welfare, as appropriate, the Secretary concerned, or his designee, may terminate, at any time, an officer's entitlement to the special pay authorized by this section. In that event, the officer is entitled to be paid only for the fractional part of the period of active duty that he served, and he may be required to refund any amount he received in excess of that entitlement.

"(c) Under regulations prescribed by the Secretary of Defense or by the Secretary of Health, Education, and Welfare, as appropriate, an officer who has received payment under this section and who voluntarily, or because of his misconduct, fails to complete the total number of years of active duty specified in the written agreement shall be required to refund the amount received that exceeds his entitlement under those regulations. If an officer has received less incentive pay than he is entitled to under those regulations at the time of his separation from active duty, he shall be entitled to receive the additional amount due him.

"(d) This section does not alter or modify any other service obligation of an officer. Completion of the agreed period of active duty, or other termination of an agreement, under this section does not entitle an officer to be separated from the service, if he has any other service obligation.

"(e) The Secretary of Defense and the Secretary of Health, Education, and Welfare shall each submit a written report each year to the Committees on Armed Services of the Senate and House of Representatives regarding the operation of the special pay program authorized by this section. The report shall be on a fiscal year basis and shall contain—

"(1) a review of the program for the fiscal year in which the report is submitted; and

"(2) the plan for the program for the succeeding fiscal year.

This report shall be submitted not later than April 30 of each year, beginning in 1975.".

(4) By repealing sections 302a and 303 and the corresponding items in the chapter analysis.

SEC. 2. The amendments made by this Act become effective on April 1, 1974. Except for the provisions of section 313 of title 37, United States Code, as added by section 1(3) of this Act, which will expire on June 30, 1976, the authority for the special pay provided by this Act shall, unless otherwise extended by Congress, expire on June 30, 1977.

And amend the title so as to read: "An Act to amend chapter 5 of title 37, United States Code, to revise the special pay structure relating to medical officers and other health professionals of the uniformed services."

Mr. STENNIS. Mr. President, I move that the Senate disagree to the amendments of the House and request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. STENNIS, Mr. SYMINGTON, Mr. JACKSON, Mr. THURMOND, and Mr. TOWER conferees on the part of the Senate.

Mr. STENNIS. I thank the Senator from Nevada for his courtesy in yielding.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974

The PRESIDING OFFICER (Mr. STEVENS). The matter before the Senate is the unfinished business, which will be stated.

The assistant legislative clerk read as follows:

A bill (S. 3044) to amend the Federal Election Campaign Act of 1971 to provide for

public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns.

The PRESIDING OFFICER. Pursuant to the previous order, the Senator from Tennessee (Mr. BAKER) is to be recognized to call up an amendment.

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. BAKER. 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. BAKER. Mr. President, I call up my amendment No. 1134 and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

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

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

The amendment ordered to be printed in the RECORD is as follows:

On page 3, beginning with line 1, strike out through line 4 on page 25 and insert in lieu thereof the following:

"TITLE I—INCREASE IN POLITICAL CONTRIBUTIONS CREDIT AND REPEAL OF PRESIDENTIAL ELECTION FINANCING

"TAX CREDIT

"SEC. 101. (a) Section 41 of the Internal Revenue Code of 1954 (relating to contributions to candidates for public office) is amended by—

"(1) striking out 'one-half of' in subsection (a) and inserting in lieu thereof 'the sum of'.

"(2) amending section 41(b)(1) of such Code (relating to maximum credit for contributions to candidates for public office) to read as follows:

"'(1) MAXIMUM CREDIT.—The credit allowed by subsection (a) for a taxable year shall not exceed $50 ($100 in the case of a joint return under section 6013).'.

"(b) The amendments made by this section apply with respect to any political contribution the payment of which is made after December 31, 1973.

"PRESIDENTIAL ELECTION FINANCING

"SEC. 102. (a) Subtitle H of the Internal Revenue Code of 1954 (relating to financing of Presidential election campaigns) is repealed.

"(b) Part VIII of subchapter A of chapter 61 of such Code (relating to designation of income tax payments to Presidential election campaign fund) is repealed.

"(c) The amendments made by this section apply to taxable years beginning after December 31, 1973.".

On page 26, lines 2 and 3, strike out "under section 504 of the Federal Election Campaign Act of 1971, or".

On page 54, lines 3, 4, and 5, strike out "A candidate shall deposit any payment received by him under section 506 of this Act in the account maintained by his central campaign committee.".

On page 63, lines 14 and 15, strike out "(after the application of section 507(b)(1) of this Act)".

On page 64, line 9, strike out ", title V,".

On page 71, beginning with line 20 strike out through line 2 on page 73 and insert in lieu thereof the following:

"(a)(1) Except to the extent that such amounts are changed under subsection (f)(2), no candidate (other than a candidate for nomination for election to the office of President) may make expenditures in connection with his primary election campaign in excess of the greater of—

"(A) 10 cents multiplied by the voting age population (as certified under subsection (g)) of the geographical area in which the election for such nomination is held, or

"(B)(i) $125,000, if the Federal office sought is that of Senator, or Representative from a State which is entitled to only one Representative, or

"(ii) $90,000, if the Federal office sought is that of Representative from a State which is entitled to more than one Representative.

"(2)(A) No candidate for nomination for election to the office of President may make expenditures in any State in which he is a candidate in a primary election in excess of two times the amount which a candidate for nomination for election to the office of Senator from that State (or for nomination for election to the office of Delegate in the case of the District of Columbia, the Virgin Islands, or Guam, or to the office of Resident Commissioner in the case of Puerto Rico) may expend in that State in connection with his primary election campaign.

"(B) Notwithstanding the provisions of subparagraph (A), no such candidate may make expenditures throughout the United States in connection with his campaign for that nomination in excess of an amount equal to 10 cents multiplied by the voting age population of the United States. For purposes of this subparagraph, the term 'United States' means the several States of the United States, the District of Columbia, and the Commonwealth of Puerto Rico, Guam, and the Virgin Islands and any area from which a delegate to the national nominating convention of a political party is selected.

"(b) Except to the extent that such amounts are changed under subsection (f)(2), no candidate may make expenditures in connection with his general election campaign in excess of the greater of—

"(1) 15 cents multiplied by the voting age population (as certified under subsection (g)) of the geographical area in which the election is held, or

"(2)(A) $175,000, if the Federal office sought is that of Senator, or Representative from a State which is entitled to only one Representative, or

"(B) $90,000, if the Federal office sought is that of Representative from a State which is entitled to more than one Representative.

"(c) No candidate who is unopposed in a primary or general election may make expenditures in connection with his primary or general election campaign in excess of 10 per centum of the limitation in subsection (a) or (b).

"(d) The Federal Election Commission shall prescribe regulations under which any expenditure by a candidate for nomination for election to the office of President for use in two or more States shall be attributed to such candidate's expenditure limitation in each such State, based on the voting age population in such State which can reasonably be expected to be influenced by such expenditure.

"(e)(1) Expenditures made on behalf of any candidate are, for the purposes of this section, considered to be made by such candidate.

"(2) Expenditures made by or on behalf of any candidate for the office of Vice President of the United States are, for the purposes of this section, considered to be made by the candidate for the office of President of the United States with whom he is running.

"(3) For purposes of this subsection, an expenditure is made on behalf of a candidate, including a Vice-Presidential candidate, if it is made by—

"(A) an authorized committee or any other agent of the candidate for the purposes of making any expenditure, or

"(B) any person authorized or requested by the candidate, an authorized committee of the candidate, or an agent of the candidate to make the expenditure.

"(4) For purposes of this section an expenditure made by the national committee of a political party, or by the State committee of a political party, in connection with the general election campaign of a candidate affiliated with that party which is not in excess of the limitations contained in subsection (i), is not considered to be an expenditure made on behalf of that candidate.

"(f)(1) For purposes of paragraph (2)—

"(A) 'price index' means the average over a calendar year of the Consumer Price Index (all items—United States city average) published monthly by the Bureau of Labor Statistics, and

"(B) 'base period' means the calendar year 1973.

"(2) At the beginning of each calendar year (commencing in 1975), as necessary data become available from the Bureau of Labor Statistics of the Department of Labor, the Secretary of Labor shall certify to the Federal Election Commission and publish in the Federal Register the percentage difference between the price index for the twelve months preceding the beginning of such calendar year and the price index for the base period. Each amount determined under subsections (a) and (b) shall be changed by such percentage difference. Each amount so changed shall be the amount in effect for such calendar year.

"(g) During the first week of January 1975 and every subsequent year, the Secretary of Commerce shall certify to the Federal Election Commission and publish in the Federal Register an estimate of the voting age population of the United States, of each State, and of each congressional district as of the first day of July next preceding the date of certification. The term 'voting age population' means resident population, eighteen years of age or older.

"(h) Upon receiving the certification of the Secretary of Commerce and of the Secretary of Labor, the Federal Election Commission shall publish in the Federal Register the applicable expenditure limitations in effect for the calendar year for the United States, and for each State and congressional district under this section."

On page 73, line 3, strike out "(b)" and insert in lieu thereof "(i)".

On page 73, line 24, strike out "section 504" and insert in lieu thereof "subsection (g); and".

On page 74, strike out lines 1 and 2.

On page 74, line 6, strike out "that Act" and insert in lieu thereof "the Federal Election Campaign Act of 1971".

On page 74, line 8, strike out "(c)" and insert in lieu thereof "(j)".

On page 74, line 10, strike out "(a)(4)" and insert in lieu thereof "(e)(3)".

On page 75, line 6, strike out "(a)(5)" and insert in lieu thereof "(d)".

On page 75, line 11, strike out "(a)(4)" and insert in lieu thereof "(e)(3)".

The PRESIDING OFFICER. There is a 1-hour limitation on this amendment. Who yields time?

Mr. BAKER. Mr. President, I yield myself such time as I may require. I would advise the Chair, before I begin to discuss the merits of the amendment, that I wish to yield briefly to the distinguished senior Senator from West Virginia, chairman of the Committee on Public Works, so that we may have a brief colloquy on another matter, the time for the

colloquy to be charged to my time. But first, I ask unanimous consent that the Senator from Kansas (Mr. DOLE) be added as a cosponsor of my amendment No. 1134.

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

DISASTER RELIEF

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

Mr. RANDOLPH. Mr. President, a large section of the United States was struck yesterday by tornadoes which whipped through the countryside.

Mr. BAKER. Mr. President, will the Senator yield at this point, so that we may ask for the yeas and nays on my amendment before we lose that capability?

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were ordered.

Mr. RANDOLPH. Mr. President, the exact number of persons reported as having been killed by this disaster runs well over 300, the exact number not being known yet. But destruction and hardships follow in the wake of such a disaster.

The able Senator from Tennessee, who is the ranking minority member of the Committee on Public Works, will speak in a colloquy, as he has indicated.

I have just been given the latest figures. As of 2:30 p.m. the number of dead is 338.

Agencies of the Federal Government have responded, and they are providing relief services. Our Committee on Public Works has jurisdiction over disaster relief legislation. Since early morning, we have been contacting several Senators from States ravaged by the tornadoes of yesterday. Members of our subcommittee, and other members of the full committee, will visit disaster sites in four States tomorrow and Saturday.

They will examine the extent of the damage and evaluate the implementation of disaster assistance measures by the Federal Government. It will be a first-hand inspection, and it will take place under the leadership of the Senator from North Dakota (Mr. BURDICK), who is the chairman of our Subcommittee on Disaster Relief.

There are damaged areas in Tennessee, in Indiana, in Ohio, and in Kentucky, and in response to requests of Senators BAKER and BROCK, BAYH and HARTKE, METZENBAUM and TAFT, COOK and HUDDLESTON we shall go into those States. The Senator from New Mexico (Mr. DOMENICI), the ranking Republican member of our subcommittee, will, of course, participate.

I think that the tour is necessary. The information that can be obtained by an on-the-ground check into the matter will provide important guidance, not only for this committee and subcommittee, but for the Senate as well.

The subcommittee is at the present time considering major revisions of the Disaster Relief Act of 1970. Many Members of the Senate will remember the devastation wrought in several States during the period when that act was being developed. Alabama, I will say to Senator ALLEN, was one of the States struck at that time.

We have tried to set in motion a response mechanism to disasters at the Federal level that will assure us the quickest possible relief to the victims of these disasters—tornadoes, hurricanes, floods, or whatever, because they strike suddenly, without warning.

The Federal role must also include an effective recovery effort, so that the communities can be rebuilt as quickly as possible and the persons who live there can go back to their occupations and their normal lives. I think we all agree that while there is no way that we can prevent natural disasters from occurring, we can provide the relief and rebuilding programs which are necessary.

So, Mr. President, I think it is the duty of the Senate to see that any suffering and any disruption that result from such tornadoes as struck yesterday be minimized, and that the problems that ensue be kept to an absolute minimum.

Mr. BAKER. Mr. President, I thank the Senator from West Virginia, the distinguished chairman of the Committee on Public Works. I might add to his remarks by pointing out that according to the Weather Bureau this is the worst tornado disaster in 49 years; that in Kentucky there are 98 known dead, in Tennessee 58, in Ohio 40, and in Indiana 43 known dead; and that 91 tornadoes were reported sighted by the U.S. Weather Bureau in just the eastern part of Tennessee last night.

It is hard to imagine the destruction that accompanied these untimely and unfortunate deaths, and I commend the chairman for authorizing this first-hand field examination into the disaster by a subcommittee chaired by the Senator from North Dakota (Mr. BURDICK), the ranking Republican Member of which is the Senator from New Mexico (Mr. DOMENICI), to begin in the morning and to cover the affected States.

Mr. ALLEN. Mr. President, will the Senator yield? And I ask unanimous consent that if the Senator does yield the time not be charged against his amendment. Will the Senator from Tennessee yield in order that I might question the chairman of the Committee on Public Works a moment?

Mr. BAKER. I am happy to yield. Mr. President, I ask unanimous consent that the time not be charged against my amendment.

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

Mr. ALLEN. Mr. President, we all recognize the vast compassion that the distinguished Senator from West Virginia always manifests when the American people are in distress and when they sustain tragedies such as have befallen many of our people in the last 36 to 48 hours.

The Senator mentioned the damage to Alabama back in 1970. I call to his attention that Alabama this time also was one of the hardest hit States, and that already there are 70 known dead in Alabama, with the likelihood, inasmuch as some of the buildings have been destroyed to such an extent that they have not been able to ascertain what bodies are still in the buildings, that many more dead are anticipated, a larger number injured, and tens of millions of dollars in property damage sustained.

I appreciate the interest that the Senator from West Virginia and the Senator from Tennessee (Mr. BAKER) are manifesting in this tragedy, and I am hopeful that the subcommittee will be able to get into Alabama, in the northern tier of counties there, and see our ravaged areas firsthand, also.

I do feel that we should have some permanent legislation that will do the necessary job and will provide the mechanics for doing the necessary job to alleviate the suffering that our people have sustained. We feel that the present legislation is inadequate, and I am pleased that the President has declared Alabama and the other States mentioned by the distinguished chairman as disaster areas. which will allow public facilities, public utilities, and public improvements to be restored and will make available loans for assistance. I am pleased with the reaction that we understand has taken place among the Federal agencies in rushing to aid our people. We hope that that is taking place throughout the damaged area.

I commend the distinguished Senator from West Virginia, the Senator from Tennessee (Mr. BAKER), his full committee, and particularly his subcommittee which is going to travel over large portions of the country examining the extent of the damage.

I wonder if the members of the committee might have Alabama on their itinerary.

Mr. RANDOLPH. Mr. President, I appreciate the concern that the Senator from Alabama has expressed for the people of all the affected areas. He correctly calls attention to the very heavy damage in his own State of Alabama, and to the very high death toll there.

We are not certain of just how our trip can move, but I have a feeling that we will want to inspect other disaster areas.

Mr. ALLEN. Yes.

Mr. RANDOLPH. While it might not be possible this week, it would be our intention to inspect, insofar as we can, the area the Senator has spoken of in Alabama.

I know that Senator DOMENICI and, of course, Senator BURDICK identify with these matters in subcommittee leadership. As I have indicated earlier, they are working with the staff very carefully, and we want to do a thorough job.

Mr. ALLEN. Yes, I know.

Mr. RANDOLPH. Hopefully we will not miss those areas that need to be covered.

I want to indicate this before I finish: I have noted that the Senator spoke about the inadequacy of the present law.

Mr. ALLEN. Yes.

Mr. RANDOLPH. There was a time not so many years ago when, frankly, all we did, when disaster came by way of tornado, flood, hurricane, on earthquake, was to come into the Senate Chamber and appropriate money to be spent on relief and on rebuilding. But we did, back in 1970, set in motion a good——

Mr. ALLEN. I agree.

Mr. RANDOLPH [continuing]. Program, by which we have been able to give relief and to rebuild in a very realistic and helpful manner. Thus, I respond again to the Senator from Alabama, that I am sure we will give attention to the areas which have been devastated. I appreciate his understanding of our problem and the words that he has spoken.

Mr. ALLEN. Mr. President, I should like to say, on behalf of my senior colleague (Mr. SPARKMAN), that he shares the concern that I feel for the plight of our people and also on behalf of our distinguished Governor, George C. Wallace; so that if the subcommittee will come to Alabama and it can project its plans in such a way as to provide for a visit by the subcommittee or the full committee to our State, such transportation by State trooper car, or by State airplane will be made available to the committee, and all the necessary lodging requirements of the committee will be arranged for. We would certainly welcome the committee with open arms.

Mr. RANDOLPH. That offer of cooperation at the local level is very valuable and necessary oft times. We will keep that in mind. I thank the distinguished Senator from Alabama.

Mr. DOMENICI. Mr. President, I should like to comment on the dialog which has proceeded between the Senator from West Virginia and the Senator from Alabama. I am the ranking Republican member of the subcommittee, and I should like to tell the Senator from Alabama that our schedule is still indefinite. Our chairman is not here to explain it. But to the best of my knowledge, we will start out early tomorrow morning and for at least 2 days we will plan our itinerary. Whether we will continue to travel on Sunday and Monday is still indefinite, but I personally will confer with Senator BURDICK, and will ask about plants for next week, about going into other States if we cannot complete it this week. The subcommittee, as the Senator knows, has had numerous hearings around the country. By coincidence, we are scheduled to mark up the bill on April 9. There are two parts of the bill that are major improvements and we must do something about them quickly. Certainly we will be able to act, immediately after the trip, to carry out what everyone thinks is the implementation of two shortcomings. One, I might say, is what do we do to take the place of the $5,000 forgiveness loan area. We have under serious consideration a $2,500 grant program to be administered by the State with Federal money to the people who have become needy; that is, needy not by definition of economic circumstances but by definition of what the emergency has caused that makes them needy. We have about agreed on it. I do think it will take more than 4 or 5 days to come up with it. The history of the Senate, I am sure, is such that the bill will be acted on immediately and given every consideration. The long-term aspect must be adequate. We will arrive at a better long-range implementation for improvements to group communities, or a community, in addition to the publice facilities which have always been covered. I think we have several improvements to that which can be done rather quickly. I assure the Senator and others interested that we are on the verge of producing a bill and this will expedite it.

We will be able to give due consideration to the new kinds of facts that we find here because we find them in every kind of disaster. We will do this at the earliest possible time.

Mr. ALLEN. I want to state to the distinguished Senator that I hope he will use his good offices to see that the committee or the subcommittee does come to Alabama. This Senator hopes that the Senator, the ranking minority member, or the chairman, will notify the junior Senator from Alabama and my distinguished senior colleague (Mr. SPARKMAN) if a plan can be arranged to include Alabama so that one or both of us can be on hand to greet you and accompany you throughout the State.

The PRESIDING OFFICER (Mr. STEVENS). If the Senator from Alabama will yield to the Chair to intervene at this point, the Chair would state that the unanimous consent agreement was that the Senator from Tennessee yielded to the Senator from Alabama for the purpose of engaging in colloquy with the Senator from West Virginia. It is not to be charged to the Senator from Tennessee. The Chair is constrained to note that this colloquy has extended beyond the unanimous consent agreement.

Mr. BAKER. Mr. President, to make sure that this worthwhile colloquy does not gobble up all of my time on my amendment, I ask unanimous consent that this and any further colloquy regarding tornadoes, and so forth, not be charged against my time.

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

Mr. ALLEN. Mr. President, I yield to the Senator from West Virginia.

Mr. RANDOLPH. Mr. President, so far, the documenation given by the able Senator from New Mexico is very helpful. I had said at the hearing today, as we began this discussion, that the work of the subcommittee in strengthening the present legislation has been in process, and we will, of course—the leadership, Senators BURDICK, DOMENICI, and with the cooperation of all the other members of the subcommittee and the committee—give attention to these matters.

I want to tell you, Mr. President, that when we had the trouble with the earthquake in California, there was literally documentation of hundreds of people who took advantage of that situation. So that we have to be very careful when we set a sum of money, that is, money like that. That is a side issue, of course.

I yield now to my colleague from Illinois.

Mr. STEVENSON. Mr. President, I want to commend also the distinguished Senator from West Virginia for his vigilance and the way in which his committee instantaneously responded to the plight of the people whose homes have been damaged by recent tornadoes. Many of those people reside in Illinois. Illinois was not so severely damaged as other States, such as Ohio, Indiana, Kentucky, but there are people in the State of Illinois who are suffering some damaged property. There has also been some loss of life.

So, in addition to commending the distinguished Senator from West Virginia, I simply want to express the hope that in the deliberations of the committee, it might try to find some time to visit the districts damaged in Illinois. It would be helpful to the committee's understanding of the suffering caused in Illinois, as to the division of relief and also, perhaps, in the preparation of legislation for a longer term.

I am sure our Governor and all of our local officials would be more than grateful and delighted to provide every accommodation possible for the convenience of the committee, if it were possible to include a visit to the State of Illinois in forthcoming trips by the subcommittee.

Mr. RANDOLPH. I thank the able Senator from Illinois. We do know that the President is now declaring certain States as disaster States or areas within those States. As the Senator indicated, the death toll in his State is no so large as that compared with other States but the impact in many ways is felt in West Virginia. There was the death of one small child in West Verginia, which of course saddens us all very much, especially the little community of Meadow Creek, which I know very well and have visited there dozens of times. The damage was quite severe in the community. But we have the responsibility, certainly as a Congress, the committee, and especially the subcommittee, in moving quickly and earnestly to discharge our duties as responsible legislators.

Mr. BAKER. Mr. President, I thank my chairman for his remarks about this important matter and the opportunity to listen to the colloquy by so many other Senators, including the distinguished occupant of the Chair, Mr. DOMENICI, who is the ranking minority member on the subcommittee. This is an important matter, one to which the committee, Congress, and the Senate have responded very quickly.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974

The Senate continued with the consideration of the bill (S. 3044) to amend the Federal Election Campaign Act of 1971 to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns.

Mr. BAKER. Mr. President, turning my attention now to amendment No. 1134, I yield myself such time as I may use.

Mr. President, this amendment would strike all of title I of the bill regarding public financing of campaigns for Federal office. In its place, I would substitute a refined form of private financing designed to broaden the base of participation and prevent the abuse of earlier campaigns.

Specifically, I would propose a 100-percent tax credit on all political contributions made in a calendar year up to $50 for an individual return and $100 for a joint return. As it is now, an individual can claim a tax credit of 50 percent of all contributions made in a calendar year up to $12.50. On a joint return, the credit

is up to $25. In S. 3044, the tax credit is still 50 percent; but the amount is increased to $25 on an individual return and $50 on a joint return. Once again, my amendment would allow a 100-percent tax credit on all contributions made in a calendar year up to $50 on an individual return and $100 on a joint return. In this way, the small contributor is offered a clear and realistic incentive to contribute between $50 and $100 to the candidate of his or her choice.

Moreover, we can avoid most of what I consider to be the intrinsic liabilities of partial or full public financing of campaigns for Federal office. What are those liabilities, in my view? I shall attempt to list them.

The question of public participation in our political process is one which concerns me greatly, as I am sure it does most of my colleagues. In the past few years, that participation has declined steadily, as has public trust and confidence in our major governmental institutions. In the wake of Watergate and related events, it becomes increasingly incumbent upon us to ascertain the key to increasing public participation and promoting public trust in elected officials.

Those who advocate public financing argue that the only way to prevent further erosion of public confidence is to remove the opportunity for financing that process from the hands of the special interests, and to entrust a substantial portion of that responsibility in the Federal Government. I do not quarrel with the need to eliminate the inordinate influence of special interests. In fact, I believe that only individuals should be allowed to contribute to political campaigns; and even then, not in excess of the limits prescribed in S. 3044. But, I strongly disagree with the presumption that eliminating the financial influence of special interests necessitates granting that influence of responsibility to the U.S. Treasury. It seems to me the American people should be given the option of assuming that prerogative rather than the Federal Government. It is not just a question of whether we need the power of the Government to enforce the relevant statutes, nor whether we need an effective means of prosecuting those who violate those statutes; for clearly, the Government must play a major role in this regard. But, the question is really how necessary is it that the Government directly involve itself in financing political campaigns. If it were the only viable means of funding a clean and competitive two-party system, then I might support public financing. But it is not, in my judgment, for the following reason.

To the present day, the Congress has never successfully sought to effectively limit the amount of money an individual or group could contribute to a political campaign. In fact, I believe S. 372 was the first time that either House had passed legislation which actually sought to bring this about. Thus, rather than political candidates being compelled to raise 50 contributions of $100 each, they have always opted in favor of the single $5,000 contribution when they could find it.

It is only natural; and as a politician, I can certainly understand why candidates find it easier to raise a specific amount of money in large contributions rather than small ones. But we should also realize what influence this has had on our respective fundraising techniques. For reasons of expedience, we have traditionally geared our fundraising efforts to the so-called fat cats and sought small contributions when the big money was not available. Thus, we are comparatively inexperienced when it comes to undertaking a broad, low-level solicitation effort.

Under the expenditure limitations of S. 3044, a Presidential candidate can spend up to 15 cents times the voting age population of the country in the general election campaign. If my calculations are accurate, that comes out to about $24 million. Pursuing this arithmetic argument a little further, that translates into 8,000 contributions of $3,000 each. I realize that we are talking about only one Presidential candidate during the general election campaign, but this can be extrapolated into other races for Federal office; and I submit that a thorough examination of the actual number of contributions required to adequately fund campaigns for Federal office would shock a great many people. In fact, that number is infinitesimal in light of a voting-age population of over 140 million people. Nevertheless, a great many of my colleagues in the Congress are convinced that we cannot raise sufficient funds so long as we limit the size of individual contributions. It is proposed, therefore, that we enlist the aid of the Federal Government through a system of partial, but substantial public financing.

But I cannot accept that alternative. I cannot accept it because there seems to me something politically incestuous about the Government financing, and I believe inevitably then, regulating the day-to-day procedures by which the Government is selected. It is extraordinarily important, in my judgment, that the Government not control the machinery by which the public expresses the range of its desires, demands, and dissent. And yet, that, in a sense, is what we are debating here. I do not question the motives of those who drafted this legislation, but rather the possible consequences of its enactment.

Indeed, I can even visualize a scenario in which bureaucrats, empowered to write checks on the Public Treasury—checks essential to the success of various political campaigns—can abuse, manipulate, or otherwise influence the outcome of those elections by generating the kind of bureaucratic red tape which is characteristic of our burgeoning Federal Government.

For these reasons, I would urge that we avoid delegating significant funding authority to the Government until it is absolutely necessary. The American people should retain exclusive responsibility for funding political campaigns, and they should be encouraged to do so on a much broader scale.

The amendment which I have offered proposes to vastly expand the base of public participation and increase, by literally millions, the number of people who have a personal stake in political campaigns. This would be done by offering the kind of clear tax incentive required to prompt small contributions from concerned Americans. Moreover, it would entitle those Americans to choose the individual to whom they wish to contribute. Under the present dollar checkoff, as well as the provisions of S. 3044, the individual taxpayer is unable to determine who receives his or her tax dollars. However, under my approach, the taxpayer is not only able to designate the particular recipient, but also the amount involved, thereby leaving complete discretion to the individual contributor. This brings me to my final argument in opposition to public financing.

Although S. 3044 does not specifically prohibit private contributions during any phase of a political campaign, it certainly discourages them, particularly between the primary and general elections. It is during that time that private contributions are subtracted from the Government subsidy available for major party candidates who have reached the required threshold. The thrust of the bill is that once the threshold has been reached, private contributions are no longer sought nor needed; and this would seem to clearly infringe upon the individual's first amendment right of freedom of political expression.

Not only does that right include the option of contributing to a political campaign at the appropriate time, but it also includes the option not to participate at all if the individual so chooses. And yet, under S. 3044, $2 on an individual return and $4 on a joint return is automatically paid into the Federal election campaign fund unless the taxpayer indicates to the contrary. In other words, the only option available to the individual is a negative one; and this, in my judgment, is wrong. Morover, if insufficient funds are raised by the proposed $2 or $4 checkoff system, the Congress is required to appropriate the necessary difference, thereby negating the decision of taxpayers not to have their tax dollars used for political campaigns. This, too, is wrong, in my opinion, and abridges still further the individual's first amendment right of freedom of political expression.

However, this amendment would avoid all of these constitutional questions by protecting the freedom of political expression and by encouraging that expression through a realistic tax credit system.

At a time when public confidence in our Government is at an all-time low, it is difficult to resist the temptation to throw the baby out with the bath water. And it is equally difficult to enact constructive and meaningful reform. But, going from one extreme, that is, essentially unrestricted private financing, to another, that is, public financing of all campaigns for Federal office, is not the answer. Rather, we should consider a refined form of private financing in which the size of individual contributions is strictly limited, and in which there is full public disclosure and an effective enforcement mechanism. That would seem to be the most logical next step, and that is what I am proposing with a majority of my colleagues on the Senate Watergate Committee as well as a number of other Senators.

Mr. President, in a word, I am not prepared to say we have reached the place

where we can no longer discuss the political process. We can and we should refine, refurbish, and redesign our political system so that it is fully supported by voluntary contributions of individuals. We should eliminate contributions of special interest groups and restrict contributions to those made by qualified voters only. We should have timely disclosure of all contributions, and by "timely" I mean to have the final report on contributions before the election and not after.

Mr. President, S. 3044 provides for the final report to be filed on January 31 in the year following an election, when it is of precious little importance to the average voter.

We should limit the amount of contribution that an individual can make. We should limit the dollar amount that can be expended.

There is a range of other options which will bring more representative government to the people and together they form a package infinitely more attractive to this Senator than the present system.

Mr. President, I reserve the remainder of my time.

Mr. CANNON. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from Nevada is recognized.

Mr. CANNON. Mr. President, I find myself in agreement with the distinguished Senator from Tennessee on a good many points he made. However, there are a number of points I cannot support in this amendment for reasons I shall enumerate.

First, the most recent point he made, that he thought a final report should be filed prior to election so voters could know about it. This is a practical impossibility, because the final report is intended to finalize everything that was transacted from a reporting standpoint, in the campaign. Obviously, one cannot file any report that would take care of those details in the 2 or 3 days of the campaign. It would be a physical impossibility. A written report has to be prepared, it has to be filed with a receiving officer, and it has to be made available and publicized. One cannot even get something in the newspapers unless it involves something of a headline nature these days. So the practicality of that suggestion is out of the question.

Now, we have required a number of reports in the reporting process. The latest one would be a complete report of everything that happened up to 10 days before election day. We felt that was as close to election day as we could go and still make information available to the public so that they could be informed and make an informal judgment with respect to the voting process.

The distinguished Senator made some reference to the checkoff provision in title V. I would point out that title V has been eliminated from this bill and is no longer a part of the bill. Therefore, we should not discuss the matter in the context of title V, except as he proposes to put it back in in his amendment and have it called title I.

I agree with the Senator on the provision as it was originally in title V on the checkoff. I think a person should take affirmative action if he desires his money to be contributed to the political process rather than to have it go to this purpose unless it were checked off otherwise.

When that proposal comes up in the proper form from the Committee on Finance on the finance bill I would expect to vote with the Senator from Tennessee and others on that point.

I would hope that the Senator would not press for proposals here today related to the tax credit, tax deduction, and checkoff. I say that, because there is a serious constitutional question involved as to the propriety of that issue on this bill.

We have discussed this on the floor on numerous occasions before. There is no question that it would be subject to a point of order in the House. We have had that ruling from the Parliamentarian on three occasions, and on this occasion we have had the motion of the distinguished Senator from Louisiana that title V be referred to the Committee on Finance with the assurance from him that they would attach that to an appropriate revenue bill from the House and report it to the floor of the Senate so that we would have an opportunity to vote thereon.

With respect to the compensation, I completely agree with the distinguished Senator from Tennessee on the compensation, doubling, or increasing the amount. I am in favor of increasing the tax credit; I am in favor of increasing the deductions; and I am in favor of the checkoff position. But I am very fearful that if we leave it on this bill we are going to run into some serious difficulties. We have voted already on the floor of the Senate on one occasion to strike that from this bill and refer it to the Committee on Finance. So I would be quite hopeful that the Senator from Tennessee would at least modify his amendment to take out that particular portion. If that is done, then we have remaining only the bill S. 372, which we passed last year without public financing added.

So we get back to the issue we voted on earlier with the Senator from Alabama. If one is for public financing, he should vote against the amendment; if one is against public financing, he should vote for the amendment.

The Senate already has expressed its judgment overwhelmingly on S. 372, which is a good bill, and the House acted on it. Had the House acted on it last year, I do not think we should be here going through this exercise at this time, because the pressure would have been relieved somewhat. It was a good bill although it did not have the feature of public financing and other features in this bill.

So, Mr. President, I again say to my colleague that I would be very hopeful he would not press his amendment with respect to the financing items. The issue already has been determined once. It is not properly on the bill and will create more difficulties for us. If that is the Senator's objective, we might have a vote on it. I would vote for the tax credit, the tax deduction, and the checkoff, but I cannot vote for them in his amendment which would delete public financing.

Mr. BAKER. Mr. President, before I yield to my distinguished colleague from North Carolina, I would like to make a brief remark. If I were to withdraw the amendment, if I were to fail to insist on this alternative, it seems to me it would deprive the Senate of an effective reform measure as an alternative to public financing.

All the Senate could vote for would be for public financing or nothing. Therefore, I feel a strong obligation to insist on this amendment. I might point out that there is no tax deduction included in this amendment.

I yield now to the Senator from North Carolina (Mr. ERVIN).

Mr. ERVIN. Mr. President, in furtherance of the remarks of the Senator from Tennessee, if the Watergate affair indicates anything, it indicates that we need some reform in raising of campaign funds for Federal officers.

Despite my great respect for my good friend from Nevada, I cannot agree that there is any constitutional question involved here. The constitutional provision which is germane to a claim of that nature is in section 7 of article I, which says:

> All bills for raising revenue shall originate in the House of Representatives. . .

There is not a syllable in the amendment offered by the distinguished Senator from Tennessee, of which I am a cosponsor, that undertakes to raise a single penny of revenue. It does not undertake to raise revenue. It does not impose any taxes. But it not only does provide a method whereby we can reform the financing of Federal elections in such a way as to leave the power to make voluntary contributions to the taxpayers of this country, but is also calculated to stimulate the political parties and candidates for political office to insist on further involvement by the people of the United States in the election processes—and that is the crying need, along with the need for reform.

We have gotten into an unfortunate state in this country—when anything goes wrong, we say, "Go down to the bottom of that empty hole we call the Treasury of the United States and get some money out of that empty hole to cure the problem." In my judgment, it would multiply the problems, because here is an indirect encouragement to anybody who wants to have a lot of money at his disposal to have a good time traveling through this country by becoming a candidate for the Presidency of the United States. This bill is going to be a stimulation to get more money out of the Treasury of the United States so people can indulge their political fantasies, and I do not think that is something to be encouraged.

I think the Senator from Tennessee should insist on having a vote in the Senate on this amendment, since this is not an amendment which would raise a single penny of revenue, but, on the con-

trary, would form a method by which the taxpayers could voluntarily make a contribution to the candidates of their choice and to the parties of their choice. I think it is a highly desirable amendment, and I sincerely hope the Senate will adopt it.

Mr. BAKER. I thank my colleague from North Carolina, who not only is a great constitutional authority in the country and the Senate, but I point out, has a greater familiarity with the very abuses we are trying to prevent in this country than anybody in this Chamber.

The point he makes with respect to the constitutionality of this legislative situation is entirely correct. The point he makes with respect to the awesome authority of the anonymous bureaucracy being brought to bear against the political system, the most delicate of all its governmental devices, is one that must commend itself to this body for consideration. I thank the Senator from North Carolina for his support.

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

Mr. BAKER. I am happy to yield to my colleague from Delaware.

Mr. ROTH. I would like to compliment the Senator from Tennessee for offering his amendment. I think it is a highly desirable alternative to the public financing approach.

I would just like to emphasize a point he made a few minutes ago. Those of us who support the "tax credit" approach to campaign reform, as opposed to public financing of elections, are placed in a very difficult position. We are told that this option of a tax credit is parliamentary not feasible. I was happy to hear the arguments made by the Senator from North Carolina, but there are editorials, for example, including in my own paper, which say those of us who support the other options should nevertheless vote for cloture, so there is an up-and-down vote on "public financing."

What this means, in effect, if it is ruled that the "tax credit" amendment is out of order, is that we really have no opportunity to debate an alternate approach to "public financing."

I would just say that one of my great concerns with public financing is that we are emphasizing money, rather than deemphasizing it. It seems to me that if we are really going to restore public confidence and get greater citizen participation in campaigns, we have to use another approach than just to vote into law big spending.

I do not intend at this stage to debate either the merits or demerits, but I want to point out that the parliamentary situation, if this amendment is not proper, puts those of us who support an alternate way in the position of having to vote up and down on public financing without a full opportunity to debate another way, which comes closer to correcting the problems of campaign spending.

Mr. BAKER. Mr. President, I am grateful for the remarks of the Senator from Delaware.

I am prepared at this time to yield back the remainder of my time.

Mr. CANNON. Mr. President, I yield myself 2 minutes for an observation.

There has been considerable discussion about the constitutional question here. I correctly stated the proposition that this matter had been raised, I believe in 1961, and it was on a campaign reform bill, an amendment of which I was a sponsor and which was before the Senate at that time. The then distinguished Senator from Virginia, Harry Byrd, who is no longer with us, made the point that the amendment would be subject to a point of order, and it was for a tax credit similar to the tax credit in this particular amendment, and the Senate was advised at that time that the House would not even consider a bill with this type of provision in it for that reason.

So my statement with respect to the point of order has been borne out historically here by what happened on the floor of the Senate, and I was the author of the particular amendment that was offered.

As I said earlier, I support that provision of the distinguished Senator's amendment, and when I have the opportunity, in the proper forum, I expect to vote for it.

Mr. BAKER. I thank the Senator.

Mr. ERVIN. Mr. President, will the Senator yield me 3 or 4 minutes?

Mr. BAKER. I yield.

The PRESIDING OFFICER. The Senator has 1 minute remaining.

Mr. BAKER. I yield that 1 minute to the Senator from North Carolina.

Mr. ERVIN. Mr. President, I have already read to the Senate the provision in the Constitution which states:

> All bills for raising revenue shall originate in the House of Representatives . . .

This amendment does not propose to raise a single penny of revenue. The House has some rules over there, but I think the Senate ought to assert its right to legislate under the Constitution, irrespective of House rules, and I am not willing, as far as I am concerned, to let the Senate take a subordinate position as a legislative body. There is nothing in the Constitution that would prevent the Senate from adopting this amendment, and I think the Senate ought to insist that it is at least an equal body with the House of Representatives in every respect that the Constitution does not deprive it of the privilege of so doing, and this amendment has no constitutional implications whatsoever.

Mr. CANNON. Mr. President, I yield back the remainder of my time.

Mr. BAKER. Mr. President, my time has expired.

The PRESIDING OFFICER. All time on the amendment having expired or been yielded back, and the yeas and nays having been ordered, the question is on agreeing to the amendment of the Senator from Tennessee. The clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Iowa (Mr. HUGHES), the Senator from Louisiana (Mr. LONG), the Senator from Texas (Mr. BENTSEN), and the Senator from Indiana (Mr. HARTKE) 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 Utah (Mr. BENNETT) is necessarily absent.

I also announce that the Senator from Virginia (Mr. WILLIAM L. SCOTT) is absent on official business.

The result was announced—yeas 34, nays 58, as follows:

[No. 119 Leg.]

YEAS—34

Aiken	Dole	Hollings
Allen	Dominick	Hruska
Baker	Eastland	McClellan
Bartlett	Ervin	McClure
Beall	Fannin	Nunn
Bellmon	Fong	Roth
Brock	Goldwater	Sparkman
Buckley	Griffin	Stennis
Byrd, Harry F., Jr.	Gurney	Talmadge
Cotton	Hansen	Thurmond
Curtis	Hatfield	Tower
	Helms	

NAYS—58

Abourezk	Humphrey	Pastore
Bayh	Inouye	Pearson
Bible	Jackson	Pell
Biden	Javits	Percy
Brooke	Johnston	Proxmire
Burdick	Kennedy	Randolph
Byrd, Robert C.	Magnuson	Ribicoff
Cannon	Mansfield	Schweiker
Case	Mathias	Scott, Hugh
Chiles	McGee	Stafford
Church	McGovern	Stevens
Clark	McIntyre	Stevenson
Cook	Metcalf	Symington
Cranston	Metzenbaum	Taft
Domenici	Mondale	Tunney
Eagleton	Montoya	Weicker
Gravel	Moss	Williams
Hart	Muskie	Young
Haskell	Nelson	
Hathaway	Packwood	

NOT VOTING—8

Bennett	Hartke	Long
Bentsen	Huddleston	Scott, William L.
Fulbright	Hughes	

So Mr. BAKER's amendment (No. 1134) was rejected.

Mr. CANNON. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. MANSFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER FOR ADJOURNMENT UNTIL 10 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 10 o'clock tomorrow morning.

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

LEGISLATIVE PROGRAM

Mr. MANSFIELD. Mr. President, a number of States, including Indiana, Iowa, Tennessee, Alabama, Kentucky, and two or three others—especially Kentucky—have been hit rather hard by tornadoes, windstorms, and the like within the past 24 to 36 hours.

It is imperative, in my judgment, that Senators from those States return to their States to assess the damage, to see what can be done to alleviate the situation, and in that manner to carry out their responsibilities.

Therefore, after discussing the matter

with the distinguished Republican leader, the joint leadership has decided that while we will be on the pending business tomorrow, there will be no votes tomorrow, and that any votes which may arise will be carried over until Monday.

Mr. HUGH SCOTT. Mr. President, if the distinguished majority leader will yield, I think it is essential that Senators from the affected States have the opportunity to return home for the reasons cited, and for the further reason that they can best estimate the role of the Federal Government in applying such legislation as we have already enacted, whether we need additional legislation, or what Congress may do to assist in the relief of those people who have suffered from the effects of the tornado damage; and if legislation is needed, they can best advise it.

Moreover, they can advise the Executive, as we did in the case of Hurricane Agnes, where the Federal Government moved both on the legislative and executive sides very promptly indeed. For example, mobile trailers and other equipment may be very promptly needed, and Senators, as representatives of their people back home, are needed there.

Mr. MANSFIELD. I would agree with what the distinguished Republican leader has just said. To reiterate, there will be no votes tomorrow. If there are any votes, they will be carried over until Monday, and no votes will occur before the hour of 3:30 p.m. on Monday, which should give the affected Members a reasonable opportunity to assess the damage and to come to their own conclusions as to what should or could be done.

It is the intention of the leadership to lay down a cloture motion tomorrow. It is the hope of the leadership that the Senate will agree that a vote will occur on the cloture motion, which will be laid down tomorrow at 4 o'clock, on Tuesday afternoon next.

That is about it, I think.

Mr. MAGNUSON. Mr. President, will the Senator yield for just a moment?

Mr. MANSFIELD. Yes.

Mr. MAGNUSON. This has been, apparently, a more serious thing that we estimated. I do not think legislation might be necessary. I will say to the Senator from Pennsylvania. But it gets down to the question of appropriations and money. I see the distinguished chairman of the committee here and I would think that we might suggest to our colleagues that we would be available for maybe some special meeting on Monday to discuss the matter of what appropriations may be made.

Mr. MANSFIELD. That is a good idea and include it in the supplemental now before us.

Mr. MAGNUSON. In the supplemental now before us, yes. But I do not think that legislation is necessary.

Mr. McCLELLAN. Mr. President, of course, any appropriation will have to originate in the House of Representatives. I think we would want to wait until Senators return from their respective States and bring us some concrete information as to probable need. If that is done, why the subcommittee under the Senator from New Mexico can hold immediate hearings or if he requests it, we will hold full committee hearings. In other words, the Appropriations Committee is ready to act. All we are awaiting is adequate and necessary information to inform us, so that we can act intelligently and effectively.

Mr. HUGH SCOTT. Mr. President, I am informed that the Subcommittee of the Senate Public Works Committee is considering comprehensive disaster relief legislation much of which involves the consolidation—I know we have other information on that—of existing disaster relief legislation. The subcommittee, as I understand it from the distinguished Senator from West Virginia (Mr. RANDOLPH), consists of Senator BURDICK and ranking Republican Member, Senator DOMENICI. Senator BAKER also has been active in this regard, I am informed.

Mr. MANSFIELD. I might say that they will look at the distressed areas on Friday, Saturday, and Sunday if need be, and part of Monday.

Mr. ALLEN. Mr. President, reserving the right to object—and I shall not object—I wish to express my sincere and deep thanks to the distinguished majority leader and the distinguished minority leader for working out this plan that will enable Senators to return to their home States and be with their people—the people they represent here in this body—during their time of tragedy and travail.

Certainly, I could do nothing less than to agree with the distinguished majority leader's request that the cloture vote be set, I believe the majority leader said, for 4:30?—for 4 o'clock?

Mr. MANSFIELD. Four o'clock.

Mr. ALLEN. Four o'clock. Certainly I would not object, but I wish to commend the distinguished majority leader and the distinguished minority leader for working out this plan that will accommodate Senators. It is very kind of them.

Mr. MANSFIELD. I thank the Senator from Alabama very much.

ORDER FOR ADJOURNMENT FROM TOMORROW TO MONDAY NEXT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that, when the Senate completes its business tomorrow, it stand in adjournment until the hour of 12 o'clock noon on Monday next.

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

ORDER FOR ADJOURNMENT FROM MONDAY NEXT, APRIL 8, 1974, TO TUESDAY, APRIL 9

Mr. MANSFIELD. Mr. President, I ask unanimous consent that, when the Senate completes its business on Monday next, it stand in adjournment until 12 o'clock noon on Tuesday, April 9, 1974.

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

Mr. MANSFIELD. Mr. President, I also ask unanimous consent that the time for the 1-hour debate on the cloture motion begin at 3 p.m., on Tuesday next.

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

Mr. MANSFIELD. Mr. President, I thank the Senator from Tennessee (Mr. BAKER) for yielding us this time.

Mr. BAKER. I thank the distinguished majority and minority leaders for working out this schedule so that those of us who are affected will be able to make the trip.

SOLAR ENERGY

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there be an extension of 30 days from April 12, 1974, to file the report on H.R. 11864, to permit the committees having jurisdiction to complete their work on the bill.

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

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974

The Senate continued with the consideration of the bill (S. 3044) to amend the Federal Election Campaign Act of 1971 to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns.

Mr. ERVIN. Mr. President, I ask unanimous consent that the distinguished Senator from Tennessee (Mr. BAKER) may yield to me so that I may proceed for 5 minutes, with the understanding that by so doing the Senator from Tennessee will not lose his right to the floor.

Mr. BAKER. Mr. President, I will be glad to do that but may I ask my distinguished colleague from North Carolina to permit me to lay down my amendment and ask for the yeas and nays while there are still a sufficient number of Senators in the Chamber?

Mr. ERVIN. Of course.

AMENDMENT NO. 1135

Mr. BAKER. Mr. President, I call up my amendment No. 1135 and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

S. 3044

On page 3, line 6, strike out "FEDERAL" and insert in lieu thereof "PRESIDENTIAL".

On page 4, line 6, strike out the comma and insert in lieu thereof a semicolon.

On page 4, beginning with line 7, strike out through line 12.

On page 4, line 13, strike out "(5)" and insert in lieu thereof "(4)".

On page 4, line 17, strike out "(6)" and insert in lieu thereof "(5)".

On page 5, line 6, strike out "any".

On page 5, line 21, immediately before "Federal", strike out "a".

On page 7, line 3, strike out "(1)".

On page 7, beginning with "that—" on line 5, strike out through line 7 on page 8 and insert in lieu thereof "that he is seeking nomination for election to the office of President and he and his authorized committees have received contributions for his campaign throughout the United States in a total amount in excess of $250,000.".

On page 9, line 6, after the semicolon, insert "and".

On page 9, strike out lines 7 and 8 and in-

sert in lieu thereof the following: "(2) no contribution from".

On page 9, beginning with "and" on line 13, strike out through line 19.

On page 10, beginning with "(1)—" on line 3, strike out through line 16 and insert in lieu thereof the following: "(1), no contribution from any person shall be taken into account to the extent that it exceeds $250 when added to the amount of all other contributions made by that person to or for the benefit of that candidate for his primary election.".

On page 13, beginning with line 16, strike out through line 18 on page 14 and insert in lieu thereof the following:

"SEC. 504. (a) (1) Except to the extent that such amounts are changed under subsection (f) (2), no candidate may make expenditures in any State in which he is a candidate in a primary election in excess of the greater of—

"(A) 20 cents multiplied by the voting age population (as certified under subsection (g)) of the State in which such election is held, or

"(B) $250,000.".

On page 14, line 19, strike out "(B)" and insert in lieu thereof "(2)" and strike out "subparagraph" and insert in lieu thereof "paragraph".

On page 14, line 20, strike out "(A)" and insert in lieu thereof "(1)".

On page 15, line 8, beginning with "the greater of—", strike out through line 17 and insert in lieu thereof "15 cents multiplied by the voting age population (as certified under subsection (g)) of the United States.".

On page 18, beginning with line 10, strike out through line 20.

On page 19, line 11, strike out "Federal" and insert in lieu thereof "Presidential."

On page 25, between lines 4 and 5, insert the following:

"INCREASE IN TAX CREDIT

"SEC. 102. (a) Section 41 of the Internal Revenue Code of 1954 (relating to contributions to candidates for public office) is amended by—

"(1) striking out 'one-half of' in subsection (a) and inserting in lieu thereof 'the sum of'.

"(2) amending section 41(b)(1) of such Code (relating to maximum credit for contributions to candidates for public office) to read as follows:

"'(1) MAXIMUM CREDIT.—The credit allowed by subsection (a) for a taxable year shall not exceed $50 ($100 in the case of a joint return under section 6013).'

"(b) The amendments made by this section apply with respect to any political contribution the payment of which is made after December 31, 1973.

"REPEAL OF PRESENT PRESIDENTIAL ELECTION FINANCING LAW

"SEC. 103. (a) Subtitle H of the Internal Revenue Code of 1954 (relating to financing of Presidential election campaigns) is repealed.

"(b) The amendment made by this section applies to taxable years beginning after December 31, 1973."

On page 26, lines 2 and 3, strike out "under section 504 of the Federal Election Campaign Act of 1971, or".

On page 71, beginning with line 20, strike out through line 2 on page 73 and insert in lieu thereof the following:

"(a)(1) Except to the extent that such amounts are changed under subsection (f)(2), no candidate (other than a candidate for nomination for election to the office of President) may make expenditures in connection with his primary election campaign in excess of the greater of—

"(A) 10 cents multiplied by the voting age population (as certified under subsection (g)) of the geographical area in which the election for such nomination is held, or

"(B)(i) $125,000, if the Federal office sought is that of Senator, or Representative from a State which is entitled to only one Representative, or

"(ii) $90,000, if the Federal office sought is that of Representative from a State which is entitled to more than one Representative.

"(2)(A) No candidate for nomination for election to the office of President may make expenditures in any State in which he is a candidate in a primary election in excess of two times the mount which a candidate for nomination for election to the office of Senator from that State (or for nomination for election to the office of Delegate in the case of the District of Columbia, the Virgin Islands, or Guam, or to the office of Resident Commissioner in the case of Puerto Rico) may expend in that State in connection with his primary election campaign.

"(B) Notwithstanding the provisions of subparagraph (A), no such candidate may make expenditures throughout the United States in connection with his campaign for that nomination in excess of an amount equal to 10 cents multiplied by the voting age population of the United States. For purposes of this subparagraph, the term 'United States' means the several States of the United States, the District of Columbia, and the Commonwealth of Puerto Rico, Guam, and the Virgin Islands and any area from which a delegate to the national nominating convention of a political party is selected.

"(b) Except to the extent that such amounts are changed under subsection (f)(2), no candidate may make expenditures in connection with his general election campaign in excess of the greater of—

"(1) 15 cents multiplied by the voting age population (as certified under subsection (g)) of the geographical area in which the election is held, or

"(2)(A) $175,000, if the Federal office is that of Senator, or Representative from a State which is entitled to only one Representative, or

"(B) $90,000, if the Federal office sought is that of Representative from a State which is entitled to more than one Representative.

"(c) No candidate who is unopposed in a primary or general election campaign in excess of 10 percent of the limitation in subsection (a) or (b).

"(d) The Federal Election Commission shall prescribe regulations under which any expenditure by a candidate for nomination for election to the office of President for use in two or more States shall be attributed to such candidate's expenditure limitation in each such State, based on the voting age population in such State which can reasonably be expected to be influenced by such expenditure.

"(e)(1) Expenditures made on behalf of any candidate are, for the purposes of this section, considered to be made by such candidate.

"(2) Expenditures made by or on behalf of any candidate for the office of Vice President of the United States are, for the purposes of this section, considered to be made by the candidate for the office of President of the United States with whom he is running.

"(3) For purposes of this subsection, an expenditure is made on behalf of a candidate, including a Vice-Presidential candidate, if it is made by—

"(A) an authorized committee or any other agent of the candidate for the purposes of making any expenditure, or

"(B) any person authorized or requested by the candidate, an authorized committee of the candidate, or an agent of the candidate to make the expenditure.

"(4) For purposes of this section an expenditure made by the national committee of a political party, or by the State committee of a political party, in connection with the general election campaign of a candidate affiliated with that party which is not in excess of the limitations contained in subsection (1), is not considered to be an expenditure made on behalf of that candidate.

"(f)(1) For purposes of paragraph (2)—

"(A) 'price index' means the average over a calendar year of the Consumer Price Index (all items—United States city average) published monthly by the Bureau of Labor Statistics, and

"(B) 'base period' means the calendar year 1973.

"(2) At the beginning of each calendar year (commencing in 1975), as necessary data become available from the Bureau of Labor Statistics of the Department of Labor, the Secretary of Labor shall certify to the Federal Election Commission and publish in the Federal Register the percentage difference between the price index for the twelve months preceding the beginning of such calendar year and the price index for the base period. Each amount determined under subsections (a) and (b) shall be changed by such percentage difference. Each amount so changed shall be the amount in effect for such calendar year.

"(g) During the first week of January 1975, and every subsequent year, the Secretary of Commerce shall certify to the Federal Election Commission and publish in the Federal Register an estimate of the voting age population of the United States, of each State, and of each congressional district as of the first day of July next preceding the date of certification. The term 'voting age population' means resident population, eighteen years of age or older.

"(h) Upon receiving the certification of the Secretary of Commerce and of the Secretary of Labor, the Federal Election Commission shall publish in the Federal Register the applicable expenditure limitations in effect for the calendar year for the United States, and for each State and congressional district under this section."

On page 73, line 3, strike out "(b)" and insert in lieu thereof "(i)".

On page 73, line 24, strike out "section 504" and insert in lieu thereof "subsection (g); and".

On page 74, strike out lines 1 and 2.

On page 74, line 6, strike out "that Act" and insert in lieu thereof "the Federal Election Campaign Act of 1971".

On page 74, line 8, strike out "(c)" and insert in lieu thereof "(j)".

On page 74, line 10, strike out "(a)(4)" and insert in lieu thereof "(e)(3)".

On page 75, line 6, strike out "(a)(5)" and insert in lieu thereof "(d)".

On page 75, line 11, strike out "(a)(4)" and insert in lieu thereof "(e)(3)".

Mr. BAKER. Mr. President, I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

Mr. BAKER. Mr. President, I am happy to yield 5 minutes to the Senator from North Carolina (Mr. ERVIN).

AMENDMENT NO. 1068

Mr. ERVIN. Mr. President, I ask unanimous consent that I may call up my amendment No. 1068, which can be disposed of in less than 5 minutes.

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

Mr. ERVIN. Mr. President, I call up my amendment No. 1068 and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

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

The PRESIDING OFFICER. Without

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

The text of the amendment (No. 1068) is as follows:

S. 3044

On page 3, beginning with line 1, strike out through line 4 on page 25.

On page 26, lines 2 and 3, strike out "under section 504 of the Federal Election Campaign Act of 1971, or".

On page 54, lines 3, 4, and 5, strike out "A candidate shall deposit any payment received by him under section 506 of this Act in the account maintained by his central campaign committee.".

On page 63, lines 14 and 15, strike out "(after the application of section 507(b)(1) of this Act)".

On page 64, line 9, strike out ", title V,".

On page 71, beginning with line 20, strike out through line 2 on page 73 and insert in lieu thereof the following:

"(a)(1) Except to the extent that such amounts are changed under subsection (f)(2), no candidate (other than a candidate for nomination for election to the office of President) may make expenditures in connection with his primary election campaign in excess of the greater of—

"(A) 10 cents multiplied by the voting age population (as certified under subsection (g)) of the geographical area in which the election for such nomination is held, or

"(B)(i) $125,000, if the Federal office sought is that of Senator, or Representative from a State which is entitled to only one Representative, or

"(ii) $90,000, if the Federal office sought is that of Representative from a State which is entitled to more than one Representative.

"(2)(A) No candidate for nomination for election to the office of President may make expenditures in any State in which he is a candidate in a primary election in excess of two times the amount which a candidate for nomination for election to the office of Senator from the State (or for nomination for election to the office of Delegate in the case of the District of Columbia, the Virgin Islands, or Guam, or to the office of Resident Commissioner in the case of Puerto Rico) may expand in that State in connection with his primary election campaign.

"(B) Notwithstanding the provisions of subparagraph (A), no such candidate may make expenditures throughout the United States in connection with his campaign for that nomination in excess of an amount equal to 10 cents multiplied by the voting age population of the United States. For purposes of this subparagraph, the term 'United States' means the several States of the United States, the District of Columbia, and the Commonwealth of Puerto Rico, Guam, and the Virgin Islands and any area from which a delegate to the national nominating convention of a political party is selected.

"(b) Except to the extent that such amounts are charged under subsection (f)(2), no candidate may make expenditures in connection with his general election campaign in excess of the greater of—

"(1) 15 cents multiplied by the voting age population (as certified under subsection (g)) of the geographical area in which the election is held, or

"(2)(A) $175,000, if the Federal office sought is that of Senator, or Representative from a State which is entitled to only one Representative, or

"(B) $90,000, if the Federal office sought is that of a Representative from a State which is entitled to more than one Representative.

"(c) No candidate who is unopposed in a primary or general election may make expenditures in connection with his primary or general election campaign in excess of 10 percent of the limitation in subsection (a) or (b).

"(d) The Federal Election Commission shall prescribe regulations under which any expenditure by a candidate for nomination for election to the office of President for use in two or more States shall be attributed to such candidate's expenditure limitation in each such State, based on the voting age population in such State which can reasonably be expected to be influenced by such expenditure.

"(e)(1) Expenditures made on behalf of any candidate are, for the purposes of this section, considered to be made by such candidate.

"(2) Expenditures made by or on behalf of any candidate for the office of Vice President of the United States are, for the purposes of this section, considered to be made by the candidate for the office of President of the United States with whom he is running.

"(3) For purposes of this subsection, an expenditure is made on behalf of a candidate, including a Vice Presidential candidate, if it is made by—

"(A) an authorized committee or any other agent of the candidate for the purpose of making any expenditure, or

"(B) any person authorized or requested by the candidate, an authorized committee of the candidate or an agent of the candidate to make the expenditure.

"(4) For purposes of this section an expenditure made by the national committee of a political party, or by the State committee of a political party, in connection with the general election campaign of a candidate affiliated with that party which is not in excess of the limitations contained in subsection (i), is not considered to be an expenditure made on behalf of that candidate.

"(f)(1) For purposes of paragraph (2)—

"(A) 'price index' means the average over a calendar year of the Consumer Price Index (all items—United States city average) published monthly by the Bureau of Labor Statistics, and

"(B) 'base period' means the calendar year 1973.

"(2) At the beginning of each calendar year (commencing in 1975), as necessary data become available from the Bureau of Labor Statistics of the Department of Labor, the Secretary of Labor shall certify to the Federal Election Commission and publish in the Federal Register the percentage difference between the price index for the twelve months preceding the beginning of such calendar year and the price index for the base period. Each amount determined under subsections (a) and (b) shall be changed by such percentage difference. Each amount so changed shall be the amount in effect for such calendar year.

"(g) During the first week of January 1975, and every subsequent year, the Secretary of Commerce shall certify to the Federal Election Commission and publish in the Federal Register an estimate of the voting age population of the United States, of each State, and of each congressional district as of the 1st day of July next preceding the date of certification. The term 'voting age population' means resident population, eighteen years of age or older.

"(h) Upon receiving the certification of the Secretary of Commerce and of the Secretary of Labor, the Federal Election Commission shall publish in the Federal Register the applicable expenditure limitations in effect for the calendar year for the United States, and for each State and congressional district under this section.".

On page 73, line 3, strike out "(b)" and insert in lieu thereof "(i)".

On page 73, line 24, strike out "section 504" and insert in lieu thereof "subsection (g); and".

On page 74, strike out lines 1 and 2.

On page 74, line 6, strike out "that Act" and insert in lieu thereof "the Federal Election Campaign Act of 1971".

On page 74, line 8, strike out "(c)" and insert in lieu thereof "(j)".

On page 74, line 10, strike out "(a)(4)" and insert in lieu thereof "(e)(3)".

On page 75, line 6, strike out "(a)(5)" and insert in lieu thereof "(d)".

On page 75, line 11, strike out "(a)(4)" and insert in lieu thereof "(e)(3)".

On page 84, between lines 9 and 10, insert the following:

"SEC. 501. (a) Section 41(a) of the Internal Revenue Code of 1954 (relating to contributions to candidates for public office) is amended by striking out 'an amount equal to one-half of all political contributions', and inserting in lieu thereof 'an amount equal to the sum of all political contributions'.".

On page 84, line 10, strike out "SEC. 501. (a)" and insert in lieu thereof "(b)".

On page 84, line 15, strike out "$25" and insert in lieu thereof "$125".

On page 84, line 16, strike out "$50" and insert in lieu thereof "$250".

On page 84, line 17, strike out "(b)" the first time it appears, and insert in lieu thereof "(c)".

On page 84, line 21, strike out "$100" and insert in lieu thereof "$250".

On page 84, line 21, strike out "$200" and insert in lieu thereof "$500".

On page 84, between lines 22 and 23, insert the following: "(d)(1) Section 41(c)(1)(C), (D), and (E) of such Code (relating to definition of political contribution) are each amended by striking out 'national political party' and inserting in lieu thereof 'political party'.".

"(2) Section 41(c)(3) of such Code (relating to definition of political party) is amended by—

"(A) striking out 'NATIONAL POLITICAL PARTY.—' and inserting in lieu thereof 'POLITICAL PARTY.—';

"(B) striking out 'national'; and

"(C) striking out 'ten or more States' in subparagraph (A) and inserting in lieu thereof 'at least one State'.".

On page 84, line 23, strike out "(c)." and insert in lieu thereof "(e)".

On page 85, beginning with line 1, strike out through line 17 on page 86.

Mr. ERVIN. Mr. President, this is an amendment which I drafted to eliminate from the pending bill, S. 3044, the Federal financing provisions to provide for financing of Federal elections through the voluntary contributions of taxpayers who would receive substantially increased rights to a deduction from their income tax and a substantial increase in their tax credit.

The vote on the amendment just offered by Mr. BAKER, with my cosponsorship, and that of other Senators, that is, amendment No. 1134, convinces me by the overwhelming nature of the vote that the Senate would not be exercising good judgment by adopting my amendment.

For that reason, I withdraw the amendment and thank my distinguished friend from Tennessee for yielding me this time.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. BAKER. Mr. President, I will not take very long with this amendment. It would simply eliminate public financing for Members of Congress and substitute an increased tax credit.

That is the sole purpose of the amendment. It leaves the bill intact otherwise.

I am prepared to yield back the remainder of my time.

Mr. CANNON. Mr. President, do I correctly understand that this amendment is the same as the prior amendment, except that it would eliminate public financing in congressional campaigns only?

Mr. BAKER. That is correct.

Mr. CANNON. The tax credit would remain at $50 or $100 on a joint return, but there would be no tax checkoff provision and no tax deduction; is that not correct?

Mr. BAKER. There would be as to a Presidential race but not a congressional race.

Mr. CANNON. In the Senator's previous amendment he struck out the tax checkoff provision. He also struck out the tax deduction. Is that out of this amendment as well?

Mr. BAKER. No; those provisions as the relate to Presidenial races would remain intact, but as they might relate to congressional relations, they would be deleted.

This amendment simply takes leave of the Presidential situation as the Senator has stated in S. 3044 but eliminates the congressional races from the coverage and puts a tax credit in its place.

Mr. CANNON. I thank the Senator from Tennessee.

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

Mr. BAKER. I yield back the remainder of my time.

The PRESIDING OFFICER. All time on this amendment has now been yielded back.

The question is on agreeing to the amendment of the Senator from Tennessee (Mr. BAKER) No. 1135.

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 Texas (Mr. BENTSEN), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Indiana (Mr. HARTKE), the Senator from Iowa (Mr. HUGHES), and the Senator from Louisiana (Mr. LONG) 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 Utah (Mr. BENNETT) and the Senator from New Jersey (Mr. CASE) are necessarily absent.

I also announce that the Senator from Virginia (Mr. WILLIAM L. SCOTT) is absent on official business.

I further announce that, if present and voting, the Senator from New Jersey (Mr. CASE) would vote "nay."

The result was announced—yeas 37, nays 54, as follows:

[No. 120 Leg.]

YEAS—37

Aiken	Buckley	Eastland
Allen	Byrd,	Ervin
Baker	Harry F., Jr.	Fannin
Bartlett	Byrd, Robert C.	Fong
Bayh	Cotton	Goldwater
Beall	Curtis	Griffin
Bellmon	Dole	Gurney
Brock	Dominick	Hansen
Hatfield	McClellan	Stennis
Helms	McClure	Talmadge
Hollings	Nunn	Thurmond
Hruska	Packwood	Tower
Johnston	Roth	

NAYS—54

Abourezk	Inouye	Pearson
Bible	Jackson	Pell
Biden	Javits	Percy
Brooke	Kennedy	Proxmire
Burdick	Magnuson	Randolph
Cannon	Mansfield	Ribicoff
Chiles	Mathias	Schweiker
Church	McGee	Scott, Hugh
Clark	McGovern	Sparkman
Cook	McIntyre	Stafford
Cranston	Metcalf	Stevens
Domenici	Metzenbaum	Stevenson
Eagleton	Mondale	Symington
Gravel	Montoya	Taft
Hart	Moss	Tunney
Haskell	Muskie	Weicker
Hathaway	Nelson	Williams
Humphrey	Pastore	Young

NOT VOTING—9

Bennett	Hartke	Long
Bentsen	Huddleston	Scott,
Case	Hughes	William L.
Fulbright		

So Mr. BAKER's amendment (No. 1135) was rejected.

Mr. STEVENSON. Mr. President, I have joined today in submitting three amendments to S. 3044 with Senators TAFT and DOMENICI which would authorize partial, but substantial, public financing of Federal general elections and eliminate from the bill public financing of congressional primaries.

The first amendment is directed at Federal general elections. In place of the 100-percent public financing provided for major party candidates, our amendment provides for not less than 25 percent nor more than 50 percent public financing for such candidates. Major party candidates would become eligible for a 25-percent formula grant upon nomination. They could also qualify for up to an additional 25 percent in Federal matching payments against small contributions, but no candidate could receive Federal payments totaling more than 50 percent of the applicable campaign expenditure limit. It is probable that all major party general election candidates for Federal office could qualify for 50-percent public financing. It is also probable that the amounts "checked off" by taxpayers would more than equal the cost to the Treasury over the 4-year election cycle of 50-percent public financing for the Federal general election campaigns.

The small contributions eligible for matching are the same as those which the committee bill applies to primary elections, that is, $250 in Presidential campaigns and $100 in congressional campaigns. The relative size of the maximum subsidy available to minor party candidates in general elections is the same as in the committee bill.

This amendment also lowers the contribution limit for congressional general elections, now at $3,000 for individuals and $6,000 for political committees ,to $1,000 for all donors. The contribution limits for primaries and Presidential general elections are not changed.

This amendment endeavors to strike a fair and sensible balance between a host of competing considerations, including the need to replace big money with unquestionably clean money, the need to encourage citizens to make—and candidates to seek—small contributions, the need to assure the less well known candidate enough startup funds to mount an effective campaign, and the need to minimize the cost to the Treasury.

The second amendment combines all of the features of the first amendment with a provision that would eliminate public financing of congressional primaries. While I believe that a good case can be made for the principle that public funds should be made available to encourage greater and more equitable competition at the prenomination stage, particularly in connection with Presidential elections, I am convinced that the risks are so great in regard to congressional primaries and experience so slight that there exists a substantial possibility that the extension of public financing to congressional primaries at this time would do more harm than good. I prefer not to run what I regard as a serious risk of weakening the political system in the name of reform.

Among the problems I see in public financing of congressional primaries are the following: First, it is not at all clear that a candidate's ability to raise the threshold amount is a good measure of his popularity or legitimacy. It may merely measure the sophistication of his fund-raising operation, or it may be a reflection of the amounts of big money he or she was able to raise early.

Second, the matching system magnifies the amounts by which one primary candidate is able to outspend another. Assume, for example, that in a senatorial primary in a State where the total contribution limit is $1.5 million there are two candidates, one who has raised $400,000 and one who has raised $700,000. Without matching the second candidate can outspend the first by $300,000. If all the funds raised by both candidates are eligible for matching, the first candidate will have a total of $800,000; the second, $1.4 million. The result is that the first candidate is outspent by $600,000 instead of $300,000. It is not at all clear that such a system promotes more equitable competition between primary contenders; it may well have the opposite effect.

Third, matching may encourage a proliferation of primary candidacies, some insincere, all of which will be more heavily funded. The cumulative effect could well be heightened public confusion and irritation, lower turnouts, less well informed decisions in the voting booth, and the nomination of candidates unrepresentative of the party as a whole. The result could be a weakening of the two-party system.

By no means does this exhaust the doubts about public financing of primaries on a matching basis. I do not contend that the prenomination stage of the electoral process is perfect, or that it is impossible to design a system of public financing which will improve that stage. I do maintain that the criticisms of public financing of congressional primaries are serious enough—and the risks of irreversible damage great enough—that the issue is best left for another day, a day when, through the experience with public financing in general elections, we will be in a better position to act constructively.

We have also joined in introducing a third amendment which does not contain the partial public financing scheme and would simply eliminate public financing of congressional primaries.

I believe that these amendments could substantially improve S. 3044. They would eliminate the corruptive influence of large contributions, but not the healthy influence of small contributions by citizens seeking a voice in their Government. Indeed, to go that far, as does S. 3044, raises doubts about its constitutionality.

Mr. CLARK. Mr. President, I ask unanimous consent that it be in order tc order the yeas and nays on my amendment No. 1152 at any time, which vote will not occur until Monday.

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

Mr. CLARK. Mr. President, I ask for the yeas and nays on my amendment No. 1152.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second. The yeas and nays are ordered.

Mr. BAKER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BAKER. Do I understand the order included an order for the vote to occur on Monday?

The PRESIDING OFFICER. No, it did not.

Mr. ROBERT C. BYRD. He just stated that the vote would occur on Monday.

Mr. BAKER. I thank the Chair and the Senator from West Virginia.

AMENDMENT OF GENERAL EDUCATION PROVISIONS ACT—CONFERENCE REPORT

Mr. PELL. Mr. President, I submit a report of the committee of conference on H.R. 12253, and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated by title.

The assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the amendment of the Senate to the bill (H.R. 12253) to amend the General Education Provisions Act to provide that funds appropriated for applicable programs for fiscal year 1974 shall remain available during the succeeding fiscal year and that such funds for fiscal year 1973 shall remain available during fiscal years 1974 and 1975, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

(The conference report is printed in the House proceedings of the CONGRESSIONAL RECORD of April 2, 1974, at pages 9333–34.)

Mr. PELL. Mr. President, I am pleased to report to the Senate that the conference was amiable, and the theory of the Senate amendments to the House-passed bill was accepted. The filed report goes through the exact recessions and amendments point by point.

Suffice it to say that the portion which has aroused the most interest, the clarification for subsidized loans under the guaranteed student loan program, has been adopted in the following manner. Youngsters from families with an adjusted gross income of less than $15,000 will be eligible for a subsidized loan of $2,000 without a needs analysis. The yearly loan limitation will remain at the $2,500 level, and those same youngsters could get an additional $500 subsidized loan if they show a need; that need can only pertain to the $500 in excess of the $2,000. Students from a family with an adjusted gross income of $15,000 and above will still be eligible for a subsidized loan of up to $2,500 but must show need.

To my mind, what the conference has done is to make clear what we in the Senate thought we had adopted in the 1972 Education Amendments. It was then, and still is, our contention that under the language there was no authority for the Department of Health, Education, and Welfare to require a needs test from students from families with an adjusted gross income of less than $15,000. However, the intransigence of the agency made necessary legislation of an emergency type.

Mr. JAVITS. Mr. President, the conference report has been signed by all conferees on both sides. Is that correct?

Mr. PELL. That is correct.

Mr. JAVITS. Mr. President, the minority, therefore, commends it to the Senate, as does the majority.

Mr. PELL. Mr. President, I move the adoption of the conference report.

The motion was agreed to.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. PELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

HENRY AARON HITS HOMERUN NO. 714—TIES RECORD OF BABE RUTH

Mr. TALMADGE. Mr. President, I am very proud to notify the Senate that in today's 1974 baseball season's opening game between the Atlanta Braves and Cincinnati Reds, Henry "Hank" Aaron hit his 714th home run—tying the record of Babe Ruth.

This is indeed a momentous day in baseball history, and I extend my personal congratulations to Hank Aaron and the Atlanta Braves. It is my understanding that Aaron may be benched for the other two games in Cincinnati, and I hope that this is true. As a Georgian, I would like to see "Hank" hit the big one—the one to break Babe Ruth's record—in Atlanta Stadium Monday night in the Braves' game against Los Angeles.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974

The Senate continued with the consideration of the bill (S. 3044) to amend the Federal Election Campaign Act of 1971 to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns.

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

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

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

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

The amendment ordered to be printed in the RECORD is as follows:

AMENDMENT NO. 1154

On page 71, between lines 12 and 13, insert the following:

DEFAMATORY STATEMENTS ABOUT CANDIDATES FOR FEDERAL OFFICE

SEC. 304. Section 612 of title 18, United States Code, is amended—

(a) by adding at the end of the section caption a semicolon and "defamatory statements about candidates for Federal office";

(b) by designating the first paragraph thereof as subsection (a); and

(c) by adding at the end thereof the following new subsection:

"(b) No person shall cause to be published a false and defamatory statement about the character or professional ability of a candidate for Federal office with respect to the qualifications of that candidate for that office if such person knows that such statement is false. Violation of the provisions of this subsection is a misdemeanor punishable by a fine not to exceed $1,000, imprisonment not to exceed six months, or both."

On page 71, line 16, strike out "304." and insert in lieu thereof "305.".

Mr. TALMADGE. Mr. President, this amendment is designed to correct the situation that we observed during the Watergate hearings, where people go around the country issuing defaming documents that are knowingly false and willfully sending them throughout the country. We have seen several instances of that.

A man named Segretti was hired to perform dirty tricks and dirty tricks alone. Two of our colleagues in the Senate were victimized by that practice.

The cutting edge of this amendment states:

(b) No person shall cause to be published a false and defamatory statement about the character or professional ability of a candidate for Federal office with respect to the qualifications of that candidate for that office if such person knows that such statement is false. Violation of the provisions of this subsection is a misdemeanor punishable by a fine not to exceed $1,000, imprisonment not to exceed six months, or both.

I have discussed this amendment with the manager of the bill (Mr. CANNON) and the assistant majority leader, and I understand they are prepared to accept the amendment.

Mr. JAVITS. Mr. President, will the Senator answer a question on the amendment?

In every case of this character, it would always be a question of first amendment rights and constitutionality.

Mr. TALMADGE. Yes.

Mr. JAVITS. I think it would be extremely useful. It sounds intelligible and sounds right and does not sound contrary to the Constitution.

Mr. TALMADGE. I may say I checked out the very question the Senator raises with the legislative counsel, and was informed that the first amendment did not protect a person knowingly publishing false and defamatory statements. The amendment is drawn so it must be willfully and knowingly done.

Mr. JAVITS. As I say, it sounded right to me, but I think it would be useful to us if we could get the legislative drafting services to get a legislative memorandum which the Senator could put into the RECORD.

Mr. TALMADGE. I think I have one in my office. I did not anticipate offering the amendment at this time.

At this time I would like to make the following statement as a part of my remarks.

Mr. President, during the so-called Watergate Committee's investigation into the 1972 Presidential campaign, what has since come to be known as the "dirty tricks" escapades came to light. An extreme case involved the actions of one witness who deliberately put together a false and malicious letter accusing two prominent candidates of deviancy. Other campaign workers prepared and circulated brochures and letters grossly misrepresenting prior remarks of opposition candidates. Major candidates became the targets of calculated half-truths and complete falsehoods.

American politics has always been rough and tumble. Campaigns are often highly partisan and, in many ways, this is a healthy sign of a free society. Certainly, none of us advocates a one-party system, or even a system where the major parties closely resemble one another. Most people want and all of us are entitled to hear both sides of the issues. But I do not think that people ought to be misled by fraud and deception.

Tricks and pranks in political life have been with us since the early days of our Republic. Americans enjoy humor, and humor has a legitimate place in the give-and-take of political campaigns. So does criticism. If a candidate or party has a weak point, I agree that other candidates should be able to lampoon or criticize it. Democrats have done it to Republicans, and Republicans have done it to Democrats. Anyone who stands for election realizes that you have to take the heat, or else you should get out of the kitchen.

Mr. President, the right to vote is sacred. I do not ever want to see the election process in our country subverted. There is no need and there is no place for outright lying in campaigns, especially when such lies carry strong and sensational charges. The law should be strengthened to deter and, if necessary, to punish those who would use the calculated falsehood to take unjust advantage of the voting public.

For this purpose, I am proposing an amendment which makes it a Federal crime to prepare or otherwise participate in unscrupulous "dirty tricks" aimed at destroying the character of political candidates on untrue grounds. We should take sensible steps to stop such grossly unethical practices.

In so doing, we must be ever mindful of the first amendment, which protects free speech. The Constitution says that you have a right to speak your piece. It protects those who, in good faith, verbally blast or put on satires or criticisms of political candidates. It protects those who, in good faith, attack the views of candidates. I know of no other country on Earth whose citizens enjoy such broad freedom.

Still, in my view, there is a point at which speech becomes unprotected conduct. Political speech is usually protected, but calculated lies are not. The Supreme Court has recognized this in a wide variety of cases.

My amendment attempts to clarify just where that point is in Federal political campaigns. It makes it unlawful to knowingly and willfully prepare or send out clearly false and defamatory information about recognized candidates for elected Federal office. For example, my amendment makes it unlawful to write a letter to a newspaper falsely stating that a candidate has been in a mental institution when the letter writer knows this assertion is not true.

On the other hand, this statute does not extend to the good faith preparation or distribution of material reflecting the author's views, no matter how controversial they might be. If a man honestly disagrees with a candidate or that candidate's positions, he can write what he will, so long as he does not send out what he either knows is or has deliberately and maliciously arranged so as to be defamatory and untrue. If Congressional Candidate X constantly socializes with corporate executives, a critic could print an advertisement with a picture of X shaking hands with these corporate officials and caption it "Do You Want Fat Cats Running the Country?" But it would be unlawful for that advertisement to say "X Accepts Big Contribution from Fat Cats" if that was known by the author to be untrue.

Mr. President, actual knowledge and deliberate lying are the keys to this crime. It does not extend to reckless or negligent conduct, which is already adequately covered by the libel and slander laws. It does not extend to the press innocently printing a spurious or false letter to the editor. It does not make it unlawful for the media to transmit a candidate's speech, even though that speech might misrepresent the facts or be laden with inaccuracies. It is a carefully drafted proposal which permits the free flow of ideas in the political marketplace. It forbids outright lying and intentional misrepresentations.

In Garrison versus Louisiana, the Supreme Court stated that:

> The use of calculated falsehood, however, would put a different cast on the constitutional question. Although honest utterance, even if inaccurate, may further the fruitful exercise of the right of free speech, it does not follow that the lie, knowingly and deliberately published about a public official, should enjoy a like immunity. At the time the First Amendment was adopted, as today, there were those unscrupulous enough and skillful enough to use the deliberate . . . falsehood as an effective political tool to unseat the public servant or even topple an administration. That speech is used as a tool for political ends does not automatically bring it under the protective mantle of the Constitution. For the use of the known lie as a tool is at once at odds with the premises of democratic government and with the orderly manner in which economic, social, or political change is to be effected. Calculated falsehood falls into that class of utterances which "are no essential part of any exposition of ideas, and are of such slight social value as a step to truth that any benefit that may be derived from them is clearly outweighed by the social interest in order and morality. . . ." Hence the knowingly false statement do[es] not enjoy constitutional protection.

This amendment is not a cure-all for "dirty tricks." I recognize the right to dissent and to speak out. I have no quarrel with those who "shoot from the hip" when they speak. But, there is no right to prepare calculated falsehoods. My amendment shuts the door on a tiny minority of people who would sit down and deliberately write a defamatory lie concerning a candidate for elected Federal office. I hope it will be adopted.

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

Mr. TALMADGE. I yield.

Mr. GRIFFIN. I support the amendment offered, and I think it is a valuable contribution. It goes without saying—and I want to establish this—that the amendment would apply to a newspaper reporter, a newspaper publisher, just as much as it would apply to someone else who caused to be published matters that were knowingly false. Is that not true?

Mr. TALMADGE. I think it perhaps would. However, it is aimed at mails shipped in interstate commerce, and I think it would.

Mr. GRIFFIN. It says, "No person shall cause to be published a false and defamatory statement about the character or professional ability of a candidate."

Mr. TALMADGE. That is right.

Mr. GRIFFIN. "No person" is an all-inclusive category, and I would assume that if there were a newspaper reporter or a newspaper publisher who caused to be published a false and defamatory statement about a candidate, knowing it to be false, this amendment would apply to them. I want to be sure that is a proper understanding.

Mr. TALMADGE. I think that is right.

Mr. GRIFFIN. I thank the Senator.

Mr. TALMADGE. I thank my distinguished colleague.

Mr. PELL. Mr. President, there is a question I would like to raise here, and that is, would this amendment apply to books as well as articles or campaign literature?

Mr. TALMADGE. The amendment reads:

> No person shall cause to be published a false and defamatory statement about the character or professional ability of a candidate for Federal office with respect to the qualifications of that candidate for that office if such person knows that such statement is false.

I think it would. However, it is not a common practice to publish books in political campaigns. What this amendment is aimed at is some fellow circulating around the country, creating an instance like we had in New Hampshire, where they said Senator MUSKIE has said something derogatory about some particular ethnic group in the State of Maine.

Also, the distinguished Senator from Minnesota was victimized in the State of Florida by the same group. Also, the distinguished Senator from Washington was victimized.

This amendment is intended to provide a prohibition against that kind of action. I think it would be applicable to anyone who published it, but he must publish it knowing it to be false at the time.

Mr. PELL. It is my understanding that, under Sullivan against New York Times, if one is a public figure—and that includes any candidate for public office—there is virtually no law of libel that is applicable.

Mr. TALMADGE. They reduced severely, as I understand the Sullivan case, the ability to recover in a libel suit by anyone in public office. I believe it must be proved that it was malicious and false and done with a malicious motive.

Mr. PELL. To prove a motive—the Senator from Georgia as a lawyer is much more familiar with this than I am—is a very difficult thing.

Mr. TALMADGE. This does not relate to motive.

Mr. PELL. That is correct.

Mr. TALMADGE. It relates to whether or not the man who makes the publication knew it to be false at the time.

Mr. PELL. I completely support the objective of the Senator from Georgia. I am wondering if this amendment would run counter to the Supreme Court ruling in Sullivan versus New York Times.

Mr. TALMADGE. Of course, that was a suit in libel. This does not deal with libel cases at all.

Mr. PELL. So there would be no conflict with constitutionality?

Mr. TALMADGE. There would be no conflict with respect to libel at all under this amendment as it is written. This creates a new penalty, a misdemeanor, for someone who publishes a false and defamatory statement about the character or professional ability of a candidate and introduces it into a campaign, if he knew the publication to be false at the time he made it.

Mr. PELL. I think it is an excellent idea, and, at the moment, I look forward to recommending to my colleagues that it be approved.

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

Mr. TALMADGE. I yield.

Mr. GRIFFIN. Is it the intention of the Senator from Georgia to have this amendment adopted without a rollcall vote? I think it is unfortunate——

Mr. TALMADGE. I understood, after conference with the floor manager (Mr. CANNON) at the time, and also his Republican counterpart, that they were prepared to accept the amendment.

Mr. GRIFFIN. I have no doubt about that.

Mr. TALMADGE. I never ask for a rollcall when I can get a default judgment.

Mr. GRIFFIN. I do not doubt that. I think it is unfortunate that we do not have a rollcall vote so the Senate could express itself overwhelmingly in favor of this amendment; and I am thinking that it might possibly have some side effect on the Supreme Court when they have another case coming up and they are considering the constitutionality of it, but maybe not.

Mr. TALMADGE. I have no objection to a rollcall vote.

I understood one Senator to tell other Senators a few minutes ago that there would be no more rollcall votes tonight. It could go over until Monday. I would have no objection to that. If the distinguished acting majority leader would set a time certain for a vote, I would have no objection.

Mr. ROBERT C. BYRD. Mr. President, may I ask the distinguished Senator, along with the assistant minority leader and the acting manager of the bill, how much time they think they would want to debate this amendment?

Mr. TALMADGE. Thirty minutes, 15 minutes to a side.

UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday, after conclusion of the routine morning business, the Senate resume consideration of the unfinished business, S. 3044, and that at that time the amendment of the distinguished Senator from Georgia (Mr. TALMADGE) be made the pending question.

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

Mr. ROBERT C. BYRD. And I ask unanimous consent that there be a time limitation on the amendment by the distinguished Senator from Georgia (Mr. TALMADGE) of 30 minutes, to be equally divided between Mr. TALMADGE and the manager of the bill, or if the manager of the bill supports the amendment, then the time in opposition thereto be under the control of the distinguished minority leader or his designee, and that the time be equally divided.

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

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

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

Mr. ROBERT C. BYRD. I yield to the distinguished Senator from Minnesota.

HANK AARON TIES HOME RUN RECORD

Mr. HUMPHREY. Mr. President, we listened with great interest—and I did with excitement—to the announcement made by our distinguished colleague from Georgia (Mr. TALMADGE) about the spectacular feat of Henry "Hank" Aaron, of the Atlanta Braves, tying the home run record of the great George Herman "Babe" Ruth on this day of April 4.

I have consulted with my good friend from Georgia, who is always a charitable and considerate gentleman, and he knows I am a real baseball enthusiast and cheer even when my Minnesota Twins lose, and refuse to admit that they lose. On this occasion he has permitted me to initiate, on his behalf and on behalf of his colleague Senator NUNN, and the distinguished acting minority leader (Mr. GRIFFIN), and the distinguished majority whip (Mr. ROBERT C. BYRD), to submit a resolution, for which I shall ask immediate consideration. The resolution reads as follows:

S. RES. 303

Whereas, baseball is a great American sport;

Whereas Hank Aaron of the Atlanta Braves has brought great honor to his team, his race, and himself;

Whereas Hank Aaron on the date of April 4, 1974, has tied the home run record of George Herman (Babe) Ruth;

Be it hereby Resolved, That the United States Senate expresses its congratulations to Hank Aaron on hitting home run number 714 on the date of April 4, 1974, in the game between Atlanta Braves and the Cincinnati Reds, at Cincinnati, Ohio.

Mr. TALMADGE. Mr. President, will the distinguished Senator from Minnesota yield?

Mr. HUMPHREY. I am happy to yield.

Mr. TALMADGE. I congratulate the Senator on his leadership in submitting the resolution, and I am happy to be a consponsor thereof.

A few moments ago we heard remarks on the Senate floor congratulating Hank Aaron. I urge the Senate to approve overwhelmingly the resolution that has been submitted by the distinguished Senator from Minnesota (Mr. HUMPHREY), of which I am proud to be a cosponsor.

Mr. HUMPHREY. Mr. President, as in many other instances in my life, I have received inspiration and guidance from the distinguished Senator from Georgia. In this instance, I did so again. The Senator from Minnesota, who loves baseball night or day, win or lose, has had wholehearted cooperation from these remarkable men of the Senate, who are baseball fans—our two friends from Georgia (Mr. TALMADGE and Mr. NUNN), the distinguished Senator from Michigan (Mr. GRIFFIN), and the distinguished Senator from West Virginia (Mr. ROBERT C. BYRD).

Mr. President, I ask unanimous consent that we proceed to the consideration of the resolution and that it be approved.

The PRESIDING OFFICER (Mr. MCCLURE). Is there objection to the present consideration of the resolution?

There being no objection, the resolution (S. Res. 303) was considered and agreed to.

Mr. GRIFFIN. It was agreed to unanimously.

The PRESIDING OFFICER. The record will so reflect.

REFERRAL OF H.R. 13613

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the message from the House of Representatives

on H.R. 13613 be jointly referred to the Committee on Commerce and the Committee on Government Operations. A companion bill, S. 707, was jointly referred to those two committees.

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

ORDER FOR RECOGNITION OF SENATOR BEALL TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the distinguished Senator from Wisconsin (Mr. PROXMIRE) completes his remarks tomorrow, under the order previously entered, the distinguished junior Senator from Maryland (Mr. BEALL) be recognized for not to exceed 15 minutes.

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

ORDER TO TRANSACT ROUTINE MORNING BUSINESS TOMORROW; AND RESUMPTION OF CONSIDERATION OF S. 3044

Mr. ROBERT C. BYRD. Mr. President, following the completion of the remarks of the Senator from Wisconsin and the Senator from Maryland tomorrow, I ask unanimous consent that there be a period for the transaction of routine business of not to exceed 15 minutes, with statements herein limited to 5 minutes each; and that following the conclusion of morning business, the Senate resume the consideration of S. 3044.

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

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

NO YEA-AND-NAY VOTES TOMORROW, OR ON MONDAY BEFORE 3:30 P.M.

Mr. ROBERT C. BYRD. Mr. President, the distinguished majority leader earlier today indicated that there would be no yea-and-nay votes tomorrow and that any votes that may be ordered on amendments tomorrow or on Monday will not occur earlier than the hour of 3:30 p.m. on Monday.

I ask unanimous consent that any vote which may be ordered on amendments or motions, or otherwise, tomorrow, and that any votes that may be ordered up until the hour of 3:30 p.m. on Monday, not occur before the hour of 3:30 on Monday.

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

Mr. ROBERT C. BYRD. Senators will thereby be informed that there will definitely be no rollcall votes tomorrow, and no rollcall votes on Monday until the hour of 3:30 p.m.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene tomorrow at the hour of 10 o'clock a.m.

After the two leaders or their designees have been recognized under the standing order, the Senator from Wisconsin (Mr. PROXMIRE) will be recognized for not to exceed 15 minutes. He will be followed by the Senator from Maryland (Mr. BEALL) for not to exceed 15 minutes.

There will then ensue a period for transaction of routine morning business of not to exceed 15 minutes, with statements therein limited to 5 minutes each.

At the conclusion of the period for routine morning business, the Senate will resume the consideration of the unfinished business, S. 3044.

There will be no yea-and-nay votes tomorrow. Action may be taken on that bill if it is by voice votes; but if any rollcall votes are ordered, they will be put over until Monday and will occur beginning at 3:30 p.m.

ADJOURNMENT

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until the hour of 10 o'clock tomorrow morning.

The motion was agreed to; and at 4:46 p.m. the Senate adjourned until tomorrow, Friday, April 5, 1974, at 10 o'clock a.m.

NOMINATIONS

Executive nominations received by the Senate April 4, 1974:

OVERSEAS PRIVATE INVESTMENT CORPORATION

The following-named persons to be members of the Board of Directors of the Overseas Private Investment Corporation for terms expiring December 17, 1976:

Gustave M. Hauser, of New York. (Reappointment)

James A. Suffridge, of Florida. (Reappointment)

CONFIRMATIONS

Executive nominations confirmed by the Senate April 4, 1974:

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

James L. Mitchell, of Illinois, to be Under Secretary of the Department of Housing and Urban Development.

NATIONAL CREDIT UNION BOARD

James W. Jamieson, of California, to be a member of the National Credit Union Board for a term expiring December 31, 1979.

FARM CREDIT ADMINISTRATION

The following-named persons to be members of the Federal Farm Credit Board, Farm Credit Administration, for terms expiring March 31, 1980:

Galen B. Brubaker, of Virginia.

Dennis S. Lundsgaard, of Iowa.

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

HOUSE OF REPRESENTATIVES—*Thursday, April 4, 1974*

The House met at 12 o'clock noon.

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

Let us come boldly to the throne of grace, that we may obtain mercy and find grace to help in time of need.—Hebrews 4: 16.

O Lord, our God, in the beauty and glory of a new day, we lift our hearts unto Thee ere we set our faces toward the tasks that confront us. We would quiet our souls in Thy presence and rest in the promise of Thy sustaining strength and Thy steadying power.

Amid all the voices that clamor for our attention may we listen to Thy still, small voice which alone can help us to be true to our faith, to keep up our courage and to let love live in our lives.

By Thy grace may we not add to the dissension of our day by any ill will on our part, but may we widen the areas of good will by the influence of our own good will, knowing that only with Thee can we face the present and the future unafraid.

We pray for France in the loss of her President. May the comfort of Thy spirit abide in the hearts of her countrymen. Together make us strong in Thee and in the spirit of Christ our Lord. Amen.

THE JOURNAL

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

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE PRESIDENT

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

MESSAGE FROM THE SENATE

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

H.R. 12678. An act to amend the Emergency Petroleum Allocation Act of 1973, to establish the Federal Energy Emergency Administration, to require the President to roll back prices for crude oil and petroleum products, and for other purposes.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 6186) entitled "An act to amend the District of Columbia Revenue Act of 1947 regarding taxability of dividends re-