United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 94th CONGRESS, FIRST SESSION

SENATE—*Friday, April 25, 1975*

The Senate met at 12 noon, on the expiration of the recess, and was called to order by Hon. JOHN GLENN, a Senator from the State of Ohio.

PRAYER

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

Eternal Father, Ruler of men and nations, we beseech Thee to revitalize the inner life of this Nation. Rekindle in us the fires of pure religion and true patriotism. As our fathers trusted in Thee, so amid all change make us to know that in the march of time Thou art the same yesterday, today, and forever. Pardon our sins, correct our mistakes, overrule erroneous judgments, and cleanse the roots of national life. Guide by Thy higher wisdom all who bear the burdens of public office that they may be true servants of the common good. In this forum of freedom, help us to worship while we work, and so dwell in our hearts and minds, that high decisions made here may lift the world nearer to that kingdom whose builder and maker is God. 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 25, 1975.

To the Senate:

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

JAMES O. EASTLAND,
President pro tempore.

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

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Journal of the proceedings of Thursday, April 24, 1975, be approved.

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

COMMITTEE MEETINGS DURING SENATE SESSION

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

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

WORLD FOOD CONFERENCE IN 1976

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 87, Senate Concurrent Resolution 19.

The ACTING PRESIDENT pro tempore. The concurrent resolution will be stated by title.

The legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 19) relating to the World Food Conference of 1976 in Ames, Iowa.

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

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. CLARK. Mr. President, the World Food Conference of 1976 in Ames, Iowa, is an effort that deserves unanimous congressional support. This meeting of experts to discuss, debate, and help find resolutions to the critical food problems facing the world today is essential.

The problems of food production and distribution were discussed at the World Food Conference in Rome, and representatives from more than 130 nations agreed on need for more scientific investigation and evaluation on food issues. The Ames Conference meets that need. Scientists from all over the world will consider the available data on food production and discuss their own projections of the potential ability of nations to meet food needs.

I urge all of my colleagues to support this resolution which endorses the purpose and effort at Ames, Iowa, of the World Food Conference of 1976.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

The concurrent resolution was agreed to.

The preamble was agreed to.

The concurrent resolution, with its preamble, is as follows:

Whereas the means of producing, processing and distributing food in nutritionally adequate quantities to feed an increasing world population is an awesome problem confronting the world today; and

Whereas the land grant colleges of the United States have made notable contributions to increased agricultural efficiency and improved quality of food and feed crops, particularly through developments in soybean and maize crops, animal breeding and feeding efficiency, farm machinery, and the dissemination of information to farmers and consumers; and

Whereas the Iowa State University of Science and Technology, one of the Nation's foremost land grant colleges, will host the World Food Conference of 1976 in Ames, Iowa, from June 27 through July 1, 1976; and

Whereas the subject of the World Food Conferene of 1976 will be "The Role of the Professional in Feeding Mankind"; and

Whereas such conference will bring together scientists and scholars from many disciplines and many countries for the purpose of sharing and increasing agricultural and nutritional knowledge among the world's scientists and teachers, and for the purpose of accelerating the development of methods of food production, processing, and distribution that will result in improved capabilities for meeting the food and nutritional needs of all the people of the world; and

Whereas the American Revolution Bicentennial Administration has endorsed the World Food Conference of 1976 as a bicentennial project of national and international significance: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Congress of the United States endorses the World Food Conference of 1976 to be held in Ames, Iowa, from June 27 through July 1, 1976, and commends the Iowa State University of Science and Technology for a humanitarian undertaking of international significance.

REMARKS OF SENATOR MANSFIELD AT THE DEMOCRATIC CONGRESSIONAL DINNER

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD remarks I made last evening at the Democratic Congressional Dinner.

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

REMARKS OF SENATOR MIKE MANSFIELD, DEMOCRAT OF MONTANA, AT THE DEMOCRATIC CONGRESSIONAL DINNER, THE WASHINGTON HILTON HOTEL, THURSDAY, APRIL 24, 1975, 7 P.M.

We are here, tonight, to lay the groundwork for the political campaign of 1976. Congressional elections still cost money and congressional dinners are one of the less painful and more straightforward ways of raising it. Those who share in this event are performing not merely a party chore but a civic service in support of a free democratic system.

A congressional dinner is not the usual setting for serious remarks. Yet, recent events require that some be introduced here tonight. That we are gathered for a political rally does not excuse us from

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comment on the situation which confronts the Nation. Nor should we avoid doing so for fear that what may be said will be dismissed as partisan.

To be sure, what is spoken tonight and in the months ahead may bear on what happens to this party in the next election. Far more important, however, it bears on the responsibility of the congressional majority—no less than the President—to account to the people.

As we open a congressional campaign here, an era of American policy is closing on the other side of the globe. It has been a tragic era, a most tragic era. The President is correct when he says we need now to look ahead.

The time is not for finger-pointing; in any event, the fingers are on the hands of both parties. Nor is this the place for blame-fixing, there is enough to go around the political circle and more.

This is a time and this is a place, however, to take note of what the Southeast Asian experience has done to us all. The war has already changed the life of this Nation and will continue to do so. It subtracts from the well-being of the people. It is part and parcel of the inflation-recession. It is of the root of national divisions and disturbances. It leaves deep scars of grief and doubt throughout the Nation. These are realities from which there is no escape. We will have to live with them for a long time to come.

But the war need not leave us without hope.

One of a decade of tragedy, this Nation can emerge into a new day. We can do so if we do not now make haste to sweep the experience under the rug or to dismiss it as a bad dream. Instead, we need to ask ourselves: Do we more clearly perceive the limits of our international strength? Has the bitter conflict lit up the difference between international cooperation and isolated internationalism, to the end that henceforth, we will pursue the former vigorously and, avoid the latter? Will we now put some restraints on unilateral efforts to force the pace of world peace, progress, and freedom? Will we now eschew dead-end ideological crusades abroad? Has the vast wastage of this war made clear that we must take a new look at the accumulated needs of our own people? Is the Federal Government now enjoined to concentrate more on revitalizing the Nation's inner life and unity?

These questions are of the very substance of the political campaign which is now beginning. They cannot be evaded by any responsible political party. They must be confronted. Your party in Congress is alert to them. More than ever before, we are unified in our responses to them. We are determined to seek answers to the Nation's difficulties with new policies and in new directions. Yet we do not approach them with a cackling partisanship. The President and his party willing, we are prepared to work with them for our common objective—a better Nation in a better world.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Does the Senator from Virginia, as acting minority leader, seek recognition?

Mr. WILLIAM L. SCOTT. I do not.

Mr. MANSFIELD. Mr. President, I do not seek further recognition.

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business, for not to exceed 15 minutes, with statements therein limited to 5 minutes.

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

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

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. 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.

MESSAGES FROM THE PRESIDENT

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

REPORT ON THE ALASKA RAILROAD—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore (Mr. GLENN) laid before the Senate a message from the President of the United States transmitting the annual report by the Secretary of Transportation on the operations of the Alaska Railroad, which, with the accompanying report, was referred to the Committee on Commerce. The message is as follows:

To the Congress of the United States:

I transmit herewith the annual report by the Secretary of Transportation on the operations and activities of the Alaska Railroad, as required by the Alaska Railroad Act of March 12, 1914.

GERALD R. FORD.

THE WHITE HOUSE, *April 25, 1975.*

PROPOSED REVISION OF THE STATE AND LOCAL FISCAL ASSISTANCE ACT OF 1972—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore laid before the Senate a message from the President of the United States transmitting a draft of proposed legislation to extend and revise the State and Local Fiscal Assistance Act of 1972, which was referred to the Committee on Finance. The message is as follows:

To the Congress of the United States:

I am today transmitting to the Congress proposed legislation to extend and revise the State and Local Fiscal Assistance Act of 1972. The act, and the General Revenue Sharing program which it authorizes, expires on December 31, 1976. I strongly recommend that the Congress act to continue this highly successful and important new element of American Federalism well in advance of the expiration date, in order that State and local governments can make sound fiscal plans.

THE VALUE OF FEDERALISM

The genius of American government is the Federal system of shared sovereignty. This system permits and promotes creativity and freedom of action simultaneously at three levels of government. Federalism enables our people to approach their problems through the governments closest to them, rather than looking to an all-powerful central bureaucracy for every answer.

With the Federal Government heavily committed to international affairs, the Nation's defense, the state of the economy and the energy problem, we need strong, effective State and local governments to meet the everyday needs of our people—for good police and fire protection, education, transportation, sanitation, and the basic services of a well-governed society.

In 1972, when General Revenue Sharing was passed, the Federal partnership was in trouble. The Federal Government, with its highly efficient taxing system, then collected some two-thirds of the Nation's total tax revenues. Federal revenues, particularly because of the income tax, grew with the economy. However, State and local revenues are more dependent on real property taxes and sales taxes. These governments had to meet rising demands for services and costs through endless rounds of tax increases. Simply stated, revenues had grown fastest at the Federal level, while needs were growing fastest at the State and local levels.

The Federal Government, then as now, sought to help States and communities meet their needs through Federal aid. For the most part, this aid is in the form of categorical grants—that is, narrowly defined, closely controlled grants for specific purposes. Today, over one thousand of these categorical grants are available for almost every imaginable objective.

However, the necessity to go to Washington for the solution to many local problems has had a stifling effect on the creativity and accountability of State and local governments. Along with Federal aid comes Federal restrictions which limit local initiative and flexibility.

Furthermore, until the concept of bloc grants was developed, States and localities were limited to categorical grants which were designed to lead State and local governments in new directions. Consequently, the recipients, all too often, headed in the direction where the grant moneys were available, rather than where their genuine needs existed.

Finally, much of the aid the Federal Government makes available has to be matched by State and local funds. The impact of this requirement is often to aggravate rather than to alleviate a State or local government's financial plight.

This was the situation the executive branch and the Congress faced in 1972—a Federal system endangered by the growing impoverishment of two out of the system's three partners. This is the situation that the Federal Government wisely met, by the passage of General Revenue Sharing.

This program has been a resounding success. Since its enactment, General

Revenue Sharing has provided nearly $19 billion to 50 States and some 39,000 local governments—money which these governments could use as they saw fit to meet their priority needs.

These Federal revenue sharing dollars have meant new crime fighting equipment and more police on the street, help for essential mass transportation, a better environment, improved fire protection and many other useful public activities. If some communities have not used their revenue sharing funds wisely, they are a miniscule fraction of governments which have used this money well.

The current Revenue Sharing Act has also enabled individuals and citizen groups to play their part in determining the use of these Federal funds in their communities by placing the decision on the use of these funds at the local rather than the Federal level. This citizen participation strengthens our democracy in the best possible way. It is my intention to strengthen our efforts to encourage the widest possible citizen participation.

THE NEED GOES ON

General revenue sharing has also been the keystone of additional efforts to reform Federal aid. The new block grant programs, more decentralized grant management, joint funding projects and grant integration, improved program information and executive reorganization have all been included in a large-scale effort to make better sense of and to get greater results from the billions granted to State and local governments.

The General Revenue Sharing program enacted in 1972 turned a corner. It caught a serious problem in time and helped us get back on the road to a sounder Federalism, of shared rights and responsibilities.

Many State and local governments are facing deficits with the prospect of having to raise additional taxes or cut services. Our States and localities are facing these adverse developments at a time when their fiscal responsibilities have mounted due to the impact of inflation on their expenditures and the tax burdens placed on citizens. Further, the present high unemployment is taking its toll in terms of lower receipts and higher costs on States and communities. This combination of financial pressures is likely to continue to bear down on these governments for the foreseeable future.

Many units of governments, particularly in distressed urban areas, count on these funds for their budget planning. If the flow of shared revenues were to be turned off or scaled down, the results would be immediate and painful. Our efforts to revive the economy would suffer a serious blow. States, cities, counties and small communities would have to either cut back essential services causing increased public and related private unemployment or tax more or borrow more—thus defeating the objectives of our national efforts to reduce the total tax load and revive the economy.

Enactment of Federal revenue sharing was a wise decision in 1972. Its continuation is imperative now. Before deciding to recommend extension of this program, I directed that an exhaustive study be made of the present program to identify its strengths and weaknesses. This assessment has been carried out and has taken into account the views of the Congress, State and local government officials, interested citizen bodies, and private study groups analyzing government policy. I will also consider any significant findings which may yet emerge from studies presently underway.

Based on our review of this work, I am now proposing to the Congress legislation which will maintain the basic features of the existing revenue sharing program while offering several improvements.

The principal elements of the renewal legislation I am proposing are:

—The basic revenue sharing formula is retained. Experience to date suggests the essential fairness of the present formula and I recommend its retention.

—Funds will be authorized for five and three-quarters years. The effect of this provision is to conform the time period to the new Federal fiscal year.

—The current method of funding with annual increases of $150 million will be retained to compensate, in part, for the impact of inflation. Over the five and three-quarters years, this level will produce a total distribution of Federal revenues of $39.85 billion. By the final year, the revenues shared will have increased by $937 million over the current level of payments.

—Recognizing the need to raise the existing per capita constraint on the basic formula, my proposal would permit those hard-pressed jurisdictions now constrained by the per capita limitation to receive more money. The impact of this change on other communities would be minimized by phasing the change in five steps and by the increase of $150 million annually.

—To strengthen the civil rights provisions of the existing statute the proposed legislation would authorize the Secretary of the Treasury to invoke several remedies to enforce the nondiscrimination provisions of the act. This would be accomplished by stating explicitly that the Secretary has authority to withhold all or a portion of entitlement funds due a State or unit of local government, to terminate one or more payments of entitlement funds, and to require repayment of entitlement funds previously expended in a program or activity found to have been discriminatory. This change will further enhance the Secretary's ability to ensure that none of our citizens is denied on grounds of race, color, sex or national origin the benefits of any program funded in whole or in part through revenue sharing.

—To strengthen public participation in determining the use of shared revenues, the proposed legislation requires that recipient governments must provide a procedure for citizen participation in the allocation of revenue sharing monies.

—The Administration proposal would also make reporting requirements more flexible to meet varying needs from community to community. The legislation would grant the Secretary of the Treasury greater latitude in determining the form of reports and the kind of information required of recipients. Similarly, he would have more flexibility to determine the method by which recipient governments must publicize their use of funds.

—Finally, the proposal requires a reconsideration of the program two years before its expiration.

EARLY RENEWAL IS IMPORTANT

I urge the Congress at its earliest convenience to begin deliberations on the renewal of the State and Local Fiscal Assistance Act of 1972. Effective planning at the State capitols, city halls, and county courthouses will require action in this first session of the 94th Congress. In fact, in the fall of 1975 many of our States and local governments will be preparing their fiscal year 1977 budgets. It will be essential for them to know at that time whether General Revenue Sharing funds will be available to them after December, 1976.

The expiration of the present General Revenue Sharing Law is coincident with the year in which the Nation celebrates its bicentennial. There could be no more practical reaffirmation of the Federal compact which launched this Country than to renew the program which has done so much to preserve and strengthen that compact—General Revenue Sharing.

GERALD R. FORD.

THE WHITE HOUSE, *April 25, 1975.*

REPORT OF THE ADMINISTRATOR OF THE NATIONAL CREDIT UNION ADMINISTRATION—A MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore laid bfeore the Senate a message from the President of the United States transmitting the annual report of the Administrator of the National Credit Union Administration, which, with the accommpanying report, was referred to the Committee on Banking, Housing and Urban Affairs. The message is as follows:

To the Congress of the United States:

Pursuant to the provisions of Title I, section 102, of the Federal Credit Union Act, as amended (12 U.S.C. 1752a(e)), enclosed is the Annual Report of the Administrator, National Credit Union Administration for the calendar year

GERALD R. FORD.

THE WHITE HOUSE, *April 25, 1975.*

MESSAGE FROM THE HOUSE

At 12:03 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the bill (H.R. 4975) to amend the Rail Passenger Service Act to provide financial

assistance to the National Railroad Passenger Corporation, and for other purposes, in which it requests the concurrence of the Senate.

The message also announced that the House insists upon its amendments to the bill (S. 249) to amend the Securities Exchange Act of 1934, and for other purposes; requests a conference with the Senate on the disagreeing votes of the two Houses thereon; and that Mr. STAGGERS, Mr. Moss, Mr. VAN DEERLIN, Mr. STUCKEY, Mr. ECKHARDT, Mr. MCCOLLISTER, and Mr. BROYHILL were appointed managers of the conference on the part of the House.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

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

DETERMINATION PERMITTING SALE OF WHEAT

A letter from the Assistant Secretary for Congressional Relations of the Department of State transmitting, pursuant to law, a determination permitting the sale of 300,000 metric tons of wheat/wheat flour to Egypt under the Agricultural Trade Development and Assistance Act of 1954, as amended (with accompanying papers); to the Committee on Agriculture and Forestry.

REPORT OF THE ASSISTANT SECRETARY FOR EDUCATION OF THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

A letter from the Assistant Secretary for Education of the Department of Health, Education, and Welfare transmitting a bound copy of the report entitled "Condition of Education Report" (with an accompanying report); to the Committee on Labor and Public Welfare.

NONDISCRIMINATORY TREATMENT TO THE PRODUCTS OF THE SOCIALIST REPUBLIC OF ROMANIA

A communication from the President of the United States transmitting, pursuant to law, a copy of a proclamation extending nondiscriminatory treatment to the products of the Socialist Republic of Romania (with accompanying papers); to the Committee on Finance.

PROPOSED LEGISLATION BY THE SECRETARY OF THE TREASURY

A letter from the Acting Secretary of the Treasury transmitting a draft of proposed legislation to remove the restrictions imposed on the Treasurer of the United States by section 243 of the Revised Statutes (with accompanying papers); to the Committee on Finance.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

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

Senate Resolution No. 225 adopted by the Senate of the Legislature of the State of Hawaii; to the Committee on Labor and Public Welfare:

"SENATE RESOLUTION REQUESTING CONGRESS AND THE PRESIDENT TO ESTABLISH A NATIONAL NETWORK OF YOUTH ADVISORY BOARDS

"Whereas, the Greater Miami Jaycees and Third Century, U.S.A. (Miami's Official Bicentennial Coordinating Organization) have proposed the establishment, by federal law, of a national network of youth advisory boards; and

"Whereas, the purposes of the boards would be to take an active part in governmental affairs at the local, state and national levels, to stimulate interest and participation by young people in civic affairs, to work with existing youth activities and programs to insure well-rounded programs and prevent duplication of effort, to participate in programs to develop leadership and good citizenship among young people and to develop new programs in places that presently have none; now, therefore,

"Be it resolved by the Senate of the Eighth Legislature of the State of Hawaii, Regular Session of 1975, that this comprehensive national network well merits encouragement and establishment by federal law and that Congress should speedily enact it; and

"Be it further resolved that certified copies of this Resolution be transmitted to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, the Chairman of the committees on Commerce and Labor and Public Welfare of the United States Senate, the Chairman of the committees on Education and Labor and Interstate and Foreign Commerce of the United States House of Representatives, the members of Hawaii's congressional delegation, and Mr. Stuart Alan Rado, Project Chairman of the Greater Miami Jaycees."

Senate Resolution No. 125 adopted by the Senate of the Legislature of the State of Hawaii; to the Committee on the Judiciary:

"SENATE RESOLUTION REQUESTING CONGRESS TO GRANT AUTHORITY TO ALL U.S. ISLAND STATES, TERRITORIES AND POSSESSIONS TO CONTROL IN-MIGRATION

"Whereas, the population in the State of Hawaii is now approximately 874,000 and is predicted to be approximately 930,000 by 1980; and

"Whereas, the number of registered motor vehicles registration doubling every twelve years; and

"Whereas, it will be years before an adequate mass transit system will be implemented; and

"Whereas, Hawaii is an island State with limited land area and can, therefore, hold only a finite number of people and necessary buildings, roads, automobiles, et cetera, without destroying the quality of life for those who live here; and

"Whereas, an increasing population consumes more and more of the State's valuable limited natural resources; and

"Whereas, individuals coming into the State must find ways of earning a living and the State's current 7.8 per cent unemployment rate is already above the national average; and

"Whereas, housing in the State of Hawaii particularly within the affordable price range of those of low and moderate income is in very short supply; and

"Whereas, overpopulation creates frustration and anger on the part of the population, which can lead to an erosion of Hawaii's unique and special aloha spirit and in extreme cases even lead to higher crime rates; and

"Whereas, because of inherently limited resources, any island State, Territory, or Possession is peculiarly vulnerable to the myriad problems caused by uncontrolled population expansion; and

"Whereas, to alleviate the population problem, the U.S. Congress may deem it feasible to grant authority to all U.S. island States, Territories and Possessions to control in-migration to their jurisdictions; now therefore,

"Be it resolved by the Senate of the Eighth Legislature of the State of Hawaii, Regular Session of 1975, that the Congress of the United States of America be requested to devise ways and means of granting authority to all U.S. island States, Territories and Possessions to control in-migration to their jurisdictions; and

"Be it further resolved that certified copies of this Resolution be sent to the President of the U.S. Senate, the Speaker of the U.S. House, each member of Hawaii's congressional delegation, the Governor, and the Senate Committee on Consumer Protection."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. LONG, from the Committee on Commerce:

S. 1542. An original bill to authorize appropriations for the fiscal year 1976 for certain maritime programs of the Department of Commerce, (Rept. No. 94-96).

REPORT ON THE ACTIVITIES OF THE COMMITTEE ON ARMED SERVICES—(REPT. NO. 94-95)

Mr. STENNIS. Mr. President, in accordance with the requirements of section 136(b) of the Legislative Reorganization Act of 1946, as amended, submitted herewith is the report on the activities of the Committee on Armed Services during the 93d Congress.

The ACTING PRESIDENT pro tempore. The report will be received and printed.

EXECUTIVE REPORTS OF COMMITTEES

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

By Mr. BEALL, from the Committee on Commerce:

Rogers C. B. Morton, of Maryland, to be Secretary of Commerce.

(The above nomination was reported with the recommendation that it 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. SPARKMAN, from the Committee on Foreign Relations:

John Dellenback, of Oregon, to be an Associate Director of the ACTION Agency.

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

HOUSE BILL REFERRED

The bill (H.R. 4269) to amend the Organic Act of Guam and the Revised Organic Act of the Virgin Islands was read twice by its title and referred to the Committee on Interior and Insular Affairs.

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. PROXMIRE (for himself, Mr. WILLIAMS, and Mr. SPARKMAN):

S. 1537. A bill to amend the Defense Production Act of 1950, as amended. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. YOUNG:

S. 1538. A bill for the relief of Arthur O. Bilden. Referred to the Committee on the Judiciary.

By Mr. KENNEDY:

S. 1539. A bill to authorize appropriations for activities of the National Science Foundation, and for other purposes. Referred to the Committee on Labor and Public Welfare.

By Mr. SPARKMAN (by request):

S. 1540. A bill to provide for Family Financial Centers, and for other purposes. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. CASE (for himself, Mr. SPARKMAN, Mr. JAVITS, Mr. CHURCH, Mr. HUGH SCOTT, Mr. SYMINGTON, Mr. PEARSON, Mr. PELL, Mr. PERCY, Mr. MCGEE, Mr. MCGOVERN, Mr. BAKER, Mr. HUMPHREY, Mr. CLARK, and Mr. BIDEN):

S. 1541. A bill to provide additional humanitarian assistance authorizations for South Vietnam and Cambodia for the fiscal year 1975. Referred to the Committee on Foreign Relations.

By Mr. LONG, from the Committee on Commerce:

S. 1542. An original bill to authorize appropriations for the fiscal year 1976 for certain maritime programs of the Department of Commerce, and for other purposes. Placed on the calendar.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. PROXMIRE (for himself, Mr. WILLIAMS, and Mr. SPARKMAN):

S. 1537. A bill to amend the Defense Production Act of 1950, as amended. Referred to the Committee on Banking, Housing and Urban Affairs.

DEFENSE PRODUCTION ACT AMENDMENTS OF 1975

Mr. PROXMIRE. Mr. President, I am today introducing, for myself and my colleagues, Senator SPARKMAN and Senator WILLIAMS, legislation to extend the Defense Production Act of 1950. This bill, entitled the Defense Production Act Amendments of 1975, will shortly be introduced in the other body by Chairman WRIGHT PATMAN of the Joint Committee on Defense Production, of which I am vice chairman.

The purpose of the bill is twofold. First it will extend for 2 years—or until June 30, 1977—the Defense Production Act. It has been customary to extend this important act every 2 years since it first came into effect over two decades ago. The Senate voted last year to extend the act for 2 years but later acceded to the will of the other body and agreed to the first ever, 1-year extension, which expires on June 30.

The cause for this shorter extension was the National Commission on Supplies and Shortages, which was provided for in section 720 of the act. Originally, it was thought that the Commission would make its required report this spring and that its recommendations would form part of the bill to renew the Defense Production Act. For reasons relating neither to the basic act nor to the Joint Committee, the Commission's timetable has been delayed and its own life has been separately extended by Public Law 94–9 enacted last month.

It is time, therefore, that we return to precedent and extend for another 2 years this vital legislation which allows the Government to carry on the programs that we need to be prepared for a national defense emergency. Before going on to this bill's second purpose, I feel I should note that, during last year's debate over the National Commission on Supplies and Shortages and the extension of the Defense Production Act, it became necessary to renew the DPA for two very short periods by concurrent resolution. For a week, there was, as a matter of fact, no Defense Production Act in effect. As a result, certain agencies were forced to halt ongoing programs authorized by the act. The major such program related to priorities for the performance of defense-related contracts. I hope this year we will be able to avoid a repetition of this lapse. We expect to be able to report a bill soon.

The second purpose of the bill is to clarify that portion of title VII which relates to antitrust immunity for firms requested by the Government to conclude voluntary agreements for purposes of the national defense. These voluntary agreements are the means whereby firms in a given industry may cooperate and exchange information so that they can respond more effectively to national needs which may override the customary provisions of antitrust legislation.

Such voluntary agreements have been used in the oil shortages of 1956–57, 1967, and 1973–74, to smooth out the distribution of this critical resource. Voluntary agreements could and have been required in connection with other resources, such as munitions and railway track-laying vehicles.

Currently, section 708 of the Defense Production Act, which addresses antitrust exemption for voluntary agreements, is rather broad and permissive in nature. It does not contain specific language setting forth procedures that will safeguard the public interest when firms are allowed to share information in a way that would normally result in antitrust action.

The aim of this amendment is to remedy the deficiency I have outlined. It supplies language establishing procedures and criteria for the development of voluntary agreements. First of all, it requires a finding of a real national emergency, one that would cause us to want to overcome the usual restraints on cartel-like activities. More importantly, it provides specific guidelines on public notification, disclosure, and representation; on completeness of records; and on Government participation in and oversight of the voluntary agreements process.

We have been very fortunate in having the assistance of the Judiciary Subcommittee on Antitrust and Monopoly in preparing this new section. The subcommittee's chairman, Senator HART, and the distinguished Senator from Idaho, Mr. CHURCH, have endorsed the revised section 708. Moreover, these provisions to safeguard the public interest have been supported by the administration, for which it is to be commended.

The bill I am introducing will in no way prevent the development of necessary voluntary agreements. While avoiding the possibility of a broad exemption from antitrust laws, it grants limited antitrust immunity under special conditions of national emergency and imposes certain procedural safeguards on officials, agencies, and firms involved in voluntary agreements. The safeguards are reasonable and to the point. They respond to the need increasingly seen in both Houses for an adequate shielding of consumer interests even in times of national emergency.

A further incentive to adoption of these safeguards lies in the fact that the Standby Energy Authorities Act (S. 622), recently passed by the Senate, contains procedural protection for voluntary agreements very similar to that provided for in this legislation. Without this change in the Defense Production Act, there is a very real possibility of a double standard for antitrust immunity where voluntary agreements are concerned, with one standard tightly drawn and the other overly elastic. Such a situation neither serves the public interest nor makes for good law.

Therefore, I introduce the bill at this time and ask unanimous consent that its text 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. 1537

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 "Defense Production Act Amendments of 1975".

SEC. 2. The first sentence of section 717(a) of the Defense Production Act of 1950 (64 Stat. 822) is amended by striking out "June 30, 1975" and inserting in lieu thereof "June 30, 1977".

SEC. 3. Section 708 of the Defense Production Act of 1950 is amended to read as follows:

"SEC. 708. (a) Except as specifically provided in subsection (k) of this section, no provision of this Act shall be deemed to convey to any person any immunity from civil or criminal liability, or to create defenses to actions, under the antitrust laws.

"(b) As used in this section, the term 'antitrust laws' means—

"(1) the Act entitled 'An Act to protect trade and commerce against unlawful restraints and monopolies.', approved, July 2, 1890, (26 Stat. 290), as amended;

"(2) the Act entitled 'An Act to supplement existing laws against unlawful re-

straints and monopolies, and for other purposes.', approved, October 15, 1914, (38 Stat. 730), as amended;

"(3) the Act entitled 'An Act to create a Federal Trade Commission, to define its powers and duties, and for other purposes.', (38 Stat. 717), as amended;

"(4) sections 73 and 74 of the Act entitled 'An Act to reduce taxation, to provide revenue for the Government, and for other purposes.', approved, August 27, 1894 (28 Stat. 579), as amended;

"(5) the Act of June 19, 1936 (49 Stat. 1526); and

"(6) the Act entitled 'An Act to promote export trade and for other purposes.', (40 Stat. 516), as amended.

"(c)(1) Upon finding that an imminent or probable danger to the national defense exists, the President is authorized to consult with representatives of industry, business, financing, agriculture, labor, and other interests, with a view to encouraging the making of voluntary agreements and programs by such persons, and may request the undertaking or entering into of such voluntary agreements or programs in accordance with the provisions of this section, to insure productive capacity in the event of an attack on the United States.

'(2) The authority granted in paragraph (1) of this subsection shall be delegated only (A) to officials who shall for the purpose of such delegation be required to be appointed by the President by and with the advice and consent of the Senate, unless otherwise required to be so appointed, and (B) upon the condition that such officials consult with the Attorney General and with the Chairman of the Federal Trade Commission not less than ten days before making any request thereunder, and (C) upon the condition that such officials obtain the approval of the Attorney General, after consultation with the Federal Trade Commission, to any request thereunder before making the request. For the purpose of carrying out the purposes of title I of this Act, the authority granted in paragraph (1) of this subsection shall not be delegated except to one and only one official of the Government.

"(3) The authority granted in paragraph (1) of this subsection shall be exercised only if the Attorney General, after consultation with the Federal Trade Commission, certifies that such voluntary agreements and programs are necessary to accomplish the objectives of paragraph (1) of this subsection, and that such objectives cannot reasonably be accomplished through alternative means having lesser anticompetitive effects.

"(d) The requirements of this section shall be the sole procedures applicable to the development, implementation, or carrying out of the voluntary agreements or programs to accomplish the objectives of subsection (c)(1) of this section, and to the availability of immunity from the antitrust laws respecting the development, implementation, or carrying out of such voluntary agreements or programs.

"(e)(1)(A) To achieve the objectives of subsection (c)(1) of this section, the President may provide for the establishment of such advisory committees as he determines are necessary. Any such advisory committees shall be subject to the provisions of the Federal Advisory Committee Act, whether or not such Act or any of its provisions expire or terminate during the term of this Act or of such committees, and in all cases such advisory committees shall be chaired by a Federal employee, other than an individual employed pursuant to section 3109 of title 5, United States Code, and shall include representatives of the public, and the meetings of such committees shall be open to the public. The Attorney General and the Federal Trade Commission shall have adequate advance notice of any meeting and may have an official representative attend and participate in any such meeting.

"(B) The authority granted in paragraph (1)(A) of this subsection shall be delegated only (i) to officials who shall for the purpose of such delegation be required to be appointed by the President by and with the advice and consent of the Senate, unless otherwise required to be so appointed, and (ii) upon the conditions that (I) such officials consult with the Attorney General and with the Chairman of the Federal Trade Commission not less than ten days before making any request thereunder, and (II) such officials, after consultation with the Chairman of the Federal Trade Commission, obtain the prior approval of the Attorney General, to any request thereunder. For the purpose of carrying out the objectives of title I of this Act, the authority granted in paragraph (1)(A) of this subsection shall not be delegated except to one and only one official of the Government.

"(2) A full and complete verbatim transcript shall be kept of such advisory committee meetings, and shall be taken and deposited, together with any agreement resulting therefrom, with the Attorney General and the Federal Trade Commission. Such transcript and agreement shall be made available for public inspection and copying, subject to the provisions of section 552 (b)(1) and (b)(3), of title 5, United States Code.

"(f) The Attorney General and the Federal Trade Commission shall promulgate jointly, by rule, standards and procedures by which representatives of industry, business, financing, agriculture, labor and other interests may develop and implement voluntary agreements and programs necessary to accomplish the objectives of subsection (c)(1) of this section.

"(g) That standards and procedures under subsection (f) shall be promulgated pursuant to section 553 of title 5, United States Code. They shall provide, among other things, that—

"(1) such agreements and programs shall be developed by meetings of committees, councils, or other groups which include representatives of the public, of interested segments of the relevent industry or industries and of consumers, and shall in all cases be chaired by a Federal employee other than an individual employed pursuant to section 3109 of title 5, United States Code;

"(2) meetings held to develop a voluntary agreement or program shall—

"(A) permit attendance by interested persons; and

"(B) be preceded by timely and adequate public notice, published in the Federal Register not less than 10 days in advance of any such meeting, including identification of the agenda of such meeting;

"(3) interested persons shall be afforded an opportunity to present, in writing and orally, data, views and arguments at such meetings; and

"(4) a full and complete verbatim transcript shall be kept of any meeting, conference or communication held to develop, implement or carry out a voluntary agreement or program under this section and shall be taken and deposited, together with any agreement resulting therefrom, with the Attorney General and the Federal Trade Commission. Such transcript and agreement shall be available for public inspection and copying, subject to provisions of section 552 (b)(1) and (b)(3) of title 5, United States Code.

"(h) The Federal Trade Commission, after consultation with the Attorney General, may exempt types or classes of meetings, conferences or communications from the requirements of subsection (e)(2) and (g)(4) of this section provided such meetings, conferences or communications are ministerial in nature and are for the sole purpose of implementing or carrying out a voluntary agreement or program authorized pursuant to this section. Such ministerial meeting, conference or communication may take place in accordance with such requirements as the Federal Trade Commission may prescribe by rule. Such persons participating in such meeting, conference or communication shall cause a record to be made specifying the date such meeting, conference, or communication took place and the persons involved, and summarizing the subject matter discussed. Such record shall be filed with the Federal Trade Commission and the Attorney General, where it shall be made available for public inspection and copying.

"(i)(1) The Attorney General and the Federal Trade Commission shall participate from the beginning in the development, implementation and carrying out of voluntary agreements and programs authorized under this section. Each may propose any alternative which would avoid or overcome, to the greatest extent practicable, possible anticompetitive effects while achieving substantially the purposes of subsection (c)(1) of this section. Each shall have the right to review, amend, modify, disapprove, or prospectively revoke, on its own motion or upon the request of any interested person, any voluntary agreement, or program, at any time, and, if revoked, thereby withdraw prospectively the immunity conferred by subsection (k) of this section.

"(2) Any voluntary agreement or program entered into pursuant to this section shall be submitted in writing to the Attorney General and the Federal Trade Commission 20 days before being implemented, and it shall be made available for public inspection and copying.

"(j)(1) The Attorney General and the Federal Trade Commission shall monitor the development, implementation and carrying out of voluntary agreements and programs authorized under this section to assure the protection and fostering of competition and the prevention of anticompetitive practices and effects.

"(2) The Attorney General and the Federal Trade Commission shall promulgate joint regulations concerning the maintenance of necessary and appropriate documents, minutes, transcripts and other records related to the development, implementation, or carrying out of voluntary agreements and programs pursuant to this section.

"(3) Persons developing, implementing, or carrying out voluntary agreements and programs authorized pursuant to this section shall maintain those records required by such joint regulations. The Attorney General and the Federal Trade Commission shall have access to and the right to copy such records at reasonable times and upon reasonable notice.

"(4) The Federal Trade Commission and the Attorney General may each prescribe pursuant to section 553, title 5, United States Code, such rules and regulations as may be necessary or appropriate to carry out their responsibilities under this Act. Each may utilize for such purposes and for purposes of enforcement, any and all powers conferred upon the Federal Trade Commission of the Department of Justice, or both, by any other provision of law, including the antitrust laws; and wherever such provision of law refers to 'the purposes of this Act' or like terms, the reference shall be understood to be this Act.

"(k) There shall be available as a defense to any civil or criminal action brought under

the antitrust laws (or any similar State law) with respect to actions taken in good faith to develop, implement or carry out a voluntary agreement or program that—

"(1) such action was taken—

"(A) in the course of developing a voluntary agreement or program pursuant to this section, or

"(B) pursuant to a voluntary agreement or program authorized and approved in accordance with this section, and

"(2) such persons fully complied with the requirements of this section and the rules and regulations promulgated hereunder.

"(l) The Attorney General is directed to make, or request the Federal Trade Commission to make for him, surveys for the purpose of determining any factors which may tend to eliminate competition, create or strengthen monopolies, injure small business, or otherwise promote undue concentration of economic power in the course of the administration of this Act. Such surveys shall include studies of the voluntary agreements and programs authorized by this section. The Attorney General shall submit to the Congress and the President at least once every year reports setting forth the results of such studies of voluntary agreements and programs authorized by this section."

By Mr. KENNEDY:

S. 1539. A bill to authorize appropriations for activities of the National Science Foundation, and for other purposes. Referred to the Committee on Labor and Public Welfare.

Mr. KENNEDY. Mr. President, as chairman of the Senate Special Subcommittee on the National Science Foundation I am introducing today an authorization for the National Science Foundation for fiscal year 1976 of $854.6 million.

The National Science Foundation is the only Federal agency with a direct mandate to strengthen science and science education. It performs a critically important and unique function—at a time when our need for trained scientists and advances in science is as great as it has ever been. We are looking to our scientists for guidance in finding solutions to air and water pollution control problems; for improved designs for mass transportation system; for more effective utilization and delivery of health services; and for methods of allocating our scarce resources as fairly and effectively as possible.

To carry out these responsibilities the National Science Foundation has been directed by the Congress to:

Strengthen U.S. scientific research in the mathematical, physical, medical, engineering, biological, social, and other sciences.

Focus U.S. science resources on selected current national problems.

Strengthen science education programs at all levels.

Stimulate international scientific cooperation between United States and foreign scientists.

Assist in providing the Nation with highly trained scientists and engineers through a program of fellowships for science and engineering.

Insure that science information is readily available to U.S. scientists and engineers.

Appraise the impact of research upon industrial development and the general welfare, and

Gather and publish scientific and technical data pertinent to national science policy decisionmaking.

An expanding base of scientific knowledge is of critical importance to the Nation's future and to efforts to find ways to deal with a range of domestic and international problems. The products of research by U.S. scientists in all parts of the Nation not only have provided for the progress of science, but provide the knowledge base needed to increase understanding of the principles that govern the physical, life and social sciences—understanding which is essential if we are to enhance the quality of life.

Mr. President, the legislation I am introducing today recognizes that inflation has affected the cost of scientific research and equipment to the same extent that it has affected the cost of food, housing and fuel. This is as true for applied research aimed at meeting our immediate needs, as it is for basic research from which benefits may only be reaped by future generations. It recognizes that our colleges and universities have found their budgets eroded as a result of inflation and rising energy costs, combined with declining income from endowments.

In the face of these facts, the administration sent to the Congress a budget request for the National Science Foundation barely sufficient to keep up with the pace of inflation. Support for science education was requested at a level 12 percent below that requested for fiscal year 1975. Witnesses who testified during hearings on this budget request made clear their belief that in many respects the level of funding requested by the administration is not equal to the challenges which will face the Foundation and the scientific community in the coming fiscal year.

In order to insure a strong Federal commitment to basic research, to maintain the Foundation's role as an innovator in the improvement of science education and to sustain the sound principles of research applied to national needs, I am introducing an authorization to fund the Foundation at a level of $854.6 million. It includes: $394,000,000 for scientific research project support; $117,500,000 for national and special research programs; $60,200,000 for national research centers; $8,000,000 for science information activities; $8,000,000 for international cooperative scientific activities; $90,000,000 for research applied to national needs; $12,000,000 for intergovernmental science and research utilization; $20,000,000 for institutional improvement for science; $77,000,000 for science education improvement; $4,200,000 for planning and policy studies; $4,000,000 for science advisory activities; and $41,700,000 for program development and management.

It places floors under certain critical portions of the National Science Foundation's programs, including research into the ethical and human value implications of science and technology, institutional improvement for science, science education improvement, intergovernmental science programs, science information activities, ethnic minorities and women in science programs, elementary and secondary school programs, and environmental research, including earthquake engineering.

Also included in the authorization I am introducing today is a new program—to improve public understanding of public policy issues involving science. It is designed to facilitate the participation of experienced scientists in the resolution of public policy issues having significant scientific and technical aspects and to facilitate the participation of undergraduate and graduate students in scientific and technical components of community and citizen group activities aimed at the resolution of public policy issues. It will also enable nonprofit citizens public interest groups to acquire necessary technical expertise to assist them in dealing with the scientific and technical aspects of public policy issues, and will provide funds to academic and other nonprofit organizations for the conduct of applied research to ensure the effectiveness of these programs.

Also included is a provision setting aside 10 percent of the Foundation's applied research budget for small businesses which have developed outstanding scientific and technical capabilities and which have too often been overlooked as a resource in meeting this Nation's scientific and technical needs.

Mr. President, concern has been raised recently over some of the projects supported by the National Science Foundation. I would like to take this opportunity to address myself to those concerns and to outline for my colleagues the procedures followed by the National Science Foundation in selecting proposals for funding.

Each year the National Science Foundation receives thousands of proposals from scientists who seek answers to unresolved questions concerning fundamental scientific processes and forces, natural laws and phenomena in scientific disciplines. These proposals are initially reviewed by the staff of the National Science Foundation under the guidance and policy stipulations of the National Science Board.

Proposals are then subject to an extensive peer review process which draws on a pool of over 40,000 qualified and independent members of the scientific community with expertise in the specific area of research for which funding has been requested. In their consideration of the merits of the proposals submitted to them for review they apply criteria relating to competent performance of research—the technical adequacy of the performer and of his institutional base; criteria relating to the internal structure of science itself; criteria relating to utility or relevance; criteria relating to future and long-term scientific potential of the United States.

The staff of the National Science Foundation is then required to compile these reviewer comments and to make recommendations to the NSF Director and the National Science Board. Proposals must be supported in order of merit to the extent permitted by available funds. In cases of proposals of substantially equal merit, consideration is given to such factor as geographic distribution and general subject matter coverage of grants made in a particular program.

The peer review system must operate fairly and effectively, and improvements must be made wherever necessary. At the subcommittee's request, the General Accounting Office is now completing a comprehensive evaluation of the Foundation's research applied to national needs program. That report will be available shortly and will include recommendations with specific regard to the peer review system. In addition, an internal National Science Foundation review is presently underway to determine whether there are specific areas where changes may be required, to ensure that the Federal Government receives a full return on the money it invests in scientific research, and to insure that the staff of the National Science Foundation is diligent in insuring the integrity of the peer review process. It is my conviction that these steps will lead to an even more effective contribution by science and scientists to the national well-being.

New and greater demands are being placed upon science, upon scientists and upon scientific institutions. To meet these demands, I urge my colleagues to support the authorization I am introducing today, and I ask unanimous consent that the text of the bill together with supplemental material be printed at this point in the RECORD.

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

S. 1539

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there is hereby authorized to be appropriated to the National Science Foundation for the fiscal year ending June 30, 1976, for the following categories:

(1) Scientific Research Project Support, $394,000,000.

(2) National and Special Research Programs, $117,500,000.

(3) National Research Centers, $60,200,000.

(4) Science Information Activities, $8,000,000.

(5) International Cooperative Scientific Activities, $8,000,000.

(6) Research Applied to National Needs, $90,000,000.

(7) Intergovernmental Science and Research Utilization, $12,000,000.

(8) Institutional Improvement for Science, $20,000,000.

(9) Graduate Student Support, $18,000,000.

(10) Science Education Improvement, $77,000,000.

(11) Planning and Policy Studies, $4,200,000.

(12) Science Advisory Activities, $4,000,000.

(13) Program Development and Management, $41,700,000.

SEC. 2. Notwithstanding any other provision of this or any other Act—

(1) of the total amount authorized under section 1 of this Act not less than $20,000,000 shall be available for the purpose of "Institutional Improvement for Science";

(2) of the total amount authorized under Section 1 of this Act not less than $77,000,000 shall be available for the purpose of "Science Education Improvement";

(3) of the total amount authorized under section 1 category (7) not less than $10,000,000 shall be available for "Intergovernmental Science Programs";

(4) of the total amount authorized under section 1, not less than $8,000,000 shall be available for "Science Information Activities";

(5) of the total amount authorized under section 1 category (10) of not less than $9,600,000 shall be available for "Ethic Minorities and Women in Science Program";

(6) of the total amount authorized under section 1 category (10) not less than $21,900,000 shall be available for "Elementary and Secondary School Programs";

(7) of the total amount authorized under section 1 category (6) not less than $25,000,000 shall be available for environmental research, including $5,500,000 for earthquake engineering.

(8) of the total amount authorized under section 1, category (11) not less than $1,500,000 shall be available for programs related to the ethical and human value implications of science and technology.

(9) of the total amount authorized under section 1 category (6) not less that 10 percent of such amount shall be expended to small business concerns.

SEC. 3. (a) The National Science Foundation is authorized and directed to establish and conduct a "Science for Citizens Program". Such program shall be designed—

(1) to improve public understanding of public policy issues involving science and technology;

(2) to facilitate the participation of experienced scientists and engineers in public activities aimed at the resolution of public policy issues having significant scientific and technical aspects;

(3) to facilitate the participation of undergraduate and graduate students in necessary scientific and technical components of community and citizen group activities aimed at the resolution of public policy issues;

(4) to enable non-profit, citizens public interest groups to acquire necessary technical expertise to assist them in dealing with the scientific and technical aspects of public policy issues; and

(5) to provide grants and contracts to academic and other non-profit organizations for the conduct of applied research designed to improve the effectiveness of the programs conducted under paragraphs (1), (2), (3), and (4) of this subsection.

(b) Notwithstanding any provision of this or any other Act, of the total amount authorized under section 1, category (2), not less than $5,000,000 shall be available for the "Science for Citizens Program" authorized under this section.

SEC. 4. The Director of the National Science Foundation is authorized and directed to prepare a comprehensive plan to facilitate the participation of members of the public in the formulation, development, and conduct of the National Science Foundations programs, policies, and priorities and to submit the resulting recommendations, plans, and other findings to the Committee on Science and Technology of the House of Representatives and the Committee on Labor and Public Welfare of the Senate within 120 days from the effective date of this Act.

SEC. 5. In addition to such sums as are authorized by section 1, not to exceed $4,000,000 is authorized to be appropriated for fiscal year ending June 30, 1976, for expenses of the National Science Foundation incurred outside the United States to be paid for in foreign currencies which the Treasury Department determines to be excess to the normal requirements of the United States.

SEC. 6. Appropriations made pursuant to this Act may be used, but not to exceed $5,000 for official consultation, representation, or other extraordinary expenses upon the approval or authority of the Director of the National Science Foundation, and his determination shall be final and conclusive upon the accounting officers of the Government.

SEC. 7. Appropriations made pursuant to sections 1, 2, 3, and 5 shall remain available for obligation, for expenditure, or for obligation and expenditure, for such period or periods as may be specified in Acts making such appropriations.

SEC. 8. No funds may be transferred from any particular category listed in section 1 to any other category or categories listed in such section if the total of the funds so transferred from that particular category would exceed 10 per centum thereof, and no funds may be transferred to any particular category listed in section 1 from any other category or categories listed in such section if the total of the funds so transferred to that particular category would exceed 10 per centum thereof, unless—

(A) a period of thirty legislative days has passed after the Director or his designate has transmitted to the Speaker of the House of Representatives and to the President of the Senate and to the Committee on Science and Astronautics of the House of Representatives and to the Committee on Labor and Public Welfare of the Senate a written report containing a full and complete statement concerning the nature of the transfer and the reason thereof, or

(B) each such committee before the expiration of such period has transmitted to the Director written notice ot the effect that such committee has no objection to the proposed action.

SEC. 9. Notwithstanding any other provision of this or any other Act, the Director of the National Science Foundation shall keep the Committee on Science and Technology of the House of Representatives and the Committee on Labor and Public Welfare of the Senate fully and currently informed with respect to all of the activities of the National Science Foundation.

SEC. 10. This Act may be cited as the "National Science Foundation Authorization Act, 1976".

[From the Boston Globe, Apr. 22, 1975]

VETOING RESEARCH

The U.S. House of Representatives has taken a potshot at basic research projects funded through the National Science Foundation. Like most potshots, it missed the mark and may have hit something else instead.

The House action came in the form of an amendment from the floor during debate on the NSF's $755 million budget authorization calling for the right of congressional veto of any specific research grant for a period of 30 days before the grant is actually made.

As matters now stand, Congress appropriates fixed amounts of money for each fiscal year and the NSF makes direct awards to individual research projects. Each of the approximately 14,000 grants made is subject to review by NSF staff with assistance from about 40,000 scientists in a "peer review" of the objectives of the project.

The House voted 212–199 in favor of the veto amendment on the heels of scattered

reports of esoteric studies with occasionally seemingly comic elements. Some of these reports involved non-NSF funds. One of them, invoked several times during the House debate, was $70,000 in Defense Department funds for study of perspiration by Australian aborigines. This, it was ultimately pointed out by Rep. James W. Symington (D-Mo.), was "an effort to learn if there was some way to keep the GI's in better fitness for the crunch in the jungle after they had become dehydrated after many hours without water, a problem that did not seem to better the aborigines." Fair enough.

Supporters of the amendment contended that they were merely exercising tighter control over the budget process and stiffening up their responsibility to ward off unseemly sounding expenditures. The extent to which they felt they had to go was put well by Rep. Robert H. Michel (R-Ill.), who said that "Doggone it, my credibility is destroyed when there are even just one or two of these items."

Rep. Michel also complained about the fact that a Denver scientist "will get $40,100 of the taxpayers' money to conduct a 'Measurement of the Stratospheric Distribution of the Fluorocarbons and Other Constituents of Interest in the Effect of Chlorine Pollutants in the Ozone Layer.' At least in that title there was one word I understood: constituents."

His comment is studded with irony. The study is part of the growing concern that aerosol sprays are breaking down the protective layers in the upper atmosphere that shield us from potentially lethal solar radiation. Yet Rep. Michel wants veto power because he and 211 of his colleagues may not understand the language.

It is the soul of scientific inquiry that one keep an open mind and pursue promising questions wherever they lead. It may be that the veto provision will be killed in the Senate, as it should be, or that Congress will use it sensibly—which the tone of the debate in the House does not forecast. But the air, which is already poisoned with shortage of funds for research, is made worse by this process. There will inevitably by greater reluctance to try the unusual, an unhealthy situation for scientists. Surely the Rep. Michels of the world can recognize the fact that no one learns medicine by studying only healthy persons.

Congress should drop the veto provision, which it is not well equipped to implement.

[From the Washington Post, Apr. 22, 1975]

TAKING THE ROMANCE OUT OF RESEARCH

Given the billions that federal agencies invest in research every year, plenty of dubious projects are bound to slip through. One of the latest, publicized by Sen. William Proxmire (D-Wis.), is the National Science Foundation's $84,000 study of why people fall in love. This seems so inappropriate—what is less scientific than romance?—that it is bound to wind up on the perennial list of apparent boondoggles, along with the NSF's $15,000 study of hitch-hiking, the Navy's $375,000 inquiry into the aerodynamics of Frisbees and an NHI study of whether Australian aborigines perspire.

"Apparent" is the key word, however, since some of these disputed projects are more sensible than they sound. The research on aborigines, for instance, was combined with studies of Eskimos in an attempt to find out how military personnel might be helped to adapt to very hot and cold climates. Other types of projects may be as easy to ridicule but also represent quite justifiable aspects of basic research.

It takes just a few silly studies and mislabeled projects, however, to set off complaints to—and from—the Congress. So this month, when the $755-million National Science Foundation authorization bill reached the House floor, a number of representatives availed themselves of the occasion to go on record against wasteful research. The old list of odd projects was hashed over once again, even though it includes some efforts long completed and many not financed by NSF. Then the House before passing the bill, tacked on an amendment by Rep. Robert E. Bauman (R-Md.) that would give the Congress 30 days to review and, if so inclined, to veto all future NSF grants.

The Bauman approach is not good oversight; it is mischief. To start with, NSF makes far too many grants—14,000 to 16,000 per year, across the entire spectrum of sciences—for such an approach to work. No member of Congress, even if well versed in all these arcane fields, could look seriously at more than a few projects of the total. The ones bound to draw attention (as now) would be those that sound suspect—as distinct from those that may actually be trivial, superfluous or poorly planned. Moreover, researchers would learn quickly to tailor their proposals for congressional clearance, and the dubious art of "grantsmanship" could reach new heights. All in all, nothing suggests that the Bauman approach would help Congress prevent mistakes—and everything points to disruption of the system of scholarly review that NSF has built, at congressional urging, over the years.

There is reason and there is room for serious inquiry into the conduct of federal research. Programs in several agencies may overlap. Sen. Proxmire has questioned the concentration of NSF grants at large universities and has challenged some of the agency's standards for handing out funds. These patterns could surely stand examination. But the prospects for intelligent oversight are poor so long as legislators are more inclined to shuffle through projects in search of small headlines and little laughs.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 1326

At the request of Mr. JAVITS, the Senator from Delaware (Mr. BIDEN), the Senator from Vermont (Mr. LEAHY), the Senator from Michigan (Mr. PHILIP A. HART), and the Senator from Rhode Island (Mr. PELL) were added as cosponsors of S. 1326, the Emergency Special Public Service Employment and Railroad Improvement Act of 1975.

S. 1502

At the request of Mr. RIBICOFF, the Senator from Nevada (Mr. LAXALT) was added as a cosponsor of S. 1502, the unemployment loan extension bill.

S. 1533

At the request of Mr. PERCY, the Senator from Maryland (Mr. MATHIAS), the Senators from Tennessee (Mr. BAKER and Mr. BROCK), the Senator from Ohio (Mr. TAFT), the Senator from New York (Mr. JAVITS), and the Senator from Indiana (Mr. BAYH) were added as cosponsors of S. 1533, a bill relating to the employment and training of criminal offenders, and for former offenders, and for other purposes.

S. 1534

At the request of Mr. PERCY, the Senator from Maryland (Mr. MATHIAS), the Senator from New York (Mr. JAVITS), the Senator from Indiana (Mr. BAYH), and the Senator from North Dakota (Mr. BURDICK) were added as cosponsors of S. 1534, a bill relating to voting rights of former offenders.

S. 1535 AND S. 1536

At the request of Mr. PERCY, the Senator from Maryland (Mr. MATHIAS), the Senator from New York (Mr. JAVITS), and the Senator from Indiana (Mr. BAYH) were added as cosponsors of S. 1535, a bill relating to the parole of offenders; and S. 1536, a bill relating to the parole of certain District of Columbia offenders.

SENATE JOINT RESOLUTION 3

At the request of Mr. KENNEDY, the Senator from Colorado (Mr. HASKELL) was added as a cosponsor of Senate Joint Resolution 3, a joint resolution to require the submission and approval by the Congress of fees on oil imports.

SENATE CONCURRENT RESOLUTION 35—SUBMISSION OF A CONCURRENT RESOLUTION APPROVING AN AGREEMENT BETWEEN THE UNITED STATES AND ROMANIA

(Referred to the Committee on Finance.)

Mr. MANSFIELD (for himself and Mr. HUGH SCOTT) (by request) submitted the following concurrent resolution:

S. CON. RES. 35

Resolved by the Senate (the House of Representatives concurring), That the Congress approves the extension of nondiscriminatory treatment with respect to the products of the Socialist Republic of Romania transmitted by the President to the Congress on April 25, 1975.

AMENDMENTS SUBMITTED FOR PRINTING

ADDITIONAL AUTHORITY FOR THE COUNCIL ON WAGE AND PRICE STABILITY—NO. 409

AMENDMENTS NOS. 379, 380, 381

Mr. KENNEDY submitted three amendments intended to be proposed by him to the bill (S. 409) to amend the Council on Wage and Price Stability Act to confer additional authority on the Council with respect to the prices of commodities and services, and for other purposes.

Mr. KENNEDY. Mr. President, when S. 409, the bill to extend the Council on Wage and Price Stability, reaches the Senate floor, I plan to offer three amendments.

The first amendment would provide a modest increase in the number of staff personnel for the Council. Under the current act, the Council is authorized to employ five persons in the GS 16–18 categories. The amendment would add three new positions, and would instruct the Council to give preference in filling the new positions to persons who are specialists in various sectors of the economy. The first 8 months of the Council's work—particularly its price-monitoring activities in steel, aluminum, metal cans, rubber tires, industrial

chemicals, sugar, and bakery products—demonstrate the value of sector-by-sector approach to the economy. The amendment will encourage the Council to continue and expand this role. If Congress intends the Council to be a watchdog against inflation, we must give the Council the resources with which to watch. My hope is that in its ongoing role, the Council will pursue its sector-by-sector approach, and will continue to attract and develop a highly professional staff with the ability and experience to establish a comprehensive and fully effective anti-inflation policy.

The second amendment will make clear that in the various activities of the Council to promote price restraint, the Council shall be concerned not only with price increases but also with the failure of prices to show adequate downward flexibility in periods of recession. A number of observers have pointed out cases where sectors of the economy that displayed strong upward price flexibility in the past, inflation are now failing to show commensurate downward flexibility in the current recession. The amendment will insure that the Council considers this problem.

The third amendment will set the expiration date for the Council's authority at June 30, 1976, rather than September 30, 1977, as in S. 409. I believe it would be unwise at this time to set the 1977 date, which might result in Congress ignoring the Council for the next 2 years. The Council is the Nation's first line of defense against inflation. At this critical period in the development of economic policy, the Senate and House of Representatives should consider the Council's authority on a yearly basis, to insure that our anti-inflation policy keeps on the right track. The favorable recent CPI figures are no grounds for complacency. We must take every responsible step to guarantee that inflation is not rekindled. Now is the time to set a realistic anti-inflation policy in place.

Mr. President, I ask unanimous consent that the text of the amendments may be printed in the RECORD.

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

AMENDMENT No. 379

On page 8, line 23, strike out "September 30, 1977" and insert in lieu thereof "June 30, 1976".

AMENDMENT No. 380

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

Sec. — (a) Section 2(d) (relating to the number of authorized positions for the Council in grades 16, 17, and 18 of the General Schedule) of the Council on Wage and Price Stability Act is amended by striking out "five" and inserting in lieu thereof "eight".

(b) In appointments to the additional positions authorized by the amendment made by subsection (a), the Council shall give preference to economists and other persons with special ability and experience in one or more of the various sectors of the economy.

AMENDMENT No. 381

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

Sec. —. The Council on Wage and Price Stability Act is amended by adding the following new subsections at the end of section 3:

"(c) In its activities directed toward price restraint and restraining prices under subsection (a), the Council shall include the consideration of price levels in a sector that, in a period of weak demand, fail to demonstrate a downward flexibility commensurate with the upward flexibility demonstrated by such price levels in a period of strong demand."

NOTICE OF HEARINGS: ENERGY RESEARCH AND DEVELOPMENT AND SMALL BUSINESS—SOLAR ENERGY AND SMALL BUSINESS

Mr. NELSON. Mr. President, I announce that the Select Committee on Small Business on May 13 and 14 will begin a series of hearings on energy research and development and small business. The subject on the first 2 days will be solar energy. On later dates, to be announced, other aspects of energy R. & D. will be considered, and further attention will be given to solar energy.

The hearing on May 13 will be in room 318, the caucus room, of the Russell Senate Office Building, and will begin at 10 a.m.

The hearing on May 14 will begin at 10 a.m. in room 457 of the Russell Building.

These hearings will be conducted by the full committee because the subject is within the jurisdictional interests of all of our subcommittees and of particular interest to three: the Subcommittee on Monopoly, which I chair; the Subcommittee on Government Regulations, chaired by Senator MCINTYRE; and the Subcommittee on Government Procurement, chaired by Senator HATHAWAY.

The Senator from New Hampshire (Mr. MCINTYRE) and the Senator from Maine (Mr. HATHAWAY) will therefore alternate with me in chairing these full committee hearings on solar energy and other energy research and development. We anticipate 4 to 6 days of hearings later in the year, after the opening 2 days on May 13 and 14.

Our witnesses on May 13 will be from the small business community and will express certain grievances with the manner in which solar energy research and development have been and are being handled by the Federal Government.

On May 14, we shall receive additional small business testimony, or testimony from some of the agencies mentioned in the May 13 testimony, or a combination of both.

Within the next few days, a full witness list and more detailed comments about the first 2 days of the hearings will be made available by the committee.

ANNOUNCEMENT OF HEARING BEFORE THE ENVIRONMENT AND LAND RESOURCES SUBCOMMITTEE OF THE SENATE INTERIOR AND INSULAR AFFAIRS COMMITTEE

Mr. HASKELL. Mr. President, I announce for the information of the Senate and the public, the scheduling of a public hearing before the Environment and Land Resources Subcommittee of the Senate Interior and Insular Affairs Committee.

The hearing is scheduled for May 20, 1975, beginning at 10 a.m. in room 3110 of the Dirksen Senate Office Building.

Testimony is invited regarding four wilderness proposals which are pending before the subcommittee. The proposals are:

S. 74—A bill to designate the "Sheep Mountain Wilderness", Angeles and San Bernardino National Forests, California;

S. 226—A bill to designate the "Aldo Leopold Wilderness", Gila National Forest, New Mexico;

S. 392—A bill to designate the "Great Bear Wilderness", Flathead and Lewis and Clark National Forests, Montana; and

S. 1391—A bill to study certain lands (the "Snow Mountain Wilderness Study Area") in the Mendocino National Forest for possible inclusion in the National Wilderness Preservation System.

For further information regarding the hearings you may wish to contact Mr. Steven Quarles or Mr. Thomas Williams of the subcommittee staff on 224-9894. Those wishing to testify or who wish to submit a written statement for the hearing record should write to the Environment and Land Resources Subcommittee, room 3106, Dirksen Senate Office Building, Washington, D.C. 20510.

ADDITIONAL STATEMENTS

DEREGULATION OF NATURAL GAS

Mr. FANNIN. Mr. President, 4 years ago in the spring of 1971, the Senate expressed its earnest concern about the impending energy crisis by passing Senate Resolution 45, which established a multi-committee national fuels and energy study, with the chairman of the Senate Interior Committee presiding over it. The Senate commanded the members participating in the study to recommend solutions which, if implemented, would mitigate harm to the economy and to the welfare of American citizens.

Many hearings on the natural gas problem were held. In fact, hearings on the subject were held in 1971, 1972, and in 1973. In November of 1973, after repeated requests by minority members of the energy study, the Senate Resolution 45 membership met to deliberate a recommendation on natural gas policy. At that time the hearing record was replete with predictions of doom in terms of dramatically declining natural gas production and even more seriously declining natural gas reserves. Back then, the Federal Power Commission was instituting emergency curtailment procedures, and reports of growing unemployment were circulating due to the natural gas shortage. The national fuels and energy study membership had 2 days of meetings in November 1973, and then gave up trying to reach agreement. In the meantime, President Nixon had recommended deregulation of new natural gas, as did President Ford, who succeeded him. Various minority Members sponsored deregulation amendments to energy bills in 1973 and 1974. Their amendments

were greeted by remarks of Commerce Committee Democrats, who stated that the natural gas shortage was phony. They said there really was no natural gas shortage.

Minority Senators were not alone in recommending deregulation. The Washington Post has printed several editorials urging quick deregulation of new natural gas.

Ninety days ago the President proposed a comprehensive national energy program. None of his proposed legislation has been enacted. On March 4, at the request of the Democratic leadership, the President postponed taking actions that S. 621 is intended to prevent in order for his administration spokesmen to meet with the Democrats to discuss an alternative energy strategy. The Democrats stated that within 60 days they would evolve an acceptable alternative energy strategy. To date all that has developed is an unfulfilled commitment. Instead of biting the bullet, the Democrats with words, not legislation, have proposed a conceptually platitudinous and programmatically "bandaid" approach to solving our national energy problems.

The latest development in the Washington area has been a communication from the Washington Gas Light Co. to Senators and to all its customers indicating the seriousness of the shortage of natural gas supplies and the immediate need to deregulate natural gas.

I ask unanimous consent that the letter from the Washington Gas Light Co.'s chairman of the board and president, Paul E. Reichardt, be printed in the RECORD, and I seriously commend it to the attention of my colleagues.

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

WASHINGTON GAS LIGHT CO.,
Washington, D.C., April 21, 1975.

HON. PAUL J. FANNIN,
Washington, D.C.

DEAR SENATOR FANNIN: Washington Gas Light Company distributes natural gas which we buy from interstate pipeline companies, and there is less and less of it available. Since March 1972, we have been unable to accept any new customers. Recently we have had to discontinue service to all of our interruptible customers. Further curtailment of supply seems certain.

Because of the natural gas shortage, virtually all new homes built in the Washington area in the past 3 years have electric heat, which presently costs on the order of 2½ times as much as gas heat. And the situation in Washington is becoming more and more prevalent throughout the land.

I am writing to you as one who makes his home in the Washington area for part of each year and who, as a member of Congress, is in a position to help alleviate the growing shortages of natural gas.

Most people will agree that if Federal Power Commission control of the wellhead price of gas were removed, more gas would become available to the interstate market. But there seem to be two principal objections to decontrol.

First, some people believe that the natural gas shortage is largely the result of a conspiracy by producers, who (the argument goes) are cultivating the shortage in the hopes it will take the lid off prices. There is no question that the shortage has been brought about largely by the failure of producers to produce enough gas, for like any other businessman, the gas producer wants a reasonable return on his investment. In recent years the profit incentive appears to have been inadequate by reason of federally controlled prices. At any rate, it is clear that many producers shifted their activities from the production of domestic gas to other fields of endeavor.

The other objection to decontrol centers around the belief that the minute the lid is removed, the price of gas will skyrocket. In point of fact, however, only *new* gas would be decontrolled; and since it would take many years for the new gas to replace the gas now being produced under long-term contracts, the effect on the retail price of gas would be gradual and the inflationary impact would be minimal. Most studies indicate that natural gas will continue to remain competitive in price with other fuels well into the 1980's.

As a distribution company, our interest in this matter is simply to comply with our franchise responsibilities and get enough gas to serve our customers. We have no wish to see producers "make a killing", and coupling deregulation of new gas with a windfall profits tax and plow-back credit would seem a reasonable approach.

Natural gas provides one-third of our nation's total energy requirements. It is the cleanest fuel—the only fossil fuel which creates no pollution problems. But, as a nation, we are not doing enough to produce our substantial natural gas reserves. The decontrol of new natural gas would seem the vital first step to encourage production. Opening the potential gas fields of the Atlantic Outer Continental Shelf is another—a step which could be of exceptional benefit to the eastern part of the country.

Many members of Congress have become experts in the energy field, and I write to you in the full knowledge that you may look upon this letter as simplistic in its approach to a very complex issue. Nevertheless, to me and the other officers of Washington Gas Light Company, it is a crucial issue which will determine in large measure whether we shall have enough gas here in the National Capital area to supply our customers in the years ahead.

Sincerely,

PAUL E. REICHARDT.

AWACS DEMONSTRATION TIMED TO CONGRESSIONAL DECISION

Mr. PROXMIRE. Mr. President, if it did not involve so much money, the situation would be amusing. I am referring to the Air Force decision to bring the AWACS aircraft to Andrews Air Force Base on the outskirts of Washington, D.C., at precisely the moment that the House Armed Services Committee is considering how much money to pump into the program.

Of course the aircraft will just not sit there. There will be a series of flights for distinguished visitors, Members of Congress, perhaps members of the press. And the purpose of this quiet little demonstration—to influence Congress and the press at a critical decisionmaking point.

My friend and colleague from Missouri (Mr. EAGLETON) has time and again pointed out the deficiencies of the aircraft. Expert testimony from the General Accounting Office has shown that it is susceptible to cheap countermeasures of a not so sophisticated origin.

Mr. President, I want to be fair about this. Maybe the timing is just a coincidence. Perhaps there is a bureaucratic reason why the invitations were sent out by the Director of the Air Force budget office. It could be that there is no intent to try to influence the congressional decision on AWACS in the days ahead. These are open questions although I have my suspicions as to how the answers might read.

In any event I have asked the Secretary of the Air Force to provide certain cost and manpower documentation relating to this demonstration and I will gladly print his response in the RECORD so that the both sides of the story are told.

Mr. President, I ask unanimous consent that a copy of my letter to the Secretary of the Air Force be printed in the RECORD.

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

APRIL 23, 1975.

HON. JOHN L. MCLUCAS,
Secretary of the Air Force,
Washington, D.C.

DEAR MR. SECRETARY: On April 22, 1975, I received an invitation from General Charles C. Blanton, Director of the Budget, USAF, to take part in a demonstration flight of the AWACS at Andrews Air Force Base.

The timing of this invitation, during consideration of the FY 1976 military budget and the interest of the Air Force Budget Office in promoting this event, leads to certain questions.

First, could you provide me with the total cost of making the AWACS aircraft available for this demonstration? I would like this broken down by direct and indirect costs, including manpower, flying time, fuel, maintenance, operational costs for the demonstration, support, public relations activities and such others costs as can be identified.

Second, could you please provide the number of people involved in setting up this demonstration: crew members, support crews, Pentagon public relations specialists, USAF budget officers, distinguished military visitors to be present, members of the press invited, members of Congress invited (total numbers), other guests by category.

Third, I would appreciate receiving your thinking as to why this apparent public relations effort is being made at this time?

If it is possible it would be helpful to have your reply before these demonstrations begin here in Washington.

Sincerely,

WILLIAM PROXMIRE,
U.S. Senate.

S. 1499—THE EMERGENCY MASS TRANSIT DEVELOPMENT ACT

Mr. HART. Mr. President, recently, I introduced S. 1499, the Emergency Mass Transit Development Act. At the time, it was my intention to ask unanimous consent to have the text of the bill printed in the RECORD. Unfortunately, that was not done, but I do make that request now.

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

S. 1499

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 "Emergency Mass Transit Development Act".

FINDINGS OF FACT; DECLARATION OF PURPOSE

SEC. 2. (a) The United States is committed to developing a more efficient system of mass transit in order to conserve energy, reduce our reliance on foreign oil, stimulate employment, improve air quality, and provide millions of Americans with a balanced, attractive, convenient, safe and inexpensive means of travel.

(b) The productive capacity of the Nation's mass transit manufacturing industries falls well short of current demand, and is inherently incapable of meeting a substantial increase in rail and bus equipment requirements; whereas, in the Nation's automobile industry, capacity and output far outstrip current and projected demand, with a resulting depressent effect on employment and the Nation's economy.

(c) High concentration and a persistent absence of competition in the production of key bus components (especially diesel engines, transmissions, and angle-drive differentials) has restricted output and retarded innovation in the manufacture of transit buses. High concentration in rail locomotive manufacturing and the continuing exit of established railcar builders has inhibited the progress of American rail technology.

(d) The expansion of rail and bus production through new entry would enable industry to meet future mass transit equipment demands with competitively priced and innovatively designed vehicles; and it would secure for all citizens the advantages resulting from a balanced and competitive system of transportation. Moreover, the conversion and utilization by new rail and bus entrepreneurs of excess auto manufacturing capacity and manpower to the extent practicable, would reduce unemployment and preserve critical engineering skills.

(e) It is the purpose of this Act to stimulate new entry and provide additional capacity in the mass transit manufacturing sector by furnishing assistance in the form of loan guarantees to eligible industrial borrowers otherwise unable to obtain financing.

ESTABLISHMENT OF THE MASS TRANSIT DEVELOPMENT BANK

SEC. 3. (a) There is created a Mass Transit Development Bank (hereinafter referred to as the "Bank") composed of the Secretary of the Treasury, as Chairman, the Chairman of the Federal Trade Commission, or their respective designates, and three other persons who shall be appointed by the President from among individuals recommended by the Senate and House Committees on Banking, by and with the advice and consent of the Senate. A majority of the members of the Bank shall constitute a quorum.

(b) The members of the Bank who are not otherwise employed by the United States shall serve for a term of five years and shall receive compensation for service as members at the rate provided for individuals occupying a position under level II of the Executive Schedule (5 U.S.C. 5313).

(c) No member of the Bank shall in any manner, directly or indirectly, participate in the deliberation upon, or the determination of, any question affecting his personal interests, or the interests of any corporation, partnership, or association in which he has a direct or indirect personal interest.

(d) There shall be an Advisory Board to the Bank consisting of the Administrator of the Urban Mass Transit Administration, Administrator of the Federal Railroad Administration, the Chairman and Chief Executive of the National Rail Passenger Corporation, the Administrator of the Environmental Protection Agency, and the Administrator of the Federal Energy Administration. The Advisory Board shall provide the Bank with advice on matters uniquely within the expertise of its membership.

AUTHORITY

SEC. 4. The Bank, on such terms and conditions as it deems appropriate, may guarantee, or make commitments to guarantee, lenders against loss of principal or interest on loans that meet the requirements of this Act.

LIMITATIONS AND CONDITIONS

SEC. 5. (a) A guarantee of a loan may be made under this Act to assist any borrower to finance plant construction, conversion, or expansion, or the acquisition of real estate, equipment, materials, or supplies; or to obtain working capital, only if—

(1) the Bank finds that (A) the loan is needed to enable the borrower to undertake either (i) the domestic assembly of rail or bus passenger vehicles, or (ii) the domestic manufacture of rail or bus equipment, (B) the borrower, if seeking a guarantee of a loan for the assembly of rail or bus passenger vehicles, is not at the time of application already engaged in that assembly activity, (C) the borrower, if seeking a guarantee of a loan for manufacturing rail or bus production equipment, is not at the time of application already engaged in that manufacturing activity, (D) credit is not otherwise available to the borrower under reasonable terms or conditions, and (E) the prospective earning power of the borrower, together with the character and value of the security pledged, furnish reasonable assurance that it will be able to repay the loan within the time fixed, and afford reasonable protection to the United States; and

(2) the lender certifies that it would not make the loan without such guarantee.

(b) Loans guaranteed under this Act shall be payable in not more than ten years.

(c) Loans guaranteed under this Act shall bear interest (exclusive of guarante fees and service charges, if any) at rates not to exceed a rate determined by the Bank to be reasonable, taking into account the range of interest rates prevailing in the private market for similar loans and the risk assumed.

DEFINITIONS

SEC. 6 (a) The definitions set forth in this section apply for the purposes of this Act.

(b) The term "borrower" includes any person, partnership, corporation, or other business association existing under or authorized by the laws of either the United States, the laws of any State, or the laws of any foreign country.

(c) The term "rail or bus passenger vehicle" means any type of steel-wheel or rubber-tired vehicle of integral construction operated on rails, fixed-guideways or streets and with a seated passenger capacity of 24 or more adults. The term "bus" shall not be deemed to include a vehicle sold primarily for school service.

(d) The term "bus equipment" means major bus components including bus bodies and suspension; engines, transmissions, drive shafts, angle-driven differentials, braking and other power train components; and lighting, heating, ventilating and air conditioning systems.

(e) The term "rail equipment" means major rail components including railcar bodies, propulsion and braking; trucks and suspension; and lighting, heating, ventilating and air conditioning systems; and railroad motive power.

CONVERSION OF AUTOMOTIVE MANUFACTURING CAPACITY AND MANPOWER; PRIORITIES

SEC. 7. To the maximum extent feasible, the Bank will give priority in the guarantee of loans under this Act to borrowers seeking to convert excess automotive assembly or manufacturing capacity and manpower to mass transit production.

SECURITY FOR LOAN GUARANTEES

SEC. 8. Loans guaranteed under this Act shall in the opinion of the Bank be adequately secured.

REQUIREMENTS APPLICABLE TO LOAN GUARANTEES

SEC. 9. (a) A guarantee agreement made under this Act with respect to an enterprise shall require that while there is any principal or interest remaining unpaid on a guaranteed loan to that enterprise the enterprise may not—

(1) declare a dividend on its common stock; or

(2) make any payment on its other indebtedness to a lender whose loan has been guaranteed under this Act.

The Bank may waive either or both of the requirements set forth in this subsection, as specified in the guarantee agreement covering a loan to any particular enterprise, if it determines that such waiver is not inconsistent with the reasonable protection of the interests of the United States under the guarantee.

(b) If the Bank determines that the inability of an enterprise to obtain credit without a guarantee under this Act is the result of a failure on the part of management to exercise reasonable business prudence in the conduct of the affairs of the enterprise, the Bank shall require before guaranteeing any loan to the enterprise that the enterprise make such management changes as the Bank deems necessary to give the enterprise a sound managerial base.

(c) A guarantee of a loan to any enterprise shall not be made under this Act unless—

(1) the Bank has received an audited financial statement of the enterprise; and

(2) the enterprise permits the Bank to have the same access to its books and other documents as the Bank would have under section 10 in the event the loan is guaranteed.

(d) No payment shall be made or become due under a guarantee entered into under this Act unless the lender has exhausted any remedies which it may have under the guarantee agreement.

(e)(1) Prior to making any guarantee under this Act, the Bank shall satisfy itself that the underlying loan agreement on which the guarantee is sought contains all the affirmative and negative covenants and other protective provisions which are usual and customary in loan agreeements of a similar kind, including previous loan agreements between the lender and the borrower, and that it cannot be amended, or any provisions waived, without the Bank's prior consent.

(2) On each occasion when the borrower seeks an advance under the loan agreement, the guarantee authorized by this Act shall be in force as to the funds advanced only if—

(A) the lender gives the Bank at least ten days notice in writing of its intent to provide the borrower with funds pursuant to the loan agreement;

(B) the lender certifies to the Bank before an advance is made that, as of the date of the notice provided for in subparagraph (A), the borrower is not in default under the loan agreement: *Provided,* That if a default has occurred the lender shall report the facts and circumstances relating thereto to the Bank and the Bank may expressly and in writing waive such default in any case where it determines that such waiver is not inconsistent with the reasonable protection of the interests of the United States under the guarantee; and

(C) the borrower provides the Bank with a plan setting forth the expenditures for

which the advance will be used and the period during which the expenditures will be made, and upon the expiration of such period, reports to the Bank any instances in which amounts advanced have not been expended in accordance with the plan.

(f) (1) A guarantee agreement made under this Act shall contain a requirement that as between the Bank and the lender, the Bank shall have a priority with respect to, and to the extent of, the lender's interest in any collateral securing the loan and any earlier outstanding loans. The Bank shall take all steps necessary to assure such priority against any other persons.

(2) As used in paragraph (1) of this subsection, the term "collateral" includes all assets pledged under loan agreements and, if appropriate in the opinion of the Bank, all sums of the borrower on deposit with the lender and subject to offset under section 68 of the Bankruptcy Act.

INSPECTION OF DOCUMENTS; AUTHORITY TO DISAPPROVE CERTAIN TRANSACTIONS

SEC. 10. The Bank is authorized to inspect and copy all accounts, books, records, memoranda, correspondence, and other documents of any enterprise which has received financial assistance under this Act concerning any matter which may bear upon (1) the ability of such enterprise to repay the loan within the time fixed therefor; (2) the interests of the United States in the property of such enterprise; and (3) the assurance that there is reasonable protection to the United States. The Bank is authorized to disapprove any transaction of such enterprise involving the disposition of its assets which may affect the repayment of a loan that has been guaranteed pursuant to the provisions of this Act.

MAXIMUM OBLIGATION LIMITATION

SEC. 11. The maximum obligation of the Bank under all outstanding loans guaranteed by it shall not exceed $3,000,000,000 prior to October 1, 1978; but in no event shall the Bank guarantee loans to any one borrower in an amount (1) greater than $200,000,000 for the assembly of rail or bus vehicles, or (2) $400,000,000 for the manufacture of rail or bus equipment, or (3) $600,000,000 for combined assembly and manufacturing operations.

ANNUAL REPORTS AND MAXIMUM OBLIGATION REQUESTS

SEC. 12. The Bank shall submit to the Congress not later than March 31 of each year a full report of its operations and performance under this Act during the preceeding calendar year. To assure program continuity, the Bank shall submit to the Congress requests for increased authority (1) for fiscal years 1979, 1980, and 1981, not later than March 31, 1978, (2) for fiscal years 1982, 1983, and 1984, not later than March 31, 1981, and (3) for fiscal years 1985, 1986, and 1987, not later than March 31, 1984, and (4) for fiscal years 1988, 1989, and 1990, not later than March 31, 1987.

EMERGENCY LOAN GUARANTEE FUND

SEC. 13. (a) There is established in the Treasury an emergency loan guarantee fund to be administered by the Bank. The fund shall be used for the payment of the expenses of the Bank and for the purpose of fulfilling the Bank's obligations under this Act. Moneys in the fund not needed for current operations may be invested in direct obligations of, or obligations that are fully guaranteed as to principal and interest by, the United States or any agency thereof.

(b) The Bank shall prescribe and collect a guarantee fee in connection with each loan guaranteed by it under this Act. Sums realized from such fees shall be deposited in the emergency loan guarantee fund.

(c) Payments required to be made as a consequence of any guarantee by the Bank shall be made from the emergency loan guarantee fund. In the event that moneys in the fund are insufficient to make such payments, in order to discharge its responsibilities, the Bank is authorized to issue to the Secretary of the Treasury notes or other obligations in such forms and denominations, bearing such maturities, and subject to such terms and conditions as may be prescribed by the Bank with the approval of the Secretary of the Treasury. The aggregate amount of obligations issued under this subsection may not exceed amounts approved in an appropriation Act. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of the notes or other obligations. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations issued hereunder and for that purpose he is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under that Act are extended to include any purchase of such notes and obligations.

FEDERAL RESERVE BANKS AS FISCAL AGENTS

SEC. 14. Any Federal Reserve bank which is requested to do so shall act as fiscal agent for the Bank. Each such fiscal agent shall be reimbursed by the Bank for all expenses and losses incurred by it in acting as agent on behalf of the Bank.

PROTECTION OF GOVERNMENT'S INTEREST

SEC. 15. (a) The Attorney General shall take such action as may be appropriate to enforce any right accruing to the United States or any officer or agency thereof as a result of the issuance of guarantees under this Act. Any sums recovered pursuant to this section shall be paid into the emergency loan guarantee fund.

(b) The Bank shall be entitled to recover from the borrower, or any other person liable therefor, the amount of any payments made pursuant to any guarantee agreement entered into under this Act, and upon making any such payment, the Bank shall be subrogated to all the rights of the recipient thereof.

TERMINATION

SEC. 16. The authority of the Bank to enter into any guarantee or to make any commitment to guarantee under this Act terminates on September 30, 1990. Such termination does not affect the carrying out of any contract, guarantee, commitment or other obligation entered into pursuant to this Act prior to that date, or the taking of any action necessary to preserve or protect the interests of the United States in any amounts advanced or paid out in carrying on operations under this Act.

BILL McGAFFIN

Mr. PERCY. Mr. President, many of us lost a good and valued friend last week with the death of Bill McGaffin, deputy Washingon bureau chief of the Chicago Daily News. Bill was the kind of reporter who made other journalists proud of their profession. In a career that spanned four decades and most of the globe, he had a passion for accuracy and a hard eye for anything less than the whole truth.

Away from the typewriter he was a gentle and friendly family man who was so at peace with himself and his maker that he could look even impending death in the face with equanimity. He leaves us all stronger for having known him.

The most graceful tribute to Bill that I have seen was writen by his friend and colleague Peter Lisagor, bureau chief of the Chicago Daily News.

Mr. President, I ask unanimous consent that Mr. Lisagor's article be printed in the RECORD.

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

[From the Chicago Daily News, Apr. 15, 1975]

McGAFFIN: A GENTLE MAN OF CONSCIENCE

(By Peter Lisagor)

WASHINGTON.—William McGaffin was, plainly and simply, a man of conscience.

Beneath a sweetness of spirit that was rare in a man who had covered wars and every imaginable government crisis here and abroad over nearly four decades as a journalist, his conscience remained a rigorous arbiter of the behavior of public officials.

Deeply religious, compassionate to a fault, he had one hangup as a reporter: He could not tolerate deceit by those in government. Long before it became fully fashionable to question the works of men in high places, Bill McGaffin was bent on truthseeking.

He was offended by even the hint of abuse of power. He once riled President Dwight Eisenhower when, at a news conference, he asked Ike about the propriety of using government helicopters to whisk the President out to the golf course. It was a gutsy thing to do in the placid Eisenhower years.

Together with reporter Erwin Knoll, he wrote two books, "Anything but the Truth," and "Scandal in the Pentagon," exposing the deceitful games played by the Pentagon in pushing its weapons programs through Congress, and the duplicity practiced in other government agencies.

His critical stories on the military brass sometimes led to those petty reprisals that he refused to accept.

Once, when the Defense Department issued a "defense posture" statement and distributed it only to Pentagon friends in the press corps, he got wind of it and stayed on the telephone half the night, waking up general officers and civilian officials, until he obtained a copy. He wrote a reasoned story about it and had it in the paper in time to meet his competition.

His indignation was always controlled but persistent. In admiration of his probing inquiries, a colleague once said, "Bill McGaffin keeps them honest."

What he deemed the public's right to know about its business was a passion with Bill McGaffin. He fought every attempt to keep the news buttoned up, and he was a pioneer in helping to fashion freedom of information regulations.

Although saintly in demeanor and reticent by nature, he was tough-mined about his work. He was neither awed nor intimidated by the powerful. He knew the corruptive nature of power and dealt with it as a reporter with the sensitive dedication of a true professional.

While he covered upheavals around the world inspired by the wickedness and greed of despotic rulers, he never had to struggle with cynicism. He retained a basic faith in people and an uncommon loyalty to his friends and associates.

In his losing battle with cancer, Bill found an inner peace in his religion. And he had the courage to write about it without a trace of piousness.

The memory of this gentleman's uncommon civility in a tough trade, to which he

brought pride and distinction, will always be green among his colleagues.

EMIL RIEVE—A GREAT AND GOOD AMERICAN

Mr. HUMPHREY. Mr. President, yesterday I attended the memorial service for Mr. Emil Rieve, the longtime president of the Textile Worker's Union and a former vice president of the AFL-CIO. I am saddened that this great man is no longer with us, but his noble spirit remains to guide Americans who have chosen to serve their country with the same dedication.

He made many contributions to our country. He guided the merger of the AFL–CIO; conceived and sought to promote the idea of an international minimum wage; and he spoke of the need for national economic planning. The devotion and determination of Emil Rieve will remain in our hearts to inspire us always.

Mr. President, I ask unanimous consent that the text of my eulogy at the memorial service be printed in the RECORD.

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

EMIL RIEVE MEMORIAL SERVICE

(By Hubert H. Humphrey)

Emil Rieve was among the most fortunate of men. He lived a full, fruitful, exciting and purposeful life.

We, therefore, do not gather here this afternoon to mourn his death, painful as it is to lose a dear friend.

Rather, we gather to pay tribute to the memory of a good friend—a noble spirit.

The newspapers reported that Emil suffered from a heart failue. Strangers may believe that, but those of us who knew him well do not—we know better.

Emil Rieve never had a failure of heart, of spirit, of courage, or of mind; he was always strong of heart and intense of conviction.

Emil and I first met in 1946—29 years ago. It was in Minneapolis and I, a young mayor with just a hint of ambition in my make-up, was invited to address an educational institute of the Twin Cities Joint Board of the Textile Workers Union, locally headed by Oscar Winger and Al Esnough.

Bill Tuller, my dear friend and the brother of Doris who had worked for me in Minneapolis, was then regional director of Textile out of Chicago. With the advice of Larry Rogin and Joe Glazer, Bill had enlisted the aid of my friend and later my lawyer, Max Kampelman, to serve as a political consultant to the Union.

This institute was to be a major step forward in the move to rid the Minnesota labor movement of its pervasive communist influence.

Into that picture came Emil Rieve—the formidable, and to us in the Mid-West, the awesome Emil Rieve—president of a powerful labor union, friend of Presidents, Governors and Congressmen, an intimate friend of Phil Murray.

But as I soon learned, there was no need for a young man to be fearful. For that crinkly, full, hard-worn hosiery worker face was also warm and smiling. And behind that exterior was great warmth, a sense of compassion, and deep wisdom.

I have heard it said that under Emil Rieve the Textile Workers Union had the best legal staff, the best educational department and the best political department in the trade union movement. Obviously, the careers of Larry Rogin, Al Barkan and Joe Glazer can be looked to as evidence for that contention. The fact that the claim was made was in itself a tribute to the leadership capabilities of this great man—small in stature but a giant in perception.

Furthermore, this leadership was broadguaged. Emil Rieve knew that a democratic labor movement must never lose sight of its members and their aspiration to share the fruits of their hard labor. But, he also knew that a democratic labor movement must never lose sight of its stake in a strong democratic society and in an effective democratic political structure.

Emil Rieve and I, therefore, found ourselves side-by-side in many political struggles to establish and solidify a liberal political movement in America, free of rigid orthodoxy and totalitarian influence.

From the day we met, Emil Rieve supported me in every political fight of my life—for Mayor, Senator, Vice President and President. I will never forget and will always be grateful to this dead man, this dedicated champion of American workers, this loyal friend.

Yes, Emil Rieve was a fortunate man, but those of us who had the privilege of knowing him and being his friends were even more fortunate for his friendship.

This superb pragmatist and genuine idealist lived to see so many of his goals realized. Fights—yes; but victories, too—and victories even if they were not always immediately apparent.

And not the least but perhaps the most important ingredient of Emil's good fortune was Wanda, who gave him tenderness, scolding as needed, guidance and care, always love.

To Wanda, to Harold (his son), to Emil's family, we his friends say: "thank you for sharing him with us."

STRETCHING CRITICAL FUELS

Mr. FANNIN. Mr. President, regrettably the people who have suffered most from the energy crisis have not been politicians, but consumers. In particular, those hurt the most have been Americans whose electric bills have skyrocketed. The principal reason for the increased price for electricity has been the high cost of residual fuel oil which is used as a boiler fuel to generate electricity. The OPEC oil cartel has been largely responsible for the increase in oil prices. But, the OPEC cartel has no control over the 500-year supply of U.S. coal. Nor does it have any control over the development within the United States of nuclear generated capacity.

The Congress has been principally responsible for holding back development of coal-fired and nuclear electrical generating capacity. Overly zealous environmentalists have blocked the licensing of nuclear powerplants. Overly zealous environmentalists have been trying to block surface mining of coal. Overly zealous environmentalists have successfully pressed for the enactment of legislation which would prohibit the burning of coal. The result of all of this has been high electricity bills for the American consumer. In this Tuesday's Washington Post at page A9, W. Donham Crawford, president of the Edison Electric Institute, presented a message entitled "Nobody Can Do More To Stretch America's Critical Fuels Than Your Electric Companies." His statement lays out the facts about the problems our American electrical utilities are confronted with.

I commend this message to the attention of my colleagues and ask unanimous consent that it be printed in the RECORD.

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

[From the Washington Post, Apr. 22, 1975]

NOBODY CAN DO MORE TO STRETCH AMERICA'S CRITICAL FUELS THAN YOUR ELECTRIC COMPANIES

(By W. Donham Crawford, President, Edison Electric Institute)

You count on your electric company for dependable electric service.

But your electric companies can do even more for you.

By building new plants that use different fuels to make electricity, they can "free up" hundreds of millions of barrels of oil. Badly needed oil.

A single nuclear plant can produce as much electricity in a year as an oil-fired plant burning 10 million barrels of oil.

ALMOST ANY FUEL CAN BE CONVERTED INTO ELECTRICITY

Your electric company uses a generator to make electricity. And like the generator in your car, it needs to be turned by something.

In hydroelectric plants, the generators are hooked up to elaborate "water wheel" turbines that turn them.

But in most electric plants, it is steam, made in a boiler, that turns the generators.

How you make the steam is a key to saving fuels for this country.

In oil-fired plants, oil is burned to make the steam. In coal plants, coal. In nuclear power plants, the carefully controlled nuclear reaction gives off heat that makes the steam.

HOW COAL AND NUCLEAR FUEL CAN TAKE THE PLACE OF OIL

Knowing that it's all in how you make the steam, you can see that the way to save oil is simply not to build more power plants that depend on oil.

With the oil shortage, we have had a hard time getting the oil to keep these plants going. Where available, it has been expensive.

So the idea is to shift to fuels which are more plentiful.

Coal, for instance, is now used to make about 46% of our electricity. Nuclear energy only 6%.

The oil-saving answer is to build new plants that can use coal or nuclear energy. Both of these alternative fuels also offer important economic advantages over oil. There are economies for consumers, too.

On a nationwide average, nuclear fuel costs about one-eight as much as oil.

THEN WHY HAVEN'T WE SWITCHED OVER TO COAL AND NUCLEAR FUELS?

The answer is, we're trying—but the going is tough.

The past year has been so hard on electric companies financially that 83 new nuclear installations have been delayed or shelved. And what hurts most is that it takes 10 years to build a nuclear plant. Based on projections of the population and energy use for 1985, we need each one of the plants still being held up.

We need new coal-burning plants, too. But environmental restrictions have closed off much of our coal supply.

We are optimistic that the delays will be overcome and construction schedules maintained on both nuclear and coal-burning

plants. We hope that a reasonable balance can be struck between our environmental goals and our energy needs.

The country has hundreds of years worth of coal in the ground and a long-range supply of uranium to rely on—these are two fuels we have in great supply. And that, to the electric companies, is fuel reliability.

A WORD ABOUT CLEAN BURNING OF COAL

The electric companies favor and support the objectives of the Clean Air Act, but have disagreed so far with the Environmental Protection Agency on the best way to achieve these objectives in the burning of coal. There are a number of ways to achieve health-related air standards, and we think they all have a place.

A requirement to install scrubbers where they are not needed will cost consumers hundreds of millions of dollars. Not to mention the possible threat to the continuity of service.

As we've said, reliability must govern whatever electric companies do.

HOW YOU CAN HELP STRETCH ALL OF OUR FUELS

This last year, you helped by using electricity wisely, but there's still more you can do.

Shift any electric job you can out of the "rush hour" periods to quieter times, such as nights and weekends.

If enough people do this, your electric company can often avoid having to start up an extra generator during rush hours.

And since these "spare" generators are generally less efficient than the main generators, they use more fuel. The fuel is usually gas or oil.

CAN NEW COAL AND NUCLEAR PLANTS SLOW DOWN THE RAPID RISE OF ELECTRIC RATES?

Electricity prices, like everything else, have climbed rapidly the last year and show every indication of continuing to climb.

So the economies of a nuclear plant, for instance, cannot turn inflation around, but they can slow it down. And that is important.

Fuel costs, construction costs, interest rates and inflation have all been forcing the price of electricity up despite the efforts of companies and regulatory commissions to slow the rise.

To sum up, your electric companies are in a unique position of being able to help stretch this country's critical fuels—specifically oil and natural gas—and keep your electric service reliable at the same time.

It's a big order, but with your help we can do it.

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, the value of the Genocide Convention lies on two planes: What it is and what it represents. The convention is the outlawing, specifically, of genocide. The convention represents the first attempt to establish international law that would create a moral and philosophical standard. This universal code of ethics would, in turn, hopefully promote understanding and peace between nations.

The problem we face is the simple failure to acknowledge the enormous benefits to be reaped from this second plane, because of a preoccupation with the first.

In a report the Committee on Foreign Relations concluded:

Indeed, there is a note of fear behind most arguments—as if genocide were rampant in the United States and this Nation could not afford to have its actions examined by international organs—as if our Supreme Court would lose its collective mind and make of the treaty something it is not—as if we as a people don't trust ourselves and our society. The rhetoric of the opponents, and to a degree the proponents, has obscured what a modest step the Convention represents.

Philosophical, moral, and constitutional questions have been raised which go far beyond this modest step and probe man's relationship to his fellow man and the responsibilities of governments to protect the rights of their citizens. These questions appear inherent in the area of human rights treaties and legislation and it is good that they are raised, because they serve to lift our sights to what is really an issue here, an attempt to curb the excesses of mankind. As our planet becomes more crowded, man's behavior towards his fellows must be governed by standards ever higher and more humane. This treaty seeks to set higher standards of international morality and should be judged on that basis.

I again urge ratification.

THE PROBLEMS AND PROSPECTS OF EAST ST. LOUIS, ILL.

Mr. PERCY. Mr. President, I want to bring to the attention of my colleagues a recent article by Paul Delaney, of the New York Times, describing East St. Louis, Ill.

It is not a pretty story; in fact, it is a downright gloomy and pessimistic one. But the present problems and future prospects of East St. Louis, Ill., hold lessons for all of us who are concerned about urban America.

We here in Washington had better pay attention to these lessons and then provide the necessary leadership and support to help in the rebuilding of East St. Louis and similar cities across America.

I ask unanimous consent that Mr. Delaney's article be printed in the RECORD.

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

EAST ST. LOUIS, DECAYED AND DESPERATE, STILL HAS HOPE

(By Paul Delaney)

EAST ST. LOUIS, ILL.—In the revolving rooftop restaurant of Stouffer Inn on the St. Louis side of the Mississippi River, the cocktail napkins have a map of the riverfront drawn on them.

The map notes the Gateway Arch, Busch Stadium, the old cathedral and other points of interest. Ignored completely is the City of East St. Louis, the predominantly black town that comes out only as a blank white space on the napkins.

The omission perhaps is typical of the feelings of many on both the Illinois and Missouri sides of the Mississippi that East St. Louis should just disappear along with its myriad of problems and seemingly insurmountable decay.

But East St. Louis is there, standing as an unfortunate example of what happens when a city is allowed to deteriorate to the point of desperation. The city's dwindling population, down to about 60,000, was once predominantly white but is now over 75 per cent black and extremely poor.

Much of East St. Louis' housing is decayed. There is a deficit of $2-million in the city government's $9-million operating budget. Unemployment is over 20 per cent, highest of any city in the state.

Crime is rampant, and were it not for state and Federal funds for such programs as job training, welfare benefits, public employment and unemployment compensation, things would be much worse than they are.

More than 30 per cent of the population receives some form of public aid and the overwhelming majority of the rest are dependent on a public payroll.

In interviews, leaders here said that today's problems were attributable to a history of being in the shadows of the bigger metropolis of St. Louis, and serving as its neighbor's "fun city" by providing horse racing, gambling, liquor and prostitution through a corrupt political machine that continues to flourish today, although now black-controlled.

Further, the heavy industry and 13 railroads that came to East St. Louis attracted from the South a work force of unskilled and uneducated blacks and whites. Many of them were originally headed for Chicago but were delayed in St. Louis, and the blacks in particular preferred to settle in a "northern" state rather than Missouri.

Despite such a gloomy situation, there are some citizens and leaders here who see better days ahead for East St. Louis. There is no way to go but up, many of them said candidly.

They point to a new city government under a different form of government as one reason for optimism. On May 5, a strong mayor and 18-member council form of government replaces a five-man commission that was elected at-large.

Other reasons, they say, are good transportation—ground, water and air—and plenty of available land almost free for the asking and a large work force.

"This city is a gold mine, but its resources have never been tapped," commented Mayor James B. Williams, who was defeated April 1 for re-election by 800 votes.

He was not alone in his assessment. Some persons interviewed could think of nothing more to say other than East St. Louis has great potential.

The slogan outside the First National Bank of East St. Louis says "we're staying." But inside, C. J. Rogers, president, explained, "We're staying because we don't have much of an option. Besides, while there is no business here and none coming in the foreseeable future, banking is doing okay. More people are saving and there are massive amounts of Federal and state dollars coming here that have to be deposited."

One of the biggest optimists in town is Mayor-Elect William E. Mason. He feels that his election as the first black Democratic Mayor—Mayor Williams was an independent—signaled the beginning of unity, the key to solving the problems of East St. Louis.

Mr. Mason, holder of a doctorate degree, resigned Thursday night as Superintendent of Schools here. He criticized Mayor Williams' independence and distrust of partisan politics.

"You can't be in politics without participating in politicking. As Mayor of the city and head of my party I intend to use that clout for the benefit of East St. Louis," Mr. Mason said.

However, many others interviewed expressed concern over the Democratic party, which they described repeatedly and bitterly as corrupt. The party is firmly entrenched and just captured all 18 council seats, with only one white and no women.

Indeed, Mr. Mason himself, along with the school board and several school staff officers, are representatives of the plight of East St. Louis. He is under investigation by the Federal authorities in a series of scandals involving kickback schemes and other forms of corruption. The school district is the city's biggest employer—with 2,000 mostly patronage jobs and a budget of $32 million coming mainly from the state. Mr.

Mason has denied any involvement in wrongdoing.

Four of the school board's seven members, including its president, went on trial in Federal District Court today, along with the school district's business manager and purchasing agent. Not even the church escaped the scandals, as a Roman Catholic nun was also indicted.

City leaders, including Mr. Williams, Mr. Mason, Mr. Jordan and Mr. Rogers, analyzed East St. Louis' basic problem thusly: for decades poor, unskilled and uneducated blacks were exploited politically and economically. But they continued to support and deliver the votes for the white-controlled Democratic machine.

Meanwhile, a strong black middle class never developed, and when blacks suddenly took over politics five years ago, the leaders were the ward heelers and flunkies of the previous white machine.

"There is no question that the black community is unsophisticated in the ways of politics," Mr. Jordan commented, echoing the sentiment of many.

White businessmen refused to deal with the new political leaders and became more and more alienated, Mr. Rogers said. He and Gilbert Novotny, president of National Stockyards Company, served on a committee formed 10 years ago to try to attract new industry to East St. Louis. Mr. Novotny said that not a single new white business had settled in East St. Louis in that period.

Mayor-elect Mason said that his first order of priority would be to curb crime on the streets, which should lead to a better atmosphere to stem the abandonment of the city now by middle class blacks and eventually attract white residents and businesses back to East St. Louis.

A DAY OF REMEMBRANCE FOR ARMENIA

Mr. KENNEDY. Mr. President, today marks the observance of a "National Day of Remembrance of Man's Inhumanity to Man"—the 60th anniversary of the Armenian massacre and exile. It is a day to pay tribute to millions who were denied life and liberty and the right to live in peace in their own land. But it is also a day to reaffirm our commitment to the principles embodied in every treaty and declaration which seeks to protect minorities and end the oppression of people and nations.

For Americans and other peoples who cherish their heritage of freedom and the equality of man, the tragic history of the Armenian people serves as a constant reminder of our Nation's failure to outlaw the crime of genocide. So long as the United States fails to ratify the Genocide Convention, our long-standing commitment to help alleviate the tragic dimensions of conflict will remain under test. So, too, will our pledge to uphold the principles of international law and humanitarian justice—principles so integral to the fabric of our society. Our failure to act decisively during the years on this treaty has created a burden of neglect—neglect of principles for which we pride ourselves in setting an example for other nations to follow. And while few nations can match America's incomparable record of persistence in the cause of equality and morality in the conduct of international relations, there is much more we can and must do. To begin achieving this objective, it is imperative to move quickly once and for all against civilian destruction and the excess of war by upholding the Genocide Treaty.

For Americans of Armenian descent, our adherence to these principles is the challenge which all Americans must confront together, not one group alone. The tragedy of Armenia should be reason enough for us to move forward.

What transpired in 1916 exists even in our own time. Turmoil and violence remain constant companions to millions of innocent war victims around the world. Still today, as the tragedy of the past is rekindled on this occasion—the ruthless course of war leaves a never-ending succession of human disasters in its wake.

In Indochina, Africa, and elsewhere, innocent civilians flee armies and the hatred of governments. Too often the simple protests of the international community fails to stop such violence. With war-ravaged populations suffering wherever we turn, Armenians know all too well that if history is to serve as our guide, genocide acts are not simply sorry episodes of the past—but very real and immediate threats which demand far greater concern and more definite obligations on our part.

Mr. President, along with all Americans, I wish to express my support for this day's objectives. Let us seek a common purpose from this National Day of Remembrance. We can do no less for the cause of the Armenian people.

U.S. FUNDS UNCLAIMED BY LOCAL GOVERNMENTS

Mr. PERCY. Mr. President, today—April 25, 1975—the Washington Post published a newsstory, written by Joel D. Weisman, entitled "U.S. Funds Unclaimed by Local Governments." I commend Reporter Weisman on the thoroughness of his research and the Washington Post for publishing this informative article. As I travel around the State of Illinois and meet with municipal officials, I learn that most of the local governments have severe fiscal problems despite the revenue sharing funds they receive. I repeatedly hear the same remark as the primary reason for their desperate money plight. The remark is:

The people want an increase in services without an increase in taxes.

But, currently, many villages and towns have no recourse but to cut back on present services. In addition to other adverse effects, this action invariably causes increased unemployment and a worsening of the economic problems of the communities.

I am confident many local officials are not aware of many Federal programs which do have funds and could be of assistance in some areas. I feel the information contained in the article would be of genuine value to thousands of local officials who face critical financial problems.

Mr. President, I ask unanimous consent to have the article referred to printed in the RECORD.

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

U.S. FUNDS UNCLAIMED BY LOCAL GOVERNMENTS

(By Joel D. Weisman)

Several billion dollars in federal grants—for programs ranging from drug control to flood prevention—have yet to be claimed by local governments.

The unclaimed billions were discovered in a Washington Post survey of 1974 and 1975 grants. An exact figure cannot yet be determined because of varying claim deadlines and the fact that many government agencies do not compute outstanding grants until the end of the fiscal year.

However, the survey shows:

More than $100 million in community development revenue sharing and highway funds have been rejected by dozens of local governments.

More than $5 billion in environmental protection grants have yet to be claimed with the July 1 deadline approaching.

More than $5 million in Health, Education, and Welfare and Department of Agriculture grants were not claimed in 1974 in programs including drug control, hospital construction, scholarships, child and maternal care and state agricultural experimental stations. HEW says even more may go unclaimed this year.

Mere compliance with application requirements, sometimes no more than filing out a single-page proposal, assures the communities of the grants, which are so-called mandatory, as contrasted with the discretionary variety. In discretionary grants various applicants vie for portions of a total allotment. The portions are decided at the discretion of the federal government officials.

In virtually all the programs surveyed, the amount of unclaimed grants was relatively small in light of the multibillion-dollar totals available, but taken overall their impact could be significant as local governments, short of cash, try to hold the line on taxes.

The survey indicated there are various reasons for failure to claim funds, including: lack of matching local funds; fear of federal controls; administrative carelessness; and fear of racial integration since most grants require pledges of non-discrimination among other promises.

"These are surely not the times the city should ignore available money," said John Gunter, executive director of the U.S. Conference of Mayors, which represents the nation's largest cities. "But in some cases, it takes money to get money," he added, referring to local matching requirements.

Local matching requirements range from 10 per cent on Interstate Highway funds to 50 per cent for some agriculture grants.

However, there are vast sums available that require no matching funds.

For instance, some $27 million remains available until July 1 for full federal funding of highways in and around national parks. Yet the following states have yet to make claims: Alaska, allotted $3.9 million; Oregon, $3.6 million; Montana, $3 million; Colorado, $2.9 million; Arizona, $2.4 million.

The new HUD community development grants—designed to replace a half-dozen categorical grants—also have no local matching requirements. Moreover, they can be spent for a wide variety of programs, ranging from flood control and open space development to fire and ice protection.

But communities receiving the funds must file low and moderate income housing plans—a requirement that has caused the outright rejection of more than $25 million.

Some two dozen predominantly white, medium-sized cities generally located near large cities with substantial black popula-

tions, were among those that turned down the HUD funds.

"We turned down the program because we feel that such housing plans would encourage inner-city people to migrate to our cities," said Mayor Ted Bates, of Warren, Mich., which borders Detroit. Bates concedes his city of 180,000, with about 90 black families, could have used the $1.6 million in HUD funds "but we don't want it to be at the price of inviting poor people here."

Similar sentiments were expressed by local government leaders in Berwyn, Cicero, and Oak Lawn, Ill., which all border Chicago.

"Let's face it, we're talking about integration," said Richard Drager, of Roseville, Mich., another Detroit suburb.

But while blue-collar cities of 50,000 or more passed up about $5 million in HUD monies, urban counties, comprised of smaller, often white-collar, suburbs, passed up nearly five times that amount.

For instance, Montgomery County, outside Philadelphia, received only $340,000 of a possible $1 million in community development grants because so many suburbs refused to sign a county cooperative agreement—and participate in the housing plan. Cook County, where Chicago is located, sacrificed some $700,000 for the same reason.

And nine urban counties were forced to reject all funds they were allotted because they could not get enough communities to meet the combined 200,000 population minimum required for an urban county grant. These counties were: Dallas County, Tex.; Milwaukee County, Wis.; Waukesha County, Wis., west of Milwaukee; McComb County, Mich. near Detroit; York County, Pa.; Monroe County, N.Y., which includes Rochester; Westchester County, N.Y.; Lake County, Ind., which includes Gary; and Baltimore County, Md.

"The cities don't come right out and say it, but in most cases they fear blacks," said Thomas Goodwin, Waukesha County grant administrator. In his county 25 of 37 suburbs refused to enter cooperative agreements, leaving the county short of the minimum 200,000.

HUD officials were surprised by the outright rejections, but declined to label the motive racism. "It may well be a genuine concern for maintaining family economic levels," says James Broughman, chief of HUD grant statistics. "Blacks may be feared because they're poor, more than because they're black."

Like the HUD funds, federal revenue sharing requires no matching grants—and allows local authorities broad discretion in spending funds.

Yet, despite two telegrams, five postcards, and various other reminders and communications from the Treasury Department to apply, 125 government units rejected revenue sharing dollars in 1974 and 103 units have done the same this year.

In some cases rejections are based on deep-seated philosophical beliefs.

"We just don't want something for nothing," says Mayor Gene Hoke, of Ocean Breeze Park, Fla., who could have cut his city's budget by 25 per cent by accepting the $2,500 in funds.

Arnold Hewitt, a spokesman for the Tuscarora Indian Reservation near Niagara Falls, N.Y., says his tribe refused $18,000 in revenue sharing funds "because the money is like the old palefaces' fire water. They give it to us then they take our land."

In Leonard Village, Mich., officials refused money they wanted for a public building "because we can't afford to pay laborers prevailing union wages," one of the requirements under the act.

Among the largest unclaimed sums are Environmental Protection Agency grants, which require matching funds. "In some cases communities have to pass referendums just for the matching money," said Peter Romsey of the Illinois Bureau of the Budget Other states are having difficulty meeting stiff technical requirements.

Thus with only two months until the deadline for claiming 1974 funds and 14 months to claim '75 funds, almost $5 billion remains in Washington.

Interstate highway funds are also plentiful. Massachusetts and the District of Columbia have already rejected $70 million to build Interstate highways, and many millions earmarked for other states have yet to be obligated under the 1973 Highway Act, which expires June 30. For instance, as of March, Delaware had claimed only $3 million of an allotted $24 million and Iowa had received only $5 of $128 million.

Department of Transportation spokesman say in some cases local governments can't meet the 10 per cent matching requirements on Interstate funds and the 30 per cent matching requirements on Interstate federal highways. Many projects, as in the case of the District, are also threatened by citizen opposition to highways or adverse court decisions.

In most cases, unused federal funds revert to the agencies that dispense them and are added to the next year's allotments—but not always to the same states. Thus, alert local governments can increase their share by claiming unused funds.

"That's one good feature of people not taking what they're entitled to," said Richard Eckfield, who has been retained by the cities of San Jose, Dayton, and Seattle to oversee their acquisition of federal funds "I am in the midst of building my own Interstate in San Jose out of funds not claimed by other states—and I've already got money for a few miles."

STERLING PARK RESIDENTS SAY SST IS TOO LOUD

Mr. PROXMIRE. Mr. President, at a Federal Aviation Administration hearing on April 21, residents of Sterling Park, Va., took issue with the FAA draft environmental impact statement in support of allowing the Concorde supersonic aircraft to land at Dulles and Kennedy Airports.

The fact is that the Concorde's noise level represents a 20 to 30 percent increase in noise over the noisiest aircraft in our jet fleet. Moreover, the gap between the Concorde and other subsonic aircraft will increase as newly subsonic jets meet the more stringent requirements of Federal Aviation Regulation, part 36, and older, noisier aircraft are retroffied to reduce their noise level.

Given the existing level of aircraft noise, any increase—no matter how minimal—is unacceptable.

As the Department of Transportation predicted in a 1973 study, considerable adverse public reaction can be expected if the Concorde is permitted to operate into the United States, because of the higher noise levels and the greater number of people exposed.

I wholeheartedly support the efforts of Sterling Park residents to defeat the FAA proposal to allow the Concorde to land in the United States until such time as that aircraft can meet our environmental standards.

I ask unanimous consent that an article which appeared in the Washington Star on April 22, entitled "SST Is Too Loud, Residents Tell FAA," be printed in the RECORD.

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

SST Is Too Loud, Residents Tell FAA

(By Jody Beck)

Is the Concorde supersonic transport "imperceptibly" noisier or "immensely" nosier than other jet aircraft?

Residents of Sterling Park, Va., and several other communities near Dulles International Airport contended at a public hearing in the Sterling Middle School last night that the Concorde was much louder than the planes now using the airport.

They testified against a draft environmental impact statement written by the Federal Aviation Administration that would allow the British-French SST to land at Dulles twice a day and John F. Kennedy Airport in New York four times daily beginning early next year.

Rosemary Phalen, who lives in the Sugarland Run area about 10 miles from the airport, said a 1973 test flight of a Concorde into Dulles sounded like "a bomb" falling on her home.

Other neighbors, Mrs. Phalen said, compared the noise to an earthquake or a jet crashing. She said she had read the difference between the Concorde and jets now landing regularly at Dulles would be "imperceptible," but decided after hearing the plane that the difference was "immense."

Michael Wilde, Concorde project director for British Aircraft Corp., told the FAA hearing that Concorde noise was "essentially the same" as other jets, including the Boeing 707 and the DC8. He added the Concorde has landed at 10 U.S. airports "without complaint about low frequency noise and vibration, much less any evidence of damage."

Opponents also pointed out that two SST flights a day would increase the airport's traffic by less than 1 percent but would increase pollution emissions by at least 8 percent. Those supporting the Concorde countered by pointing out the airport accounts for less than 1 percent of the metropolitan area's total pollution.

Rep. Joseph L. Fisher, who asked for the Sterling Park hearing, said he did not believe that the SST should be allowed to use Dulles or other U.S. airports unless it can be proved safe for the health of those living near the airports and for the environment. He listed a number of questions left unanswered in the FAA draft environmental impact statement.

In a more strongly worded statement, Rep. Herbert Harris pointed out "severe environmental consequences of SST flights at Dulles" and cautioned against being "misled into thinking such flights would be limited to only a few a day." He called the plan "a lemon."

OPPOSITION TO OCS LEASING

Mr. HANSEN. Mr. President, here on the Senate floor during the last few weeks, this great deliberative body has knocked down that straw bogeyman of its imagination, the U.S. oil industry.

Not satisfied with eliminating depletion allowance for all but the independents and further punishing the industry by an added shackle to their ability to compete abroad, we added a crown of thorns with S. 622, the Standby Energy Authorities Act which, if enacted, would lock in allocation and price controls as well as mandating a no-growth energy policy.

By the time S. 622 was passed late the night of April 10, this deliberative body was voting on unprinted amendments without debate, amendments that

could have devastating effects on the U.S. economy, jobs for the poor and unemployed and the ability of the United States to lessen its dependence on insecure sources of foreign oil.

No one would listen but the net result of S. 622 on top of the Tax Reduction Act may well be just what the country needs to remain in a constant state of recession. The one thing above all others needed to get the United States on the road to recovery is jobs and more jobs from the private sector—business and industry. Gearing up the wheels of industry from its present idling capacity will take more, not less energy but all Congress so far has done is agree by overwhelming votes to lessen any prospect of more oil and gas.

Mandating a no-growth energy policy coupled with virtual demolition of the oil industry's efforts to continue its vastly expanded search for new oil and gas can result only in a sharing of shortages and the continued threat of blackmail and further price extortion by those who control the world's jugular vein of oil.

A few of us in this great body have been crying wolf for several years. The wolf came with a vengeance in the Arab oil embargo.

During the year since he left, Congress has done nothing, really, but pass the blame around.

My colleagues may tire of my constant reminders that when the wolf returns he will bring the whole pack with him unless we take some positive steps to counteract the negative actions included in S. 622 and the Tax Reduction Act and S. 621 which is now pending.

If the Senators will not listen to those of us who they possibly have grown weary of hearing, perhaps they would heed the warning of a fresh new voice, the able and knowledgable Governor of Louisiana.

Gov. Edward W. Edwards in an article in the April issue of World Oil Magazine reiterated the need for positive congressional action. He said:

Early in my career as Governor, as I was yelling about offshore development, I was sort of like John the Baptist—a voice crying in the wilderness. But now the President, Interior Secretary Morton and others in the Administration are all aware of the need to develop OCS. Regrettably, the Congress doesn't share that awareness.

In answer to the question, "Do you except a change in the congressional attitude?" Edwards answered:

Oh yes, eventually. But any change isn't going to come from reason. It's going to come from dark nights, cold homes, stalled automobiles, and empty filling stations.

The next question was: "Do you think the Congress has been remiss in its responsibility as the President indicates?"

Governor Edwards answered:

Yes, it has been remiss. Federal law requires the Secretary of the Interior to fully develop the nation's resources and part of these resources are the oil and gas that lie dormant under the outer continental shelf. But instead of helping to implement that policy, the Congress has thrown stumbling blocks in the way. Whether it's the President, members of Congress or a private citizen, anyone who believes that the solution to our energy problem lies in trying to divide an inadequate source of fuel, rather than trying to provide more of the product, is just going to end up frustrated and unhappy. Such a course will only make a bad situation worse.

Mr. President, the Louisiana Governor also had some comments which I share on congressional proposals to create a national oil company.

His response to that proposal was:

That is probably the most counterproductive, foolish, shortsighted, unrealistic idea to come out of the Congress. I don't see how anybody who is familiar with the great inefficiency of the federal postal system could ever suggest having the government take over the oil and gas industry.

Mr. President, Governor Edwards words, especially his comments on the ugly, unwarranted, counterproductive, antioil attitude in Congress should be noted, and heeded by all Senators before we destroy the only hope we have of reversing the suicidal trend toward a no-growth energy policy and the first act of the Great American Tragedy of destroying the free enterprise system.

I ask unanimous consent that the World Oil interview with Governor Edwards be printed in the RECORD.

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

ACCORDING TO LOUISIANA GOV. EDWIN W. EDWARDS . . . OPPOSITION TO OCS LEASING IS SINCERE, BUT MISGUIDED

Governor Edwin W. Edwards of Louisiana has spoken out forcefully in recent months on a variety of subjects related to current oil and gas energy problems in the United States. Specifically, the Governor is an outspoken critic of federal government energy nonpolicy, Congressional dilly-dallying over energy legislation and of opposition to further development of OCS areas off the Atlantic, Pacific and Alaskan coastlines.

Unlike many political figures, who comment on energy chiefly for publicity purposes, Governor Edwards is eminently equipped to support his strong views. In essence, he knows what he's taking about and he has the ability and foresight to apply common sense in developing some suggested solutions to the energy dilemma. In addition to being the chief executive officer of a state which produces more oil than all but a few countries in the world, and which derives a great deal of benefit from the petroleum industry, he has lived and worked in the heart of the South Louisiana oil country for many years. This personal experience has given him a keen insight into both public and industry problems associated with petroleum.

Too, his political experience on local, state and national levels qualifies him to comment on the manner in which the current U.S. Congress is attempting to cope with energy legislation.

WORLD OIL. *What is your opinion of President Ford's energy program?*

GOV. EDWARDS: First, it's very late. The country is about 30 years late in providing any effective energy program, both from the standpoint of production and distribution, and for planning for long term needs. Second, I cannot embrace fully any energy program—or anyone's energy program—unless its primary aim is the development of our own resources. Specifically, of course, I refer to outer continental shelf development, both on the Atlantic and the Pacific seaboards as well as offshore Alaska. Finally, I think that if a crash program were initiated for OCS development, and an all out effort is made to get the Alaskan pipe line on stream as soon as possible, other alternatives suggested by the President and the Congress—allocation, rationing, taxes on gasoline and fuel oil—would no longer be necessary.

WORLD OIL. *As the governor of one of the major producing states, has the Administration or the congressional Democratic majority solicited your advice on their respective energy programs?*

GOV. EDWARDS: The Administration has, frequently. I have had four separate meetings, either with the President himself, or with his advisors. Early in my career as governor, as I was yelling about offshore development, I was sort of like John the Baptist—a voice crying in the wilderness. But now the President, Interior Secretary Morton and others in the Administration are all aware of the need to develop the OCS. Regrettably, the Congress doesn't share that awareness.

WORLD OIL. *Do you expect a change in congressional attitude?*

GOV. EDWARDS. Oh yes, eventually. But any change isn't going to come from reason. It's going to come from dark nights, cold homes, stalled automobiles and empty filling stations.

WORLD OIL. *Do you think the Congress has been remiss in its responsibility, as the President indicates?*

GOV. EDWARDS. Yes, it has been remiss. Federal law requires the Secretary of the Interior to fully develop the nation's resources—and part of these resources are the oil and gas that lie dormant under the outer continental shelf. But instead of helping to implement that policy, the Congress has thrown stumbling blocks in the way. Whether it's the President, members of Congress or a private citizen, anyone who believes that the solution to our energy problem lies in trying to divide an inadequate source of fuel, rather than trying to provide more of the product, is just going to end up frustrated and unhappy. Such a course will only make a bad situation worse.

WORLD OIL. *Significant opposition has developed to OCS leasing. Would you comment on this?*

GOV. EDWARDS. The opposition is probably sincere, but misguided. Protests came from people who are totally unaware of what off shore development is. They envision some dirty, ugly, spewing, noisy, monstrous mechanism 100 yards offshore that has to be circumnavigated by swimmers. But offshore development in the northeast, for example, means the Baltimore Canyon, which is 100 miles off the coast of New York and New Jersey. From that distance, an oil rig couldn't be seen from the top of the Empire State building on a clear day—if they had a clear day. If the critics just knew what they were opposing, I don't believe they would oppose it. As a matter of fact, if we could get them to leave town for six months, after the wells are drilled, we could have that oil and gas coming onshore. And when they returned they wouldn't even be aware of it.

WORLD OIL. *What does the offshore petroleum industry mean to your state?*

GOV. EDWARDS. Within the three mile limit, of course, it means a great deal to the treasury of our state, because we receive a royalty on production. Development of federal properties is something else. For example, it's a burden for us to prepare roads and schools, and provide support services for development of tax free federal areas, and then have the government pump production across our state into other areas of the country. States that are now yelling and screaming about their right to block OCS development by the national government are the same states that 20 years ago told us it was none of our business if the federal government wanted to allow drilling off our shores in the Gulf of Mexico, and that we couldn't stop it. You can't have the argument both ways.

WORLD OIL. *Have you any evidence that off-*

shore drilling and production operations have adversely affected Louisiana shrimping and fishing interests?

GOV. EDWARDS. Absolutely none. Quite the contrary. In the late 1940s and early 1950s there was some concern, but all of that concern has evaporated. The shrimping, fishing and oyster industries have learned to get along with the oil industry. They accommodate each other. There is no damage whatever and, as a matter of fact, the catch from these areas has increased almost every year, since drilling began offshore. In the few periods when take has been reduced, it has been totally attributable to flooding, hurricanes and other circumstances beyond, and totally unrelated to, the oil and gas industry.

WORLD OIL. *Louisiana and California received widespread publicity in recent years when offshore wells blew out and spilled oil. Do you think coverage of such events by the general news media has been fair?*

GOV. EDWARDS. The news media does a lot to form public opinion. Take the Santa Barbara thing, for example. That was one of four spills out of 15,000 wells drilled in the coastal waters of this country over 25 years. And it was the *only* one where appreciable oil reached the coast line. Yet, to watch the television networks for six weeks thereafter, you'd think every seagull in the country had had its wings dipped in oil, since they had a different child every night holding up the same seagull, as if the end of the world had come. This clearly left a bad impression with the public. To me, the ignorance of the national news media and their willingness to mislead the American public are unbelievable. But they do exactly that.

WORLD OIL. *What action could oil and gas producing states initiate to counter the generally anti-oil influence facing it in Congress today?*

GOV. EDWARDS. One thing we can do is to try and remind the public and the Congress that for 40 years U.S. oil companies have furnished the American people, who constitute 6% of the world's population, with 40% of the world's energy at ⅓ the world cost. That record is unequaled anywhere on this earth. Too, the Congress must realize that America's energy problem can only be solved by American technology and American gas and oil companies, and that government must assist in this effort, not hinder it.

One of the best things that could happen would be for the Congress to free the industry from the regulatory mess which the Congress itself has created. I think if Congress would stop passing legislation that changes the rules for operators from week to week, so that those risking money in the business would know what they can and cannot do over a reasonable period of time, and if positive legislative steps were taken to give industry the authority to immediately develop areas of high potential—such as the OCS—we could attain self-sufficiency in energy again.

WORLD OIL. *Senator Lloyd Bentsen, now a presidential candidate, has proposed offshore OCS leasing procedure be changed from a bonus bid to a production sharing contract type arrangement similar to that used in some other countries. What do you think of this idea?*

GOV. EDWARDS. I think that's a good concept and the government should adopt it. For years the thing to do was to get as much bonus money as possible for the lease and then be unconcerned about participation and development. I think if governments are enlightened, they'll shift the emphasis from a cash bonus to greater participation in production. One good reason for this is that it doesn't require a company to spend large amounts of money on bonuses that could be invested in exploration. It makes the government more a partner in the development.

WORLD OIL. *Should price controls on oil and gas be removed?*

GOV. EDWARDS. Absolutely. 100%. And may I say the removal of wellhead price controls on interstate gas is contrary to my state's interest. For example, we supply more gas than any state in the country. FPC regulates the price of gas going into interstate commerce and has unrealistically kept the price at ⅓ of its true value for the last 20 years. Today, gas produced within the state has no chance of crossing the state line because it can be sold within our borders for a much more realistic price—some 3 to 4 times the FPC controlled price. This has allowed us to keep the gas for use in Louisiana, and this benefits the state.

Now that's in my state's interest. However, the national interest clearly requires deregulation at all levels if the *interstate* gas supply is to be increased. You can't expect producers who have the money—if they have that kind of money, they didn't get it because they're stupid—it takes to drill a $2-million gas well to 20,000 feet, or out in the Gulf, to invest in such expensive projects if they can't be assured of a reasonable return. You simply can't spend $2 million to drill a well to sell gas at 40 cents per Mcf. It's not economically realistic. But at $1.50 per Mcf it is. And $1.50 gas is still a bargain. I know it's a bargain because all the gas that can be produced in Louisiana can be sold within the state for this price.

WORLD OIL. *What do you think of the recent congressional proposals to create a national oil company?*

GOV. EDWARDS. That is probably the most counter-productive, foolish, shortsighted, unrealistic idea to come out of the Congress. I don't see how anybody who is familiar with the great inefficiency of the federal postal system could *ever* suggest having the government take over the oil and gas industry.

WORLD OIL. *How serious is the possibility of nationalization of American oil companies?*

GOV. EDWARDS. Well, it's serious in the sense that people want easy, ready solutions and look to the government for them. Rather than realisitcally face up to the problems, and do what can be done to resolve them, it's popular to jump on the oil companies and say it's all their fault. Unfortunately critics seem to be unaware that nationalization of the oil companies would mean nationalization of properties owned by millions of tax-paying American shareholders in these companies.

WORLD OIL. *What do you think of the proposal in the Congress to eliminate the depletion provision?*

GOV. EDWARDS. First, it should be pointed out that the oil and gas depletion allowance is only one of about 55 such allowances for 55 different minerals, some of which have been on the statutes for as long as 60 years. If you want to be fair about it, the depletion allowance on all minerals should be eliminated, if the allowance for oil and gas is dropped. If this approach were taken, those fellows from Utah and Montana and Wyoming and other places would not be so anxious to jump on the kill-depletion bandwagon.

Second, it's beguiling the American people to tell them that it's going to help them if the oil and gas depletion is eliminated. Obviously, the oil companies are going to have to turn around and soak up the loss by increasing product and gas prices—that's just a fact of economics you can't escape. You can laugh about it, cry about it, argue about it—but it's a fact. Indirectly, the taxpayer benefits from the depletion allowance, because he gets fuel at a lower cost.

If depletion is killed, there's no doubt the politicians are going to make quite an issue of how they stuck it to the big, bad oil companies. But it is the worst possible thing they could do, because loss of depletion will dry up sources of capital from outside the industry—capital now used to finance drilling venture with the possibility of making a reserves. Instead of investing in a risk drilling venture with the possibility of making a 6% return on their money—if they hit—these outside sources are going to invest in savings and loans, federal government bonds or something similar at 8 or 9%, where there is no risk and assurance of a return. And as a result, we'll have less drilling, fewer reserves and declining production.

WORLD OIL. *How do you feel about the states sharing in revenues from federal OCS areas?*

GOV. EDWARDS. This should have been done 25 years ago. I think it's a fair concept and it would probably eliminate objection of some states, especially if a portion of the money were allocated to take care of any environmental impact resulting from OCS development. Because I think OCS development is so crucial to the national interest, I would much prefer to move in with the National Guard and simply tell those who are delaying leasing that we're going to develop the Atlantic Ocean and if you don't like it, get out of the way. But that isn't the way things are done in this country.

Of course, the states have *no* right—and I repeat, have *no* right—under the law to prohibit the federal government from developing the OCS beyond the three-mile limit. We've fought that battle for years, and the same states that are now saying they *do* have the right were saying 25 years ago that we *didn't* have the right. They've just reversed their opinion. But rather than agonizing over the problem, if sharing in OCS revenues would win support and cooperation from coastal states, I would support it, even though we have been badly treated for 25 years by those same states.

WORLD OIL. *Would you perhaps consider suggesting any sharing provisions be made retroactive?*

GOV. EDWARDS. Oh, I might—but I'm too realistic to suppose that those unfair people would want to suport that. It certainly would be fair, but I don't think it's practical.

WORLD OIL. *Have you any suggestions for combating the current natural gas shortage?*

GOV. EDWARDS. There are several things we can do. First and foremost, we've got to get the government out of price regulation, as I mentioned earlier. If there is an area where the government could serve a useful purpose, it is in mandating a priority use for gas. For example, the most efficient uses of gas are converting it to fertilizer components and burning it to heat homes. We should emphasize the use of coal, with appropriate scrubbers, for firing boilers that generate electricity, and get on with a crash program to develop nuclear power.

We should not use gas as a boiler fuel to generate electricity, because that's inefficient and wasteful. In my state, 80% of the gas is used for industrial purposes, and only 20% in homes and home-related purposes. In New York, it's just the opposite—only 12% is industrial and 88% is for home use. Inefficient use of gas must be stopped, because gas is a finite resource and we ought to get the most benefit from it—fertilizers and home heating. This will be possible only if the federal government establishes some priorities and gives companies the opportunity to make the transition.

WORLD OIL. *Besides our energy problem, do you foresee difficulties with other natural resources?*

GOV. EDWARDS. Before the year 2000, we're going to face a serious problem with fresh water, if we don't do something to efficiently utilize the billions of barrels lost into the oceans every day. There are areas of the country that already have fresh water problems. If I live a normal span of life to age 75—I'm 47 now—the problem of fresh water is going to haunt multiple areas of this country before I die. And if my children live a

normal span of life, they are going to see some extremely difficult times from a lack of fresh water. Americans have a tendency to say everything is going to be all right until a problem becomes serious, and then they begin a crash program to solve it. Energy and fresh water are two things that we should not attempt to deal with on that basis.

(NOTE.—*Governor Edwin W. Edwards holds a Doctor of Laws degree from Louisiana State University. Since 1949, he has practiced law in Crowley, and is a senior partner in the law firm of Edwards, Edwards and Broadhurst. His public service is unique in that he has held local political office as a senator, and national office as representative in the 89th to 92nd Congresses. He was elected governor in 1972.*)

FLOOD INSURANCE

Mr. HUDDLESTON. Mr. President, when the Senate debated the Federal flood insurance program in December of 1973, I expressed concern over the bill. It was my belief that the punitive provisions contained in that legislation could cause as many problems as they cured. As the date of full implementation draws near, we are becoming more and more aware of those problems.

When we passed this measure in 1973, I do not think we fully realized that the prohibition against federally insured financial institutions extending home loan mortgages in the flood plain could mean a man would be unable to sell his home. Rather, we viewed the provision as relating to new construction and as a means to "encourage" protection against future losses.

I do not believe we realized how many flood-prone areas would not have the zoning authority to implement the land use standards required for participation in the program or the difficulties which would be encountered in obtaining that authority.

I do not think we envisioned the frustration of individuals located on the flood plain who support community entrance into this program but are unable to persuade their community to enact the necessary zoning laws.

As HUD pointed out in a letter dated April 23, 1975:

> Of the population residing in these communities [designated as special flood hazard areas], approximately 10% live in the areas which have been identified as being exposed to serious flood hazard.

It is hardly unusual that a 10-percent minority would not have had enough votes to get their wishes. However, it should be unusual that those individuals most directly affected are powerless to help themselves.

Not only can the most directly affected individuals suffer because they are unable to purchase flood insurance for their home and possessions, they are precluded from any Federal disaster assistance—other than food, temporary shelter, and clothing—for any disaster in the flood-prone area, including tornados.

As a representative of a State which was recently devastated by tornados, I hardly see the linkage between participation in a flood insurance program and Federal aid for other-than-flood disasters.

Another area of particular concern to me during the 1973 debate on this program was the impact of punitive provisions on the Appalachian region and other mountainous areas.

Much of the Appalachian region, including eastern Kentucky, is "flood prone" within the definition of the Flood Disaster Protection Act of 1973. The alternative to building on the flood plain, in most areas of this region, is building on slopes of 14 degrees or more. To chose the alternative location to the flood plain would increase construction costs and expose the structure to the dangers of mudslides.

If Appalachian communities participate in the flood insurance program, new construction on the flood plain would have to be flood-proofed. This, too, would add to construction costs.

However, no one has been able to provide even a good guess as to how much construction costs would be increased. Would it be in the general range of 5 to 10 percent, 20 to 40 percent? No one knows.

At a time when home mortagage interest rates are still high and our construction industry depressed, it is imperative that we consider any mandated increases in construction costs which might price even more Americans out of the housing market.

It is also one thing to impose such cost increases upon economically prosperous areas, but another to impose them upon an economically depressed area, such as Appalachia.

I favor the concept of flood insurance, and I realize that efforts to encourage voluntary participation in the insurance program met with something less than success. However, I believe there are too many questions unanswered and problems unsolved to forge blindly ahead. I believe the program should be fully reviewed, and I am pleased that the Senate yesterday decided upon that course.

MINNESOTA DEPARTMENT OF AGRICULTURE RELEASE ON DAIRY SITUATION

Mr. HUMPHREY. Mr. President, I wish to share with this body a release by the Minnesota Department of Agriculture concerning the dairy situation in Minnesota.

Recent figures indicate a further decline in both milk production and dairy cow numbers, which further demonstrates the cost/price squeeze which confronts our dairy farmers.

Unfortunately, we have been unable to get this message through to the administration. Minnesota's milk production in March was 31 million pounds below the same month last year. The number of milk cows, 881 million, was an alltime record low.

Minnesota farmers on the average received $7.13 per 100 pounds of milk produced, which is among the lowest of the average prices received among the States, the national average being $8.17 per 100 pounds.

I cite this release and the disheartening statistics in it because of the need to warn our people of the continuing reduction in the number of dairy farmers and milk cows. We cannot allow these numbers to continue to decline and expect our domestic milk supplies to remain adequate.

I commend the Minnesota commissioner of agriculture, Mr. Jon Welfald, for providing us with this information.

Mr. President, I ask unanimous consent that this release be printed in the RECORD.

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

MINNESOTA DEPARTMENT OF AGRICULTURE
DAIRY RELEASE, APRIL 22, 1975

New all-time lows in March milk production and in dairy cow numbers continue to evidence the depressing impact of a losing cost-price squeeze on Minnesota's important dairy farming industry, Agriculture Commissioner Jon Wefald said today.

He reported March milk production estimated at 890-million pounds (77-million gallons), a record low for the month, and the 881-million milk cows in inventory an all-time record low.

Minnesota's March milk production was 31 million pounds below the same month last year and was the largest cutback by any of the 34 reporting states. Neighboring South Dakota, trapped in the same cost-price squeeze, reported a 24-million cutback in March milk production compared to 1974, and that state's 17% drop was the highest ratio of cutback among all states.

Reflecting the shortage of farm produced feed and hay and the near record prices for commercial dairy feeds was the March average production for Minnesota milk cows, down 20 pounds from a year ago to 1,010 pounds per cow. According to the State-Federal Crop and Livestock Reporting Service, the state's dairy farmers cut average daily feed rations one-half pound per cow.

Despite the cutbacks, Minnesota's March milk production was the third highest among all states, topped only by Wisconsin and California. The trim did reduce Minnesota's share of the national milk supply to 8.9%, down more than one-half percentage point from March 1974.

New York posted the biggest increase in March milk production, by 29-million pounds over last year to hold its fourth rank behind Minnesota.

Commissioner Wefald observed that the mid-March price averages help explain why Minnesota dairy farmers and those in at least 14 other states are cutting production, while New York and 17 other major consumer market states are increasing production.

Minnesota dairy farmers received an average of $7.13 per 100 pounds (11.6 gallons) of milk in March, compared to the New York average of $7.95, the national average of $8.17, and the domestic high of $11.05 for the same amount of milk in Florida.

SARGENT SHRIVER'S SPEECH TO ACADEMY OF SCIENCE OF U.S.S.R.

Mr. MANSFIELD. Mr. President, several weeks ago Sargent Shriver, on a visit to the Soviet Union, gave a major address to the Insitute of United States of America and Canada Studies of the Academy of Sciences of the U.S.S.R. in Moscow. This speech is very thought-provoking and is an excellent defense of the American system while understanding the forces that are at work in the Soviet Union.

I commend the text of the speech to my colleagues and ask unanimous con-

sent that Mr. Shriver's address be printed in the RECORD.

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

COEXISTENCE AND COMMON EXISTENCE

INTRODUCTION

We confer today as citizens of nations physically distant and ideologically distinct. Yet we are drawn together not merely in brief dialogue, but by similar chords of memory and strong bonds of the moment, by our history and our circumstance.

Though we have met at many brinks, we have never made war against each other. And during the time of Fascist aggression, we fought alongside each other.

Though we have and hold to separate visions, we are alike the heirs of great and consequent revolutions. The farmers of Lexington fired the first shot of America's revolution—and it was heard around the world. The workers of Petrograd stormed the Winter Palace in the October Revolution—and that storm raised a new wind across the world.

We are both places of many races, of vast resources, of continental expanses. We have the power to end the human presence on earth—or the human poverty of earth. We can light the sky with a nuclear fire—or set in orbit the man-made stars of shared space exploration. We can exhaust our energies or explode our armories over the issues which divide us—or we can improve security and society by pursuing the interests which unite us.

The choice of detente should be obvious, but there are those who would choose otherwise. There are some in my country, and probably in yours, who say detente is dying. There are some in both countries who would like to kill it, and resume trying to bury the other side. For them the setback on trade offers a pretext to turn back from the journey to peace.

Others continue to counsel unilateral efforts to exploit momentary disadvantage for perceived national gain. Such a course can only undermine the foundation of detente, which is the recognition that neither of us will either disintegrate or convert to the other's system; that both of us must survive together. Detente must not be deployed as a new weapon in yesterday's war; the veiled pursuit of conquest, idealogical, economic or military, will restore cold war confrontation, squandering for transient ends what may be our last, best hope for peace. Yet most Americans, and most Russians, want detente to survive because they want to survive. We know that a policy of confrontation will not settle our disputes, but prolong them and at some point may provoke the unbalancing of terror, the unleashing of the last and total war.

Cold War, too, has its casualties. Our economies are wounded. Domestic advances are defeated. We manufacture more weapons instead of more housing; we teach our sons how to kill enemies instead of how to cure disease.

That is the way it was; it is a way we cannot take again. To do so would deny the process and promise of history. Many Americans have believed that they were ordained by God in history to become a model for all mankind. You have believed that Communism was similarly ordained by history as God. Events have not settled the propriety of either claim, but history has set a priority: that together we must make a detente, so that by perfecting our co-existence, we may achieve a common existence.

For many years, co-existence has meant that though we should not be enemies in a word war, we are adversaries in a world wide contest to vindicate our respective systems—that in trade and aid, production and planning, values and culture, we must be competitors.

Common existence recognizes that co-existence by itself is now insufficient—that though there are proper areas of competition, there are inescapable and increasing imperatives of cooperation—that the Soviet Union and the United States must change with the world we inhabit—and that this world will be neither habitable nor hospitable, for ourselves or for others, unless we invest less in rival endeavor and more in shared enterprise.

A revolution owned by no particular ideology now summons us to transcend the oppositions of our ideologies. It is a global revolution which permeates all knowledge and pervades all relations between nations and among peoples; commerce, diplomacy, and warfare will not be the same again. We cannot deflect that revolution, for even a combination of the strongest powers could not work a shared will on every question. Condominium is a cliche, an impossibility, an unreality. We have no right or way to dominion. And we have no means of isolation. Others have nuclear power or potential; other peoples are more than equal in some resources and raw materials; other states can poison the air, fish out the oceans, overpopulate the planet, or release unnatural and uncontrollable bacteria. We cannot stand apart even when we stand together.

No single season of detente secures a generation of peace, let alone co-operation. Despite the best progress of negotiation, real differences of policy and principle will continue. We will not persuade you to become capitalists—and you will not talk us into Communism. But while we each remain what we are, we can both enlist in a larger cause. We must not only make the world safe for diversity; we must also make a safer world by a degree of unity.

A century ago Kierkegaard wrote: "The individual no longer belongs to his God, to himself, his beloved, to his art, or his science . . ." Today no nation belongs to any one God or science, or solely to its citizens or its ideology. By circumstance we belong to a still separated but now seamless world. In such a world, the shaping of a common existence is the precondition of a secure existence—and perhaps of any existence at all.

The purpose of these remarks, and of my visit to many parts of the Soviet Union, is to discuss the rationale of common existence, and to outline some ways in which it can be realized. I will talk first of the basis of detente, of the historical evolution of co-existence and the current movement toward a bilateral common existence. Then I will speak of the basis of negotiation, of certain ground rules which seem to me essential to the maximum progress of Soviet-American bargaining. Here I will respond to the question of how the American political system operates. The foundations of detente could crumble unless we build well; and we will not build well upon a quicksand of myths about each other's internal structures, methods of decision, and modes of thought. Finally, I will urge the expansion of common existence from a bilateral to a global dimension in areas such as nuclear energy, environment, economics, trade, nutrition and human rights.

THE BASIS OF DÉTENTE

I

Historical context defines the limits of choice: Even when men break with the past its record is their reference point. So it was for Marx when he wrote the Manifesto and for Jefferson as he labored over the Declaration of Independence. The direction of our future relations begins with the road we have already travelled.

After your Revolution, the first phase of Soviet-American co-existence was marked by ambivalent feelings of unconcern and attention, hostility and fascination. Neither nation was a present danger to the other. Bolshevik leaders were intent on internal consolidation and their external focus was largely on Europe. America's brief intervention in Siberia was half-hearted; its true purpose was not counter-revolution, but to restrain Japan.

For a generation, there were no diplomatic relations between us, but there were many contacts between our peoples. American engineers, experts, and business firms contributed to the development of the Soviet Union. Russian ideas and politics were studied and debated in the United States. Recognition in 1933 did not realize all the hopes either nation held; partly this was due to American isolation from the European and world problems of those days, and our preoccupation with domestic reform.

In that first phase of co-existence, we had the luxury—or at least we thought we did—of leaving our relations to a casual intercourse. Americans denounced or admired or ignored the Soviet Union; some were encouraged and others were disillusioned by its example—and nothing in the real world seemed to be changed by any of these reactions. Similarly the United States was not a primary concern of your foreign policy; our role then seemed secondary to the resolution of the European crisis—upon which the reality of the world in fact and fundamentally did depend.

But the war which came made our relations what they have been ever since—of central relevance to us, of vital relevance to mankind.

We both entered the war the same way—as victims of surprise attack. We each suffered a day of infamy. The Soviet people paid a terrible price to defeat Fascism; blood poured out from the Arctic to the Crimea in a river of resistance which swept the Nazis back to Berlin. The annals of your heroism and sacrifice still move Americans; the story of Leningrad's nine hundred days under siege was recently among the most widely read books in the United States. And we are proud of our part in the struggle—of our material aid to you and other allies, of our sons who fought and died on the run to Murmansk, in Africa and Europe, and across the Pacific.

As the war made our relations a dominant factor then and for the future, it brought us to a second phase of co-existence. Clearly it showed us the perils of separation; without our alliance, victory would have been at best a matter of many more years and deaths. Less obviously the war raised occasions of suspicion—you criticized the delay of the second front; we questioned Soviet ambitions and actions in Eastern Europe.

These contradictory elements—divisive suspicion and the perils of separation—were carried into the post-war period. Their relative influence shifted constantly. Moments of brinkmanship alternated with spirits of Geneva and Camp David. But behind every spirit, there was still suspicion. At each brink, men saw—if only at the last instant—the peril of stepping over. The proportions of suspicion and recognized peril would be reset by perceptions or events; the Cold War would intermittently be thawed or colder; and thus our co-existence would continue.

You assumed we wanted to destroy you; we assumed you wanted to destroy us; we both sought with nuclear weapons to deter that danger. Our consciousness of this terrible bond was raised in the experiencing of recurring crisis. An intensifying sense of the life and death power of each nation over the other—which could slip past the best controls and intentions of either nation—was the seedbed of efforts during the 1950s and 1960s to achieve what is now known as détente. The process has brought two American Presidents to the Soviet Union and Chairman Khrushchev, Chairman Brezhnev, and

Premier Kosygin to the United States. There have been disruptions—the conflict in Vietnam and the invasion of Czechoslovakia. There have been distempers—stirred by the effects in America of the wheat sale and by the breakdown of the trade agreement. But these episodes are dwarfed by the force of the nuclear bond which pulls us away from the co-existence of suspicion and peril toward the co-existence of détente.

II

The co-existence of détente does not rely on the wishing away of suspicion; it substitutes safeguards for suspicion. It will not end the peril overnight; it will ease the peril over time as step by step additional safeguards make possible additional restraints.

At least implicitly, detente represents a decision in both nations to disenthrall ourselves of certain notions. Peril and suspicion once seemed bearable because each side expected relatively soon a collapse or disintegration on the other side. Theorists of containment held that your system would be strained and then overthrown by internal dissatisfactions; theorists of Communism argued that the Western system would be subverted by internal contradictions. Both Kennan and Stalin were wrong. Both systems are still alive and strong. Human foresight is imperfect, but as far as the future can be seen, it does not seem that either system will be found on the ash-heap of history. Of course, things will change; Americans and Soviets will seek changes in their own societies and welcome at least some changes in the other society. But most Americans do not believe you will disappear or convert. And neither will we.

Yet in the last year, some commentators have announced the onset of the long-predicted decline of Western capitalism, perhaps even Western civilization. The signs of disarray have have been undeniable: The deepest recession since the Great Depression has struck most market economies. Inflation has devalued currencies. The energy crisis has shifted balance-of-payments positions, shaken the stability of the banking system, and raised the prospect of unmanageable resource transfers. And as the market economy faltered, its political leaders fell; Prime Ministers were driven from office in Germany, Japan and England; for the first time, an American President was forced to resign.

Surely the West is troubled. Sadly our institutions were slow to respond. Complacency on our part would be a mistake. But so would any premature celebration by others of our collapse.

In fact, our problems are the result of strength, not weakness. Since 1945, the West has experienced an unprecedented prosperity. Per capita income in the United States is $6,500 a year, and some European countries exceed even that performance. There has been no relapse to trade wars; international rules have tamed the excesses of an earlier period. This progress led consumers to expect more in less time than most systems could supply over a long span of time. We were profligate in our use of energy and other raw materials. The consequence was a general inflation; and because of economic interdependence, the inflation of each country reinforced the inflation of every other.

The West could have better anticipated and moderated the side-effects of success. But the West would not have chosen to forego that success in order to prevent those side-effects. Indeed the gains of the last three decades have brought the market economies to a point where they can adjust effectively, despite mistakes, delays and lack of foresight.

Perhaps the best evidence of our basic soundness has been our response to the energy problem. Twelve months ago, in the face of an oil shortage and rising prices, few ventured even cautious optimism. The pessimists, and there were many, foresaw an apocalypse of the marketplace. Instead, oil consumers are adapting; effective programs of conservation are reducing the energy problem to a manageable factor in a functioning economy. Energy demand has been cut by the laws of both the marketplace and the government. The major nations are consuming 3 to 12% less oil than last year.

What we are witnessing is not the beginning of the West's decline, but of its recovery. Inflation is receding. So governments are turning to policies of stimulation. As they take hold, recession will be reversed; prosperity will be re-established.

In the United States, an economic policy will emerge from the "creative tension" between the White House and the Congress, the Republicans and the Democrats. And in the years ahead, I believe, America will move on to measures of economic reform unequalled since Franklin Roosevelt and the New Deal. We are meeting the crisis, but we will not master it until we apply principles of planning to the practices of our economy. We must reconcile our structures of production to the permanent reality of resource scarcity. We will do what we must, as the West always has. New international arrangements, such as flexible exchange rates, are already in force. The financial system has not been bankrupted, but strengthened. National planning—for example, to convert some auto production to mass transit—is a near term prospect.

I believe you should welcome the resilience of the West, and its adaptability. Communists and capitalists once thought: What's bad for them is good for us, and vice versa. But what's bad for either of us can become a danger to both of us and all the world. The dissolution of any system leads to irrational behavior; societies, like individuals, "do not go gently into that good night." Indeed the truth is the opposite of past assumptions; peril and suspicion are even more unbearable when disintegration seems imminent on either side.

Each of us also has a positive stake in the survival and prosperity of the other. Our goods can maximize your growth; our food can nourish your citizens; our technology can improve your productivity. Without that improvement, capital investment requires the Soviet consumer to carry a heavier burden of sacrifice. Similarly, our industry will prosper more if we can sell more to you; our resource base will expand as we purchase more raw materials from you; your advanced techniques of coal gassification, thermonuclear fusion, and power transmission can multiply our energy reserve.

Neither economy needs the other in an absolute sense, but both economies can benefit from a sharing of their respective superiorities. Separately, prosperity is not impossible; mutually, we can gain a greater prosperity at lesser cost.

We can also enhance our economies by ending our arms race. The more we are free from a competition in weapons of destruction the more capital we will free for tasks of domestic construction.

The Strategic Arms Limitation Talks have led to negotiated controls on our nuclear forces. But we should not rely on negotiations alone. While we support the Vladivostok Agreement, we should not permit its ceilings to become the floors of our arsenals. Our aim must be to end the arms race, not ratify it up to a point. This depends not just on our negotiating plans, but on our defense policies. Either country could take the first step of further restraint by reducing its military spending in a specific, clearly observable area and calling on the other side to follow. If the response was positive, and I think it would be if the initiative was perceived as genuine, each step could lead to another and then another, reversing the momentum to multiply weaponry, setting in motion a new, self-sustaining mechanism of disarmament. For a cycle of munitions competition, based on worse case assumptions, we could substitute a cycle of munitions cutbacks, based on proof by corresponding deeds.

Taking the first step would not threaten either nation's security. When we each can overkill the other many times, the difference between that many and more is a difference in number of weapons which would not make a difference in time of war.

And reciprocal cutbacks would not replace negotiations, but improve their prospects. As resources were shifted from warfare to the peoples' welfare, they would mount further pressures for the maximum progress of SALT. Segments of the defense establishment, in my country and here, will always find or invent some reason to resist even minimum agreements. The surest counter to these militaristic impulses will be publics who know the penalties of the arms race because they are experiencing the benefits of arms restraint.

Their preferences can become an additional incentive to restrict counterforce capabilities. If the SALT process is to be irreversible, qualitative controls become indispensable. Otherwise, we will race against reason again, up another escalatory spiral of mutual suspicion, each higher step hewn by a more sophisticated, more expensive instrument of death.

The danger lies not merely in qualitative changes in our strategic forces; it lies also in changes in the quality of our strategic thinking. Some analysts now argue that only the means to launch a limited nuclear attack will deter the opponent from doing so. But if both countries start thinking that such an attack is thinkable, the thought may father the deed. Acceptability amplifies the possibility. A limited strike is less likely if the expected response is massive retaliation. But a limited strike is more likely if there are new rules—if we or you anticipate a limited retaliation, followed by negotiation.

In addition, both sides now conceive of a nuclear engagement solely when the survival of the nation or an ally is at stake. Counterforce creates a nuclear option on a wider range of issues, less essential than survival. It permits those who weary of bargaining and compromise to seek settlements, or speed them, by having a little atomic war—which would of course leave a lot of human beings a little dead.

It is conceivable that qualitative improvements could permit a first-strike at the price of a relatively minimal retaliatory blow. The maintenance of our multiple deterrents discourages any quest for that capacity because it makes it costly and probably futile. But assume for a moment that the capacity became a reality. An anti-submarine breakthrough might occur. The command and control systems for bombers might be knocked out.

In this situation, someone might contemplate a limited nuclear exchange. It may be fantasy and it surely would be folly, to gamble that a limited assault would not lead to all-out war. To act on the conceit that we could contain such escalation would surpass any blunder in the history of human blundering. Most, though surely never all, of the opponent's second strike forces could be neutralized. But in the absence of a basic political crisis, would it be worthwhile to cripple the other side by sacrificing merely two cities—say, Moscow and Leningrad, or New York and Chicago? Even if one of us could get away with it, the world is not a gaming table; the object is not to come out a little bit or even a lot ahead, to give up ten million lives to take twenty or even a hundred million.

During a recent discussion in Washington, someone argued that the mere fact of nu-

clear advantage would lead to its use. Averell Harriman was there, blunt and sensible as always. He listened, looked around the room, and then replied: "There are two kinds of people in the Soviet Union and the United States—sane people and insane people. Sane people understand that neither nation will attack the other because it might seem to have some marginal advantage. Sane people understand that both sides would lose. I consider myself a sane person. If anyone in this room considers himself insane, I wish he would speak up."

There were no volunteer lunatics that night, and I suspect there are none here. Yet nonsense and insanity are often masked by technical expertise and terminology. The irrational often comes with a rationale. But no matter what formula some may devise, we must insist on the sense and sanity of our true situation: It is not in either nation's interest to attack the other, unless its own or an ally's existence is the issue; neither nation could ever win enough even in an unequal nuclear exchange; both nations have an interest in stoppering the nuclear bottle, not in drilling new holes for the genie to escape.

But sanity is not just the absence of insanity. Sense is not merely the avoidance of nonsense. As we spurn the suicidal dangers of conflict, we must seize the societal advantages of co-operation. We have seen this with a sharpening clarity in recent years—and so we have sought not merely the detente of non-destruction, but a detente of mutual gain in commerce, science, and national efforts to raise standards of life.

Our progress has been real and worthy. But as we move forward, we experience misunderstandings; we encounter questions which involve the rest of the world. In perspective, these should be seen as the inevitable tensions of a relaxation of tension, the complexities which follow the resolution of simpler matters. When the gears are engaged, they make a grinding noise. But to finish the journey, we must face the harder problems of our negotiating situation and the wider implications of our common existence.

THE BASIS OF NEGOTIATION

Winston Churchill stated the imperative of negotiation succinctly: "It is better to jaw, jaw than to war, war." But jawing, no less than warmaking, has its discordances. Distinct political systems with differing traditions must define a basis of negotiation. That basis must include a degree of shared purpose and an understanding of some inevitable divergence. We cannot demand that either system imitate the other in order to negotiate with each other. Just as the longest journey begins with a single step, so the process of negotiation must begin with starting points. Let me suggest several of them.

I

First, we must avoid the temptation to take any advantage which is available, even at the cost of disadvantage to the other side. The Soviet government drove a good bargain for American wheat in 1972. But a bargain that is too good may not be the best choice. Partly as a consequence of the wheat deal, the Washington Post—which urges and supports detente—has called for export controls on food. This incident illustrates a truth: Negotiations that repeatedly hurt us economically would not help you in the long run. A new wariness about trade would narrow the channels of commerce. We would sell less to each other. We could not buy as much as we needed, when it was needed. Nor could you.

At least in the United States, there has been a long-standing myth that our diplomats are easy marks for the supposed cleverness of everyone else—Europeans, Orientals, Russians, whoever currently sits across the table. Kissinger has eased, but not erased, this perception. Americans remain psychologically prepared to conclude with Will Rogers that their country "always wins the war and loses the peace." And if Americans ever think they are victims of détente—or if you ever suspect that you were tricked into a trade agreement which is depleting your resource base, progress will be slowed and could be reversed—in arms control as well as economic and scientific co-operation. Suspicion will again and at least for a while outweigh the perils of separation; détente will be succeeded by renewed dangers.

Yet no negotiator can represent two sides. Every negotiator will make mistakes—yours as many as ours. In the nature of things, some agreements will be better for you, others for us. But all the negotiators should aim not to beat their counterparts, but to benefit both countries. The more balanced the benefits over the long term, the more benefits we will be able to achieve in less time.

II

The second temptation is to wrap the instrument of co-operation into weapons of coercion. But if we cannot overthrow each other's systems by war, then we certainly do it by peace. Russia and America cannot follow Clausewitz to their bargaining table and make detente an extension of military competition by other means. Americans would not barter their principles for a load of ore—and we should not expect Russians to trade theirs for a brace of transistors.

Detente will become impossible unless both sides accept the limits of its possibilities. Co-operation does not constitute a mutual endorsement of Communism and capitalism; it is a recognition of intersecting interests which are consistent with separate ideologies. We can make agreements in the common interest even as we disagree on some issues.

Americans will protest when a Solzhenitsyn is arrested; they will picket the Soviet Embassy when a Panov is denied permission to emigrate; they will be outraged when a Soviet Army enters Czechoslovakia. Similarly Russians will denounce American policy in Vietnam—as many of our own citizens have; you will arraign us in Pravda for the vestiges of racial discrimination—which the New York Times also does; you will point to the overthrow of Allende—which our Congress is publicly investigating. Such criticisms are relevant to what is criticized, not what is shared: the urge to live, and therefore to control the weapons of death; the quest to discover new sources of energy and new cures for disease, and therefore to learn from each other; the yearning to prosper, and therefore to trade resources and technology. The criticisms do not mean that we are anti-Soviet or you are anti-American. Each area—of agreement and disagreement—has its own atmosphere.

III

The third temptation is to weary of negotiations beause the respects in which our systems differ lead us to negotiate in different ways.

There is much we as Americans do not understand about you and about your system, and the problems of bargaining with you. And there is much you find perplexing about us. You wonder how it can be that a trade arrangement is altered once our Congress proceeds to address the issue, or how a strategic arms accord can spark dissent in the American Senate. When we explain that our constitutional structure mandates a process of consultation and consent beyond the Chief Executive's decision, many of you react with the incredulity of one who has been tripped by an obviously empty technicality. "After all," many in Russia seem to ask, "doesn't the power structure in the United States speak through its President? Can't we assume that the American President speaks with authority when he announces an official compact with another nation in solemn public proceedings?"

The answer is not "yes" and not "no". The answer is "maybe". And that answer symbolizes how easy it is to be confused about America. Indeed, to a degree Americans themselves often are. And I could not in good faith travel half the globe to boast of all things as they are in my country; much that happens there tries my patience, as much that happens here must try yours. But the American system, which is so frustrating at times, is something which Americans deeply revere—and which other nations need to understand in order to negotiate productively with us.

Too often the picture of America has been obscured by lenses which have missed our most essential features. Hegel's famous lecture on the United States, delivered in 1830 in his university course on World History, concluded that the American destiny could not excite "profound interest" because it was entirely part of a future that no historical research could predict from coherent patterns in the past. But to search for our future—or indeed even our past—in historical forces and their unfolding represents a fundamental misperception. It is not at the level of substance that our coherence is to be found. It is instead at the level of procedure and structure—of frameworks for choice in a perpetual revolution of change.

To put the matter directly, we have deliberately paid the price of substantive disorder for the sake of procedural openness and regularity—in a system which disperses authority so that the abuses of one center of power might be checked by countervailing power; so that each group has a meaningful chance to express opinions, to be counted in the calculus of decision. This may seem an unwieldy process, viewed from without; even from within, it often looks awkward; but it is always flexible and fluid. In the American system, political participation and representation serve, although imperfectly, to assure the continuing responsivness of government to the multitude of men and forces that demand a hearing.

The preservation of such responsiveness and of the forms of political action that underlie it, are at the heart of our values as a nation. They are inscribed on constitutional parchment and institutional stone. They are treasured as priceless beyond any of the particular policies they may provide or prevent. It is a heritage which yields to the force of no law, the will of no man. The shifting tones of personality and place, the clamoring demands of circumstance, the ceaseless cries for the prudence and judgment of the moment—all these are too fleeting and ephemeral, too insecure against the test of time, to be permitted dominion over the constitutional structure which alone, we believe, can assure the permanence of change.

We have held from our beginning to this faith in constitutionalism. Tempered by our experiences with the British Crown and by disillusion with our own early legislatures and executives, we have always been suspicious of power and have insisted on openness to new forces and ideas. Charles Beard's Constitution once persuaded many scholars to credit that single explanation, but it was discredited long ago. Instead a far richer picture of the American Revolution as a largely moral assertion, mixed of course with other motives, has emerged. Recently a cartoon appeared in *The New York* magazine which showed one pilgrim leaning over the edge of a vessel which looked like the Mayflower and telling another: "Religious freedom is my immediate goal . . . but my long-range plan is to go into real estate." There is some slight truth in that, as there is in any recognition of ways in which idealistic claims may mask material aims. But there is more falsity than truth; ours has

been a constitutional history unusually faithful to procedure even at the expense of policy.

In the time of our constitution's framing, the perpetuation of slavery was a majoritarian policy. Three quarters of a century later, the majoritarian procedure brought the abolition of slavery. The people's views had changed. The fundamental structure of American government permitted new voices to be heard and the will of a new majority to be heeded.

My country has relearned recently and painfully the practical virtues of openness to all voices. For years, we fought a war in Asia against rising opposition at home; the opponents were scorned at first and then berated; but they were right and finally we are ending our involvement in a war that is wrong. Last year, we saw a once-popular President forced from office because he failed to heed the principle that all official authority must be contained so that the people may be king.

Some Soviet analysts have suggested that Richard Nixon tempted the wrath of American militarism by moving too far, too fast, toward détente—that the threat of impeachment was a punishment for the progress of SALT. Most Americans are startled by this interpretation. Détente did not bring Nixon down; on the contrary, it may have stayed his leaving; nearly until the last days, he exploited the pervasive support in America for peace in an attempt to hold his place in power. If Richard Nixon is remembered at all well by history, or at all fondly by his fellow citizens, the reason will be his contribution to the completion of co-existence.

And when history blames him, as his fellow citizens did, it will be because he transgressed constitutional axioms which survive time and temper, which are superior to any policy. He lost his power because he abused our domestic ideals and misused our domestic institutions. Even Presidents who make a détente are not permitted to cover up crimes. In our system, no leader is allowed to take our rights no matter what he may offer in return. That was the lesson of Watergate. It was not revenge for détente, but justice notwithstanding détente.

Of course, democracy in practice in the 20th Century is more complex than the shining light which brightened the eyes of our founding fathers in the 18th Century. A nation which grants a voice to all must stand guard always to protect against the accretion of such awesome private wealth and power as may purchase the voice of those who have nothing else left to sell. To critics, it may appear that this is the real American system—that a potent ruling class pulls the strings as the people, poor puppets, predictably respond.

The appearance is an illusion. In the 1950s, books like C. Wright Mills' "The Power Elite" described an America under monolithic rule, and that interpretation was reinforced by a succession of defense and economic officials drawn from corporate boardrooms and law offices. But when political scientists in the 1960's sought more systematically to determine who governs in America, they were struck with the difficulty of sustaining any single answer. In the end, persuasive evidence accumulated for the proposition that no power elite, no single class dominates the United States. Minorities do rule—not the minorities of class and wealth—but a shifting majority of many minorities, of temporary coalitions among distinct interest groups. Such coalitions appear, disappear, and reappear. Even within each group, there are differences which must be continually accounted and conciliated. No nation whose labor movement has boasted leaders as diverse as Phillip Murray, Walter Reuther, and Harry Bridges—Cesar Chavez, Leonard Woodcock, and George Meany—can accurately be called monolithic. But no nation that has rallied as ours has in times of crisis—of great depression of global conflict—can be said to suffer from its pluralism.

No group always wins in America; no one always wins in life. This is a lesson we teach our children in school. It is a hard lesson to accept when one sees so much to be done, but it is the lesson history has taught Americans. Among us, it is not enough to be right; it is essential to persuade enough others that you are right, for only in this way, we believe, can we guard against the greater wrongs of civil strife or repressive control. We have chosen the middle ground of democratic consent, where everyone sometimes gains and sometimes yields, even those on whom fortune has smiled most brightly.

So America has no single, fixed power structure—or person—with the authority to bargain and bind without review. When a President or Secretary of State negotiates an agreement, he does not speak with finality for other parts of government and all constituencies. Woodrow Wilson's League as much as Richard Nixon's trade pact was a shattered memorial of that reality. But the reality does not mean that history must be repeated. It does mean that the context of negotiation will be defined by setbacks as well as successes; that the failure of the last trade agreement will redefine the framework of the next; that more Americans may seek, and settle for, future agreements which ratify co-operative interests without requiring a resolution of other, clashing views.

To deal with us, you must understand the American process and be patient for the sake of progress. We, too, must come to a clearer understanding of you—that the Soviet Union is committed to substantive more than procedural ends, that our valuation of procedure as central and almost sacred, even at the sacrifice of policy, confounds Soviet expectations.

The full consequences of this fundamental difference of conception—between procedural and substantive notions of the right—defy any brief analysis and go far deeper than current negotiating postures. But this much, at least, is apparent: In bargaining with a procedurally-oriented, pluralist society, you should be under no illusion that your case need be made only to a ruling elite through one representative. Before it can prevail, the case must persuade a much wider constituency. And in dealing with a substantively-oriented power which mistrusts a fidelity to procedure as an excuse for self-interest, we should be under no illusion that our case need be made only in terms of honoring commitments and preserving established structures. If it is to convince, our case must be cast in terms of the substantive interests of the other side.

It will be easier for both nations to negotiate without false hopes or undue cynicism once each nation recognizes that its problems with the other are almost mirror images of the other's problems with it. The differences of bargaining rooted in the divergence of systems should incline us not to abandon negotiations, but to intensify them. For only in this way can we experience each other enough to work together despite our separate attributes, to recognize how agreements can be made and when we can expect them to be kept. Like the content of negotiation, the context of negotiation requires concessions—so that while we will not adopt one another's perspectives as our own, we will see the landscape as it looks through both sets of lenses, and will take the steps which are within the vision of both world views.

THE EXPANSION OF COMMON EXISTENCE

I

Intersections of interest provide the basis for detente. Intersections of insight can strengthen the basis of negotiation. Such intersections do not represent a convergence of our societies, but crossing points of problem and purpose, where we can achieve results without resolving variances of ideology. But common existence is more than a two dimensional relationship of the United States and the Soviet Union. Its final shape and space are set in the third dimension of the wider world, where the particular intersections of our bilateral relations in turn intersect the concerns of the entire human species. Every nation's fate is part of a single world destiny. So now we must seek the truly common existence of all rather than the mere co-existence, or even the common existence, of great powers.

In an earlier time, our countries expanded their territory, each of us moving in opposite directions—Russia eastward and America westward—toward the same Pacific Ocean. Now we must seek the expansion of common existence—not by moving in opposition to other nations, but toward the same goal of international co-operation—not to acquire territory or establish a tyranny of great power diplomacy, but to help make the order of independent states equal to the interdependent realities of the current situation. Just as our common existence does not require an ideological or institutional convergence, so the expansion of common existence does not demand the extinction of differences among men and countries. Rather it rests on shared necessities which are consistent with different political choices, and increasingly essential to having and keeping any chance to choose.

This generalization is an abstraction from many facts of international life. Few topics better exemplify the urgency of an expanded common existence than the question of nuclear energy. Recently a film screened in my country demonstrated with chilling precision and persuasiveness how a college student, drawing solely upon scientific information in the public domain, could design and construct an atomic bomb with a small amount of plutonium from a nuclear energy facility. This bomb, if produced and exploded, could kill over 100,000 people. Sufficient plutonium could be stolen by a group or even an individual; a growing number of governments could simply divert it from the peaceful uses for which they obtained it in the first place. Nuclear weapons in the hands of terrorists or in the arsenals of unstable regimes would certainly be exploited as instruments of extortion, and might casually be used as implements of warmaking or revengetaking.

This danger knows neither the bounds of governmental structure nor the borders of national sanity, fragile as even those constraints are. Without stricter international and domestic controls over access to fissionable materials and stronger prohibitions against proliferation, the nightmare of nuclear blackmail, or the ultimate nightmare of global conflagration, could be visited upon us despite any and all progress along the lines of SALT and Vladivostok.

The destructive potential of insufficiently controlled nuclear development and dissemination is just one of a family of structurally similar problems. In such cases, we must learn to reduce chaos and contain risk without trying to dictate the policies, or resolve the disputes, of third parties. In such cases, the overriding fact is that our two nations are involved more in a game against nature than in a game against each other, or other nations. And in all such cases, only a perception that transcends our bilateral relations can make either of us secure against a loss, not to the other, but to forces that go beyond us both.

Our linked destiny is also deeply imbedded in the delicate sphere of the world's threatened ecosystems.

Internally, each of our nations has manifested a new awareness of environmental is-

sues. Each has enacted significant legal constraints upon the heedless plunder of land, air, and water resources; *Tass* reports that you have allocated "every tenth ruble" to a major program of environmental protection. And bilaterally, our nations have entered into a far-reaching agreement for co-operative research in eleven areas ranging from pollution control to earthquake prediction.

Yet much more is required, not only in the form of joint efforts to improve our respective environments, but also in the form of international initiatives to forge an environmental consciousness and responsibility the world over. Neither of us can suggest such an initiative alone, for then either of us would be accused of callous indifference to the needs of less developed economies. But together we can speak the same truth: After a process of development heedless of natural systems, there will be little use for canals which salinate fields instead of irrigating them; there will be small reward from an industrialization which makes the air itself an agent of death; none will gain in the long run by subverting the natural systems which sustain the existence of all.

The advanced nations have already done vast damage. After the recent voyage of the Ra, Thor Hyerdahl reported a new discovery which confirmed the worst fears of scientists, voiced over many years: There was a man-made sea of pollution quite literally overlaying the ocean. Globules of tar deface the Atlantic from Europe to America. Yet men still make the ocean, the womb of all life, their largest garbage dump, while plundering its reserves of life. It is alarming that world fish yields, for the first time in history, have actually fallen over the past two years. Nor is the air which circles our planet any more immune from the poisons of careless technology. The ozone which may be destroyed by one nation's fleet of supersonic planes is the ozone which could have protected every nation's people from cancer-inducing radiation.

By supporting the United Nations Environment Programme, your government and mine made a commitment to international environmental cooperation. But both of us must go further than either has yet shown a willingness to go. Particularly when our own immediate interest are at stake, neither nation has adequately remembered the future all men are fated to—that ours is indeed a "spaceship earth"; a frail vehicle with finite resources of nourishment and regeneration, with no airlocks for anyone against another's fouling of the atmosphere, no watertight compartments to prevent flooding from a polluted ocean; a world whose physical frontiers have been reached, and, in many ways, exceeded. We cannot expect others to be responsible if we do not accept our responsibilities. We cannot ask them to take a long-range view when we are short-sighted—when the Soviet Union resists proposals at the Bucharest Conference to limit population growth—or when the United States postpones scheduled environmental protections.

Instead, let us move in a common effort of many nations to reclaim the seas, to monitor regional and global pollution and inadvertent weather modification from all sources, to share information on the testing and dissemination of potentially dangerous new synthetics, to provide advance notice and discussion of experiments and activities which could have irreversible adverse effects, and to take other measures that fully recognize the extent of our dependence upon a bounded and wounded earth. Together we will protect our planet—or separately, at first a relative few of us, then more, then millions, and finally generations, will perish amid its pollution.

The scientific community too some first steps away from this ecological bring at an international conference this February in Asilomar, California. Molecular biologists and geneticists from the Soviet Union and the United States met with their counterparts from other nations to propose a worldwide system of restraints and safeguards on further research in genetic engineering. The participants suggested methods to limit experiments which threaten to unleash microorganisms of potentially devastating toxicity to man. Limits of this sort can be made effective only at the international level; hard as it is to stay the impulses of experimentation, it becomes virtually impossible when the scientists of one nation can say that others will do the experiment anyway. The resolve of Asilomar represents a bare beginning. As the wonders of science and technology transform the moral as well as the physical landscape, only multilateral standards can preserve the opportunities of this process for mankind, while presenting the mutilation of the very meaning of man.

III

Some environmental damage cannot be predicted, because it has already happened; some of it cannot be undone, because no power on earth can make a new earth.

We have spent resources as though they were endless, and the result is a threat to world resource shortages. At least for the "short run," which might be too long, individuals and even nations may have to live without certain necessities of modern life.

And the shortages caused by overconsumption have been deepened by underproduction and overpricing. States which control raw materials have contrived shortages through coordinated efforts. Private firms in some industries have pursued a similar course. Collusion between producer countries and corporations enlarges the power of both to underproduce and overprice at the expense of everyone else.

Once again the lesson is the necessity of a global common existence. Though we cannot make a new earth, we can make new mechanisms to forecast trends in world production and consumption of primary products. Such planning can only be effective on an international scale. Even the best forecasts for a single country provide an incomplete—and sometimes even a distorted—outlook for prices, demand, and supply.

All economic systems—developing countries, socialist states, and market nations—are essential elements of resource planning. Many developing countries are key producers, or potential producers, in areas of shortage; many of them are part of an effort to create artificial shortages. The socialist and market economies are both major consumers and sources of raw materials.

The United States and the Soviet Union occupy a special place in this pattern of commerce. We are the most nearly self-sufficient nations in the world, yet we each rely on a few key imports—the United States especially for oil, tin, and bauxite, the Soviet Union for food. By contrast, most other countries are either large net sellers—Canada, Australia, and the Arab States—or large net buyers—Western Europe and Japan—in the world marketplace. So our two continental economies have a unique opportunity to advance our own national interests in ways which would promote world economic stability. Within an inclusive international context, a combination of new planning methods and market mechanisms could maximize the long-term efficiency of food and raw material consumption and minimize the rate at which resources are depleted.

The creation of inclusive arrangements will require adaptation and binding commitments. The arrangements will fail if we insist on ideological rigidities of planning or laissez-faire. Monitoring systems must operate over geographical as well as ideological boundaries. Commodities agreements must govern specific products. An international agency for indicative economic planning, open to all countries and with appropriate voting rights for each, could provide a new framework for conservation, specific negotiation, and the development of production techniques.

The Soviet Union's demand for some commodities, particularly food, is obvious. Its ability to supply others, such as oil and gas, is also obvious. Now your country can reassert the role of global economic leadership which it took at Bretton Woods in 1944. You remained outside the trade structure of the world community throughout the Cold War. But in an era of détente and shortages, Soviet interests in the area of trade intersect the interests of non-Communist economies.

Those shared interests would be fostered if ways could be found for your government to participate in institutions such as the Organization for Economic Co-operation and Development, and the General Agreement on Tariffs and Trade. We welcome the fact that you are considering observer status at the current multilateral trade negotiations—and we hope this is a forerunner of more active involvement in the near future. In 1945, the major international trading institutions were founded with an overriding goal—truly universal membership as a basis for maximum world prosperity. The founders were thirty years ahead of time. But now it is time for an expanded common existence in global commerce. It should include the Soviet Union on terms and in a manner consistent with your needs and system.

One poignant crisis cannot wait out the evolution of common existence across the entire range of commerce. Today a third of the world is hungry; half a billion people are at the edge of famine. Although the crisis has yet to be universally conceded, the evidence has mounted beyond the point of rational denial. The food shortage is not a rumor started by hundreds of thousands of dying children, or millions of malnourished parents. Coming to terms realistically with that shortage is in our interest as nations which cannot permanently endure as secure islands in a sea of starvation. It is in the interest of us both as nations with their own real, if rarely admitted, problems of malnutrition. And surely it is in the interest of us both, and of the world as a whole, that our two countries join wtih others to shape and support an international organization to disseminate agricultural technology, collect statistical information on projected food shortages and food supplies, and gather a global food reserve.

Consider my country's past decisions to withhold land from agricultural production; note our frequent misuse of food as an instrument of international politics; observe your country's reluctance to release agricultural data on grounds of national security; recall your understanbale suspicion that the release of detailed information on food production could swell the profits of grain traders rather than filling the stomachs of the hungry. All of these do not mandate an acceptance of things as they are, but the commitment of both nations to the emerging structure of agreements based on the recent World Food Conference in Rome. The structure must be carefully constructed, so every member state can exercise appropriate control, and vital information can be accumulated and assessed in ways fully sensitive to the need for confidentiality and fully alert to the risks of exploitation. No nation should stand aside while most nations are working to design a viable world food system. We have competed with one another for nuclear superiority; now let us co-operate with many others for the sake of food sufficiency.

The question of hunger represents a special case of a more general and no less planetary issue: How are the basic rights of human beings to be assured in a time of

scarcity and conflict? When the issue is cast in that way, we can call upon a common ideal which can make us natural if paradoxical partners in support of a worldwide common existence. Your revolution and ours differed in many things, but they claimed at least one great and same aspiration: Not merely to overthrow the existing order of colonialism or autocracy, but to lift the ancient yoke of human oppression. We have taken opposed paths from our beginnings, each insisting on our fidelity to the aspiration with which we both began. Americans have accused you of abandoning that aspiration legally and politically; you hve accused us of abandoning it economically. These accusations and counter-accusations will continue; as I have suggested earlier, our ideals of politics and government are not on a converging course. But both of us have come remarkably close to agreement on a substantive ideal—that every person has a right, though we may conceive its content differently, to the basic means for survival and self-realization. For the first time in history, it may indeed be possible to affirm seriously the universal existence of some such right—to say, and truly mean, that the preconditions of a decent life are each person's due in the world.

We are in little danger of understanding the difficulty of achieving the sort of substantive agreement such standards would require, much less the difficulty of implementing any standards agreed upon. The danger, rather, is that we may underestimate the importance of trying.

Hundreds of millions of people will not stare down into a mass grave of starvation and then quietly die. The world will not move easily, or peacefully, toward extinction. Maybe it is too much to as of nations that they do the right thing simply because it is the right thing to do. But here the right thing is the only rational choice. If not out of compassion, then because we have a stake in global security, let us at least and at last attempt to make effective the emerging consensus that living, living decently, is each man's most inalienable right.

V

One last element is important: A lowering of barriers to the exchange of ideas in the international arena. Though you may reject our nation's ideals of free expression, let us agree that impediments to the unfettered flow of truth may be obstacles to the mutual search for practical solutions. Occasionally higher values are served by limiting access to data; no one in his right mind would advocate the publication of blueprints for a plutonium bomb. But the most effective methods to control plutonium theft and thus to limit the danger of clandestine proliferation cannot be devised if the engineers who think about them cannot share ideas with one another. Solutions to our agricultural problems cannot be certain if data bearing on levels of production and patterns of distribution are treated as national secrets. Ways of producing energy with less fouling of our common nest cannot be invented and perfected if the scientists who seek to understand the workings of ecosystems cannot enter into dialogue with their colleagues in other lands. At times, both of our nations have overclassified, overprotected, and overcontrolled intellectual products and exchange. In the recognition of mutual fault, and in the realization of a mutual interest in rectifying our errors in this respect, there may lie a basis for acknowledging and ultimately protecting a procedural right as fundamental as the substantive rights on which we seem to agree—a right to think and communicate on questions of basic scientific importance to the human condition.

As common existence comes to be experienced over time, each of us will have less reason to feel threatened by others. With the quelling of fear, there may come an abatement of restraints on expression beyond the scientific realm. But that is a more distant and perhaps more parochial hope, one which could easily slip into unrealistic musings. There is no necessity for us to believe that you may be convinced to accept the value we place upon political liberty. Nor is there any necessity for you to believe that we may be convinced to accept your view that such liberty in a capitalist state is a trick and an illusion. As I said at the beginning of these remarks, a safer world requires a degree of unity, not an identity of systems.

CONCLUSION

In 1815, the Congress of Vienna initiated a period of brilliant diplomacy; political bargains by skillful negotiators preserved the order and systems of Europe. But the security of the *status quo* permitted the old regimes to perpetuate vast social injustice. The last century of continental peace was a long season of human suffering. The statesmen of that century scorned the basic needs of the people. The workers produced, but others profited. The people aspired, but others ruled. The causes of instability were shackled, but not solved. And this condition of suppression the statesmen called a structure of stability. It prevailed for awhile, as such structures usually do; then it failed all at once, as in the end suppression always will. The discontented of many nations rose up, and their rising overwhelmed the sophisticated arrangements of the power balance, and engulfed those who governed within it. The diplomacy of Metternich and his successors was tactically brilliant; it was also and inevitably a strategy of self-destruction.

Today the heirs of revolution could become the new incarnation of the old regimes. The United States and the Soviet Union could retreat behind fortress walls of megatonage and relative economic might. We could feel safe in our fortress, as others once did in theirs—the Kaiser, the Czar, the Austrian Emperor. And one day a revolutionary tide would sweep over the walls and sweep away all who were inside. We cannot predict how it would happen; we could insist that we have the power to hold off that day of reckoning. So did Nicholas and Franz Josef and Wilhelm.

This, I believe, need not be our fate because we are not condemned to it. We could choose it, but we can choose otherwise. As the heirs of revolution, we know its signs; we recognize its claims; we can ride with it, rather than stand against it. We can make the troubles of our world the foundation stones of a worldwide common existence.

Perhaps the memory of the blood we shed together against Facism can provide the most fitting metaphor for our future. We fought as one to defeat a common enemy. Now Providence, which you call history and I call God, calls us to join together again, this time with all men, to defeat the most ancient and most recent enemies of mankind: the tyranny of hunger and disease and the poverty of a world stripped bare.

AMNESTY INTERNATIONAL

Mr. KENNEDY. Mr. President, as the Geneva Conference on Security and Cooperation in Europe draws to a close, there appears to be a sad contrast unfolding in the Soviet Union.

For in recent weeks, while the Geneva Conference has dealt with the issue of increasing human contacts and respect for humanitarian ideals, there has been a disturbing development in the Soviet Union.

I refer to the recent series of arrests of Soviet dissidents, whose single bond appears to be their membership in Amnesty International.

Amnesty International is an international organization committed to achieve the release of or the improvement of conditions of political prisoners. Its distinguished President, Sean McBride, a recent recipient of the Nobel Peace Prize, and its board members reflect all elements of the political spectrum.

It has scored the violation of human rights in Chile and Cuba, in Brazil and in the Soviet Union. Its cause always has been individual freedom and its vision has truly not been restricted by partisan blinders.

The recent arrests of Valentin Turchin, Andrei Tverdokhlebov, Vladimir Albrecht, and Mikola Rudenko—all members of the Amnesty chapter in the Soviet Union—deserve our attention and our protest.

I would hope that these arrests and the pending prosecutions of these individuals would be reconsidered and voided by the Soviet Union leadership.

I ask unanimous consent to have printed in the RECORD an article by Peter Osnos on this subject.

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

LATEST ARRESTS BY SOVIETS VIEWED AS OPEN CHALLENGE TO WEST

(By Peter Osnos)

Moscow, April 20.—Early Friday morning, Andrei Tverdokhlebov, an engineer, left for work as usual. On the street outside, he was arrested.

Valentin Turchin, a physicist, and his family were at home when police arrived and began a 12-hour search. Vladimir Albrecht was picked up at a friend's house and then his apartment was searched too. In Kiev, a writer named Mikola Rudenko was taken away to jail.

What these people have in common is membership in the small, fledgling Soviet chapter of Amnesty International, the London-based civil rights organization that presses worldwide for the release or better treatment of political prisoners. Yesterday, Turchin angrily charged that the authorities have decided to break up the Amnesty group here in a self-confiident challenge to the West.

"The KGB (Soviet Secret police) tells us that public opinion abroad has grown bored with cases like ours and that they can do what they want," he said.

Turchin said the men who searched his apartment told him: "You can no longer trust the West to be concerned with your activities. They have problems of their own these days."

Turchin told newsmen: "I have to agree. This is true."

[Dissident physicist Andrei Sakharov said today he had learned that police had freed Rudenko but had ordered him to remain in Kiev pending trial on charges of anti-Soviet slander, news agencies reported.

[Sakharov also said that security police had searched the house of dissident author Alexander Ginsburg in Tarusa, 60 miles south of Moscow, where he is in internal exile.

[Sakharov said the police took away foreign medicines intended for political prisoners and a card index file of prisoners' relatives.

[n London, the headquarters unit of Amnesty International said it had sent a telegram to Soviet Communist Party Leader Lenoid Brezhnev protesting the arrests.]

Clearly, the Soviets do not regard Friday's events as routine. The home offices of major American, British and French news agencies, The Washington Post and perhaps other newspapers, were informed of Tverdokhlebov's arrest in telex dispatches signed "APN"—the official Soviet news agency Novosti. The news was not released here.

Novosti sometimes covers dissident trials and produces articles to counterbalance what the Soviets regard as "distorted" Western reports. But this is apparently the first time that the agency has sent out what is in effect a press release on a police action.

Also puzzling is that Thursday night, 12 hours before he was arrested, Tverdokhlebov received a phone call from a friend in Kiev who said a foreign radio station was broadcasting in Ukrainian that he had been arrested.

The Novosti account did not mention Amnesty International. It said that Tverdokhlebov had been accused of "spreading deliberate falsehoods maligning the Soviet political and social system" and that his apartment contained anti-Soviet literature for distribution. The arrest of Rudenko and the searches at Turchin's and Albrecht's were ignored.

Turchin, who is president of the Amnesty chapter, said he believes the Soviets will never openly link the respected organization with the case—Sean McBride, a former Irish foreign minister and Amnesty president was chairman of a Soviet-sponsored world peace congress here in the fall of 1973.

But he said that much of the material seized at the four apartments concerned the group. Tverdokhlebov, an active dissident who is a close friend of the physicist Andrei Sakharov, was searched in November and on that occasion Amnesty literature was left behind.

One possibility is that the Soviets decided to move now out of concern that the group—which numbers only about 20 persons—might become the focal point of the Soviet dissident movement, weakened in recent years by emigration, exiles, punishment and weariness.

Amnesty's activities, however, are humanitarian and international. The Moscow chapter, which had its first full meeting only about a month ago, was given responsibility by London headquarters to lobby on behalf of a jailed left-wing writer in Spain, a right-wing Yugoslav nationalist and a Tamil activist in Sri Lanka.

Previously, the group had sent some 25 postcards and letters in support of a leftist imprisoned in Uruguay and others for whom the Soviets would presumably not find support objectionable.

A Soviet move that could be interpreted as suppression of Amnesty International might prove embarrassing to them at the 35-nation Geneva Conference on Security and Cooperation in Europe, where the issue of human contacts has been a central concern. Moscow wants that conference to end quickly with a gala summit conference to sign a declaration of principles.

The Soviet members of Amnesty for the most part have established dissident credentials. Turchin spoke out on behalf of Sakhrarov when the physicist was under attack. As a result, Turchin lost his job. Rudenko, in Kiev, was a member of the Communist Party but was expelled because of his unpublished writings on "Christian socialist" themes. Albrecht is a frequent signer of statements on political subjects.

QUESTIONABLE SECURITY ON U.S. NUCLEAR WEAPONS AT HOME AND ABROAD

Mr. SYMINGTON. Mr. President, 2 days ago, the General Accounting Office reported to the Secretary of Defense that the Pentagon has been shipping nuclear warheads along our highways without adequate security precautions against potential terrorist activities.

As is well known, for some time I have been concerned with the security of our nuclear arsenals abroad.

The United States currently has some 7,000 tactical nuclear weapons stockpiled in European countries plus thousands more in other countries around the globe. This does not include these aboard U.S. ships.

Reports during the past year are to the effect that some of these weapons may not be well protected against potential nuclear saboteurs or thieves—especially those who may have both the armed capability and intelligence information necessary to overcome security systems designed to protect these weapons.

The mere presence of such large numbers of nuclear warheads around the world provides an ever-present risk of their seizure—not only by criminal groups, but also by host governments themselves. Any change in government, or in government policy, in a country where U.S. nuclear weapons are stored could lead to a takeover of these weapons.

It is no secret that during the Cyprus crisis, which is still with us, the United States has been concerned about the security of its nuclear arsenals in both Greece and Turkey, and there are other cases where political and international developments could have serious implications for the security of our nuclear arms.

This security is not only a problem for the United States, but also for France, Great Britain, the Soviet Union, the People's Republic of China—or any other country which has or soon will have nuclear weapons; in fact, there have been developments which would lead us to believe that a growing number of countries will soon possess such weapons.

All nations must take the risk that the security and potential use of nuclear weapons may be affected by the political stability of the countries which possess or store them.

Now that the General Accounting Office has confirmed the need for tightening safeguards on the shipment of nuclear weapons along our own highways, I would hope that the administration will also take whatever measures may be necessary to strengthen safeguards on our nuclear weapons shipments and storage abroad.

The administration should also review our policy of placing thousands of tactical nuclear weapons abroad, removing those not actually required for defense purposes.

At this point, I am providing copy of the unclassified "digest" of the GAO report which was released on April 23, and ask unanimous consent that it be printed in the RECORD.

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

GENERAL ACCOUNTING OFFICE REPORT TO THE SECRETARY OF DEFENSE—SAFEGUARDS SHOULD BE TIGHTENED FOR TRANSPORTING NUCLEAR WEAPONS ON HIGHWAYS, DEPARTMENT OF DEFENSE

(This is an unclassified digest furnished in lieu of a report containing classified security information.)

WHY THE REVIEW WAS MADE

The Atomic Energy Commission and the Department of Defense frequently move nuclear weapons in motor vehicle convoys over public highways and streets.

Because of the recent successes of terrorist organizations and the ability of such groups to strike almost anywhere in the world, GAO wanted to find out if adequate security precautions were taken when nuclear weapons were transported by motor vehicle convoys in the continental United States.

FINDINGS AND CONCLUSIONS

Nuclear weapons transported in motor vehicle convoys by the Army and Navy were more vulnerable to potential terrorist activity, and more susceptible to damage, than were shipments by the Atomic Energy Commission and the Air Force.

The Army:

Used commercial van-type trucks without armor or entry denial fixtures to carry nuclear warheads between storage locations and missile launch sites.

Did not use helicopters to provide aerial reconnaissance and surveillance for its convoys.

Did not have an adequate en route communication system to monitor progress.

Did not provide for a security team vehicle to follow its convoys and respond to emergencies.

Navy shipments also were vulnerable to terrorist activity and susceptible to damage.

The Secretaries of the Army and Navy acknowledged that these observations were valid. They cited a number of actions taken or planned which should bring about needed improvements.

RECOMMENDATIONS

The Secretary of Defense should follow up on the corrective measures promised by the Army and Navy to insure that the additional safeguards are timely and effective.

The Secretary of Defense should also explore the possibility of using the Atomic Energy Commission's safe/secure trailers or other vehicles equipped with entry denial and alarm security features when motor vehicle convoys are required for Army and Navy nuclear weapons.

SENATOR KENNEDY'S EXCELLENT OVERSIGHT WORK

Mr. PROXMIRE. Mr. President, it is a rare day when a Member of Congress is recognized by the press and public for excellence in the time-consuming, detailed, undramatic field of following up a program that we have enacted into law to determine whether it is working, and if it is not to exert the pressure to see that it does work.

This, of course, is congressional oversight. All of us in the Congress engage in it. Some do much more work than others. But rarely is that work reported, and even more rarely is that work recognized and praised even if it gets big results.

This is why Members of Congress will be impressed by an extraordinary article in the April 24 Wall Street Journal by Alan Otten, citing our colleague Senator EDWARD KENNEDY for the solid and suc-

cessful job Senator KENNEDY has been doing in the airline field.

KENNEDY's work has already produced lower prices for airline tickets. It has infused a much-needed recognition by the Civil Aeronautics Board that its mission is to represent the public interest—not just the interest of the airlines it regulates.

All this has been accomplished by Senator KENNEDY, his Judiciary Subcommittee and its staff, not by a few speeches or press releases but by many months of strenuous investigations including detailed questionnaires, private staff discussions, specially commissioned academic analyses and public hearings.

In case political ideologs would read some kind of liberal or partisan plot into all this, we should note that Senator KENNEDY's principal coworker in all this has been none other than the distinguished Senator from South Carolina, STROM THURMOND.

Senator THURMOND also deserves great credit for the work he has done in making it possible for air travelers to get a fair break when they buy their tickets.

Mr. President, I ask unanimous consent that the article by Alan Otten, 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:

OVERFLIGHT

(By Alan L. Otten)

WASHINGTON.—Wall Street Journal readers will probably find bizarre the image of Senator Edward Kennedy crusading for less government regulation and more marketplace competition.

Yet that's precisely what Mr. Kennedy has been doing, with considerable impact and success, in the airline field. In the process, he's also been graphically demonstrating the enormous potential of well-done legislative oversight.

Oversight, as has been frequently noted here, is a conspicuously neglected congressional chore. Trying to determine whether a government program is working well, or is working as Congress intended, is tedious labor. Frequently, the committee charged with oversight is stacked with lawmakers who have close ties to the people administering the program or benefitting from it. Unless it hits scandal or other publicity-rich pay dirt, tough oversight gains an ambitious legislator far fewer friends than most other things he could be doing.

All the more surprising then that Mr. Kennedy should invest substantial amounts of time and energy in this sort of activity. Yet last summer, looking around for a new task for his Judiciary Subcommittee on Administrative Practice, he worked out with Harvard law professor Stephen Breyer plans to study the way different government agencies now regulate economic activity—starting with the Civil Aeronautics Board.

"For a long time," Mr. Kennedy says, "I'd been working on getting better air service and lower fares for New England. And I'd gradually become convinced that less regulation would actually benefit the consumer and still strengthen the industry."

Since last Summer, Mr. Kennedy, ranking subcommittee Republican Strom Thurmond, and the subcommittee staff have bombarded CAB members and their top aides—with detailed questionnaires, private staff discussions, specially commissioned academic analyses, and beginning in early February, public hearings.

How could intrastate airlines in Texas and California, free from federal regulation, manage to charge much lower fares and still operate so profitably? Why does the board freeze out major new competition from airline routes? Wouldn't the threat of new competition help keep down airlines fares?

Even if lower fares made airlines cut back service, might not people accept less service in order to fly more cheaply? Why does the CAB rate formula include a fat 12% rate of return? How could the board justify higher fares at a time of sharply slumping traffic?

And CAB policies changed. Recently the board has begun to entertain new route applications; dropped an earlier plan to force higher charter rates and instead proposed more low-cost charter flights; permitted a no-frills, low fare for National Airlines; and set up an internal group to consider the desirability of broader competition.

"Much of this never would have been proposed, let alone approved, six months ago," contends antitrust expert Breyer.

Certainly there may be some argument over just why it's all happening now. The recent recession, cutting into passenger volume and industry profits, made many airlines ready to compete harder. Key officials at the Council of Economic Advisers and the Departments of Justice and Transportation were independently moving towards a deregulation policy anyhow, and President Ford promised this in his economic report in early February.

Yet at the very least the Kennedy subcommittee catalyzed these and other forces. Its announcements of plans to start hearings Feb. 6 prodded the administration to pull a policy together by then. Several CAB reversals of direction were actually announced at the hearings, under specific subcommittee questioning.

In addition to the "why now?" question, there's the even greater debate over whether deregulation is the correct policy. Most airlines say emphatically not, and the CAB so far has seemed to agree.

Industry executives admit that less regulation may lower fares at first, but insist that profits will also gradually drop, airlines will have to merge or fold, small towns will lose service, technological innovation will slow, and safety standards will suffer. Ultimately, they contend, fares will rise higher than ever.

But the judiciary subcommittee and apparently the Ford Administration believe the contrary. "Testimony by independent experts and other witnesses," Sen. Kennedy said in hailing a new Ford deregulation pledge last week, "indicated that a more flexible regulatory policy, one that leads to greater competition, is likely to lead to lower fares and fewer empty seats"—and sounder airlines.

The subcommittee's report, now in preparation, will probably urge far easier airline qualification for new routes, still more liberal charter rules, freedom for airlines to raise or lower fares within a specified range without CAB approval, and several restrictions on the board's power to grant antitrust immunity for airline agreements reducing frequency of flights.

Mr. Ford has indicated the administration's bill will be along much the same lines, and the subcommittee is pleased. "A lot can be done by the board without legislation," Mr. Breyer says, "but then there's the risk of a relapse later. It's safer to have legislation." He admits, though, it may be hard to sell the current liberal Congress on the deregulation approach. "Liberals don't have a bias against government regulation," he understates.

To be sure, the Kennedy operation has had some luck. The Senator's name commands press attention even for dull subjects. Watergate created doubts about too-close government-industry ties. The declining economy heightened interest in the health of the airlines. "We caught the issue at the right time," Mr. Kennedy concedes.

Yet the investigation also required long, hard work, as good oversight always must. And it showed that with hard work—and a little bit of luck—oversight can do a vital job.

PROGRAMS FOR OLDER AMERICANS IN MINNESOTA

Mr. HUMPHREY. Mr. President, the State of Minnesota has always been a leader and an innovator in its efforts to assist the elderly. Through a multitude of programs and services, Minnesota has provided its senior citizens with new opportunities and a sense of dignity.

The Minnesota Governor's Citizens Council on Aging served as the catalyst for these changes. Since its incepton in 1957, the council has provided direction and guidance to the statewide drive. A 25-member body, the Governor's council brings together concerned citizens and legislators who have a special interest and expertise in aging.

The number of older people present in our society is rapidly increasing each year. In Minnesota there are 600,000 people over the age of 60, many of whom have special needs and problems. The Governor's council has studied these people and found that: one-half of Minnesota's older people have chronic health problems; one-fourth have less than an eighth grade education; one-third live in poverty; one-sixth have transportation problems; one-half often feel lonely.

These highly significant statistics pose an important challenge which can only be answered by the type of positive action which has been developed by the council.

The Governor's council recently published an annual report which outlines their functions and discusses the progress which has been made in Minnesota. This booklet describes the many social services which were begun under Federal funding programs and continued via local support following the expiration of the Federal money. Last year the council funded 15 new programs in response to the needs of the State's elderly.

Since 1967 the GCCA has initiated 101 projects covering a wide range of services. A total of $4 million has been awarded to these programs during this time, each project being supported for about 3 years.

The Council sponsors a broad spectrum of health services, from clinics to loan closets. By assisting the elderly with their health needs, the State allows them to feel comfortable in their retirement years. Coupled with this are over 100 senior citizen centers which enable older people to find companionship and worthwhile activities. These two programs serve to give elderly citizens a sense of security and well-being which is essential to their daily lives.

The Governor's Council also initiated dining and transportational facilities in order to help senior citizens remain active members of their communities. Over 30,000 participants received good meals

and friendly companionship at neighborhood centers throughout Minnesota.

Besides these basic services, the Council has an extensive network of educational and counseling services, designed to insure full and meaningful lives for Minnesota's older citizens.

In sum, the Governor's Citizens Council on Aging has taken decisive steps to reach out to senior citizens in Minnesota. Chairman Cy Carpenter and Executive Secretary Gerald Bloedow direct a noble undertaking which is attempting to build a society of human fulfillment for the elderly.

The efforts of the GCCA demonstrate that citizens can solve problems within their own communities by working with both Federal agencies and their local counterparts. I commend them for the progress which they have made and point to their work as a model for other States and communities.

Mr. President, I ask unanimous consent that excerpts from the GCCA's annual report be printed in the RECORD.

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

ANNUAL REPORT OF THE GOVERNOR'S CITIZENS COUNCIL ON AGING, JANUARY 1975

(Cy Carpenter, Chairman; Gerald A. Bloedow, Executive Secretary)

THERE IS NOTHING NEW ABOUT AGING

What is new is the number of older people alive today and the changed society in which they live. In 1900, 3 million older people lived in a largely agrarian America. Today more than 20 million older people live in our radically altered society—fast-paced, urban, aggressive, youth-oriented.

As the older population has increased, so have its problems. Minnesota was among the first to recognize the plight of many of her older citizens, but until 1951 no statewide efforts were launched to deal comprehensively with the problems faced by older people. In that year the legislature created a legislative interim commission to study the health, housing, recreation, employment, and welfare needs of Minnesota's older population. Shortly afterwards (in 1956) the Governor's Citizens Council on Aging was created by executive order to meet the needs of older Minnesotans; in 1957 the Council was established by statute.

Today the 25-member council serves as the focal point on aging for Minnesota's 600,000 older people (those age 60 and older); for individuals approaching retirement or into an early retirement; and for all other Minnesotans of whatever age who are interested in aging and gerontology.

Council members—individuals who have a special interest and expertise in aging—come from every congressional district in the state. Each member is appointed by the Governor for a two-year term; no member may serve for more than six consecutive years.

The Governor's Citizens Council on Aging serves older people in a variety of ways. As the sole state agency responsible for administering Titles III and VII of the Older Americans Act, the Council plans, coordinates, and evaluates social service and nutrition programs for older people throughout the state. It also administers the state-funded portion of the Foster Grandparents program—a program employing low-income persons age 60 and older who give retarded children close personal attention.

In its advisory and educative role, the Council acts as a consultant to the Governor, legislature, and heads of state departments concerning policies and services affecting older people. In addition, the Council assists regions, counties, and local communities in the planning and development of programs for older persons.

The Council also participates in the legislative process by reviewing proposed legislation, commenting upon existing legislation affecting older persons, and drafting new legislation—always acting on behalf of Minnesota's older citizens.

By law the Governor's Citizens Council on Aging is charged with the following:

To advise the Governor and heads of state departments and agencies regarding policy, programs, and services affecting the aging;

To provide a mechanism for coordinating plans and activities of state departments and citizen groups as they pertain to the aging;

To create public awareness of the special needs and potentialities of older persons;

To gather and disseminate information about research and action programs, and to encourage state departments and other agencies to conduct needed research in the field of aging;

To stimulate, guide, and provide technical assistance in the organization of local councils on aging;

To provide continuous review of on-going services, programs, and proposed legislation affecting the elderly in Minnesota; and

To administer and to make policy relating to all aspects of the Older Americans Act of 1965, as amended, including implementation thereof.

SOCIAL SERVICES THROUGH TITLE III OF THE OLDER AMERICANS ACT

Over the years the Governor's Citizens Council on Aging has used federal money to start all of these services for older people. Throughout Minnesota project sponsors (social service agencies, local units of government, committees on aging, etc.) have played a most important role in ensuring the success of the program; and Title III of the Older Americans Act has provided the "seed" money for the projects. But because Title III money can only be used for short-term projects, the Governor's Citizens Council on Aging has invested it in programs the Council considered capable of obtaining total local support after three to four years. Minnesota's older people have benefited by this policy: every project but one which the Council has funded has been continued after federal funds expired.

In 1974 fifteen new social service programs—creative, innovative projects responsive to the needs of Minnesota's older people—were funded by the Council throughout Minnesota. For instance, in North Minneapolis a legal rights and advocacy program was started; in St. Paul a social services-counseling project was begun for older residents of public housing. Health services, multi-purpose senior centers, and transportation programs were also funded throughout the state.

HEALTH SERVICES

Last year the Governor's Citizens Council on Aging continued funding a broad spectrum of health services for older people.

Diagnostic health screening so older people won't have to worry away their health;

Mini-clinics so older people can receive needed "maintenance" health care;

Health education so older people can learn to prevent health problems or to cope with what ails them;

Day care centers so older people can live independently but still receive skilled nursing care daily;

Home health assessment so trips to the doctor can be either avoided or hastened to catch diseases in their early stages;

Loan closets so older people have a special source of needed supplies and equipment;

Health reassurance checks so older people know how to follow the doctors orders.

The two new health programs funded by the Council in 1974 were programs designed to meet the health needs of older Minnesotans in the metropolitan area. These new comprehensive programs currently provide each of their elderly clients with most of the above services.

MULTIPURPOSE SENIOR CENTERS

With Title III funds the Governor's Citizens Council on Aging has, since 1967, helped to develop more than 100 senior citizen centers for older people, three new centers in 1974.

Senior centers are places where older people can be involved and feel at home. Places where they can find people like themselves for companionship. Places where life is humming at a quick-but-easy pace.

Senior centers are friendly places overflowing with activities and opportunities for older people—exercise classes, crafts, educational classes and forums, musical activities, counseling, health testing cards, day camps, information and referral and many others. Through its development and support of senior citizen centers throughout Minnesota, the Governor's Citizens Council on Aging has helped older people find a place.

TRANSPORTATION

It's lonely in the country when you can't get out. When your nearest neighbor is miles down the road. Conversation gets sparse. It can be frightening in the country too, if a person should fall and need a doctor but have no way to get there.

The Governor's Citizens Council on Aging is concerned about the isolation of Minnesota's older people. Providing food, health care, or recreation helps older people very little if they can't use the services; if they can't get to them. So the Governor's Citizens Council on Aging has worked to develop transportation programs for older people throughout Minnesota. Eight new transportation systems—city-wide, county-wide, and region-wide alike—were developed in 1974. Buses, mini-buses, and volunteer drivers with their own cars were used.

Now older people no longer need to sit at home. The Governor's Citizens Council on Aging is helping them go places.

NUTRITION PROGRAM FOR THE ELDERLY THROUGH TITLE VII OF THE OLDER AMERICANS ACT

In 1974 the Governor's Citizens Council on Aging, using federal money under Title VII of the Older Americans Act, supported 122 congregate dining facilities for older persons throughout Minnesota. Each day more than 3,800 hot, nutritious meals were served to older Minnesotans who contributed according to their means.

More than 30,000 older persons participated in the Nutrition Program for the Elderly, a program directed toward older people who cannot afford to eat adequately; who lack the skills to select or prepare nourishing meals; who have limited mobility impairing their ability to shop and cook for themselves; or who are so isolated and alone they lack the incentive to prepare and eat meals. With Council help plus help from 17 sponsoring agencies all over Minnesota these 30,000 participants ate well and they ate right. But more important for many was the social contact and support they received from dining with neighbors and friends. They also took advantage of the eight social services which are an integral part of the nutrition program: transportation, nutrition education, recreation, outreach, shopping assistance, health and welfare counseling, personal escort service, and information and referral.

How is the Governor's Citizens Council on Aging involved?

Initial and continual program planning.

Administration and management.

Technical consultation and support.
Monitoring and evaluation.

Title VII funds administered by the Governor's Citizens Council on Aging in 1974: $1,815,461.

FACILITATING SERVICES

The Governor's Citizens Council on Aging, understanding that older people in particular may have difficulty in recognizing services available to them, initiated in 1974 two major efforts aimed at informing older people about services they may need: an SSI–ALERT Project and an Information and Referral Program.

SSI—ALERT

Minnesota's SSI–ALERT is part of the Administration on Aging's nationwide search for potential new Supplemental Security Income recipients. Supplemental Security Income, a federal program begun in January of 1974, is a guaranteed annual income plan which replaced state and county Old Age Assistance programs.

Realizing that many older people consider income their number one problem and that these same persons might very well be unaware of the new federal program, the Governor's Citizens Council on Aging, in conjunction with the Social Security Administration and the Red Cross, worked throughout the year to locate potential new SSI recipients. A statewide publicity campaign was launched and volunteers were trained to answer questions about the program and to do outreach work in their communities.

In some areas outreach workers went door to door visiting with older people and, when appropriate, asking them to fill out special memos indicating their social service and income needs. Social Security Offices and other local organizations were then contacted to provide the needed help. In the Hibbing area alone, of 1,900 older people contacted, more than 500 (28%) were found to be eligible for SSI; they are now receiving, on the average, an additional $60 in income every month—income that significantly improves the quality of their lives.

Information and Referral Services

The Governor's Citizens Council on Aging in 1974 applied for and received a model project grant from the Administration on Aging to initiate a statewide information and referral system for older people. The $200,000 project, begun in September of 1974, will provide information to the general public on matters pertaining to the older population and will create a network of information and referral centers throughout the state.

Information and referral centers will direct older people who have problems or questions concerning health, housing, income, education, employment, recreation or any other kind of human service need to agencies and organizations that can help. The Governor's Citizen Council on Aging believes that regional or sub-regional information and referral centers will greatly aid older people who are currently unfamiliar with or afraid to approach the many organizations and bureaucracies available to serve them.

PLANNING SERVICES

Insuring full and meaningful lives for all of Minnesota's older citizens is a challenging responsibility. To meet it, the Governor's Citizens Council on Aging engages in a constant planning process: reviewing progress already made, analyzing problems still unsolved, and designing and coordinating projects and programs it hopes will solve those problems.

State plan for aging

In 1974 the Council formulated its second major State Plan for Aging which detailed goals for the coming fiscal year and the mechanisms by which the Council hoped to achieve those goals. This document, which serves as a work plan for the Council, was submitted to the Administration on Aging in Washington for their approval and for their use in coordinating aging programs nationwide.

Area planning

During 1974 the Governor's Citizens Council on Aging's five Area Agencies on Aging offered technical assistance to aging programs in their respective regions, promoted the development of new aging services, coordinated existing services, and engaged in an on-going planning effort on behalf of older persons. Area agencies received increased responsibility in 1974 for the direct funding and review of Title III social service programs in their regions, a development which increased each agency's ability to effectively plan and coordinate a comprehensive system of services of older people. The agencies supported by the Council themselves with Title III funds from the Older Americans Act, are placed within Regional Development Commissions to maximize their planning capabilities.

Consultative services

In 1974 the Governor's Citizens Council on Aging assisted a variety of agencies and organizations in the planning, development, and evaluation of programs for older people. Consultative services were provided to, among others, the Office of the Governor, the Federal Executive Board, the Model Cities programs of Duluth, Minneapolis, and St. Paul, the Minnesota State Department of Personnel, and numerous legislators. Three Regional Coordinators, staff personnel to the Governor's Citizens Council on Aging, also offered consultative services to communities and social service agencies across the state, providing them with technical assistance in their planning and coordination of aging programs.

EDUCATIONAL SERVICES

Annual Institute on Aging

Each year the Governor's Citizens Council on Aging in conjunction with Gustavus Adolphus College sponsors a two-day Institute on Aging devoted to a topic of particular concern to older people. Institutes are part of the Council's efforts to provide continuing education to Minnesotans interested in aging and the concerns of older people. In 1974 the theme of the 16th Annual Institute was "Life is Worth Living, But You Can Count on Dying." Guest speakers provided information on topics such as coping with grief and drawing up wills.

Retirement planning

To prepare state employees for the social, emotional, physical, and financial changes often accompanying retirement, the Governor's Citizens Council on Aging works with the State Department of Personnel in the planning and presentation of pre-retirement seminars for state employees. The set of five-session seminars, offered continuously throughout the year, covers such subjects as physical and mental health, insurance, employment possibilities, and alternative living arrangements. Staff of the Governor's Citizens Council on Aging serve as speakers, panelists, and resource persons.

Films

The Governor's Citizens Council on Aging provides free 16mm films on aging and gerontology to all groups and organizations requesting them. Currently the Council's film library contains more than 50 different films on subjects ranging from stereotypes of older people to the organization of senior citizen clubs. In 1974 the Council filled approximately 150 film requests.

Tax training

Throughout Minnesota the Governor's Citizens Council on Aging in conjunction with the State Department of Revenue trains people each year to help older citizens fill out their tax forms. The purpose of the program is to insure that older people receive all the tax relief they are entitled to as a result of recent changes in Minnesota's tax laws. More than 25 training sessions were held in 1974.

Newsletter

The "Senior Spotlight," published bimonthly by the Governor's Citizens Council on Aging, had a circulation in 1974 of over 6,000. Through the newsletter the Council informs older Minnesotans about its activities and programs, and about developments in aging programs at the local, state, and national levels.

ADVISORY COMMITTEES

People helping people. The Governor's Citizens Council on Aging is involved in this rewarding process daily, and has called upon others to help. Recognizing the complexities involved in planning for new programs and in administering current ones, the Council has established four advisory committees in the areas of nutrition, technical review, planning, and legislation. The nutrition advisory committee reviews and makes recommendations to the Council on Aging on all aspects of the implementation of the Title VII Nutrition Program, the technical review committee studies applications for Title III projects from regions in the state not served by an Area Agency on Aging and makes recommendations for action to the Council on Aging; the state plan committee reviews and makes recommendations on all statewide and regional planning activities of the Council; and the legislative committee examines legislative issues affecting Minnesota's older population and makes recommendations to the Council. In addition to these four advisory committees the Governor's Citizens Council on Aging has formed an executive committee which acts on behalf of the Council when issues arise requiring immediate action.

Committee members donate their time to the Council; they are rewarded by the success of the programs they are involved with.

There are other Minnesotans from all parts of the state who join regularly with the Governor's Citizens Council on Aging to insure that older Minnesotans live fulfilling later years. County committees on aging and the advisory committees to each of the five Area Agencies on Aging work both to identify the needs of older people and to develop practical ways of meeting these needs. The newly created steering committee of the Council on Aging's Information and Referral project, a committee composed of professionals representing many departments of state government, works to insure that the Information and Referral project operates in consort with other information and referral efforts in the state.

STAFF

Council and advisory committee members show their concern for older people by donating time and energy on their behalf; the professionals employed as staff to the Council are similarly motivated—they devote their professional lives to the field of aging. Staff professionals assist committee and Council members in the administration of on-going programs, the planning of new efforts on behalf of older people, the provision of consultative services to those seeking the expertise of the Council, and the stimulation of public interest in aging. Not only do they assist the Council and its advisory committees, they also act as staff of the Aging Division of the State Department of Public Welfare.

GENETIC RESEARCH

Mr. KENNEDY. Mr. President, on April 22 the Senate Subcommittee on Health held a hearing on genetic research, a new

and revolutionary scientific endeavor involving complex problems including benefit and risk assessment and the proper role of Government and the public. A recent article in the Washington Post by Stuart A. Auerbach detailing some of these problems was very helpful in the preparation, by the subcommittee, for the hearing.

Mr. President, I request unanimous consent to print this article in the RECORD.

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

AND MAN CREATED RISKS

(By Stuart Auerbach)

PACIFIC GROVE, CALIF.—The day dawned clear and warm on what is often the fog-shrouded coast of Monterey Bay. But the sun was not yet up when the scientists gathered at 8:30 for the conference's opening session. Most had arrived the night before, but friendships had not yet formed and everyone appeared a little stiff. David Baltimore, an articulate young molecular biologist from the Massachusetts Institute of Technology, opened the meeting by reminding everyone of a letter published last July by a committee of the National Academy of Sciences warning of the potential hazards from new types of genetic engineering and calling on scientists to voluntarily halt experiments in certain areas until they had a chance to assess their potential risks.

Baltimore was a member of that committee, which was headed by Paul Berg of Stanford University. What the Berg committee did was revolutionary; never before had scientists stopped research because of unknown dangers inherent in their work.

For these scientists are creating new forms of life in a laboratory by melding genes from any living thing—including viruses, sea urchins and animals—with the genetic material from other living things, and then growing these hybrid genes in "factories" of bacteria.

Could these unknown forms of life—"novel biotypes," the scientists called them—threaten the world as an "Andromeda Strain"? (The scientists here blanched at even the casual mention of the term.) Could their research increase the risk of cancer? Or create new types of drug-resistant germs?

Standing at what was once the pulpit of the Asilomar chapel—left over from the days when this state-run conference center was a YWCA camp—the bearded Baltimore reminded the 139 scientists from 17 countries that their research concerns "biological activity of an unprecedented nature" which could prove hazardous to both lab workers and the public. "Issues which relate to the safety of research," he said, "are appropriate concerns for scientists and laymen."

Baltimore ruled out discussion of "peripheral issues"; the ethical and moral consideration of whether genetic engineering should be done at all and its applications for chemical and biological warfare. "This meeting is not designed to deal with those questions," he said.

"The issue that does bring us here is that a new technique of molecular biology appears to have allowed us to abort the standard events of evolution by making combinations of genes which could be unique in natural history. These pose special potential hazards while they offer enormous benefits.

"We are here, in a sense, to balance the benefits and hazards right now and to offer a strategy that will maximize the benefits and minimize the hazards of the future.

"Many people in scientific societies, in government agencies and private individuals around the world are looking to this meeting for guidance, and unless we go out of here providing that guidance we will not have fulfilled our responsibility and we will have left a really serious void . . . If we come out of here split and unhappy, we have really failed the mission that is before us."

With that charge on the table, Berg—who did some of the pioneering work in the field and whose fears, along with those of other scientists such as Maxine Singer of the National Institutes of Health in Bethesda, prompted the formation of the National Academy of Sciences' committee and the voluntary moratorium that followed the publication of the July letter—outlined the scientific experiments that caused the furor.

The ability to create hybrid genes arose from the discovery in labs across the country about five years ago that certain chemicals named "restriction enzymes" could cut the twisted strands of genetic material known as deoxyribonucleic acid (DNA) at specified places.

With that knowledge, it wasn't long before scientists were able to take segments of DNA from such higher forms of life as toads or sea urchins and insert them into simple, fast-growing single-cell organisms such as bacteria. The resulting hybrids were new, man-made forms of life that could multiply rapidly.

Two years ago, Berg considered cleaving a piece of DNA from a virus called SV-40 that causes cancer in monkeys and inserting it into the DNA of a bacteria known as Escherichia coli (E. coli). E. coli is one of the most common bacteria; it is present in everyone's intestines. After discussing his experiment with a number of other scientists—including James D. Watson, who won a Nobel Prize for his work in discovering the double helical shape of DNA 20 years ago—Berg realized that his experiment held the potential of creating massive disease. So he never did it.

E. coli, however, is the bacteria most commonly used in these experiments, which scientists call the formation of recombinant DNA, or Chimeras DNA, after the Chimera of Greek mythology, a female monster made up of parts of two or more animals.

Some scientists at the conference expressed concern over the handling of these potentially dangerous microbes in laboratories. Microbiologist Stanley Falkow of the University of Washington School of Medicine said he was shocked to learn that in some labs samples of E. coli were poured down the sink instead of being disposed of in a way that would keep the laboratory germs out of the public sewers. He called that "sloppy."

The strain of E. coli used in laboratory experiments is called K-12; it came from the intestine of a woman being treated for diphtheria at Stanford in 1922. But E. S. Anderson, an English scientist at the conference, reported that the K-12 strain of E. coli is no longer a normal inhabitant of the intestine. Indeed, an English colleague, H. William Smith, reported that he swallowed 10 billion E. coli mixed with a glass of milk for a number of days and found they could not survive in his intestine for more than a few days.

Anderson was the first participant in the conference to belittle the potential dangers that Berg and Baltimore had raised.

"Science fiction types of epidemics have been suggested by people who are not really, shall we say, sober-minded citizens in the sense that what they want is the thrill of horror rather than the sober facts which may be unmoving," Anderson commented tartly.

Over lunch, the discussions continued at big round tables. Many of the scientists used the lunch hour to make pay calls home to their labs, passing on the latest information on how to make their experiments work.

One of the few non-scientists on the program—Washington attorney Harold Green, who specializes in science and public policy—opened the afternoon's discussion. He said the self-imposed moratorium generated by the Berg committee letter undoubtedly slowed the pace of research and may have delayed the public from reaping some of its benefits. But he said it was important to settle the problem of potential risks before proceeding.

This started the first debates of the conference. Joshua Lederberg of Stanford, one of the two Nobel Prize winners at the conference, said this new research "has the potential for some of the most fundamental medical advances of the century." Postponing them, he said, will harm millions of people.

"I don't regard it as sinful to postpone benefits," replied Green. But Green's talk failed to persuade many of the scientists. Indeed, it solidified the ranks of those who thought that Berg and his colleagues had overreacted by calling for the moratorium last July.

Lederberg was still on the subject when the formal session ended, sitting in one corner of the auditorium carrying on a heated discussion with, among others, his fellow Nobel laureate, James Watson, and Norton D. Zinder of New York's Rockefeller University.

Lederberg insisted that any controls put on experiments will add to the scientists' paperwork, thwart research and hurt science in general. He said far more dangerous experiments have been done for years without this kind of public hue and cry. But genetic engineering, he said, captures headlines and public attention. He suggested that Berg, Baltimore and their committee might have purposely picked that issue in an effort to raise the social consciousness of scientists to the implication of their work. "There's nothing worse than a moratorium," said Lederberg, "to overdramatize a problem."

But Watson, dressed in a baggy blue pullover and with wisps of his hair flying out, noted that Lederberg himself had warned against bringing samples back from the moon and other planets because they might contaminate the earth. Partly because of the warnings of Lederberg and other scientists, NASA built an expensive supersafe Lunar Receiving Laboratory in Houston.

After Watson had left the little discussion, Lederberg called this new kind of genetic engineering "the first practical application of the uncovering of the structure of DNA"—for which Watson had won his Nobel Prize.

Even since Watson and Sir Francis Crick uncoded the structure of DNA about 20 years ago, people around the world have been awaiting practical benefits. Instead, each scientific discovery has appeared to raise more questions than it answered, and the practical benefits have been few, if any.

"The things we know," Lederberg continued, "are the tip of the iceberg. It's the hottest medical advance that has happened since antibiotics." Recombining genes, he said, "is analogous to crossing beans and corn in the field to get succotash."

As an example of what this new form of genetic engineering can do, he said, researchers can now search for the gene that produces human growth—a rare and expensive substance that is needed to treat people whose growth is stunted because of a hormone deficiency. This gene can be inserted into a bacteria "factory" which can then produce tons of human growth hormone. In less than five years, Lederberg predicted, enough human growth hormone will be produced by this method to serve the world's medical needs.

"Two years ago," he said, "I was predicting that in 10 years we would be where we are today."

A few minutes later, I ran into Watson, who was leaning against a pool table in Asilomar's main administration building, waiting for a free phone booth. When I told him about Lederberg's optimistic predictions of the value of this research, and how it is the first practical discovery stemming from the decoding of DNA, Watson said, "Nonsense."

"Josh is so bright and articulate," said Watson, "that everybody pays attention to him. I stopped paying attention to him in 1951.

"I don't believe anybody here can predict what practical benefits will flow from the research and I don't believe anyone here can quantify the hazards. I don't believe this is the great breakthrough we all have been waiting for for 20 years. The human, practical benefits flow from continued scientific work and not from jumping on board one isolated set of discoveries."

After dinner, most of the conference participants were exhausted. Instead of resting, walking along the rocky beach or looking at the flowered sand dunes and pine forests, they had spent the few free hours of the afternoon in heated discussions of their own.

Nevertheless, the chapel was filled—as it was for every session—when Stanley Cohen of Stanford, one of the pioneer researchers in the field, took the podium. He provided unpublished details (as many other researchers did) of his latest experiments—including the introduction of DNA from sea urchin eggs in E. coli. (Later asked if he got sea urchins from tidal pools such as the ones that form at low tide at Asilomar, he replied. "I've never seen a sea urchin. I just see their genes.")

The attack on plans to control research into this new form of genetic engineering solidified even more the next morning, when a special committee presented a report which would have restricted experiments that create new forms of life to laboratories with special safety features. One form of experiments—combining E. coli with genetic materials from bacteria that cause hard-to-treat fetal diseases—was ruled out as being too hazardous to do at this time. The committee of five scientists, headed by Richard Novick of the Public Health Research Institute in New York, had met for six days in New York and Palo Alto, Calif., prior to the Asilomar meeting.

Lederberg argued repeatedly that any guidelines passed by the Asilomar conference would be taken as Holy Writ by "bureaucrats" in Washington and other world capitals. "I take no exception to the language," he said, "but I am concerned over the general rigidity of guidelines." Novick replied that review committees of scientists could update or modify guidelines that didn't work or become outdated because of scientific progress.

Novick's assurances were not enough to satisfy Anderson, the Englishman who had scoffed at "science fiction" warnings. "We may end up with a series of taboos which we will find hard to reverse," he said. Anderson complained that many of the report's definitions were "oversimplifications" that omitted important points. When Novick defended the 35-page single-spaced report as "terse," Anderson replied tartly, "You could have fooled me." And when Falkow, another committee member, said the drafters couldn't cover every point in six days of meetings, Anderson said, "Why couldn't you do it in six days? After all, the Lord created the earth in seven days."

The bickering continued through the morning, silenced briefly by Dr. Sydney Brenner, a senior scientist with the British Medical Research Council in Cambridge. Brenner was a member of Berg's organizing committee for the Asilomar conference and he emerged during the 3½ days as its conscience.

He reminded the assembled scientists that nothing passed at Asilomar could give them a license to return to their laboratories at the end of the week and resume their work as they had done it before the self-imposed July moratorium. Indeed, Brenner was acutely aware of that fact; as an employee of the Medical Research Council he is banned by law from doing this work until the British government draws up guidelines of its own.

"The issue now," he said, "is not to consider what might emerge in terms of ultimate human danger, in terms of danger to the planet. Rather the issue is how to proceed with scientific investigations consistent with the ability to do it with no risk to the investigator, no risk to the innocents within our institutions who clean and help in the labs, and no risk to the public, the innocents outside our institutions."

He then asked if there was anyone in the audience who believed these experiments presented no hazards at all and that they could be continued using the same "sloppy" lab techniques. "Or have you thought and learned during this conference," he continued, "that there are dangers?"

He pointed out that there were scientists at the meeting from countries—including Poland and the Soviet Union—where the governments alone would decide whether the work should go on. If the government decided no, he continued, "it would become a criminal offense. There would be no question of censure by your peers; they would just send the police to arrest you and put you in jail.

"But this is a chance for the scientific community to show that they are prepared to consider these things and prepared to accept as necessary some restrictions. I would like people to stand up and say they are not just pretending there is a biohazard."

There was silence after Brenner's talk. He is a captivating speaker who uses his mobile face, bushy eyebrows and body movements to punctuate his comments. Finally David Botstein from Watson's laboratory facility at Cold Spring Harbor, N.Y., commented, "We all think our experiments are safe and the guy we are sitting next to is the crazy man . . . We always draw the line just beyond where we are."

Then Watson took the floor. He called for an end to the moratorium. Regulations on scientists, he continued, would be impossible to set up and to enforce.

"I hate to agree with Josh (Lederberg)," said Watson, "for I have found him wrong on almost everything he has said during the last couple of days . . . But in this case I think we should use common sense and suffer the possibility that someone is going to sue us."

He said that some of the cancer viruses that are being studied at his Cold Spring Harbor labs scare him more than this research—creating new possibly dangerous forms of life. "We have to rely on our good sense and be very cautious," he said.

One of the few government officials—as distinguished from government scientists—at the meeting was Dr. De Witt Stetten, the scientific director of the National Institutes of Health. For the most part he sat silently, listening to the debate, for on the day after the end of the conference he was to chair a meeting of an advisory committee drawing up guidelines for federally funded research in this area.

In his only statement to the conference, he said, "The fewer regulations we have to live by, the better off we are." He advised the conference to "couch any statement it issued" in as general terms as possible. . . . Specifics should be avoided if at all possible."

Thus, as the second morning session ended, people were beginning to think of the final report they would have to pass and the consequences of that report. One young California scientist, dismissing statements by such leaders in the field as Lederberg and Watson with the comment, "They're not bench scientists," said: "I am worried that we are giving a brickbat to people who would like to have a brickbat to use against science." He had not come to Asilomar for philosophical or ethical discussions. "Those in the trenches," he said, "came to pick up new information. The scientific sessions were the whole meeting, and the rest was nonsense."

Nonsense or not, it was clear by noon that changes had occurred in the thinking of many of the participants. For one thing, their level of consciousness as to the potential dangers of their work had been raised, and they would undoubtedly proceed more carefully in the future.

But perhaps more important, a new scientific concept emerged during the meeting: the idea of using supersafe microorganisms in the research instead of the same old E. coli and bacteriaphages (viruses that attack bacteria) that scientists have used for decades because they are so well understood.

Brenner led the first of many brainstorming sessions on what became known as "disarming the bug" during what was supposed to be a mid-afternoon break Tuesday. "We are clever enough," he said, "to design a safe bug that we don't have to work with upside down in the refrigerator."

The idea is to build into a microorganism characteristics that will not allow it to survive outside the laboratory environment, and especially not allow it to survive in the human gut (the scientists' preferred term for the intestine). E. coli, for example, flourishes at 37 degrees centigrade, the normal intestinal temperature. To disarm it, the scientists aim first to change it so it can only live at 30 degrees and will die at 37 degrees.

But there are what Brenner called "far more ingenious" mutations that can be built into microorganisms—including one that will not only keep a bug from growing but will force "it to actually explode and empty its contents when it gets out of the lab." This mutation plays on an organism's need to continuously regenerate an outer skin to hold it together; otherwise, when the outer skin weakens the pressure inside pushes through and the organism disintegrates, or explodes. "But it doesn't make a loud noise," Brenner said.

By adding eight or ten of these mutations to a microorganism, Brenner estimated that the odds of anything going wrong could be raised to 1 in a trillion trillion times (that's a 1 followed by 24 zeros, and statisticians say those odds are equivalent to no chance of an accident).

During these brainstorming sessions, scientists from different laboratories put aside their normal rivalries and promised to cooperate in both designing safer bugs and getting them into widespread use as soon as they are ready. Some of these supersafe organisms are already under development in the United States and Great Britain. Waclaw Szybalski of the University of Wisconsin's McArdle Laboratory promised to have supersafe microbes ready for use by the end of March, but other scientists said the testing process could take longer.

The question of how fast safe bugs could be developed came to a head during the discussion that afternoon and evening on the limits that should be placed on using DNA from animal viruses to create new forms of life. A committee recommended to the conference that most of this research could proceed if the precautions used for viruses were followed.

But one committee member, Andrew M. Lewis of the Laboratory of Viral Diseases at

the National Cancer Institute in Bethesda, demurred from the recommendations. In a minority report, he said that safer microorganisms should be developed before laboratories start making hybird genes from viruses. Moreover, Lewis said that way of enforcing any guidelines developed by this conference or by the government should be in place before experiments start. "Implicit in my position," he said "is kind of a slowdown."

Most of the other scientists, however, opposed Lewis' positions. Lederberg said he saw "no significant impediment" to the development of a safe bug.

It developed during this session that at least a few scientists at the meeting, including Lewis and Roy Curtiss III of the University of Alabama, had stopped research into these Chimeras genes because of their possible risks.

In effect, the scientists were being forced to go against their own nature, which is to follow the trail of scientific truth as determined by their experiments, wherever it leads. Normally, it is like trying to untangle a ball of twine, going from one knot to another. Only in this case each knot the experimenters undo might unleash biological dynamite. So they must stop and look ahead before performing each experiment.

Most scientists recognized the need for this caution. What they feared was its institutionalization. But, they also recognized, this institutionalization may be necessary because of the competitiveness of science; there is always the risk that someone may take a potentially fatal shortcut if he thinks he can beat a rival to a major discovery.

In a sense, NIH's Stetten commented during a break in one of the sessions, this was the first time molecular biologists had been forced to see their work in life-and-death terms the way doctors do every day.

As if the conference organizers wanted to make sure no one forgot that the research could do great good, the third morning session focused on potential benefits—which Brenner suggested could have almost immediate large-scale applications in industry, medicine and agriculture. But scientists, he said, have little idea of how the application gets done; that is the job of people who specialize in converting scientific discoveries into technology.

One scientist—Raymond C. Valentine of the University of California at San Diego—illustrated one possible use of genetic engineering by carrying a legume plant on stage. He showed the nitrogen-fixing bacteria modules on the plant's roots—its natural means of fertilizing itself—and said there would be a million-dollar prize for anyone who put that kind of module on a corn plant, eliminating the need for chemical fertilizers.

All these discussions took place in a rarefied, academic atmosphere. It took a group of lawyers to bring the scientists back to real life that night and to shock them with some of the legal and financial consequences of their experiments.

Daniel Singer, an attorney interested in the ethics of science and husband of NIH scientist Maxine Singer, said the people who favor a risky experiment must prove its usefulness. "It is not the burden of the rest of society," he said, "to prove experiments are dangerous."

His warnings, however, were mild compared to the ones that followed from Alexander Capron of the University of Pennsylvania School of Law and Roger Dworkin, a lawyer working at the University of Washington Medical School.

Capron said the scientists at the meeting were not the ones to decide whether the benefits of an experiment outweigh its risks. That, he said, is the job of society. "As crucial as the work seems to you," he said, "be prepared to find out that the public doesn't agree. The public has a right to reach the wrong decision."

Dworkin was even rougher as he reminded the scientists that they are not immune from the nation's laws—including industrial health and safety regulations if lab workers are hurt because of risky experiments and negligence suits if outsiders or lab workers are injured.

"If you want to rely on benefits to society as a defense," he continued, "you had better be more specific on the benefits than I heard at this conference."

Dworkin said there haven't been suits against scientists because of their research yet, probably because "scientists enjoyed popular acceptance and immunity." But if science fails to police itself, and loses its popular support, it will be a "disaster" and the scientific community can expect the type of malpractice suits that are now plaguing doctors—who Dworkin said "abused their trust."

Once again it was Brenner who put the issue into perspective before the session closed. "We live at a time," he said, "when there is a great anti-science attitude developing in society and government.

"It is very important that the way we move does not offend this situation any more. Is there a chance that in this issue we can be allowed to be trusted to regulate ourselves? For if we fail, and merely adopt token regulations, we will lose. They will come in with regulations."

With the somber words of the lawyers still ringing in their ears, the conference organizing committee—Berg, Baltimore, Brenner, Richard O. Robin III of Harvard and Maxine Singer—went off to write a final report that could encompass the divergent views of the scientists while reassuring the public both that risks would be minimized and that science could police itself.

This public relations aspect was an unseen—and at times resented—force in the conference. Many of the scientists opposed opening the meeting to press coverage; some said they felt intimidated to speak their minds in front of reporters; others felt it was none of the public's business.

Watson said he was glad he had signed the Berg committee letter calling for the moratorium last July but he wondered if the public hadn't made too much of the issue. Industrial pollutants such as polyvinyl chloride and asbestos, he said, pose a far greater risk to the public than experiments in genetic engineering. He also felt much of the scientific posturing at the meeting was designed to win press attention; he would have preferred a small meeting restricted to top scientists.

But Herbert Boyer, a bright young microbiologist from the University of California Medical Center in San Francisco who played a large part in developing the restriction enzymes that made this research possible, thought the moratorium had been "a smashing success. It kept people from doing types of experiments that some of us thought were dangerous."

Another pioneering researcher, Stanley Cohen of Stanford, felt that no matter what the conference approved, "ultimately it is the responsibility of the individual investigator to be responsible for what he does. Short of having a policeman in every lab 24 hours a day, there is no way we can control a scientist's actions."

There was more than the usual amount of tension during the final morning's breakfast. Everyone was curious as to how the organizing committee had spanned differing points of view. At 8:30, when the meeting was scheduled to start, a five-page single-spaced document was ready; the scientists were told via a message on the blackboard that they had a half hour to read it. There was silence in the chapel for the next 30 minutes.

"It's impossible for everyone to agree with every point," said Berg, his eyes red-rimmed from lack of sleep, as he opened the meeting. He explained that the organizing committee had spent from 10 the night before until 3 in the morning writing the document, and two more hours to have it copied. In their haste, they had neglected to sign the report, which was labeled, "Provisional Statement of the Conference Proceedings."

"We accept the full responsibility for the report," said Berg. "It is not the statement from the conference. It is a statement from the organizing committee, in an attempt to pull together differing views as it sees them. This is what we feel is the consensus of the group."

He also said the conference had to end by noon.

Stanley Cohen pointed out that the report would be considered by the public and most scientists as coming from the conference as a whole, despite the disclaimers from the organizing committee. He asked for a vote on the report—something Berg had hoped to avoid since he feared there might be great opposition.

"The group," said Cohen, "should determine whether this should be issued to the media and our colleagues as the consensus of the group."

Discussion started on the first of the report's six sections—the simplest and least controversial.

"The use of recombinant DNA methodology promises to revolutionize the practice of molecular biology," the draft report said. "While there has as yet been no practical application of the new techniques, there is every reason to believe that it will have significant impact in the future."

But, the section continued, "the new techniques combining genetic information from very different organisms place us in an area of biology with many unknowns. It is this ignorance that has compelled us to conclude that it would be wise to exercise the utmost caution.

"Nevertheless," the section ended, "the work should proceed with appropriate safeguards."

Those were the words most of the scientists wanted to hear, and the vote in favor of that section was practically unanimous. One hand was raised in opposition on the ground that some research should not be allowed—something taken care of later in the report—and there was carping over grammar from Anderson, who dismissed Berg's explanation that the committee was tired when it drafted the report.

The second section stated that there are potential risks from the experiments and that these risks should be contained—both through safer labs ("physical barriers") and through "biological barriers," the failsafe bugs. "The effect of the containment should match the estimate for potential risk."

Once again the question was raised of prohibiting some kinds of research as just too dangerous. "There are some experiments," said Robert G. Martin of the National Institute of Arthritis, Metabolism and Infectious Diseases, "that should not be carried out under presently available techniques."

That section was also passed by an overwhelming majority.

The third section listed the levels of containment required for specific types of experiments. Low-risk experiments—those involving the exchange of genetic material between the simplest organisms that normally exchange genetic material—could be carried out in the usual microbiological lab. If, however, the experiment makes the organism more resistant to drugs or increases its ability to harm man, it should be done under safer conditions.

The bulk of the experiments were defined as carrying "a moderate risk," and they would also require safer facilities that provide physical containment on a level now used for handling viruses known to cause cancer in man. This means specially equipped labs with hooded and vented safety cabinets for transferring material from one container to another so they can't escape into the atmosphere; limited access to the lab, and negative air pressure to keep inside the lab any germs that do escape.

Lederberg pointed out that it will cost money—between $50,000 and $100,000 a lab—to upgrade a facility so it can do moderately risk experiments.

"The physical containment procedures are recognized to provide significant but incomplete protection against the accidental spread of biological agents," the report said. "The potential hazard of moderate-risk agents is such that a strong measure of biological containment is needed to insure their safe handling." Experiments with high-risk viruses—those that carry diseases of man—should be done in super-safe facilities, of which there are about 18 scattered around the country.

These recommendations passed, but not without some grumbling. "Very complex issues are being railroaded through," Lederberg complained. "Many points are not being heard and discussed. There is no real consensus."

Nevertheless, with the proviso that the final document—not yet ready—would contain changes suggested at the final morning session, the meeting approved the entire report by the noon deadline.

This included a ban on research using the most dangerous organisms which cause fatal and untreatable diseases in man. "These organisms are hot," said Anderson, "and should not be worked on within this kind of experimental field."

Other sections called for the creation of the failsafe bugs and their spread throughout the scientific community; a policy of informing all lab workers of experiments' potential dangers and giving them routine health checks; a newsletter to spread information quickly on new biological containment techniques and a short course on lab techniques and the new methodology.

Another section, not discussed at all, linked compliance to containment with federal funding for research. It would set up a model system of enforcement based on peer review, with each university or laboratory setting up a special containment committee.

By noon everyone was weary and anxious to go. But there was still one small order of business.

The five-man Russian delegation had been silent observers at the meeting. They sat in the front row, took copious notes and photographed most slides and speakers. But they said nothing, despite the fact that the delegation was headed by a senior scientist well known in the field of molecular biology, the octogenarian W. A. Englehardt. They kept mostly to themselves; another senior scientist, A. A. Bayev, confided to reporters that the Soviets are just beginning this research.

"In our country," he said, "it is a very new science. But many of our young scientists will be moving into the field." He said the delegation had come to the meeting "to get your know-how." He smiled at the use of American slang.

The previous afternoon, Bayev had walked into lunch with Berg and asked if he could address the meeting on the last day. Berg replied, "Of course. You are a participant. You can talk whenever you want."

So before the meeting ended, Berg gave Bayev the floor. In heavily accented English, the Soviet scientist thanked Berg and the National Academy of Sciences for inviting the delegation to the conference; which he called "successful and instructive." He said the conference report was "reasonable and acceptable," and added that "its general principles will be useful for discussion in my country."

"The scientific community of the U.S.S.R. fully recognizes the possible biological hazards of recombinant experiments. Prudence will be maintained," he promised, "for mankind and the environment too."

SENATOR RANDOLPH COMMENDS SECRETARIES AS MAJOR CONTRIBUTORS TO GOVERNMENT AND BUSINESS—BELIEVES SALARY DIFFERENCES SHOULD NOT BE BASED ON SEX

Mr. RANDOLPH. Mr. President, this week we recognize National Secretaries Week. Efforts have been made in recent years to recognize secretaries for their professional abilities.

A recent study indicates that there are about 62,000 secretaries in the Federal Government, most of whom are women. Government could not function without them. A competent secretary can conserve much time for an organization, agency, or business. It is a challenging position. They compose letters, meet and conduct business with many people, and solve involved problems by telephone.

Women contribute increasingly to business and Government activities. Although 34 percent of all full-time white collar Federal employees are now women, there are not sufficient numbers of women in positions with policymaking decisions involved.

In many cases salaries for women are less than those paid men for equal duties and responsibilities. A comparison of the salaries of men and women in clerical positions reveals that the level of women's salaries is only 64.4 percent of men's wages. This inequity must be corrected. Clearly, the cost of living impacts both women and men equally. Salary differences should not be based on sex.

Today, many entry-level secretarial and clerical jobs are becoming available for men. Male secretaries are beginning to recognize the advantage of secretarial duties and the experience with executives as a valuable asset to their own success and progress in job responsibility. These opportunities for advancement derived from secretarial work should also be made available to women in larger degree.

I paraphrase a statement that former President Woodrow Wilson made. He said:

> No man ever amounted to a snap of the finger who is not constantly surrounded by a bevy of admiring females.

I suggest: "No man or woman ever amounted to a snap of the finger who is not surrounded by dedicated and competent secretaries."

I thank the secretaries who work with me for their pleasantness and diligence, and for accepting their share of responsibility in serving the constituents of our State.

April of the Bicentennial year will mark a quarter century during which National Secretaries Week has been commemorated. Secretaries of America, we salute you.

AMENDMENT TO BUDGET RESOLUTION

Mr. MONDALE. Mr. President, next Tuesday, April 29, the Senate will take up Senate Resolution 32, the first concurrent resolution on the budget to be considered under the Budget and Impoundment Control Act of 1974. I am encouraged by the progress of the new budget procedure, and the work of the Senate Budget Committee on which I am privileged to serve under the distinguished leadership of the senior Senator from Maine (Mr. MUSKIE). But I also deeply believe that the resolution in its present form contains insufficient funding for temporary, recession-fighting programs.

According to the committee report, this resolution is associated with unemployment of 9 percent or more for the remainder of this calendar year, and 8 percent or more for most of next year, reaching at best 7.5 percent in December 1976. Under this approach there is little hope of attaining full employment and balanced budgets in this decade.

The budget resolution would permit only $4.5 billion in temporary, employment stimulating programs. By comparison, the resolution reported by the House Budget Committee would provide $13.6 billion for similar purposes.

The extended level of unemployment which we must anticipate under Senate Resolution 32 would work unjustifiable hardship on tens of millions of Americans and their families in this decade. It would place wholly unjustifiable strains on the fabric of our society.

When Senate Resolution 32 is before the Senate, I will be joined by Senators HUMPHREY, JAVITS, WILLIAMS, and SCHWEIKER in offering an amendment to provide an additional $9 billion in temporary outlay authority for recession-fighting programs such as additional public service employment, emergency fiscal aid to State and local government, quick-impact public works, health insurance for the unemployed, additional housing aid, and others.

These additional funds will be "triggered in" if unemployment continues, as anticipated, at its present high rate until the beginning of the fiscal year. They will "trigger out" if unemployment should fall below 6 percent for 3 consecutive months.

This approach guarantees that programs funded under this authority will not linger on as the economy approaches recovery.

The higher level of employment and economic activity produced by our amendment would yield $3 billion in higher tax receipts and lower payments for unemployment compensation and related programs. The amendment includes an added $2.5 billion in anticipated tax reforms, and so would increase the deficit by no more than $3.5 billion.

Because the programs allowed are temporary and would by nature phase

out as the economy recovers, our amendment poses, in our opinion, no threat to the availability of private credit, and no risk of fueling inflation. Yet our amendment would add $25 billion to our national product, help forestall inevitable increases in State and local taxes, and help to convert a prolonged recession into an orderly recovery.

Mr. President, I ask unanimous consent that the press release announcing our amendment, a brief description of the amendment, and the text of the separate views of Senator ABOUREZK and myself to the Senate Budget Committee report may be printed in the RECORD at this point.

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

SENATORS MONDALE, HUMPHREY, JAVITS, WILLIAMS, AND SCHWEIKER ANNOUNCE AMENDMENT TO BUDGET RESOLUTION

WASHINGTON, D.C., April 25.—Senator Walter F. Mondale (D-Minn.), joined by Senators Hubert H. Humphrey (D-Minn.), Jacob K. Javits (R-N.Y.), Harrison A. Williams (D-N.J.), and Richard S. Schweiker (R-Penn.), announced an effort today to include $9 billion for additional regression-fighting programs in the FY 1975 budget resolution to be considered by the Senate next Tuesday. Funds under the amendment would be available for programs such as transitional public service employment, emergency fiscal aid to state and local government, quick-impact labor-intensive public works, health insurance for the unemployed and others.

"If additional action is not taken," the Senators said, "the Budget Committee report and independent experts indicated that we almost certainly face 9% unemployment for the remainder of this calendar year, 8% unemployment at best for most of the next calendar year, and cannot hope for full employment within this decade. This extended and unprecedented level of unemployment would work unjustifiable strains on the fabric of our society.

"High unemployment means lower federal revenues," the Senators added. "The only way to achieve balanced federal budgets is to end the deficit in employment and production, and to put this country back to work.

"The higher level of employment and economic activity produced by our amendment would produce $3.0 billion in higher tax receipts and lower payments for unemployment compensation and related programs. It includes an added $2.5 billion in anticipated tax reforms, and so would increase the deficit by no more than $3.5 billion. Because the programs allowed are temporary and would by nature phase out as the economy recovers, our amendment poses, in our opinion, no threat to the availability of private credit, and no risk of fueling inflation. Our amendment can provide as many as 1 million jobs, add $25 billion to our gross national product, help forestall inevitable increases in state and local taxes, and help to convert a prolonged recession into an orderly recovery."

Organizations supporting the amendment are the AFL–CIO; United Auto Workers; Leadership Conference on Civil Rights; Communication Workers of America; American Federation of Teachers; National Education Association; American Federation of State, County and Municipal Employees; National League of Cities; U.S. Conference of Mayors; National Congress of Hispanic-American Citizens; and Americans for Democratic Action.

A brief description of the amendment is attached.

BRIEF DESCRIPTION OF BUDGET AMENDMENT TO BE OFFERED BY SENATORS MONDALE, HUMPHREY, JAVITS, WILLIAMS, AND SCHWEIKER

The Budget Committee Resolution and Report provides only $4.5 billion for temporary, employment-providing programs in FY 1976.

The Committee Report indicates that this recommendation for only $4.5 billion in recession-fighting outlays would accept 9% unemployment for most of this year, and average unemployment next year of 8%. Under these policies, there would be little hope for full employment in this decade.

The Amendment would provide $9 billion in outlay and budget authority for temporary, recession-fighting programs such as additional public service jobs, emergency fiscal aid for State and local government, quick-impact public works, health insurance for the unemployed, and others—at the option of the authorizing and appropriations committees, and the Congress as a whole.

This additional authority could fund more than half a million jobs, and would bring the Budget Resolution in line with the Joint Economic Committee's recommendation that budget strategy be targeted to producing an unemployment rate no higher than 7% at the end of 1976, with reductions of 1% or more each year thereafter.

Because the increase in outlays would "trigger in" only if there are three successive months of unemployment averaging 8.5% or more and because the increase is targeted to temporary programs which phase out as the economy recovers, the full-employment budget will remain in surplus. This guarantees that federal demand on the credit market will decline as the economy recovers and private demand increases. Further assurance is provided by the Amendment's requirement that the added outlay authority "trigger out" when unemployment reaches 6% for three months.

While the Amendment would add $9 billion in outlay and budget authority, $3 billion would be returned to the Federal Treasury in the form of higher tax receipts and reduced unemployment compensation due to a higher level of economic activity. In addition, the Amendment provides for $2.5 billion (less than 1% of Federal tax receipts) in increased revenue from tax reforms which do not impede economic recovery. The net increase in the deficit would be $3.5 billion.

The additional temporary recovery outlays would, as they "ripple" through the economy, increase overall production (GNP) by roughly $25 billion. This would be reflected not only in higher employment, but in more normal work weeks, higher wages and higher profits.

Added outlays	$9.0
Less savings from higher revenues and reduced unemployment compensation	−3.0
Less tax reform	−2.5
Added to deficit	$3.5
Added to GNP	$25.0

SEPARATE VIEWS OF SENATOR WALTER F. MONDALE AND SENATOR JAMES ABOUREZK

I. OVERVIEW

The budget resolution and accompanying majority report represent a substantial improvement over the budget submitted by the President 2 months ago. They do not, in our view, allow enough leeway for the temporary programs that will be needed if we are to achieve acceptable goals for economic recovery.

The President's budget would have reduced domestic programs overall by $18.3 billion below the estimated current services level, in the face of recession. It would have reduced the Federal share of the national budget for elementary and secondary education from 9 percent to 6 percent. It would have taken $7 billion in promised social security cost-of-living increases and medicare benefits from the pocketbooks of the elderly and disabled. Through increased matching requirements and static or reduced funding, it would have slashed the real level of aid to State and local governments by $6 billion in constant, inflation-adjusted dollars.

With recession eating away at revenues and inflation escalating program costs, we believe all can agree that this is not a year for large outlays on new permanent spending programs. If we wish to avoid a new round of inflation, we must take care that the Federal budget will balance as the economy returns to health and revenues rise to normal levels.

But we hope we can all agree that this is a year to keep our national commitments—to the elderly and the less fortunate in our society, to protecting our environment and natural resources, to community development, and basic scientific research.

And above all, we hope we can agree that this is a year to chart a policy that will restore the health of our economy and return the employment and production lost to recession.

On the whole, we believe the Committee resolution and report establishes a sound and workable approach to the basic, permanent Federal program budget.[1]

In a healthy economy this budget would not only be balanced, it would have a $2 billion surplus. And in a healthy economy the Committee resolution would receive our full support.

II. THE BUDGET RESOLUTION AND ECONOMIC RECOVERY

Goals for economic recovery

Today our economy is not healthy. Unemployment is at least 8.7 percent. At least 8 million Americans now looking for work cannot find jobs, and another 1.1 million have been discouraged from seeking jobs that are not there. Almost 4 million Americans are forced to work part-time because full-time work is not available. Our factories are operating at 68.3 percent of capacity. Our economy is now operating at a level $230 billion below potential, and unless decisive action is taken, even higher rates of unemployment are virtually certain for the rest of this year.

We have consulted the best economic advise we can find—including this Committee's fine economic staff.

And we are convinced that the budget resolution we have reported to the Senate does not do enough to reverse the tide of unemployment and lost production which is sweeping over this country. The Committee resolution and report are associated with reducing unemployment only to 7.5 percent by December 1976.

If additional temporary recovery programs—beyond those allowed under this resolution—are not adopted, then we must expect unemployment averaging 9 percent or more for the remainder of this year, and we cannot expect a return to normal levels of employment and production before the end of this decade.

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[1] Although we would have preferred a somewhat lower target for defense spending, the Committee's target would wisely postpone for future careful examination much of the Administration's request for authority to contract for massive new commitments. The Administration projects defense budget authority of $149.4 billion by 1980. That is, indeed—as Secretary Schlesinger said—a "turnaround," and it deserves the closest scrutiny.

This is not the best we can do. The Congressional Joint Economic Committee, after detailed study, has established as a reasonable minimum goal the achievement of 7 percent unemployment by the close of next year. Even this rate of recovery would involve extended hardship for too many working Americans. But achievement of the JEC goals would return our economy to normal levels of government, and balanced budgets, in 1978—far sooner than we can expect under the approach toward recovery programs reflected in the Committee resolution and report.

The costs of recession

Each 1 percent of unemployment costs the Federal Government roughly $16 billion in reduced taxes and increased spending for unemployment compensation and related programs. Each 1 percent costs State and local governments in the neighborhood of $5 billion. And each 1 percent costs our economy a million man-years and over $48 billion in lost production.

The economic costs of recession are staggering. But the human costs are even greater. A recent Library of Congress study, for example, shows that unemployment rates can account for almost all the variation in the rate of Federal and State prison admissions. Similarly, rates of suicides, alcoholism, and mental illness have been shown to be sensitive to the unemployment rate.

Ours is a strong and resilient economy. We will rebound from this recession, as we have before. But the recession we face today is blighting the lives of millions of decent American families. It will leave its mark on a generation of American children.

We must not be blinded to the human and social costs of extended recession.

We must not accept a 5- or 6-year plan for economic recovery if the job can safely be done more quickly. And we are convinced that it can.

Need for additional employment-producing programs

An analysis of the FY 1974 and FY 1975 budgets, together with the budget resolution reported by this Committee, demonstrates that as recession grew the outlay side of the budget was essenially neutral in effect—with the permanent budget growing at a rate equal to inflation, and unemployment compensation, food stamps and other income security programs responding passively to the impact of unemployment.

The budget resolution approved by the Committee would continue this impact in FY 1976—except for the addition of only $4.5 billion in temporary recession-fighting expenditures.

This means that the burden of producing additional employment under this budget must be borne almost entirely by the modest $23 billion tax cut enacted last month.

However, the bulk of these tax cuts are one-time rebates and will take effect before June 30, 1975, during fiscal year 1975. As the table below shows, only a net of $8.3 billion provided under the Tax Relief Act will remain to be distributed during fiscal year 1976.

Revenue stimulus in fiscal year 1976

	Billions
Tax Reduction Act of 1975	$10.7
Tariff on imported oil imposed by President	—2.4
Total tax reduction	8.3
Percent GNP	.6

And virtually all of this impact will come in the first half of the fiscal year, between July 1 and December 31, since the major provisions of the Tax Relief Act expire December 31, 1975.[1]

We are hopeful and confident that the Tax Relief Act will be extended, providing an added $4.4 billion in stimulative and badly needed tax relief. But, even so, much of this amount is likely to be offset by increased energy-related taxes and other tax changes. The $2 billion offset estimated by the Committee is, we believe, conservative.

Under the expenditure and revenue projections in the Committee Resolution, there will be a maximum of $10.7 billion in aggregate employment-generating tax relief.

Maximum revenue stimulus under committee resolution including Tax Relief Act extension

	Billions
Existing law	$8.3
Extension of tax relief	4.3
Less Gas Tax	—2.0
Total tax reduction	10.7

This amounts to 0.8 of 1 percent of our total annual production (GNP). It is simply not enough.

An approach toward temporary recovery programs

A number of temporary programs are now before the Congress. These include additional public service employments; temporary fiscal aid for State and local governments; health insurance for the unemployed; accelerated Federal procurement, construction and modernization; quick-impact State and local public works; interest subsidies to encourage housing purchases and permit moderate income families to own their own homes; and mortgage loans or loan guarantees to help the temporarily unemployed retain homeownership. Each bears promise of putting Americans back to work, and then disappearing as the economy returns to health.

Many of these proposals are still in the process of development. Hearings on most are not yet complete, and in many cases the legislation will undoubtedly be substantially changed before enactment. Some proposals may not be enacted at all.

We simply do not know enough at this time to make final judgments about each of these programs. And this kind of specific decision is well within the proper function of the authorizing and appropriations committees.

In its present form, the budget resolution and underlying report would permit only $4.5 billion for temporary recovery programs—of which $2.4 billion has been requested by the President for public service employment (including summer youth jobs).

Temporary recovery programs included by Senate Budget Committee

[In billions]

Program and target outlay:	
Public service employment	$2.9
Railbed improvement	.6
Housing aid	.4
Accelerated Federal procurement, renovation and construction	.6
Total temporary recovery outlays targeted by Committee	4.5

We believe that this first budget resolution should present the Senate with a range of additional choices, and a recommended maximum additional expenditure level of $9.0 billion.

These added expenditures would have at least $3 billion in increased tax revenues and decreased income security outlays. An additional $2.5 billion could be raised without adverse economic impact by prompt enactment of overdue tax reforms—which would permit those who have enjoyed special privileges to participate to a small extent in the hardship shared by so many Americans. And so the net increase in deficit need be no more than $3.5 billion, while the full employment budget would remain in surplus.

Impact of added temporary recovery programs as proposed

[In billions]

Outlays	$9.0
Less savings	—3.0
Less tax reforms	—2.5
Total	3.5

We also believe that we should recommend three principal criteria by which to judge among temporary recovery programs:

First, the need for programs with a quick impact on the economy;

Second, the need for programs with the maximum impact on employment; and

Third, the need for programs which clearly phase out as the economy recovers.

The authorizing and appropriations committees, then, would make the final determination as to program merit and mix.

Just as the appropriate committees and then the full legislative process would make final decisions with respect to priorities among temporary recovery programs, it would be the responsibility of the tax committees to meet the revenue targets with changes in tax policy which would not have an adverse economic impact. Speed would be needed; however, the needed revenues can be obtained through closing tax expenditures which have already been studied at length.

The urgency required of the tax-writing committees is no greater than that required of the authorizing and appropriations committees if a recovery program is to be ready by the beginning of the fiscal year. And the depth of the recession surely justifies urgent congressional action.

Benefits of added temporary recovery programs

The additional temporary recovery programs proposed would—while adding only $3.5 billion to the total deficit—produce a million additional jobs.[1] As this increased employment "ripples" through the economy, overall production (GNP) can be expected to rise by roughly $25 billion. This would be reflected in higher wages, higher profits, and more normal workweeks.

Most important, this addition to the budget will be sufficient to achieve the goals established by the JEC—normal employment levels (5 percent) and the prospect of balanced budgets by the end of 1978, and the real hope for full employment by the end of the decade.

This analysis rests heavily on economic forecasts prepared by the Committee staff and independent economists. We know that these forecasts are far from perfect. But they are the same basic forecasts used in the Committee report. And for the last 2 years virtually every forecast has been overly optimistic of recovery.

The increase we propose is a modest one. Our fear is not that it will be too much, but too little. And our hope is that, whether such an increase is later adopted or not, the Committee will continue to closely watch the unemployment rate and other indicators—

[1] The $30 personal tax credit, the increase in the minimum standard deduction, and the earned income credit all expire December 31.

[1] Subject to variation based on the eventual program mix.

with a view toward recommending additional recovery outlays if and as they are needed.

The deficit

We believe that each of us is as genuinely concerned about balanced budgets and large deficits as any Member of Congress.

But the deficit which most concerns us is the deficit in employment—and it is that deficit which accounts for 100 percent of the budget deficit we face today.

Much has been made by the Secretary of the Treasury, Mr. Simon, of the danger that Federal borrowing may "crowd out" private borrowing in the credit market.

We have little to add to the convincing argument put forward by the Committee report. Certainly the additions we have suggested, which would increase outlays by 2.5 percent and the deficit by 5 percent, should not alter those views.

The fact is that the private credit market is slack, and will remain slack until real economic recovery is well underway. Only *permanent* spending, which would continue undiluted as the economy recovers, would run the risk of creating a "credit crunch."

The additional programs we have suggested do not affect the permanent budget, which would retain a surplus at full employment.

And these additions, together with the $4.5 billion in temporary programs included by the Committee and the $15 billion in extra unemployment compensation and other automatic stabilizers would disappear as the economy recovers.

If recovery is faster than we predict, revenues will be higher, expenditures will be less, the deficit lower, and public demands on the credit market less. Thus, as the economy recovers, there will automatically be added room in the credit market for private borrowing. And at full employment there would be no deficit financing at all.

We have said that the budget deficit poses no serious threat to our credit markets. But there are serious threats.

As noted in the Committee report, if the Federal Reserve Board fails to accommodate and support new economic growth by allowing the money supply to grow as well, then there may well be a "crunch"—caused not by deficit financing but by Federal Reserve policy.

And ill-advised debt management practices by the Treasury Department can contribute distortion to the capital markets.

The recent Treasury decision to borrow in the long-term market (8¼s of 1990) where interest rates are relatively high, rather than in the short-term market where rates are lower, is a case in point.

That action has already forced long-term rates higher. It also will cost the American taxpayer billions of dollars in higher Federal interest payments on high-interest long-term Treasury bonds.

A stable and sustained recovery requires the cooperation of the Chairman of the Federal Reserve Board and the Treasury Secretary. We believe that a sustained dialog between the Congress and these crucial policymakers can build a base for a cooperative policy. We are encouraged by adoption of the resolution calling for quarterly review of the Federal Reserve policy before the Joint Economic Committee, and we believe it is crucial that this Committee and every committee with economic jurisdiction give monetary and debt management policy the closest continuing examination.

In past recessions we have succeeded in stimulating recovery through budget policies. But we have done so with permanent deficits which led to inflation once recovery had been reached.

The Committee has wisely proposed combining restraint in the permanent budget with the addition of temporary programs in an effort to learn from past mistakes. It would be tragic if, having learned the wisdom of temporary programs, we failed to use that lesson boldly enough to deal with the massive nature of the current recession.

III. CONCLUSION

Washington is a company town.

The company is the Federal Government. And Federal employment is one area of our economy that suffers little from recession. We who work here in a climate of relative comfort must not be blinded to the wave of layoffs, shorter workweeks, and reduced income which is centered in our great industrial centers and spreading throughout the country.

We are encouraged by the adoption of the Budget and Impoundment Control Act and the establishment of this Committee. We are deeply grateful for the leadership of our distinguished Chairman and the work of the Committee's fine staff which has been assembled so quickly and pressed to work with such great haste. We are deeply hopeful that through our work on this resolution and over the remainder of this year the Committee can contribute to resolving the economic crisis which—we believe—is the gravest current threat to our national security.

WALTER F. MONDALE,
JAMES ABOUREZK.

CONCLUSION OF MORNING BUSINESS

Mr. MANSFIELD. Mr. President, is there further morning business?

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is concluded.

EMERGENCY EMPLOYMENT APPROPRIATIONS, 1975

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now proceed to the consideration of H.R. 4481, which will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 4481) making emergency employment appropriations for the fiscal year ending June 30, 1975, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on Appropriations with amendments.

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

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

The second assistant legislative clerk proceeded to call the roll.

Mr. BELLMON. 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. BELLMON. I ask unanimous consent that Doug Jackson of my staff be allowed the privilege of the floor during consideration of this bill.

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

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

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

The second assistant legislative clerk proceeded to call the roll.

Mr. McCLELLAN. 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. McCLELLAN. Mr. President, H.R. 4481, the Emergency Employment Appropriations Act, provides a grand total of $6,082,647,000—$5,504,535,000 in new budget authority, $485,000,000 in loan authority, and $93,112,000 in liquidation of contract authority—for the acceleration of existing Federal programs and projects in order to immediately increase employment throughout the Nation.

The bill as recommended to the Senate provides an increase of $141,011,000 over the total amount passed by the House. Of this increased amount, $131,061,000 is new budget authority and $9,950,000 is appropriations to liquidate contract authority.

The funds recommended in the bill represent a blend of two approaches to the unemployment problem—funding of programs such as public service jobs in which funds are used directly for the creation of jobs and funding of accelerated Federal construction, building and purchase programs where funds will be used to create jobs indirectly through construction contracts, further development of the Nation's recreational and public land resources, and other similar programs.

The bill provides for the direct creation of jobs $1,625 million in public service jobs; $500 million in summer jobs for youths; $36 million in jobs for older Americans; $119.8 million in work-study grants for college students; $70 million in the work incentive program to provide employment, training, and related child care for welfare recipients; and $15 million in jobs for youths in the Youth Conservation Corps.

These are funds which will be directly used to employ people. These programs should create over 200,000 jobs for adults for 1 year; 920,000 summer youth jobs; and about 250,000 part-time jobs for students attending college, including those attending college during this summer.

In recommending $1,625 million for public service jobs, the committee fully funds the amount authorized for this program. The committee makes this carefully considered recommendation only because of the severity of the unemployment problem, the requirement to have an immediate impact on joblessness, and in combination with the recommendation of other stimulative actions providing productive, tangible, and lasting results. The committee firmly believes that economic stability must be promoted through the private sector and stresses that the provision of such public service jobs should be viewed only as a temporary emergency action taken in response to the current economic crisis.

I may say, Mr. President, personally, that I rather think this amount for pub-

lic service jobs is excessive at this time, but we are straining in every way and in every direction to try to get the unemployed back to work, create immediate jobs and thus rehabilitate the economy.

The committee believes that the best way to create employment during an economic crisis is by giving people the opportunity for useful, productive work that will result in lasting improvements of the manmade resources of this Nation.

Thus, it recommends funding of $3,716,847,000 for such projects. These include items such as the acceleration of ongoing public works projects, increase of rural water and sewer grants, upgrading of railroad trackbeds, the improvement and modernization of existing veterans' hospitals, increased maintenance of the national cemeteries, reforestation and timber stand improvement, expansion and upgrading of facilities in national parks, forests, and other Federal land, increased assistance to small businesses, major repairs and renovations of existing Federal buildings, and the purchase of automobiles.

Mr. President, today our Nation faces one of the gravest economic crises in its history. On almost all sides—wherever we turn—we are besieged by serious economic and fiscal ills. The prices we pay for goods and services are still rising, although at a less alarming rate than in the recent past. Lines are still growing at the unemployment offices. There have been frustrating declines in the value and the purchasing power of the dollar. We are confronted by the paradox of simultaneous inflation and recession, by the perils of higher prices, and by a declining number of workers engaged in productive employment.

Unemployment is reaching crisis proportions. In March 8,700,000 people were unemployed and the unemployment rate—seasonally adjusted—was 8.7 percent of the civilian labor force. In addition, there have been reports estimating that over 1 million people have given up looking for work, and were therefore no longer counted in the official unemployment rate for March 1975.

Civilian employment at 83,849,000 declined by 1,029,000 below March, a year ago. The past 4 months have witnessed the sharpest rise in unemployment since the Great Depression of the 1930's. In the 1 month alone between December and January, unemployment climbed a full 1 percent. Unemployment is at its highest peak since the beginning of World War II.

In all, the funds recommended in this bill should generate about 1 million new jobs. The creation of these jobs, over the next 3 to 8 months, will come at a time when they are urgently needed. This bill reaffirms the congressional purpose that all healthy Americans who seek work should be able to find it. The strengths of the American people and the economy are enormous. Through the stimulation of our economic resources by the enactment of H.R. 4481 and by other proposed and ongoing programs, there is much hope for restoring the vitality of our economy.

Mr. President, I yield to the distinguished Senator from North Dakota.

Mr. YOUNG. Mr. President, the emergency employment appropriations bill we are now considering has been explained in detail by the distinguished chairman of the Appropriations Committee (Mr. McCLELLAN). I will make only a few comments.

As the chairman has indicated, this bill will provide $5,504,535,000 in new budget authority. This is $3,461,835,000 more than was requested by the administration and $131,061,000 more than the House bill. In addition, this bill provides $485,000,000 in loan authority and $93,112,000 in liquidation contract authority. Therefore, the grand total of this bill is $6,082,647,000.

Some of the funds made available is in the form of loan authority and liquidation of contract authority which will permit obligations with these appropriations. These contracts occur most frequently in public works projects of the Department of the Interior programs such as road construction.

I share the concern about our economic situation and particularly the high rate of unemployment. According to March figures there are now 8.7 million unemployed.

The Federal Government must do something to alleviate this situation. The funds provided in this bill will be very helpful in providing additional employment—employment that will be productive and help our economy as well.

I am particularly interested in those items in this bill which provide funds to accelerate public works and reclamation projects now under construction. Money provided for this purpose not only makes possible many more jobs for the unemployed, but when these projects are completed they will add to the economic base of our Nation.

In regard to public service jobs, the committee has included in the report on page 6, a caution about the $1.625 billion contained in the bill for such jobs. The committee stresses that public service jobs should be viewed as a temporary emergency action in response to the current economic crisis.

Mr. President, this bill provides considerably more funds than the administration requested. I question the need for some of the programs contained in this bill, particularly the amount of money provided in this bill and the end cost. I am voting for it because there is a need to make available additional money to provide more jobs to bolster our economy. I hope and feel certain that when the bill is considered in conference with the House that it will be much more acceptable.

Mr. ROBERT C. BYRD. Mr. President, chapter 111 on Interior and Related Agencies contains a total of $216,255,000 in new budget authority for the emergency employment appropriation bill and $85,112,000 in appropriations to liquidate contract authority. This is an increase over the House allowance of $44,566,000 in new budget authority and $1,950,000 in contract liquidation cash.

Increases are recommended primarily in programs of the Fish and Wildlife Service, National Park Service, Bureau of Indian Affairs, Forest Service, and Indian Health Service. The recommendation also includes funding for three agencies not included in the House bill—the Mining Enforcement Safety Administration, the Geological Survey, and the National Foundation on the Arts and Humanities. The amounts recommended for all these agencies are detailed in the table provided in the report.

Program increases, are based on additional data provided to the committee that were developed from more recent information on high unemployment areas. This is particularly so in the case of the Fish and Wildlife Service and National Park Service.

Increases recommended for the Forest Service are to fill important gaps in the House allowance in Forest Research and Research Construction in the Youth Conservation Corps.

All appropriation recommendations for the Interior and Related Agencies chapter closely adhere to the criteria established by the House—that is, they are needed, useful, labor intensive programs that do not involve increases in permanent employment nor new commitments to ongoing programs.

As closely as possible, these appropriations and the employment they will create are targeted for high unemployment areas, 6½ percent or higher. Further, these programs are of such a nature that they can be obligated for the most part within 30 to 60 days.

Mr. PASTORE. Mr. President, I thank the chairman of the full Appropriations Committee (Mr. McCLELLAN) for his very adequate explanation of the items in the Emergency Employment Appropriations Act of 1975. I would like to add here some of the principal details relating to chapter VI of the bill which deals with antirecessionary programs falling under the jurisdiction of the State, Justice, Commerce, the Judiciary and Related Agencies Subcommittee.

Chapter VI of the bill includes a total of three items in the amount of $969 million, which is $209 million over the House allowance. There is no budget request for any of these items. The House bill included two items in the amount of $760 million. I will explain these first and then the proposed Senate amendments.

JOB OPPORTUNITIES PROGRAM

The first item included in the House bill is $375 million for the job opportunities program under the Department of Commerce. This amount, together with the $125 million already appropriated, will provide a total of $500 million to accelerate public works programs authorized by existing law. This funding level is consistent with the congressional program of economic recovery and energy

sufficiency which was transmitted to the President last month. The purpose of this jobs program is to provide short-term employment opportunities while constructing facilities of lasting value to the community.

There is no doubt the funds can be used. The Secretary of Commerce has on hand 18,000 proposals from 43 Federal agencies worth $3.3 billion. The funds made available under this program will be sufficient to support approximately 15 percent of the highest priority proposals. Priority in allocation of the funds will be given to those labor intensive projects which can be initiated promptly and which can be substantially completed in 12 months. About 50,000 jobs will be created by the $375 million in the bill and the $123 million already provided.

The committee encourages the Secretary of Commerce to give special emphasis to those projects designed to preserve and expand sources of energy.

SMALL BUSINESS ADMINISTRATION LOANS

The second item included in the House bill is $385 million for additional capital for Small Business Administration Loans. The action by the committee in this area will serve to create or maintain between 93,000 and 188,000 jobs at an average cost of $3,000 to $6,000 per job.

It is important to remember that these funds will be used for loans—not grants—and therefore will be paid back with interest to the Federal Government over the coming years.

SENATE AMENDMENTS—HANDICAPPED LOANS

The committee has included a language amendment which would not increase the amount in the House bill. This amendment would set aside $10 million of the total $385 million for small business loans for the handicapped loan program. This program provides low interest loans to nonprofit organizations employing handicapped persons, such as sheltered workshops. Funding for the current year is exhausted and there is already a backlog of $3 million worth of approved but unfunded applications. This amendment is needed to enable our handicapped citizens to participate in this loan program.

ECONOMIC DEVELOPMENT ASSISTANCE

The committee has included an additional $209 million over the House allowance to strengthen and accelerate the traditional economic development assistance programs, including the regional planning commissions. These are the tried and proven programs that provide just what the title says—economic development assistance. The effect of this amendment would be as follows:

The sum of $69,000,000 under title I of the Public Works and Economic Development Act for construction of approximately 130 needed public works projects designed to stimulate commercial development. Examples are construction of industrial parks, sewer and water improvements, and harbor facility improvements. The $69 million proposed here, together with the $131 million already appropriated will provide the full authorization of $200 million for title I, as contemplated in the congressional program of economic recovery and energy sufficiency which was formulated and transmitted to the President earlier this year. This amount is needed to merely restore the program to the 1973 operating level—which I believe is a minimum level needed to deal with the staggering unemployment levels and promote economic recovery. The Department of Commerce estimates that for every $10,000 invested in title I, four additional jobs will be created as the follow-on benefit. That means that the additional $69 million for title I will result in the creation of approximately 30,000 additional job opportunities.

The sum of $58,000,000 under title II of the act to finance approximately 90 business development projects such as loan guarantees and guarantees of lease payments for buildings and equipment. These additional funds would create approximately 8,000 job opportunities at a cost of $7,335 per job. This amount is needed to restore the title II program to the 1971 level in terms of real dollars and level of effort.

The sum of $36,250,000 under title IV of the act to develop and fund 10 economic adjustment plans that will assist communities adversely affected by economic dislocations such as base closing. The program provides a full range of activities such as public works, business loans and guarantees, training and other appropriate assistance. The amount proposed here together with the amounts already appropriated will provide the full authorization of $75 million for this program as contemplated in the congressional economic recovery and energy sufficiency program.

The sum of $42,000,000 under title V of the act to provide an additional $6 million to each of the seven regional commissions. Because most of the commissions are currently operating 20 percent to 40 percent below the level of effort of recent years, it should be possible for them to develop additional technical assistance, planning, and demonstration projects without delay and to assist State and local governments to make full and effective use of increases in funding for public works construction projects. The committee expects that each regional commission will add at least two additional locations to administer the enlarged program.

The sum of $3,500,000 for the necessary administrative costs associated with the enlarged EDA program.

In summary, the committee is proposing an amount of $969 for chapter VI of the bill—all aimed at improving the employment situation. The Department of Commerce estimates that virtually all—over 90 percent—of the economic development assistance funds included in this bill will be spent in fiscal year 1976 and fiscal year 1977. Inasmuch as the President's own budget assumes a recessionary level of unemployment well beyond 1977, it is impossible to argue that these amounts will be inflationary. Finally, the House Public Works Committee is holding hearings on a $5 billion public works bill. I submit that the amounts I am proposing to be added in the bill to accelerate public works projects through established programs will reach their target and start providing useful job opportunities much faster than any new massive effort—although that might be necessary also.

In the final analysis, what I am proposing is that we do more to help people—people who want to work to support themselves but who cannot find employment. All of the funds in this chapter help business and Government to work together to fight unemployment and help bring the country a step closer to economic recovery and a restoration of the tax base that has been so badly eroded by skyrocketing unemployment—which even by the President's own accounts—1976 President's budget, page 41—will remain at recessionary proportions for 5 more years unless something is done above and beyond the budget request to put our people back to work.

I recommend that my colleagues adopt the committee recommendations.

Mr. BAYH. Mr. President, I compliment the chairman of the full Appropriations Committee (Mr. MCCLELLAN) for his fine efforts in bringing this anti-recessionary employment measure before the Senate.

I also extend my congratulations to the chairman of the State, Justice, Commerce, Judiciary Subcommittee (Mr. PASTORE) for his efforts regarding chapter VI of this measure which included increased funding for the economic development assistance programs of the Department of Commerce.

Mr. President, I would like to make a comment and then direct a question to Senator PASTORE regarding a situation in the State of Indiana. I notice that the report mentions that economic development assistance programs can be used for such projects as harbor facilities improvement. I also notice that the committee report recommends the Secretary of Commerce—in the distribution of the funds—should give special emphasis to programs designed to conserve and expand the sources of energy. The report indicates that these Committee proposals are consistent with the congressional program of economic recovery and energy sufficiency which was developed under the very able leadership of the Senator from Rhode Island earlier this year.

In southern Indiana we are faced with the problem of economic depression. But we also have extensive coal resources in that area. It would seem to me that a part of the funding included in this bill could be used to develop harbor facilities that would facilitate the development and transfer of the coal resources in this economically depressed area. I ask the Senator from Rhode Island if my understanding is correct.

Mr. PASTORE. I thank the Senator from Indiana for his gracious remarks about chapter VI and the ad hoc committee. The Senator's understanding that it would be possible for a part of the funds to be used for the purpose he outlined is correct.

Mr. SCHWEIKER. Mr. President, the pending bill, H.R. 4481, is designed to deal with the continuing unemployment crisis facing the Nation.

In March the seasonally adjusted unemployment rate for the United States was 8.7 percent of the civilian labor force with some 8,700,000 people out of jobs. In my own State of Pennsylvania, the February jobless rate was 8.9 percent.

We hear reports that more than 1 million people nationwide have given up the search for work and were not counted in the official March unemployment rate.

According to figures given us, the past 4 months have seen the sharpest rise in unemployment since the Great Depression. Unemployment is at its highest peak since the beginning of World War II.

Through a variety of means, including public service employment, extended unemployment benefits and job-creating construction projects, Congress is working to deal with the present situation.

However, in the light of reports predicting continued high-level unemployment, Congress must do still more to alleviate the hardship of so many of our fellow citizens. I concur with the report of the House Appropriations Committee which stated—

These critical times * * * require immediate positive action.

The Labor-HEW chapter of the pending bill is designed to provide just such "immediate positive action."

For instance, we provide $1,625,000,000 to continue funding current public service jobs which are expected to total 310,000 by the end of the present fiscal year. The House of Representatives provided an identical amount for this program when it considered the bill now before us.

Our committee also provides $502.3 million for the summer jobs for youth program—$89.6 million more than the House. This appropriation would provide approximately 920,000 job opportunities for needy youth. In addition, our recommendation includes $2.3 million for a transportation program to get these young people to and from their jobs.

Another job creating program is community service employment for older Americans. Under this program low income elderly persons 55 years of age and older are given part-time jobs in such work as beautification of parks and assisting in hospitals and nursing homes. Our committee provides a level of $48 million for this program for fiscal year 1975. The Labor Department estimates that with this amount of money about 16,000 jobs can be created.

The Labor-HEW Chapter also provides:

An additional 146 positions for health professionals for rural and medically underserved areas. This will be under the National Health Service Corps.

For the college work-study program, $119.8 million, the amount in the bill will support part-time jobs for approximately 250,000 students, providing them with assistance in financing their college educations.

For the work incentve program, $70 million—funds which are needed to maintain the current program level. The program provides training and employmnt for welfare recipients, as well as child care services to permit parents to attend class or go to work.

For the summer youth recreation program, $26 million, an increase of $10.7 million over last year's appropriation. It is estimated that more than 1 million poor youngsters, ages 6 to 13, will benefit from this important summer program.

For emergency energy conservation services, $10 million. These funds will be used for short term assistance, including loans and grants, to eligible individuals to help them with unpaid utility bills and thus avoid a cutoff of service.

Mr. President, I believe our committee's recommendations in the Labor-HEW chapter are responsive to the joblessness now afflicting our Nation. I recommend their approval.

Mr. President, I ask unanimous consent that a statement by the Senator from Massachusetts (Mr. BROOKE) on the bill be printed in the RECORD.

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

STATEMENT BY SENATOR BROOKE

The pending bill is aptly titled, "The Emergency Employment Appropriations Act." It is designed to deal with the emergency nature of the joblessness confronting our Nation.

Consider these facts:

Unemployment is at its highest peak since the beginning of World War II.

Last month the seasonally adjusted unemployment rate reached 8.7% of the civilian work force with some 8.7 million people out of work.

There are reports that more than one million other persons have given up looking for work altogether and these were not counted in the official unemployment rate for March.

My own state of Massachusetts recorded an 11.9% unemployment rate in February, according to the U.S. Department of Labor.

Unemployment in other states is as bad or worse.

Many sectors of the work force, including minorities, women, young and old people, and Vietnam veterans, are the particular victims of the nation's wave of joblessness.

The statistics, of course, do not tell the full human story of what it means to be out of work, unable to provide for oneself or one's family and looking forward to an uncertain future.

Congress has not been indifferent to the suffering of so many of our fellow citizens. Through a variety of means, including programs to provide public service jobs and expanded unemployment benefits, Congress has acted to assist the unemployed.

But as the trauma of joblessness continues, it is necessary that we do still more. The pending $6 billion jobs bill is an effort to be responsive to the present situation and I believe it is.

As ranking minority member on the Labor-HEW Appropriations Subcommittee, my particular concern has been with seeing to it that the Departments of Labor and Health, Education and Welfare do as much as possible to put the unemployed to work.

For example, we provide $1.625 billion to maintain currently funded public service jobs under a Temporary Employment Assistance program enacted last year.

The program is designed to provide 12-month jobs for, among others, those who have exhausted their unemployment benefits or have been out of work for 15 or more weeks.

Enrollees may work in a variety of jobs in local government, assist in hospitals or even help beautify our cities and towns.

Our bill also provides $502.3 million for some 920,000 summer jobs for youth along with a modest program to get these young people to and from their jobs. The Committee's recommendation is $89.6 million over the amount provided by the House.

This program provides disadvantaged youth with an average of 26 hours of work each week for nine weeks during the Summer. The youthful workers are paid the minimum wage of $2.10 per hour and may serve in jobs ranging from recreation aide to assistant in local government.

Our bill also provides $12 million more than the House for a program of jobs for the low income worker 55 years of age and older. Under my amendment to the bill, the fiscal 1975 program level will be $48 million. The Labor Department estimates this will provide 16,000 jobs at a unit cost of about $3,000 per job.

Our Committee bill also provides:

$119.8 million to help finance jobs for college students during the summer and in the coming school year. This is the so-called College Work-Study program which helps students meet the high cost of tuition while keeping them off the unemployment rolls.

$70 million to assure continuation of the Work Incentives program which provides for training and work experience for welfare recipients. The program also provides for child care while the parent attends class or goes to work.

$26 million to continue the Summer Recreation program for disadvantaged youth, particularly those living in our urban ghettoes. The Senate figure is $10.7 million over last year's amount.

$10 million for initiating an emergency program of short-term assistance, including loans and grants, to help the poor pay delinquent utility bills and avoid the shut-off of service. At my urging the Committee provided the $10 million to get this essential program underway.

I believe such a program may be of help in Massachusetts where we pay the second highest electric bills in the entire nation.

I believe the Labor-HEW section of the pending bill will contribute to the solution of our difficult economic problems. I urge that it be approved.

Mr. President, I yield the floor.

Mr. McCLELLAN. Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc, and that the bill as thus amended be regarded as original text for the purpose of further amendment, provided that no points of order shall be waived by reason thereof.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The amendments agreed to en bloc are as follows:

On page 3, in line 17, strike out "$350,000" and insert "$175,000".

On page 4, in line 10, after "$6,548,000," insert "to remain available until October 31, 1975".

On page 4, in line 23, strike out "$21,496,000" and insert "$24,647,000".

On page 5, in line 4, after "$5,700,000," insert "to remain available until October 31, 1975".

On page 5, in line 8, strike out "$22,100,000" and insert "$29,361,000".

On page 5, in line 9, after "expended" insert a colon and the following:

Provided, That $2,300,000 shall be available

to assist in constructing a sewage system and treatment plant in cooperation with the towns of Harpers Ferry and Bolivar, West Virginia, to serve such towns and the Harpers Ferry National Historical Park.

On page 5, in line 17, strike out "$12,700,000" and insert "$14,650,000".

On page 5, beginning with line 19, insert:

GEOLOGICAL SURVEY

SURVEYS, INVESTIGATIONS, AND RESEARCH

For an additional amount for "Surveys, investigations, and research", $1,500,000, to remain available until October 31, 1975.

On page 6, beginning with line 1, insert:

MINING ENFORCEMENT AND SAFETY ADMINISTRATION

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $2,775,000: *Provided*, That these funds shall remain available until expended for the construction of facilities.

On page 6, in line 9, strike out "$5,000,000" and insert "$10,000,000, to remain available until October 31, 1975".

On page 6, in line 24, after the first comma, insert "to remain available until October 31, 1975,".

On page 6, in line 25, strike out "$56,080,000" and insert "$56,580,000; for 'Forest research', $1,500,000".

On page 7, in line 5, strike out "$18,000,000" and insert "$21,000,000".

On page 7, in line 9, strike out "$10,000,000" and insert "$15,000,000".

On page 7, in line 11, strike out "$5,000,000" and insert "$7,500,000".

On page 7, in line 12, strike out "$5,000,000" and insert "$7,500,000".

On page 7, in line 23, strike out "$12,574,000" and insert "$22,453,000".

On page 8, beginning with line 1, insert:

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $5,000,000, to remain available until October 31, 1975, of which $3,000,000 shall be for the National Endowment for the Arts and $2,000,000 shall be for the National Endowment for the Humanities.

On page 8, in line 14, strike out "$412,700,000" and insert "$502,300,000".

On page 8, in line 21, strike out "$24,000,000" and insert "$36,000,000".

On page 9, beginning with line 3, insert:

HEALTH SERVICES ADMINISTRATION

HEALTH SERVICES

Notwithstanding any other provision of law, the Secretary of Health, Education, and Welfare is hereby authorized to hire and assign not to exceed 146 additional health professionals to serve in the National Health Service Corps.

On page 10, in line 2, after "appropriated" insert a colon and the following:

Provided further, That any amounts appropriated for basic opportunity grants for the fiscal year ending June 30, 1974, which are in excess of the amount required to meet the payment schedule announced for the academic year 1974–75, shall remain available for payments under the payment schedule announced for the academic year 1975–76.

On page 10, beginning with line 11, strike out:

For an additional amount for carrying out a work incentive program, as authorized by part C of title IV of the Social Security Act, including registration of individuals for such program, and for related child care and other supportive services, as authorized by section 402(a)(19)(G) of the Act, including transfer to the Secretary of Labor, as authorized by section 431 of the act, $70,000,000, which, in addition to sums previously appropriated under this heading for fiscal year 1975, shall be the maximum amount available for transfer to the Secretary of Labor and to which the States become entitled pursuant to section 403(d) of such Act, for these purposes. and insert:

For an additional amount for "Work Incentives", $70,000,000 for carrying out a work incentives program as authorized by part C of title IV of the Social Security Act, including registration of individuals for such program, and for related child care and supportive services, as authorized by section 402(a)(19)(G) of the Act, including transfer to the Secretary of Labor, as authorized by section 431 of the Act, which, together with the previously authorized current year appropriation, shall be the maximum amount available for transfer to the Secretary of Labor and to which States may become entitled, pursuant to section 403(d) of such Act, for these purposes, for the current fiscal year and for any period in the prior fiscal year provided the prior fiscal year expenditures are claimed on quarterly statements of expenditures received by the Secretary of Health, Education, and Welfare prior to February 1, 1975.

On page 11, in line 25, strike out "$58,055,000" and insert "$226,350,000".

On page 12, beginning with line 1, insert:

FLOOD CONTROL, MISSISSIPPI RIVER AND TRIBUTARIES

For an additional amount for "Flood Control, Mississippi River and Tributaries" $25,000,000, to remain available until expended.

On page 12, in line 7, strike out "$48,000,000" and insert "$22,405,000".

On page 12, beginning with line 11, insert:

GENERAL INVESTIGATIONS

For an additional amount for "General investigations", $3,500,000, to remain available until expended.

On page 12, in line 16, strike out "$9,600,000" and insert "$42,920,000".

On page 12, beginning with line 18, insert:

UPPER COLORADO RIVER STORAGE PROJECT

For an additional amount for "Upper Colorado River Storage Project", $2,450,000, to remain available until expended, which shall be available for the "Upper Colorado River Basin Fund".

COLORADO RIVER BASIN PROJECT

For an additional amount for "Colorado River Basin Project", to remain available until expended, $10,400,000, of which $8,000,000 is for liquidation of contract authority provided by section 303(b) of the Act of September 30, 1968 (82 Stat. 894).

On page 13, in line 6, after the first comma, insert "to remain available until expended".

On page 13, beginning with line 9, insert:

LOAN PROGRAM

For an additional amount for "Loan Program", $1,600,000, to remain available until expended.

On page 13, in line 19, after "expenses", insert a colon and the following:

Provided further, That $3,000,000 shall be available until expended, and shall be transferred to "Regional Development Programs", Regional Action Planning Commissions, to carry out programs authorized by Title V of the Public Works and Economic Development Act of 1965, as amended.

ECONOMIC DEVELOPMENT ASSISTANCE PROGRAMS

For an additional amount, $163,250,000, to remain available until June 30, 1976.

ADMINISTRATION OF ECONOMIC DEVELOPMENT ASSISTANCE PROGRAMS

For an additional amount, $3,500,000, to remain available until June 30, 1976.

REGIONAL ACTION PLANNING COMMISSIONS

REGIONAL DEVELOPMENT PROGRAMS

For an additional amount, $42,000,000, to remain available until expended.

On page 14, in line 17, after "$210,000,000" strike out "for the direct loan program authorized by section 7(a) of said Act,".

On page 14, in line 19, after "limitation" insert a colon and the following:

Provided, That $10,000,000 shall be for the direct loan program authorized by Section 7(h) of such Act, and $200,000,000 shall be for the direct loan program authorized by section 7(a) of said Act.

On page 15, in line 18, strike out "$3,500,000" and insert "$250,000".

On page 16, in line 4, after "exceed" strike out "six hundred and eighty-seven" and insert "four hundred and sixty".

On page 16, in line 6, strike out "52,900,000" and insert "$24,300,000".

On page 17, in line 9, after the comma, strike out "including purchase of (not to exceed fifty) passenger motor vehicles,".

On page 17, in line 13, strike out "fifty" and insert "one hundred".

On page 17, in line 18, strike out "six hundred and forty-one" and insert "four hundred and seventeen".

On page 17, in line 20, strike out $6,500,000" and insert "$3,600,000".

On page 17, beginning with line 21, strike out:

UNITED STATES POSTAL SERVICE

PAYMENT TO THE POSTAL SERVICE FUND

For an additional amount for "Payment to the Postal Service Fund", pursuant to 39 U.S.C. 2004, $900,000,000.

On page 18, at the beginning of line 5, strike out "for the construction of buildings as authorized by law (40 U.S.C. 490 as amended)" and insert "to remain available until expended".

On page 19, in line 10, strike out "$100,000,000" and insert "$75,000,000, to remain available until September 30, 1976."

On page 19, in line 14, strike out "$100,000,000" and insert "$75,000,000".

On page 19, in line 17, strike out "$451,000,000" and insert "$426,000,000".

On page 19, beginning with line 18, insert:

The aggregate amount made available in the Treasury, Postal Service and General Government Appropriation Act, 1975, for real property management and related activities is increased to $1,449,870,700 and the amount provided in such Act in excess of which revenues, collections and other sums accruing to the fund (excluding reimbursements pursuant to 40 U.S.C. 490(f)(6)) shall be deposited in miscellaneous receipts is increased to $1,528,870,700.

Appropriations hereby made to the Federal Buildings Fund shall not be subject to the provisions of section 210(f)(4) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 490(f)(4)) requiring repayment with interest.

On page 20, in line 8, strike out "eighty thousand" and insert "eighteen thousand eight hundred and sixty-four".

On page 20, line 10, strike out "$280,000,000" and insert "$66,100,000".

On page 20, beginning with line 13, insert:

FEDERAL RAILROAD ADMINISTRATION

RAIL TRANSPORTATION IMPROVEMENT AND EMPLOYMENT

For payment of financial assistance to assist railroads by providing funds for repairing, rehabilitating, and improving railroad

roadbeds, and facilities, $700,000,000 of which not to exceed $7,000,000 shall be available for administrative expenses of the Secretary to remain available until December 31, 1976: *Provided, however,* That these funds shall be available only upon enactment of authorizing legislation.

RELATED AGENCY

Mr. McCLELLAN. Mr. President, I ask unanimous consent that Mr. Murphy of the staff of the Committee on Labor and Public Welfare have the privilege of the floor during the consideration of this measure.

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

Mr. McCLELLAN. The bill is now open to amendment, I assume.

Mr. FONG. Mr. President, I send to the desk an amendment, cosponsored by Senators EAGLETON, BEALL, HUDDLESTON, MANSFIELD, METCALF, STAFFORD, BUMPERS, ABOUREZK, and BURDICK, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

On page 8, line 21, after "$36,000,000" insert the following:

Provided, That, notwithstanding any other provision in law, amounts contained herein, together with amounts heretofore appropriated for "Community service employment for older Americans" may be expended to continue projects now being conducted as part of the National Operation Mainstream program authorized by title III of the Comprehensive Employment and Training Act of 1973 (Public Law 93-203).

Mr. FONG. Mr. President, this amendment will prevent the laying off of many elderly poor individuals now participating in Operation Mainstream—National Older Workers program, under the Department of Labor through contract with four national organizations.

Under this program, 12,000 older Americans work at part-time public service jobs, thus giving local communities the benefit of the skills they have accumulated in a lifetime of work. The participants gain the dual advantage of much-needed extra income, along with the knowledge that they still have an important role in society, although retired from the regular labor force, and are capable of contributing to the communities in which they live.

The Department of Labor can no longer use discretionary funds for this program, but is willing to continue it with funds from title IX of the Older Americans Act.

However, title IX, Community Service Employment for Older Americans, requires distribution of funds to the States on a formula basis.

Today, in 21 States, there are more older workers than can be supported by the formula grant of title IX. Approximately 2,000 older workers will lose their jobs if this amendment is not accepted.

The language of our amendment to H.R. 4481 permits use of title IX funds to continue Operation Mainstream while at the same time assuring all States an equitable share of title IX funds.

The Department of Labor is in favor of this amendment.

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

Mr. FONG. I am happy to yield.

Mr. SCHWEIKER. Mr. President, I wish to direct an inquiry to the chairman of our committee on this chapter of the supplemental bill regarding the amendment. If I understand correctly, application of the title IX formula, under the Older Americans Act, holding all States harmless, will result in a reduction of jobs for the elderly formula entitlement for some States; is that correct?

Mr. McCLELLAN. The distinguished Senator from Pennsylvania is correct.

Mr. SCHWEIKER. However, the language in the proposed amendment would permit all States to operate at their full title IX formula, or "hold harmless" level, whichever is higher, for a period of 10 months in fiscal year 1976. I would ask the distinguished Senator if this is what is intended by this amendment?

Mr. McCLELLAN. That is correct. With fiscal year 1976 appropriations, that will be included in the regular bill. It is our intent to provide the necessary funding to maintain at least this level, the 10-month level, for the remaining 2 months of fiscal 1976.

It is our intention to provide for permanent and adequate funding for title IX programs, in this bill, and from here on in, and to get away from this constant uncertainty which our needy, elderly citizens have faced about continuation of their jobs.

I am submitting for the RECORD a table showing the amounts each State would receive, on a 10-month basis, if this amendment is accepted, guaranteeing the highest of either the "hold harmless" or title IX formula distribution levels.

Mr. President, I ask unanimous consent to have the table printed in the RECORD.

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

DISTRIBUTION OF TITLE IX, OLDER AMERICAN ACT FUNDS, BY STATE

[Dollars in thousands]

	Fiscal year 1974 funds [1]	Fiscal year 1975 title IX formula	1975 hold harmless level [2]	10-mo funding at highest of formula or hold harmless level [2]
Total	$36,000	$48,000	$48,000	$48,000
Alabama	498	758	647	681
Alaska	50	240	240	240
Arizona	268	422	360	379
Arkansas	1,355	514	1,518	1,362
American Samoa	24	120	120	121
California	2,695	4,190	3,574	3,763
Colorado	318	442	376	397
Connecticut	430	682	581	613
Delaware	50	240	240	240
District of Columbia	295	240	330	296
Florida	1,685	2,227	1,900	1,999
Georgia	651	893	762	802
Guam	24	120	120	121
Hawaii	50	240	240	240
Idaho	103	240	240	240
Illinois	1,205	2,448	2,088	2,197
Indiana	1,358	1,094	1,521	1,365
Iowa	309	710	606	637
Kansas	298	547	467	492
Kentucky	857	739	960	862
Louisiana	477	715	610	643
Maine	268	245	300	269
Maryland	359	754	643	675
Massachusetts	678	1,363	1,162	1,223
Michigan	975	1,747	1,490	1,566
Minnesota	1,735	854	1,944	1,744
Mississippi	336	490	418	438
Missouri	981	1,162	1,099	1,042
Montana	383	240	429	385
Nebraska	315	370	353	332
Nevada	91	240	240	240
New Hampshire	74	240	240	240
New Jersey	$1,370	$1,651	$1,535	$1,481
New Mexico	130	240	205	240
New York	2,259	4,286	3,656	3,849
North Carolina	654	1,027	876	921
North Dakota	342	240	383	343
Ohio	1,329	2,242	1,912	2,011
Oklahoma	678	643	759	681
Oregon	854	518	957	859
Pennsylvania	1,662	2,900	2,478	2,602
Puerto Rico	242	504	430	453
Rhode Island	221	240	248	240
South Carolina	357	485	414	435
South Dakota	504	240	564	506
Tennessee	457	888	757	797
Texas	1,727	2,314	1,974	2,076
Trust Territories	24	120	120	121
Utah	348	240	389	349
Vermont	242	240	271	243
Virginia	902	902	1,010	906
Virgin Islands	24	120	120	121
Washington	327	730	623	654
West Virginia	510	437	571	512
Wisconsin	1,509	1,027	1,690	1,516
Wyoming	133	240	240	240

[1] Includes $26,000,000 of title III CETA funds.

[2] Provides at a minimum continued funding of current slot level.

Mr. SCHWEIKER. Mr. President, I thank the distinguished chairman for this information which, I think, clarifies the situation, and I thank the Senator from Hawaii for yielding.

Mr. McCLELLAN. Mr. President, this matter was discussed in committee, and it needed some detail in drafting and working out, but it was generally understood by the committee at the time the bill was reported that this amendment would be offered on the Senate floor, and there was no objection to it. Therefore, I am willing to accept it.

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

The amendment was agreed to.

The ACTING PRESIDENT pro tempore. The bill is open for further amendment.

Mr. McCLELLAN. Mr. President, I understood there would be another amendment offered. I understand one Senator wishes to offer an amendment and is on his way to the Chamber. Unless there is some other matter that Members want to take up at this time, I would suggest the absence of a quorum.

Mr. BEALL. Mr. President, will the Senator yield for a question on the proposal while we are awaiting the arrival of the Senator who wishes to offer an amendment?

I note in reading the report that the chairman of the committee highlighted a minute ago, there was a section that authorizes the expenditure of $74,600,000 for the purchase of 20,712 automobiles and other vehicles by the General Services Administration.

I wonder if the distinguished chairman of the committee could enlighten us on that particular section of the proposal.

I am wondering, for instance, how many more vehicles are to be bought this year. Are all these vehicles necessary? I assume they are. How much of a greater purchase in numbers of vehicles is this than would normally be the case?

Mr. McCLELLAN. Mr. President, the

House bill provides $1,724,957,000 under chapter VII for the programs and activities under the jurisdiction of the Treasury, Postal Service, and General Government Subcommittee. The major items included in the House bill are for 121,292 motor vehicles at a cost of $297 million, $28 million for construction of Joint Customs Service/Immigration and Naturalization Service border stations, $440 million for real property operations and alteration and major repairs of Federal buildings, and $900 million for the U.S. Postal Service.

There is little doubt that the House bill would provide jobs in the industries which have experienced the largest unemployment. For example, unemployment in the automobile and construction industries currently exceeds 20 percent. However, as stated by OMB Director James Lynn in his appearance before the Appropriations Committee, this bill would add to the current Federal deficit, which is now estimated by OMB to go as high as $93 billion for the combined fiscal years 1975 and 1976.

The committee has reviewed the House bill and amounts for the various accounts. It is our proposal that the House bill be reduced by $1,173,650,000 and the committee recommends an appropriation of $551,325,000.

The committee recommendation will reduce the procurement of motor vehicles to 20,712 at a cost of $74.6 million. This will provide for replacement of only those vehicles which are eligible to be replaced by being 6 years old and/or exceeding 60,000 miles. These vehicles are generally uneconomical to continue in operation. We believe replacing the entire GSA fleet of over 70,000 vehicles to convert to a fleet of compact sedans and light trucks due to improved fuel conservation would be unwise. It would be false economy, at this time, in my judgment. Many of these vehicles have entered the inventory during the past few years. Additionally, the subcommittee does not recommend approval of the $900 million appropriation for the Postal Service. This would be tantamount to providing an additional subsidy to the capitalization of the Postal Service.

We believe the committee recommendation of $551,325,000 will provide for increased employment, and agencies will receive much needed equipment and construction which was previously deferred due to lack of funding.

We urge that the committee's position be sustained. The buying of over 100,000 automobiles is not now needed, just to stimulate employment in the automobile industry. It would seem to us to be unwise.

Mr. BEALL. I thank the distinguished chairman for answering the question.

If the chairman will yield for another question, some of us recently were deliberating as members of the Budget Committee on the concurrent resolution which will be brought to the floor next week. In our deliberations we had assumed the deficit for fiscal year 1975 would be $45 billion, and in the concurrent resolution that is to be brought to the floor next week we are predicting a deficit for fiscal year 1976 of $67.5 billion.

Can the distinguished chairman tell me how this bill today, this particular appropriation of in excess of $6 billion, fits into that picture for fiscal year 1975 and 1976.

Mr. McCLELLAN. I cannot give the Senator a definite answer to that. I assume that the Budget Committee has taken this into account in its recommendations and in its prognostication as to what the deficit will be. I do not know whether it did or not, but I would assume that it did.

This bill was pending, it passed the House, has not been reported yet by the Senate, and I assume the committee took it into account.

Mr. BEALL. Can the chairman, perhaps, tell me what percentage of this bill will be, what percentage of the money will be, an outlay in 1975 and what percentage will be an outlay in 1976?

Mr. McCLELLAN. Approximately $1.5 billion of the bill would outlay in the 1975 budget.

Mr. BEALL. And the remainder would be in the——

Mr. McCLELLAN. About $4 billion next year, would outlay during fiscal year 1976.

Mr. BEALL. I thank the Senator.

Mr. YOUNG. Will the Senator yield?

Mr. BEALL. Yes.

Mr. YOUNG. I might make an additional comment.

The money contained in this bill is $3,461,835,000 more than requested by the administration and $131,061,000 more than the House bill. It is nearly $3.5 billion more than requested by the administration, which would add about that much to the deficit.

Mr. WILLIAM L. SCOTT. Will the Senator yield?

Mr. BEALL. Do I have the floor? If I have the floor, I will be happy to yield to the Senator from Virginia.

Mr. WILLIAM L. SCOTT. Mr. President, I would like to supplement what the distinguished Senator has asked and ask the chairman of the committee, is this amount in the President's budget calling for $52 billion deficit, would this add further to the deficit that the President has recommended?

Mr. McCLELLAN. The bill would increase the budget authority level recommended by the President by $3.5 billion.

Mr. WILLIAM L. SCOTT. About half of the funds requested in H.R. 4481 is in the budget and half is not?

Mr. McCLELLAN. A little less than half is correct.

Mr. WILLIAM L. SCOTT. I thank the Senator.

Mr. STENNIS. Will the Senator yield?

The ACTING PRESIDENT pro tempore. The Senator from Arkansas has the floor.

Mr. McCLELLAN. I am glad to yield to the Senator.

Mr. STENNIS. Mr. President, if the Senator would just yield to me on the question the Senator from Virginia raised, the only money in this bill that was in the budget was just the $2 billion that the President requested for so-called public service jobs alone, is that not correct?

Mr. McCLELLAN. Well, before us they testified——

Mr. JAVITS. Mr. President——

The ACTING PRESIDENT pro tempore. The Senator from Arkansas has the floor.

Mr. McCLELLAN. The $1.6 billion for public services jobs was requested by the administration in a recent budget amendment.

Mr. STENNIS. I thank the Senator.

Mr. WILLIAM L. SCOTT. If the Senator will yield briefly further, I will not intrude on the desire of the Senator from New York for recognition.

My concern is that we get one bill after another, we do not know the effects of the measures that have been passed by the Congress previously.

We may very well wind up with $100 billion deficit if we keep on doing this sort of thing.

Mr. McCLELLAN. The Senator is correct.

Mr. WILLIAM L. SCOTT. Well, for this reason, I am going to vote against the bill.

Mr. McCLELLAN. The Senator has that right, of course, and I respect it.

Mr. JAVITS. Will the Senator yield?

Mr. McCLELLAN. I yield to the Senator from New York.

Mr. JAVITS. I thank my colleague.

There will be occasion in a few moments, as I expect an amendment to this subject, to debate this issue respecting the amount provided for public service employment programs. But at the moment I would like to call attention to a number of affirmative things which the committee has recommended to the Senate which I consider to be very constructive and to resolve major problems in a very admirable way.

In the main, these items come under Senator MAGNUSON's subcommittee and both he and the chairman have always shown themselves very sympathetic to these needs.

There is, first, the public service employment which we will be debating on Senator JOHNSTON's amendment.

First, $1.6 billion for public service employment programs under title VI of the Comprehensive Employment and Training Act of 1973—CETA, as amended by Public Law 93-567. This is the amount of the House allowance at the level requested by the administration.

This appropriation, together with the $875 million already appropriated, would bring the appropriation level up to the full authorization of $2.5 billion for that title for fiscal year 1975. Together with currently available funds under title II of CETA—which are available in areas of 6.5 percent unemployment or more—this will provide for an aggregate level of 310,000 public service jobs by the end of this fiscal year. This is a substantial number of public service jobs, but very modest in terms of meeting the needs of the nearly 8 million unemployed in March, as well as an additional 1.1 million "discouraged" unemployed.

The Committee on Labor and Public Welfare will soon be considering S. 609, the "Emergency Public Service Employ-

ment Extension Act of 1975," which Senator WILLIAMS and I, together with 14 others, have proposed to extend the public employment program under title VI for fiscal year 1976, to provide an aggregate level of 1 million jobs in fiscal year 1976.

Second, there is the provision for $500 million summer youth jobs. The committee has been very provident in that regard in coming as close as it could, and it has come very close, to meeting the views of the National Associations of Municipal Officials, the National League of Cities, and its companion organization. That has provided for over 900,000 summer jobs for poor youth ages 14 to 21, and when one sees the appalling 40-percent rate for teenage in unemployment, one can see just by mentioning, juxtaposing the two figures, what a critical benefit this represents.

Each job opportunity will consist of 9 weeks of employment, 26 hours a week at the minimum wage of $2.10 an hour. This is an increase of $87.3 million and 160,000 opportunities above the House allowance, which in accordance with the administration's request, provides $412.7 merely to maintain last year's level of 760,000 opportunities at the new minimum wage.

Joined by 17 Senators, I wrote the President and the HEW-Labor Subcommittee on Appropriations, on February 28, urging an aggregate of $649 million for approximately 1.1 million summer youth jobs, and $4.5 million for transportation, the amounts which the National League of Cities had documented as necessary for this summer.

Accordingly, the committee recommendation is a shortfall of $149 million and 180,000 opportunities from the amount we requested. However, as the Committee on Appropriations notes on page 35 of its report, State and local prime sponsors can utilize a portion of their general grants under title I to supplement these efforts and I believe that with these additional funds, the 1.1 million job level can be maintained.

The committee's action in this regard is a very gratifying response to the very dangerous summer youth unemployment situation with predictions of rates of unemployment exceeding 50 percent in many urban areas, and this is a very timely action if planning is to proceed for a basic summer program.

Also the committee has provided $26 million for recreation opportunities for the very young who are poor, between 6 and 13. There are few things more heartbreaking than those very young people in the hot city during the summer.

The committee has provided for emergency energy conservation for the poor to the extent of $10 million. Again, a very admirable provision.

In the education field, which is so close to Senator MAGNUSON's heart, the committee has provided for $19.8 million for the college work study program and for a carryover for the basic educational opportunity grants—BEOG.

Also, the committee has been very forehanded in anticipating the passage by the Congress of a bill to deal with employment on railroad rights-of-way. That represents a very splendid and constructive initiative and use of what we have heretofore called public service jobs.

The committee in this case is anticipating the authorizing committees and I hope—I am the sponsor of one of the bills, and I am serving on a committee with responsibilities in that regard—will match the celerity of the Appropriations Committee. We have a joint hearing scheduled for next week by the Labor and Public Welfare Committee and the Committee on Commerce on S. 1326, the Special Public Service Employment and Railroad Improvement Act of 1975, a bill which Senator WILLIAMS and I, along with 14 others including Senator MAGNUSON and Senator HARTKE have introduced.

The committee has even reached into the cultural field and provided some money for the National Endowments on the Arts and Humanities, finding some several hundred jobs in the renovation of museums.

One of the monuments of the great depression was the fact that the WPA was turned to such constructive uses as to survive to this very day, when people can still point to the fact that this was not sterile money wasted, but there were vast public improvements under the Government's organized effort.

The committee has also provided $10 million for emergency energy conservation services under section 222(a)(12) of the Economic Opportunity Act—which I authored—designed to aid low-income families, reduce their energy consumption, and lessen the impact of the cost of energy. As the committee notes on page 41 of its report, these funds will be used for short-term assistance including loans and grants to eligible individuals to help them avoid utility cutoffs in instances where they temporarily cannot pay utility bills. The House made no allowance for this program.

Joined by 18 Senators who wrote the President on February 20 and the committee on February 25, we had pointed to needs in terms of pending or expected applications before the Community Services Administration—which administers the program—totaling $144.0 million. The Director of the Administration, Mr. Gallegos, in testimony before the Subcommittee on HEW-Labor Appropriations, stated that $64.0 million of that amount could be effectively utilized in this fiscal year.

The amount recommended by the committee represents a significant start toward meeting these needs, and I hope that the committee will consider adding the balance of $54 million to the second supplemental appropriations bill which it is now considering and which includes the regular appropriations for the Community Services Administration for this fiscal year.

The committee has a lot that is negative, but I am delighted to be able to state some of the very positive aspects of this bill which the committee and Senator MAGNUSON's subcommittee are so heavily responsible for.

I thank my colleague.

Mr. President, I ask unanimous consent to have printed in the RECORD the text of two letters sent by 20 Senators to the President regarding the urgent need for appropriations for summer youth employment and Emergency Energy Conservation Service, together with accompanying materials.

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

WASHINGTON, D.C.,
February 28, 1975.

HON. GERALD R. FORD,
President, The White House,
Washington, D.C.

DEAR MR. PRESIDENT: We urge you to submit revised budget requests for fiscal year 1975, aggregating $680,211,844, to meet urgent needs for 1,147,847 summer youth jobs and related transportation and recreational activities for this summer. Last summer, an aggregate of $397.0 million was made available for these purposes which included approximately 709,200 nine-week jobs.

Our request consists of the following elements:

First, an aggregate of $649,681,402 for the provision of 1,147,847 summer jobs for economically disadvantaged youth 14 to 21 years of age, as authorized under section 304(a)(3) of the Comprehensive Employment and Training Act of 1973. Each job would provide a nine-week opportunity of 26 hours a week at the minimum wage of $2.10 an hour. The 1,147,847 jobs consist of 458,463 jobs in the Nation's 50 largest cities, and 689,384 jobs in smaller cities and other areas. Last summer, $380.0 million was made available for approximately 709,200 nine-week jobs.

These needs are documented on a city-by-city basis in the enclosed letter dated January 29, from Alan E. Pritchard, Executive Vice President of the National League of Cities, in response to a request made by Senator Javits.

Second, $4,530,442 under section 304(a)(3) of the Comprehensive Employment and Training Act of 1973 to provide transportation to youth to enable them to participate in the summer youth job program. Last summer, approximately $1.7 million was made available.

This request is set forth in the enclosed letter dated February 6, from Mr. Pritchard.

Third, $26,000,000 to provide recreational opportunities to poor youth, six to 13 years of age, under the Summer Youth Recreation program authorized by section 222(a)(13) of the Economic Opportunity Act of 1964, as amended by P.L. 93-644, which became law on January 4. $15.3 million was provided last summer.

This request is set forth in the enclosed letter dated February 25, from Dwight F. Rettie, Executive Director of the National Recreation and Park Association.

The Administration has not submitted any specific budget requests for any of these elements.

We note that summer youth job programs are among the eligible activities for which state and local governmental prime sponsors may use funds allocated to them under title I of CETA, "Comprehensive Manpower Services."

However, because of the very substantial needs for comprehensive programs for adults and others under title I—stemming from the crisis unemployment situation—it is clear that title I cannot be regarded as an adequate source to meet to any significant extent the aggregate needs for summer youth jobs and transportation that we have documented. Already, preliminary estimates from the Department of Labor suggest that only a small number of prime sponsors have been able to plan for a summer youth job

program, even at last year's level—which will clearly be inadequate.

While the Nation as a whole continues in a severe recession with unemployment at 8.2 percent in January and 7.5 million unemployed—and with the Administration's projections that unemployment will average 8.1 percent throughout this calendar year—poor youth, which have unemployment levels of 30 to 40 percent even in better times, are expected to suffer rates of 50 percent and more this summer. The National League of Cities, which has projected such a rate, indicates that it expects more than 3.1 million poor youth to be looking for jobs this summer.

We urge, in light of the serious emergency situation for the coming summer, that you send to the Congress a revised budgetary request for a special youth job program and related transportation and recreation, to meet the aggregate needs which we have documented.

Sincerely,

Jacob K. Javits, Alan Cranston, Jennings Randolph, George McGovern, Hubert H. Humphrey, Walter F. Mondale, Clifford P. Case, Edward M. Kennedy, Claiborne Pell, Henry M. Jackson, Harrison A. Williams, Jr., Robert T. Stafford, John V. Tunney, Edward W. Brooke, Abraham Ribicoff, J. Glenn Beall, Philip A. Hart, William D. Hathaway, Edmund S. Muskie, and Gaylord Nelson.

JANUARY 29, 1975.

Hon. JACOB K. JAVITS,
U.S. Senate, Old Senate Office Building, Washington, D.C.

DEAR SENATOR JAVITS: In accordance with your request and as in the past, we have surveyed the nation's cities to determine the needs for a summer youth employment program this year.

The information we have received from the 50 largest cities shows that the total number of slots these cities could effectively use this summer is 458,463. On the basis of our contacts with a sample of smaller cities, we estimate that their needs for summer jobs total 689,384. Combining these figures, the present real need for 1975 is 1,147,847 slots nationwide.

As you are aware, rapidly rising unemployment rates and deteriorating economic conditions are having a severe impact on joblessness among youth. With projected increases in the number of disadvantaged youth and alarming numbers of lay-offs in both the private and public sectors, an unemployment rate of 50% or more may be anticipated among disadvantaged youth this summer.

Congress has recognized the crisis of unemployment among adults through the Emergency Jobs and Special Unemployment Assistance Act of 1974, and it is essential that it address this separate crisis of unemployment among youth.

As summer job prospects for youth in the private sector become increasingly dim, it is clear that job creation in the public sector must be greatly expanded to fill this void. In addition, local government lay-offs are rapidly expanding and substantial efforts made by cities to hire youths during the summer months with local funds will be severely curtailed. In facing dramatically increased needs and evaporating job opportunities, your leadership is again urgently requested in securing additional funds for a summer employment program at the earliest possible date. Adequate time to plan and implement summer youth programs is critical to the operation of an effective national effort.

While it is clear from the survey that those eligible for a summer youth employment program far exceed the capacity of cities to employ these youngsters effectively, it is urgent that the Congress also address the need for additional funds for a recreation program to provide disadvantaged youngsters with some form of constructive activity during the summer months. We are currently in the process of surveying city needs for recreation programs and should have this information to you shortly.

We would appreciate your assistance again this year in assuring adequate funding for a summer jobs program.

Sincerely,

ALLEN E. PRITCHARD, Jr.,
Executive Vice President.

City	1974 actual		1975		
	Funding [1]	Slots [2]	Number eligible	Effectively employ	Funding need [3]
Region I: Boston	$2,480,867	4,637	18,000	18,000	$10,188,000
Region II:					
Buffalo	1,275,620	2,384	40,000	10,000	5,660,000
Newark	3,442,799	6,435	25,900	11,000	6,226,000
New York	24,473,511	45,744	426,000	80,000	45,280,000
Rochester	637,558	1,191	6,000	2,000	1,132,000
Region III:					
Baltimore	4,183,526	7,819	17,600	12,000	6,792,000
Norfolk	1,535,979	2,870	11,680	3,500	1,981,000
Philadelphia	4,315,810	8,066	52,792	22,000	12,452,000
Pittsburgh	2,568,647	4,801	7,000	7,000	3,962,000
Washington, D.C	6,563,092	12,267	25,000	18,000	10,188,000
Region IV:					
Atlanta	1,489,979	2,785	10,000	5,388	3,049,608
Birmingham	1,123,440	2,099	7,700	2,774	1,570,084
Jacksonville	844,711	1,578	20,000	2,500	1,415,000
Louisville	1,210,223	2,262	15,000	4,000	2,264,000
Memphis	1,445,064	2,701	12,250	2,716	1,537,256
Miami	2,354,311	4,400	6,500	4,400	2,490,400
Nashville	738,378	1,380	4,000	2,500	1,415,000
Tampa	1,192,915	2,229	7,000	6,515	3,687,490
Region V:					
Chicago	19,209,563	35,905	85,000	50,000	28,300,000
Cincinnati	1,533,527	2,866	40,000	5,000	2,830,000
Cleveland	4,919,923	9,196	24,200	18,000	10,188,000
Columbus	899,175	1,680	2,500	2,500	1,415,000
Detroit	5,095,798	9,524	40,000	23,000	13,018,000
Indianapolis	1,056,816	1,975	12,000	4,500	2,547,000
Milwaukee	1,319,978	2,467	6,000	3,713	2,101,558
Minneapolis	$1,104,440	2,064	6,000	3,500	$1,981,000
St. Paul	431,679	806	3,200	3,200	1,811,200
Toledo	673,997	1,259	2,000	1,400	792,400
Region VI:					
Dallas	1,017,619	1,902	45,000	4,000	2,264,000
El Paso	545,547	1,021	6,000	4,672	2,644,352
Fort Worth	459,190	858	2,500	1,600	905,600
Houston	2,126,840	3,975	12,000	4,000	2,264,000
New Orleans	1,607,513	3,004	10,000	10,000	5,660,000
Oklahoma City	557,096	1,041	3,000	2,400	1,358,400
San Antonio	2,856,730	5,339	10,000	5,500	3,113,000
Tulsa	553,663	1,034	2,000	1,300	735,800
Region VII:					
Kansas City, Mo	1,835,348	3,430	13,000	5,000	2,830,000
Omaha	1,069,481	1,999	2,500	2,000	1,132,000
St. Louis	2,810,441	5,253	9,900	7,500	4,245,000
Region VIII: Denver	1,578,466	2,950	9,250	4,000	2,264,000
Region IX:					
Honolulu	966,788	1,807	3,000	2,500	1,415,000
Long Beach	764,769	1,429	7,500	2,500	1,415,000
Los Angeles	6,902,818	12,902	75,000	30,000	16,980,000
Oakland	1,705,211	3,187	10,000	5,850	3,311,100
Phoenix	2,146,338	4,011	60,000	9,000	5,094,000
San Diego	2,017,157	3,770	25,000	6,000	3,396,000
San Francisco	2,167,803	4,051	8,000	8,000	4,528,000
San Jose	1,178,891	2,203	4,000	3,535	2,000,810
Region X:					
Portland	1,024,404	1,914	5,000	5,000	2,830,000
Seattle	4,136,643	7,732	13,000	5,000	2,830,000

SAMPLING OF CITIES OTHER THAN 50 LARGEST

Region I:					
Bridgeport, Conn	$1,074,314	2,008	4,500	3,000	$1,698,000
Cambridge, Maine	616,566	1,152	1,200	1,000	566,000
Lowell, Maine	385,052	719	1,600	1,000	566,000
Worcester, Maine	348,291	651	1,700	1,200	679,200
Region II:					
Elizabeth, N.J	173,228	322	1,500	375	212,250
Albany, N.Y	401,086	749	5,000	5,000	2,630,000
Yonkers, N.Y	178,286	333	900	600	339,600
Carolina, P.R	498,180	931	6,000	4,000	2,264,000
San Juan, P.R	1,166,329	2,180	12,296	3,117	1,764,222
Region III:					
Erie, Pa	185,745	347	2,500	650	367,900
Hampton and Newport News, Va	557,863	1,042	2,000	1,300	735,800
Region IV:					
Huntsville, Ala	264,980	495	2,000	1,200	679,200
Montgomery, Ala	658,920	1,231	1,800	1,800	1,018,800
Savannah, Ga	297,401	555	2,500	1,050	594,300
Lexington, Ky	502,790	939	3,000	1,200	679,200
Jackson, Miss	551,117	1,030	3,000	1,200	679,200
Durham, N.C	449,046	839	1,800	839	474,874
Greensboro, N.C	297,574	556	1,500	1,000	566,000
Chattanooga, Tenn	548,910	1,026	2,175	1,975	1,117,850
Knoxville, Tenn	712,386	1,331	4,500	2,000	1,132,000
Region V:					
Peoria, Ill	260,742	487	2,000	650	367,900
Evansville, Ind	745,308	1,393	3,040	1,500	849,000
Fort Wayne, Ind	584,414	1,092	2,000	2,000	1,132,000
Gary, Ind	2,713,313	5,071	7,000	6,500	3,679,000
South Bend, Ind	$522,918	977	2,000	1,101	$623,166
Dearborn, Mich	36,540	68	120	120	67,920
Duluth, Minn	143,135	267	4,000	2,000	1,132,000
Akron, Ohio	772,002	1,442	2,300	1,800	1,018,800
Canton, Ohio	317,121	592	700	667	377,522
Youngstown, Ohio	1,048,872	1,960	10,000	6,000	3,396,000
Region VI:					
Little Rock, Ark	768,039	1,435	2,200	1,481	838,246
Shreveport, La	314,340	587	4,035	1,200	679,200
Albuquerque, N. Mex	475,776	889	10,500	2,500	1,415,000
Region VII:					
Cedar Rapids, Iowa	77,053	144	1,400	300	169,800
Des Moines, Iowa	471,468	881	4,500	1,200	679,200
Kansas City, Kans	391,248	731	1,600	1,142	646,372
Wichita, Kans	525,768	982	2,000	1,300	735,400
Springfield, Mo	114,589	214	300	300	169,800
Region VIII: Salt Lake City, Utah	285,128	532	2,000	700	396,200
Region IX:					
Tucson, Ariz	814,416	1,522	4,500	3,000	1,698,000
Glendale, Calif	71,155	133	2,000	200	113,200
Region X:					
Spokane, Wash	318,724	595	3,404	600	339,600
Tacoma, Wash	641,021	1,198	2,500	2,000	1,132,000
50 largest total	138,151,082	258,202	1,268,972	458,463	259,490,058
Balance of cities	241,848,918	450,998	1,909,593	689,384	390,191,344
Total	380,000,000	709,200	3,178,565	1,147,847	649,681,402

[1] Department of Labor figures.
[2] Figures based on consortia (where applicable) dollar allocations averaging $535 per slot.
[3] Figures based on a cost of $566 per slot; 26 hr per week at $2.10/hr for 9 weeks.

FEBRUARY 25, 1975.

Senator JACOB JAVITS,
Russell Senate Office Building,
Washington, D.C.

DEAR SENATOR JAVITS: We are pleased to respond to your request for information regarding dollar needs for operation of the 1975 summer Recreation Support Program (RSP), authorized by the "Headstart, Economic Opportunity and Community Partnership Act of 1974." The National Recreation and Park Association has surveyed the Comprehensive Employment and Training Act "Prime Sponsors," designated in the program's authorization as RSP sponsoring agencies. We specifically requested data on the amount of money needed to run the summer recreation program in the summer of 1975.

The Prime Sponsors were asked to provide NRPA with the dollar figure they would like to receive and could effectively spend in 1975, given staffing, facility and planning limitations. NRPA also asked how much money recipient communities received in 1973 and 1974. This information is basic to ascertaining 1975 funding levels, since the program's authorization contains a hold-harmless clause which insures that no community will receive fewer RSP funds in 1975 than received in the summers of 1973 and 1974.

Though the complete survey results are not yet in, we project the communities will express a need in the range of $30–40 million. However, given the past levels of funding and the present directives for fiscal conservatism, we feel that a $26 million appropriation level will fund a meaningful Recreation Support Program in 1975.

Sincerely,

DWIGHT F. RETTIE,
Executive Director.

FEBRUARY 6, 1975.

Hon. JACOB K. JAVITS,
U.S. Senate, Russell Senate Office Building,
Washington, D.C.

DEAR SENATOR JAVITS: In response to your request for need figures and as a follow-up to my letter of January 29, we estimate that the cities will need $4,530,442 for an employer-related transportation program this summer. This compares with an estimated need figure for summer 1974 of $3.9 million and an actual allocation of $1.7 million.

As you well know, the transportation program is essential to provide disadvantaged youngsters with the opportunity to participate in meaningful employment in the city.

We appreciate your assistance on this vital matter.

Sincerely,

ALLEN E. PRICHARD, Jr.,
Executive Vice President.

WASHINGTON, D.C.,
February 20, 1975.

Hon. GERALD R. FORD,
President, The White House,
Washington, D.C.

DEAR MR. PRESIDENT: We urge that you submit a revised budget request for fiscal year 1975 for "Emergency Energy Conservation Services" under section 222(a)(12) of the Economic Opportunity Act of 1964, to meet the urgent energy-related needs of low-income individuals and families.

Section 222(a)(12), which was added to the law this January 4, by P.L. 93–644, is designed to reduce the impact of high energy costs on low-income individuals and families, including the elderly and the near poor. It authorizes the Director of the Community Services Administration, the successor to the Office of Economic Opportunity, to establish winterization programs and provide other supportive assistance, such as emergency loans and grants, and special fuel voucher or stamp programs, as well as transportation, nutrition and health services in emergency cases.

As you stated in your economic message to the Congress of October 8, 1974:

"Now I know that low-income and middle-income Americans have been hardest hit by inflation. Their budgets are most vulnerable because a larger part of their income goes for the highly inflated costs of food, fuel and medical care."

We are pleased that the Administration has proposed some steps to meet these problems through its inclusion of a winterization assistance program in title XI of its proposed "Energy Independence Act of 1975", for which title the Administration has requested $9 million in fiscal year 1975, to be utilized by the Federal Energy Administration through grants to the states.

However to meet the problem effectively in this fiscal year will bequire, in our opinion, immediate utilization of the existing authority, section 222(a)(12), at a level of funding substantially above what the Administration has proposed.

Already, the Community Services Administration and its agencies are currently expending approximately $25 million on energy related programs from local-initiative and other general appropriations, following the pattern of "Project FUEL" in the State of Maine, which was commenced by the Office of Economic Opportunity.

It seems clearly advisable to expand those efforts under section 222(a)(12)—which represent an approach closer to the poor—rather than to await new and duplicative authority.

We have been informed by the Director of the Community Services Administration, Bert A. Gallegos, by letter dated February 12, 1975, in response to a request we made, that there are now pending unsolicited and unmet applications for programs under section 222(a)(12) totalling $88.1 million and that an additional $53.5 million in new proposals are being developed, for an aggregate of $141.6 million.

However, the Community Services Administration has not provided requested information indicating what portion of the $141.6 million can be effectively provided in this fiscal year.

We request, that after consultation with the Community Services Administration, a revised budgetary request be submitted for an amount for that portion of the $141.6 million that can be effectively provided in this fiscal year.

In view of the increasingly serious situation of the poor, we urge that you give this matter your earliest attention.

Enclosed is a copy of the letter from Director Gallegos, together with charts indicating overall need on a regional and state basis.

Sincerely,

Jacob K. Javits, Harrison A. Williams, Jr., Claiborne Pell, Edward M. Kennedy, Jennings W. Randolph, Edward W. Brooke, Edmund S. Muskie, Abraham Ribicoff, Henry M. Jackson, Robert T. Stafford, Hubert H. Humphrey, Charles McC. Mathias, Jr., Gaylord Nelson, Walter F. Mondale, Richard S. Schweiker, Clifford P. Case, Alan Cranston, George McGovern, and William D. Hathaway.

COMMUNITY SERVICES ADMINISTRATION,
Washington, D.C., February 12, 1975.

Hon. JACOB K. JAVITS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR JAVITS: Thank you for your inquiry concerning applications to conduct energy-related programs and activities for poor and older people which could be funded under the new Section 222(a)(12) which you authorized.

The attached lists of applications by State totalling $88 million has been received. The applications do not contain reimbursement for programs currently being conducted.

We have been informed that an additional $53.5 million of new proposals are being developed. In this regard, it should be remembered that CAAs have not been encouraged to apply for such programs because funds were not available. In addition, over 700 of the CAAs have already reallocated approximately $22 million in local initiative funds from existing programs for energy-related programs. In addition, I have reallocated $3 million nationally for similar objectives. An example of the reallocation for winterization is the attached Wisconsin press release.

The President's budget message has requested $9 million in fiscal 1975 and $55 million in 1976 to begin winterization. We fully support such activities.

With best wishes,

Sincerely,

BERT A. GALLEGOS,
Director.

SUMMARY

[Dollars in millions]

	Number of requests	Amount of requests
Proposals submitted	184	$88.1
Proposals under development	120	53.5
Total	304	141.6

COMMUNITY SERVICES ADMINISTRATION—PROGRAM FUNDING REQUESTS

	Number of new energy proposals	Dollars requested	Number of energy proposals in development	Dollar estimate	Total dollars
Region I (70)—Boston:					
Maine	2	1,450,000	3	461,000	1,911,000
New Hampshire	2	789,000	2	181,000	970,000
Vermont	2	685,000	1	317,000	1,002,000
Massachusetts	1	2,500,000	6	5,430,000	7,930,000
Connecticut	1	2,100,000	4	961,000	3,061,000
Rhode Island	2	750,000	1	480,000	1,230,000
Total	10	8,274,000	17	7,830,000	16,104,000

	Number of new energy proposals	Dollars requested	Number of energy proposals in development	Dollar estimate	Total dollars
Region II (72)—New York:					
New York	12	4,628,000	7	3,863,000	8,491,000
New Jersey	7	4,938,000	5	2,777,000	7,715,000
Puerto Rico					
Total	19	9,566,000	12	6,640,000	16,206,000

COMMUNITY SERVICES ADMINISTRATION—PROGRAM FUNDING REQUESTS—Continued

	Number of new energy proposals	Dollars requested	Number of energy proposals in development	Dollar estimate	Total dollars
Region III (94)—Philadelphia:					
Pennsylvania	3	13,420,000	5	2,740,000	16,160,000
Maryland	1	7,429,000	3	186,000	7,615,000
Delaware	2	486,000	0		486,000
Virginia		(*)	10	2,870,000	2,870,000
West Virginia		(*)	12	4,390,000	4,390,000
District of Columbia		(*)	1	713,000	713,000
Total	6	21,335,000	31	10,899,000	32,234,000
Region IV (185)—Atlanta:					
Kentucky	6	2,820,000	2	863,000	3,683,000
Tennessee	9	2,680,000	4	619,000	3,299,000
North Carolina	15	3,162,000	3	1,412,000	4,574,000
South Carolina	9	1,480,000	6	1,102,000	2,582,000
Georgia	12	2,220,000	4	318,000	2,538,000
Alabama	4	1,400,000	2	209,000	1,609,000
Mississippi	7	1,000,000	5	714,000	1,714,000
Florida	6	3,620,000	2	316,000	3,936,000
Total	68	18,382,000	28	5,553,000	23,935,000
Region V (176)—Chicago:					
Illinois	2	1,202,000	8	1,890,000	3,092,000
Wisconsin	4	2,616,000	5	873,000	3,489,000
Minnesota	7	923,000	3	413,000	1,336,000
Michigan	4	3,126,000	4	926,000	4,052,000
Indiana	3	1,237,000	2	61,200	1,849,000
Ohio	4	569,000	7	943,000	1,512,000
Total	24	9,673,000	29	5,657,000	15,330,000
Regional VI (31)—Dallas, Tex.:					
Texas	1	4,900,000	6	2,800,000	7,700,000
Oklahoma	2	535,000	4	1,380,000	1,915,000
Louisiana	1	1,163,000	5	2,500,000	3,663,000
Arkansas	6	1,907,000	2	740,000	2,647,000
New Mexico	3	540,000	3	700,000	1,240,000
Total	13	9,045,000	20	8,120,000	17,165,000
Region VII (62)—Kansas City:					
Missouri	7	643,000	4	210,000	853,000
Kansas	2	400,000	5	318,000	718,000
Nebraska	1	350,000	2	180,000	530,000
Iowa	1	350,000	3	320,000	670,000
Total	11	1,743,000	14	1,028,000	2,771,000
Region VIII (33)—Denver, Colo.:					
Colorado	3	1,277,000	2	600,000	1,877,000
Utah	4	569,000	1	320,000	889,000
Wyoming			1	780,000	780,000
Montana	1	460,000			460,000
South Dakota			1	1,900,000	1,900,000
Total	8	2,306,000	6	5,000,000	7,306,000
Region IX (62)—San Francisco:					
California	9	4,104,000	7	1,803,000	5,907,000
Nevada	3	486,000	2	713,000	1,199,000
Arizona	4	1,618,000			1,618,000
Hawaii	4	523,000			523,000
Total	20	6,731,000	9	2,516,000	9,247,000
Region X (58)—Seattle:					
Washington	1	790,000	2	83,000	873,000
Oregon	1	57,000	3	161,000	218,000
Idaho	3	194,000			194,000
Alaska					
Total	5	1,041,000	5	244,000	1,285,000
Grand total	184	88,096,000	120	53,487,000	141,583,000

Mr. McCLELLAN. Mr. President, I thank the distinguished Senator from New York.

I am certainly pleased to have the Senator's comments about the provision in the act on the railroad provision in H.R. 4481 bill. It is my hope that the legislative committees will, after their hearings, find it advisable to report a bill that will enable us to use the funds for railroad upgrading that are being appropriated in this measure subject to enactment of authorization.

Mr. STENNIS. Mr. President, will the Senator yield to me?

Mr. McCLELLAN. I yield the floor.

Mr. STENNIS. Mr. President, I shall make a few remarks on that part of the bill that relates to public works, that is chapter V and provides appropriations for carrying on certain public works programs with which we are all familiar.

Mr. President, in chapter 5 of the emergency employment appropriations bill, a total amount of $328,925,000 is recommended by the committee to accelerate work on the public works projects of the Army Corps of Engineers and the Bureau of Reclamation, and thereby contribute significantly to employment by creating meaningful, productive jobs.

The Subcommittee on Public Works Appropriations, of which I have the honor and pleasure of chairing, recently completed its first round of the annual hearings on the water resources development programs of the Army Engineers, the Bureau of Reclamation, and other executive agencies concerned with water development for our Nation. The subcommittee examined this matter of accelerating public works projects to create additional employment during those hearings, and this recommendation reflects the information and proof that we received.

Mr. President, the funds contained in this chapter not only will provide for productive jobs, but also will provide enduring capital assets for the Nation, as well as improve conditions with respect to the energy crisis. Water is one of our most precious resources. Massive amounts of water are required to run our hydroelectric power projects, operate electric power generating plants, produce food and fiber, operate our navigation systems, and to provide human consumption and industrial supplies. Vast quantities of water will be required to develop certain energy resources such as coal and oil shale in many parts of our land. Mr. President, we have a propensity to take our water resources for granted. In dealing with our natural resources, we have seen that time after time a crisis is on us before appropriate action is taken which could have averted or alleviated the crisis—and we have been warned that adequate water supplies may well be the next critical resource problem facing the Nation.

In this connection, Mr. President, I call attention to the National Water Conference sponsored by our Government, and which has been meeting here in Washington for the past 5 days. I have noted the reports coming from the conference, particularly on the matter of water shortage, where both Government and private experts have again brought to our attention the critical water situation which could occur. I ask unanimous consent to have printed in the RECORD an article appearing in yesterday's Washington Post headlined "Water Crisis Seen in Energy Shortage."

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

WATER CRISIS SEEN IN ENERGY SHORTAGE

Government and private experts warned yesterday that the U.S. drive to solve the energy shortage may trigger an even worse national water crisis.

What the United States must rapidly develop, the experts told the National Conference on Water here, is vastly improved water use planning on the federal, state and local level.

Poor planning today, they said, can have a profound impact a decade from now in such seemingly unrelated areas as energy production, food growing, city water supplies, flood control and the prevention of pollution.

Energy figured heavily in the conference because virtually every one of the proposed methods of boosting domestic energy production places heavy new demands on U.S. water supplies.

"Today, our water requirements are snowballing," the Water Resources Congress said in a report presented at the government-sponsored conference. "As we evaluate requirements to 1985, we can already see that a water crisis is in the making. We have moved too slowly, or our requirements have escalated almost unnoticed."

If the United States were to stop water development now, the report said, by the year 2000 there would be few areas of the country with an ample water supply at all times and many areas with a chronically short supply.

"As a nation, we must develop more than 7 million acre-feet of consumable water supply by 1985—above present requirements—to provide water for energy alone," the report said.

The national conference was sponsored by the Cabinet-level U.S. Water Resources

Council under the direction of Interior Secretary Rogers C. B. Morton.

Mr. STENNIS. Mr. President, let me emphasize that the amounts included in this chapter are for water resources development—for current projects of the Corps and Bureau all of which are ongoing and under construction and for essential operation and maintenance activities which will create jobs. There are no long leadtimes involved, because the contractor is on the job now on the projects under construction and can step up his pace of work with these dollars being made available. The O&M work is a labor intensive activity that should be performed regularly rather than allowing it to accumulate and then have huge backlogs of deferred maintenance. The report fully details the recommendations of the committee and lists the amounts by project so I shall not elaborate on the items.

In conclusion, I repeat that these funds will provide for an acceleration of the already ongoing construction of these projects and will provide for essential operation and maintenance of completed projects, which will greatly assist in providing jobs, help the construction industry as a whole, and provide enduring capital assets for the Nation, a truly productive effort in the public interest.

Mr. President, the total amount of this bill is what concerns me. Of course, it does all Members, but the projects we have put in were deemed by our subcommittee unanimously to be projects that are constructive and are now ongoing.

The contracts for most of them have already been let and the contractors are on the job, and so far as creating employment is concerned, all they have to do is just put on more manpower or womanpower, however the case may be. There will be the water resources project, the reservoir, the lake, the stream clearance, the navigation project, or whatever the project may be, hydroelectric power, it will be just that much further along. New employment will have been created.

There is permanent constructive capital investment to extend for many years of production and creative wealth and created income as compared to the so-called public service jobs, some of which—some of which, at least—will be little left to show.

So we make no apologies for putting in these projects because it is based on judgment, it is based on reality. Of course, it is up to the Senate whether or not to accept all or any part of it.

We asked the Reclamation Bureau and also the U.S. Army Engineers for civil functions as to certain projects. "What is your capability?" meaning, of course, "What are you capable of producing here above and beyond the money you have available for these projects now?"

We received a response. They were warned they would be asked these questions. We calculated the totals. Unless there was some prevailing reason to the contrary, we included them in the bill. They are now before the Senate for consideration.

I would be glad to try to answer any questions which might arise about any item. These are not just choices of the subcommittee. There are no pet projects. There are no new starts. It was all approved in the regular way by the subcommittee based on the information from the Bureau of Reclamation and the U.S. Army Engineers.

There are no new starts on projects at all that have been included here.

Mr. YOUNG. Will the Senator yield?

Mr. STENNIS. Yes, I yield.

Mr. YOUNG. I believe in every instance we stayed within the capability of the Corps of Engineers and the Bureau of Reclamation. Is that correct?

Mr. STENNIS. The Senator is entirely correct. There is no overcrowding or pushing or stuffing of the money box. They are within the capability of the Bureau of Reclamation and the U.S. Army Corps of Engineers.

As I say, Mr. President, we are ready to answer any questions which might arise. This is a matter of accelerating work and thereby jobs on projects already in progress. I do not think you can look anywhere in the books or in the country to find anything better or sounder from every possible viewpoint, concerning unemployment, the need for developing resources, or any other standards you might have.

I yield the floor, Mr. President.

Mr. JOHNSTON. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

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

The legislative clerk read as follows:

On page 8, line 24, strike the figure "$1,625,000,000" and insert in lieu thereof "$812,500,000."

Mr. JOHNSTON. Mr. President, this amendment is the soul of simplicity. What it does is, it takes $1,625,000,000 presently provided for public service jobs, that money which is being sent to the States and the cities for use by them in employing people, and simply cuts that figure in half. It reduces it by some $812 million.

Mr. President, the Committee on Appropriations has been very responsive and very generous on the subject of jobs. We have responded in a most admirable way, and some would say a most overly generous way, in providing jobs in this time of economic difficulty.

We have summer youth jobs, and that is a great program, to get the kids employed during the summer, to get them off the streets and doing something productive. That is great.

The distinguished chairman of the Public Works Subcommittee just talked about the public works acceleration. That is a tremendous program, Mr. President. It is accelerating jobs that are already on the blueprints, jobs that are already in the pipeline. It produces productive work.

So it is with automobile purchases; with jobs for the elderly, in forestry, railroad maintenance, DA, VA facilities maintenance, Indian facilities construction, and a host of other programs that are provided for by the Appropriations Committee and funded to give jobs in this time of economic difficulty.

But now, Mr. President, on top of that, we come along with another program.

They used to say, "If you have a problem, you cannot solve it by throwing money at it." Well, we threw $1,625,000,000 at the cities and States and said, "Go and employ people." There was very little policing. There was very little control. There was very little demonstration of need to employ people other than a concern, a real concern and a genuine concern, a proper concern, for people who are unemployed.

But, Mr. President, I think that the record reveals, and the evidence shows, that this is the most wasteful of all these programs, the most expensive in terms of Federal dollars, and the least productive in terms of what we get for a dollar spent.

So, Mr. President, what I propose to do is to simply cut the amount in half. What is the effect of that? Well, the effect of cutting this program in half, cutting it by $812 million, is this: Of the 310,000 jobs provided for by this program, it would mean that you would either cut that in half, which I think is improper and the unlikely thing to be done, or else you cut the length of the program and you let these people off their jobs in January or February 1976 instead of at the end of the fiscal year, July 30, 1976.

Mr. MANSFIELD. Will the Senator yield?

Mr. JOHNSTON. Certainly.

Mr. MANSFIELD. I note in this bill that there is $74,600,000 for the purchase of 20,712 automobiles and other vehicles by the General Services Administration and other agencies. What do we need that many automobiles for?

Mr. McCLELLAN. Will the Senator yield to me?

Mr. JOHNSTON. I yield.

Mr. McCLELLAN. I answered that fully a while ago in a discussion with anotherone Senator. The House bill provides for purchase of approximately 120,000 automobiles.

Mr. MANSFIELD. 120,000?

Mr. McCLELLAN. Over 120,000 at a cost of $297 million. What we have done is to reduce this amount to provide for the purchase of automobiles to replace those that would normally be replaced after a reasonable life and reasonable mileage on them.

Mr. MANSFIELD. Does the Senator think that there may be too many automobiles being used in the bureaucracy at the present time?

Mr. McCLELLAN. I thought 120,000 under the House bill would certainly be too many, so we cut it down to about 20,000. I think these are normal replacements. That is what we have tried to do, instead of going out and purchasing a lot of vehicles to replace good ones that have a lot more service in them. We cut it considerably, as the Senator will note.

Mr. MANSFIELD. I thank the Senator.

The ACTING PRESIDENT pro tempore. The question is on the amendment——

Mr. JOHNSTON. Mr. President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. JOHNSTON. I believe I have an amendment at the desk.

The ACTING PRESIDENT pro tempore. The Senator is correct. The question is on the amendment.

Mr. JOHNSTON. Mr. President, may I regain the floor?

The ACTING PRESIDENT pro tempore. The Senator from Louisiana.

Mr. JOHNSTON. Mr. President, I will not make this discourse a long one or a lengthy one because it is a very simple question.

Mr. President, the mayors and the people back in the States are going to like having this money and do like having this money. There is no question about that. It is like a friend of mine was telling me this morning. He said the amount of money that can be spent on jobs by cities and local subdivisions and States and the Federal Government is without limit. It is like the number of closets you have. If you have one closet in a house, you are going to have that closet full. If you have two, it is going to be full. If you have four, it is going to be full. No matter how many closets you have, they are going to be full. No matter how big your wife's budget is, she is going to spend it all. No matter how much money we send to the States and the cities, they will find employees. They will find people who are willing to accept those checks.

However, there is no evidence in this record that we have to keep 310,000 people employed past January or February of 1976. With half this money, we can keep all the people employed until January or February 1976. That is past the time when we are supposed to be coming out of this recession.

Mr. President, if it appears in late fall of this year that in fact we are still in the depths of a recession and in fact we need to keep 310,000 people on this kind of payroll, we can come in and add the other $812 million.

My fear is that by funding this program at such a high level, we are encouraging the cities and the States to make a permanent program out of this, to have it as another form of revenue sharing, to put on permanent employees simply to swell the rolls, in competition with private industry, and that we are doing so in a most wasteful way.

The ultimate question is, How serious are we about deficit spending? The people in my State are more concerned about deficit spending than they are about the rate of unemployment, and they are very concerned about the rate of unemployment. But they are scared to death about a deficit that may go to $75 billion. They are telling us in Congress to look around and find where we can cut this budget.

Of all the places I can see to cut in this bill, this is the place to do it, because not one employee would have to be fired until the recession is on its way back up. The $812 million will keep all 310,000 hired until January or February of 1976. I say all 310,000. We have only 290,000 employed at the present time. That employment can be increased up to 310,000, and they can be kept there until January or February of 1976.

Mr. President, we need to save this money. We need to cut this deficit as much as we can. The committee has been most generous with the needs of employing people and fighting recession and fighting unemployment.

I ask the favorable consideration of the Senate.

(At this point, Mr. MORGAN assumed the chair.)

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

Mr. SCHWEIKER. I yield.

Mr. MAGNUSON. Mr. President, I hope there is no misunderstanding about this amount. It was not a creature of the Committee on Appropriations, as such. It was sent up by the President, as part of his budget for these public service jobs, with the justification that this would only keep the public service jobs at their present level. We are not adding any new jobs. We just keep the program level as it is.

This is not another new program. It is more than 3 years old. It is not at a high level. This program provides jobs for less than 4 percent of the unemployed—about the same percent as the 1972 program—despite the fact that unemployment today is almost double that of 1972. If we do not keep it at least at the current level, the mayors and the county commissioners and whatever local government is involved will start to lay off people, not knowing whether they can keep them in this program.

Mr. JOHNSTON. Mr. President, will the Senator yield for a question?

Mr. MAGNUSON. Let me finish, and I will yield.

I do not think that cutting this program will reduce any deficit. Everybody is concerned about deficits, but this is a program that has been in effect for more than 3 years, and it has been a good program.

When the Senator talks about it not being well-policed, that is not correct. The best we can find, after 3 years under the public service jobs program is that ineligible enrollments have been less than 1 percent of total enrollees. Getting rid of this 1 percent of illegal enrollments is an argument for better congressional oversight, not an argument for cutting the program.

I say to the Senator from Louisiana that these are not people who could handle some of the regular technical jobs, even if the recession goes away. Usually, they are older people, and they just go on welfare.

Does the Senator know what it costs to keep a person on welfare—the per capita cost? What does the Senator think? It costs $4,500 per capita to have them on welfare. That is what will happen to these people.

All these jobs have been pretty well justified. I agree with the Senator that we did pretty well in this bill. Welfare costs are already estimated to be $15 billion in fiscal 1976, and unemployment benefits will cost an estimated additional $16 billion.

No one has higher welfare costs than the State of Louisiana—with eligible people.

I do not think this proposal serves any purpose at all. I did not concoct this figure. The administration sent it up and said this would be the amount simply to maintain the present level. That is all we are doing. We did not add anything to it. It is not a new program. It has been around for quite a while.

I know that perhaps some local officials have committed administrative abuses in this program. The Senator from Louisiana has dealt with them, and I have dealt with them. They are not all perfect. But the track record has been very good. Inefficiency results from local sponsors not being able to plan because of uncertainties about congressional funding. The money in this bill would sustain the current program level through fiscal year 1976 and give sponsors lead-time to make plans.

The fear that cities and States are laying off employees only to rehire them with Federal funds is not supported by the facts: only 6 percent of public service jobs enrollees were formerly State and local government employees, according to a Labor Department survey.

It is not like another closet. The Senator from Louisiana must have been talking to his wife. I bought an apartment a couple of years ago, and I gave my wife an unlimited budget to furnish it, and she exceeded it. [Laughter.]

These are tough, hard-core jobs. I would say that 50 percent of these people would drift over to welfare. Cutting this program would not reduce the deficit; it would only increase money spent on welfare and unemployment compensation.

A vote for this amendment would be a vote to destroy about 100,000 jobs. Congress would be voting to make the recession worse, not helping to stop it.

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

Mr. MAGNUSON. I yield.

Mr. JOHNSTON. The Senator mentioned that this is a long-standing program.

Mr. MAGNUSON. No, I said 3 years.

Mr. JOHNSTON. Is it not a fact that there are two titles under the CETA program—title 2 and title 6; title 2 has been in existence for only about 10 months, funded only to a level of about $350 million, and title 6, which has the greater funding, for only about 4 months?

Mr. MAGNUSON. The big title is title I. But all these titles basically continue programs previously authorized under the Emergency Employment Act of 1971 and the Manpower Development and Training Act.

I want to state for the record, for the benefit of the Senate, a breakdown of enrollment by major job categories under this program: Education is 17 percent. Law enforcement is 12 percent. Office work—for example, in courthouses—is 21 percent. Public works and transportation is 19 percent. Health is 8 percent. Social services is 9 percent. Parks and recreation is only 9 percent, which is contrary to the argument of those who say they are going to hire most people to rake up leaves in the parks.

Fire protection is 2 percent and environmental quality is 3 percent.

Mr. JOHNSTON. Will the Senator further yield?

Mr. MAGNUSON. Yes.

Mr. JOHNSTON. The point I was making is that actually title I of this act creates title VI of the CETA. Title VI has been in operation only 4 months. That is the big part of this employment. It has not been in effect long enough either to reach the full capacity or to see whether it is policed or not. Would that be a correct statement?

Mr. MAGNUSON. There is no reason to assume that the program is not going to be practically the same as the one that has been going on.

Mr. JOHNSTON. I know, but it has been going on only for 4 months.

Mr. MAGNUSON. No, I mean the 3-year program. These figures will be about the same.

Mr. JOHNSTON. No; the title II program has been in operation only about 10 months, is that not correct?

Mr. MAGNUSON. As I say, the proportions will be the same. They will be used for the same purposes. We are not adding to it.

I say to the Senator that I would not agree to add more to the public service job program than we had last year. I know the mayors and all these people want more. The Senator is absolutely correct, it is a sort of revenue-sharing program. But I remember back when we had the WPA, that was revenue sharing. There was no revenue anyplace but with the Federal Government.

Some cities and States are in bad shape, and need manpower to perform vital public services.

Most enrollees are in vital public service professional jobs. Here are some examples: policemen; guards; correctional officers; teachers; library aides; draftsmen; surveyors; firefighters; homemakers; accountants; recreational specialists; tree trimmers; painters; plumbers; landscapers; carpenters; mental health aides; and nutritionist trainees.

Mr. JOHNSTON. If the Senator will further yield, is it not a fact that funding at this level will allow for 310,000 jobs and only 290,000 are now employed, indicating either that they have not been able to find the employees for the additional 20,000, or, more likely, that the program is simply going to grow?

Mr. MAGNUSON. Well, there are about 20,000 in the figure that we cannot count, because people are quitting or they are laying off. But a Department of Labor survey indicates that only 6 percent of public service job enrollees were former city employees. Therefore, the fear that cities are laying off employees only to rehire them—which I was afraid of in the beginning—with Federal funds is largely unfounded.

Mr. JOHNSTON. But 6 percent of them are, according to that statement.

Mr. MAGNUSON. Six percent of them are. That is the survey.

Mr. President, I wish to make a few brief comments on chapter IV, the Labor-HEW portion of the Emergency Employment Appropriations Act of 1975, which totals $2.4 billion.

Here are the amounts requested by the President, to which the Committee agreed:

For public service jobs $1,625,000,000. These funds would simply maintain currently funded jobs throughout fiscal year 1976; they do not create new public service jobs.

For summer youth jobs $412,700,000. This would continue last year's level of 760,000 job opportunities for disadvantaged youth.

Here are the amounts added by the House, to which the committee agreed:

For work incentives $70,000,000. This money is needed to avoid layoffs of current enrollees and staff, not to expand the program, which puts welfare people into jobs. We added language, however, to permit use of these funds to pay the States the Federal share of 1974 expenditures in excess of grants to fund the 1974 program.

For community service jobs for the elderly, $24 million. This would provide 8,000 jobs for our low-income citizens, who are most severely hurt by inflation and recession. We held over for debate on the floor, without prejudice, "hold harmless" language aimed at preventing the layoff of older workers enrolled in the national Operation Mainstream program.

For the college work-study program for low-income students, to help keep 250,000 students from joining the dropout and unemployment roles, $119,800,000.

Here are the amounts added by the Senate Appropriations Committee:

For 4,000 more jobs for the low-income elderly, for a total increase of $36,000,000 and 12,000 jobs, +$12,000,000. The waiting list for this program is 10 times the available openings. Since the administration is abolishing the $20,000,000 Operation Mainstream jobs program for the elderly, the net increase recommended here is only $16,000,000 and 5,300 jobs.

For summer youth jobs and transportation, +$89,600,000. This would bring the total appropriation to $502,300,000, providing 920,000 jobs. The unemployment rate for poor youth is now over 40 percent and may go to 50 percent by summer.

For antipoverty programs of the Community Services Administration, +$39,000,000. The House did not consider these items, which would continue last summer's youth recreation and transportation programs and provide initial funding for the emergency energy conservation services program.

Mr. President, we had amendments offered by Senators to add $390.6 million to this bill, which the committee pared down to $140.6 million. Some of these increases are for items which the House would have considered for a later supplemental, but which we felt deserved to be included in this urgent bill. These supplementals come so often now, we hardly have time for a regular bill. This is the fourth supplemental we have worked on so far this fiscal year.

I ask unanimous consent to have printed in the RECORD tables highlighting the items I have just summarized.

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

CHAPTER IV, EMERGENCY EMPLOYMENT APPROPRIATIONS ACT, 1975—LABOR-HEW SUBCOMMITTEE

	Budget request	House bill	Senate Appropriations Committee	Increase over House
Department of Labor:				
Public service jobs	$1,625,000,000	$1,625,000,000	$1,625,000,000	
Summer youth jobs	412,700,000	412,700,000	502,300,000	+$89,600,000
Jobs for the elderly		24,000,000	36,000,000	+12,000,000
Department of HEW:				
College work-study jobs		119,800,000	119,800,000	
Work incentives		70,000,000	70,000,000	
Related Agencies:				
Summer youth recreation and sports programs			29,000,000	+29,000,000
Emergency Energy Conservation Services			10,000,000	+10,000,000
Total	2,037,700,000	2,251,500,000	2,392,100,00	+140,600,000

Current status of chapter IV of Emergency Employment Appropriations (H.R. 4481)

Labor-HEW Items

Budget estimates	$2,037,700,000
Amount in House bill	2,251,500,000
Amount in Senate committee bill	2,392,100,000
Senate committee recommendation:	
Over the budget estimates	+354,400,000
Over the House bill	+140,600,000
Changes to the budget estimates:	
College work-study	+119,800,000
Summer youth employment and transportation	+89,600,000
Work incentives	+70,000,000
Summer youth recreation	+26,000,000
Community service employment for older Americans	+36,000,000
Emergency energy conservation	+10,000,000
National youth sports program	+3,000,000
Total	+354,400,000

Mr. MAGNUSON. Mr. President, the sums recommended here are modest compared to the need. Unemployment is at its highest rate in 34 years. More than 8 million people cannot find jobs. More than another million people have given up looking for work, and are, therefore, no longer in the official unemployment statistics. If these so-called discouraged workers were included in the official statistics, the March unemployment rate would be 9.5 percent, not the 8.7 percent we hear publicized.

In the face of this enormous unemployment problem, we are recommending public service jobs funds for only 310,000 individuals—only about 4 percent of the unemployment. If the economy continues to deteriorate, more may be needed later, but I believe we are recommending about all the funds State and local governments can effectively absorb at this time. Any reduction in funding for public service jobs would merely accelerate the increase in unemployment insurance and welfare costs. Since the taxpayers would thus pay one way or the other, it seems preferable to have people work, for their own dignity and self-respect, not to mention the accomplishments achieved from the public services provided.

Mr. President, we did not provide any new jobs or money—just enough to continue into 1976 the existing level. I recommend adoption of this chapter in full.

Mr. JOHNSTON. Will the Senator yield for one final question?

Mr. MAGNUSON. Yes, I yield.

Mr. JOHNSTON. Is it not a fact that if we fund this at 50 percent—that is, the $812 million—we can keep employed all 310,000 employees until January or February of 1976, at which time, the unemployment rate should have receded considerably?

Mr. MAGNUSON. Except without the certainty of extended funding, local sponsors would have to start phasing down enrollments right away, to avoid massive layoffs all at once. The President's budget predicts unemployment will remain above 7 percent until 1979, which would mean millions of people would be out of work for at least the next 4 years. We need to appropriate the $1,625,000,000 now for fiscal year 1976, to give program sponsors the time to plan good programs—and to avoid the kind of poor planning and "make work" jobs we all dislike.

I hope the amendment does not carry, because I think we are just going to add to the unemployed the kind of people who are the most helpless when they get unemployed.

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

Mr. MAGNUSON. I ask unanimous consent to have printed in the RECORD also my complete arguments in support of the Senate Appropriations Committee recommendation of $1,625,000,000 for public service jobs, as well as by reasons for opposing the amendment to cut $812,500,000.

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

ARGUMENTS SUPPORTING SENATE APPROPRIATIONS COMMITTEE RECOMMENDATION OF 1,625,000,000 FOR PUBLIC SERVICE

1. The President requested this $1,625,000,000, and the House has already approved it. This is not a "budget busting" program.

2. These funds would simply maintain the current program level of 310,000 public service jobs. Without these funds, local program sponsors can be expected to start phasing-down the current level of enrollees.

3. Unemployment is at its highest in 34 years—since the beginning of World War I. Unemployment is officially 8.7 percent for March, 1975—or more than eight million jobless people looking for work. More than another million people have given up looking for work, meaning the unemployment rate is really 9.5 percent for March.

4. If Congress cuts back on public service jobs, it may cost just as much to force more people onto welfare or unemployment rolls.

5. Welfare costs are already estimated to be $15 billion in fiscal year 1976; unemployment benefits will cost an estimated additional $16 billion.

6. This is a temporary program, to meet an emergency high unemployment situation, to try to help keep the Country out of a deeper and prolonged recession.

7. Congress needs to stimulate the economy toward recovery. By cutting back on public service jobs, the Congress would only create more unemployment.

8. This program provides jobs for less than 4 percent of the unemployed—about the same percent as the 1972 program—despite the fact that unemployment today is almost double that of 1972.

9. More than 2 million people have lost their jobs in the last four months; yet we are merely talking about funds to maintain the current level of public service jobs.

10. Many cities are losing so much tax revenue in this recession, they are being forced to lay off employees. Without emergency Federal funds to provide more jobs, the unemployment situation will continue to get worse.

11. The enrollees in this program provide valuable public services that would not otherwise be provided by State and local governments and become taxpayers instead of "tax eaters." They are prohibited from simply replacing the jobs of laid-off employees.

12. A Department of Labor survey indicates that only about 6 percent of public service jobs enrollees were formerly city employees. Therefore, the fear that cities are laying off employees only to rehire them with Federal funds is largely unfounded.

ARGUMENTS AGAINST AMENDMENT TO CUT $812,500,000 FROM PUBLIC SERVICE JOBS PROGRAM

1. Impact of Amendment:

A vote for this amendment would be a vote to destroy about 100,000 jobs. Congress would be voting to make the recession worse, not helping to stop it.

2. Deficit and Expense Issues:

Cutting this program won't reduce the deficit; it would only increase money spent on welfare and unemployment compensation.

3. Inefficiency Issue:

Inefficiency results from local sponsors not being able to plan because of uncertainties about Congressional funding. The money in this bill would sustain the current program level through fiscal year 1976 and give sponsors lead-time to make plans.

4. Replacement of Local Funds with Federal Funds Issue:

The fear that cities and States are laying off employees only to rehire them with Federal funds is not supported by the facts: only 6 percent of public service jobs enrollees were formerly State and local government employees, according to a Labor Department survey.

5. Administrative Abuses Issue:

Experience so far under the public service jobs program is that ineligible enrollments have been less than one percent of total enrollees. Getting rid of this one percent of illegal enrollments is an argument for better Congressional oversight, not an argument for cutting the program.

6. Labor-Intensive Issue:

To fight recession, we want to sustain consumer spending; this can most quickly be done by creating temporary public service jobs.

Capital-intensive projects are fine, but they take longer to create jobs; we need to stimulate the economy now. (Note: This bill also contains $375 million for capital-intensive public works projects under Chapter V, for the Commerce Department.)

The advantage of temporary public service jobs is that they can be quickly eliminated as unemployment recedes. Capital projects often take years to complete, and thus could lead to inflation if they continue after the recession is over.

7. "Make-Work" Jobs Issue:

Most enrollees are in vital public service professional jobs. Here are some examples: policemen; guards; correctional officers; teachers; library aides; draftsmen; surveyors; firefighters; homemakers; accountants; recreational specialists; tree trimmers; painters; plumbers; landscapers; carpenters; mental health aides; and nutritionist trainees.

Here is a breakdown of enrollment by major job category:

Category:	*Percent of Enrollment*
Education	17
Law Enforcement	12
Office Work	21
Public Works, Transportation	19
Health	8
Social Services	9
Parks and Recreation	9
Fire Protection	2
Environmental Quality	3
Total	100

Mr. MAGNUSON. I yield the floor.

Mr. JAVITS and Mr. SCHWEIKER addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania has the floor.

Mr. JAVITS. Mr. President, will the Senator yield for a moment?

Mr. SCHWEIKER. Without losing my right to the floor, I yield.

Mr. JAVITS. I wish to answer that question. I should not interrupt the Senator otherwise.

With regard to Senator JOHNSTON'S point made to Senator MAGNUSON about cutting this in half, keeping the same number on until next year, then if we want to, we can reappropriate, the difficulty is that we cannot have the argument that, well, they only have 290 and they can take 310, and take advantage of it, too, by that assertion. The reason they only have 290—by the way, that is very close to 310; they are doing very well; they have done worse before—is that it takes a while to build up. If we really want the right people in this program, we cannot have the threat of laying them off. No community is going to lay them off in 10 minutes. They are going to gradually taper them off. Therefore, the whole system will be dismantled if they are put in this kind of peril which the Senator proposes to put them in. Considering the rate of unemployment and, as Senator MAGNUSON has pointed out, the rather hardcore person to which this type of employment applies, I would consider that highly improvident.

If that is the Senator's central argument against this, for me—and as the Senator knows, I have lived with this a long time and was the original author of it—for me, there seems to be one of the very reasons why we should not do it, because we would disable these communities from doing exactly what we want them to do, which is to be careful and to apply this program to the people who really ought to have it and to build up slowly and not be faced with a proposition of suddenly turning them off during the fiscal year.

Mr. JOHNSTON. Will the Senator yield for a question?

Mr. JAVITS. I would yield gladly but I do not have the floor.

The PRESIDING OFFICER. The Senator from Pennsylvania has the floor.

Mr. SCHWEIKER. I should like to make one statement. I have had the floor for 10 minutes and have not said a word though I shall afterward.

I rise as a member of the Labor-HEW Appropriations Subcommittee and as an author of this bill. I also serve with my distinguished colleague, the senior Senator from New York, on the Committee on Labor that authorized this program. He was a key leader in that program when it originally got started. So I certainly think his input here is very critical. I wish to emphasize a few things I think needs to be repeated in view of the urgency of this situation.

This $1.6 billion is basically money that the President requested for this public service jobs program. This is not an overage, this is not a budget buster. We are not in disagreement with the President. This is basically his figure. We have accepted it, so did the House, and in essence, it is not an overage in terms of busting the administration's budget.

Second, unemployment is the highest it has been in 34 years, since the beginning of World War II. While it is officially at a peak of 8.7 percent, with some 8 million people out of work, the number of jobless actually is probably a million higher than that because we do not record people who have given up looking for work. The Bureau of Labor Statistics estimates that the number of unemployed is probably a million higher than the official figure, or about 9.1 percent, which is a pretty horrendous figure.

Third, we are kidding ourselves if we think we can cut this amendment and save money, because what is going to happen is that people who will not get these jobs will either go on welfare or unemployment insurance. In either event, we shall end up footing the bill.

I think the alternatives here are, do we do it in a way that plays a constructive, positive role in our society, or do we put people on welfare for a handout or give them unemployment benefits?

What has happened is that, in just 4 months, some 2 million people have lost their jobs. That is a pretty serious dent in our whole employment picture, so to be cutting back in this program at this time, I think, would be wrong.

Finally, in spite of the fact that there has been some charge that, basically, the cities have laid off people and then turned around and rehired them, I reply to that in two ways: First of all, a Department of Labor survey indicates that only about 6 percent of public service jobs enrollees formerly were city employees. So to the extent that that is true, it is only 6 percent true and it is 94 percent not true. I think that is an important point to make.

The second point to make is that on the 6 percent that it is happening to, is this not a rather logical happening in a recession? Because a city has a budget failure, a budget cutback, a decline in revenues, they may have no recourse but to lay people off. That is the only option they may have. Some cities may not have the authority we do to go out and borrow money, so, in essence, they lay people off.

Obviously, then, if they get funding for moneys they did not have, they need essential services maintained, so they are going to rehire some. Therefore, I think it is a logical explanation, with all the budgets of the cities and States shrinking, that there would be layoffs, but there would be some rehiring.

So in essence, Mr. President, I think this is a viable program. I think it is badly needed, and I hope it will be accepted.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. MAGNUSON. Mr. President, will the Senator yield so that I may ask for the yeas and nays on the pending amendment?

Mr. JAVITS. I yield.

Mr. MAGNUSON. 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. JAVITS. Mr. President, I ask unanimous consent to yield to the Senator from New Mexico without losing my right to the floor.

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

Mr. DOMENICI. Mr. President, I have a question to address to both the Senator from New York and the Senator from Washington, but let me first say I am going to support the amendment. This amount is in the President's budget, so it is no new program. He apparently has it all analyzed in his departments, and they can use it.

I shall not be able to change the minds of any of the Senators who have spoken, but I should like other Senators to understand that that is not the issue. Many of the things that are supposed to create jobs in America are not in the President's budget. If we are going to play the game that we pick out of the President's budget, the job-creating programs which he supports, and say we should not cut them, but then we add $2, $3, or $4 billion to create jobs that he did not have in his program, we ought to have some real justification for it.

I do not agree that the public service employment measure, at least the emergency portion of it—perhaps the ongoing CETA portion is for those people who could not get a job elsewhere, but the emergency public service portion of it is not for people who cannot get jobs elsewhere. In fact, it is assumed that we would pick up unemployed construction workers and others looking for work, and put them on temporary employment. So I think any argument that the full funding under the President's program of public service jobs should be followed, or those people who are on that program will have no other place to go, is to ignore $4 billion worth of other job-producing stimulators in this appropriation bill. The same kind of people ought to be looking for those jobs, whether they are in construction, highway maintenance, or whatever they are. If we tell anyone that the full thrust of the President's public service jobs is to get people employed by cities, counties, and States that cannot be employed otherwise, it is just not true.

The second reason why I am going to support this proposal is that we have not even had the budget balancing proposal in the concurrent resolution presented. In both Houses of Congress, that will be started next week. I apologize for not having this down to the hundreds of thousands, but I will have to stick to millions.

If this bill is approved and becomes law, my rough calculations tell me this: We have today, before we ever get the budget ceiling in the concurrent resolution, with all the hoopla that our $67 billion deficit is too big and the House's $71 billion deficit is too big, we have right here in this measure added a minimum of $2 billion to the President's budget, which means that of the $7 billion or $8 billion latitude that we have for all the rest of the appropriation bills—that is, the latitude between $60 billion and $68 billion—we are going today to use up $2 billion of that, and we do not yet have a budget ceiling agreed upon on tentative functional areas even before us.

So everyone ought to know that, come this next Wednesday, Thursday, or Fri-

day, we will approve a concurrent resolution, I hope, saying we all want a $67 billion deficit, more or less based upon the Senate figures; and I think it is fair that everyone know that with the outlays here for 1975 and 1976, if spent—and they are outlays, not authorizations—we will have, with this bill, taken up more than two-fifths of the difference between the President's budget deficit and the one recommended by the Senate or the House, whichever way you figure it, both of which budgets have already cut the military, for those who want to stand up and say we will take it out of the military.

The House Budget cut the military by $5 billion already, in the deficit I have just described, and the Senate Budget Committee estimates cutting it about $2 billion. So I hope everyone understands that the new jobs stimulators in this measure should not be increased, and we pull out of the President's budget the new job stimulators that he recommended, without everyone understanding that there are a lot of things back here he did not recommend, and the question is, if he had those in place, what would he recommend in outlays on public service jobs?

The second question is, are we prepared today to use up, before we have ever considered the budget positions for next year, somewhere between one-fourth and one-fifth of the deficit disparity between the Budget Committee recommendations and the President's, before we have even got the other one before us?

I support this amendment on the basis that at least as to $600 million, the Senator is saying leave the public service jobs in place, and we can look again in 6 months and see if we need some more. That is basically what I think we ought to do, if we want to have a budget ceiling with some functional limitations as a part of the budget reform process. I think it would be absolute chaos to take part of the President's budget and say, "We are not extending it without looking at the other things we are putting in." I am here to support the Budget Committee's limit, not the President's, but I think everyone ought to know what we are doing here today respecting outlays for 1975 and 1976.

Mr. JAVITS. Mr. President, my position is 180 degrees opposed to that of the Senator to whom I have just yielded, for the very solid reason stated by Senator MAGNUSON and Senator SCHWEIKER. The solid reason is this: We are not going to save any money by doing what we wish to do. All we will do is disable the counties and cities from doing a good job by putting them in doubt as to termination of this program in the middle of the fiscal year. We will simply compound all the difficulties we have taken a long time to overcome and have now overcome.

Every one of these people will go on extended unemployment compensation, or, Heaven forbid, on welfare.

These jobs are very low paying. Even the Senator himself concedes in his own statement that they only come to around $6,000 a year.

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

Mr. JAVITS. I yield.

Mr. PASTORE. Mr. President, I listened with great attention to our distinguished colleague from New Mexico, but I think what we are overlooking here is the human element. It all depends on what the situation is in your State how you arrive at what may be considered to be compassion, to be justice, to be equity, and to mean jobs.

Rhode Island is right at the top in unemployment. I am not boasting about it; it breaks my heart to admit it on the floor of the Senate, but we have more people unemployed in Rhode Island today than we had during the Great Depression.

The big question here is, what are we going to do about it? Are we going to talk about the budget? Did we talk about the budget when we gave $150 million to Vietnam? Did we talk about the budget when they asked for $90 billion for the military? It means to give people jobs, and they are lined up hundreds deep in Rhode Island in that line, waiting for a little bit of a paltry sum as unemployment compensation.

I say to the Senate, if you do not want to ruin this country, if you do not want marches on Washington, you had better begin to do something about putting people back to work, and that is what this is all about. That is the name of the game, putting people back to work, where they can pay taxes, so that the towns and the cities can become fiscally stable.

That is what we need to do. This idea that, we do not know about the budget, well, I know a lot about unemployment. I do not know how many people are unemployed in New Mexico, I do not know if it is over 20 percent in New Mexico, but that is about where it is in Rhode Island.

I am telling you I get letters every day. People are walking our streets looking for work, and they cannot find it. So they go to unemployment compensation and, after awhile, we become a little excited here, and we extend it for another 13 weeks, and maybe we will extend it again for another 13 weeks. I am telling you that this is a desperate situation where I come from.

It is easy enough if you come from a State where you have oil, where you have agriculture, where you have tobacco that is being supported by the taxpayers. It is a different situation. You should see them in my State. They go into the supermarket—I do not know how many Members of the Senate go into the supermarket with their wives, but I do—and then to see these people pick up a piece of steak, look at it, admire it, and make a funny face and then put it down because they cannot buy it, because they are out of work.

I say, you do this, you eliminate these jobs, and you cut 500 jobs out of Rhode Island, and maybe you will give yourself satisfaction that you balanced the budget or you made the deficit a little smaller, but what do I say to the 500 that you are cutting in my State? What do I say to them? "Go and fish for yourself?" Or is somebody here in the Senate going to listen to them?

I say this is something we considered in the committee. We do not have starry-eyed spenders. We do not have a Magnuson who just throws this money around. We do not have a committee that throws the money around. I am saying right here and now we had better begin to do something about putting Americans back to work, otherwise we will all end up behind the 8-ball.

I repeat again, it breaks my heart to admit it, but we are No. 1, we are Hertz in Rhode Island, when it comes to unemployment. If anybody gets any satisfaction from that, the senior Senator from Rhode Island cannot, and I am going to vote this down with a loud "No."

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

Mr. PASTORE. I yield.

Mr. JAVITS. I have the floor and I would like to make my statement and then I will yield.

I think the Senator from Rhode Island has put it very, very eloquently, and I would like to break down his argument into the details which are vital to the arguments made by Senator JOHNSTON.

In the first place, Mr. President, whatever may be said about the fact that the Senator from New Mexico would not like us to argue that the President wants this program, he does want it. I do not see why, if they can pick out what they want to break down, we cannot pick out what we want to build up. Every Senator is at liberty to vote for this and not for something else or to move to amend something else and reduce it.

The fact is that the argument is pertinent that the President and the administration favor this program. Here is a letter from the Department of Labor today, and I ask unanimous consent that it may be printed as part of my remarks, signed by the new Secretary, John T. Dunlop, and it reads as follows:

This is to affirm the Department of Labor's support for the President's request for $1.625 billion for continuing the public service employment program under title VI of the Comprehensive Employment and Training Act through Fiscal Year 1976. Without these funds, financing of presently employed individuals would be curtailed, and presumably layoffs would occur as early as July 1, 1975.

May I read that again:

. . . as early as July 1, 1975.

In view of continued projections of high unemployment, we cannot support a reduction in the present request.

May I read that again:

we cannot support a reduction in the present request.

The administration itself, Mr. President, is, unhappily for us, predicting that the 8,700,000 now unemployed are very likely to continue through this fiscal year and next and, as is shown by Mr. Dunlop's letter and just what I said a minute ago, in answer to this idea, "We will keep them on but in danger of going off at the turn of the year," all these municipalities are going to begin to reduce now. You cannot run a program on any such uncertain and chancy basis as that which involves tens of thousands of people.

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

U.S. DEPARTMENT OF LABOR,
Washington, D.C., April 25, 1975.

Hon. JACOB K. JAVITS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR JAVITS: This is to affirm the Department of Labor's support for the President's request for $1.625 billion for continuing the public service employment program under title VI of the Comprehensive Employment and Training Act through Fiscal Year 1976. Without these funds, financing of presently employed individuals would be curtailed, and presumably layoffs would occur as early as July 1, 1975. In view of continued projections of high unemployment, we cannot support a reduction in the present request.

Sincerely,

JOHN T. DUNLOP,
Secretary of Labor.

Mr. JAVITS. I wish to remind my colleagues, that there are expected to be 2 million people using up their unemployment compensation benefits, including the additional 13 weeks Congress authorized last December. Many here have worked very closely together with me in an effort to continue those benefits, but 2 million workers will exhaust by the end of this year, not this fiscal year but this calendar year, and this is expected to occur at the rate of about 400,000 a month, anybody who was fired out of one of these jobs can go right on the Federal purse for unemployment assistance all over again, and it just does not make any sense.

Mr. President, the position I have just read from the Department of Labor is backed by the U.S. Conference of Mayors, and the National League of Cities, and I ask unanimous consent that the letter be printed in the RECORD as part of my remarks, and letters from the National Association of Counties and the National Governors' Conference.

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

NATIONAL LEAGUE OF CITIES, UNITED STATES CONFERENCE OF MAYORS,
April 25, 1975.

Hon. JACOB K. JAVITS,
U.S. Senate, Washington, D.C.

DEAR SENATOR JAVITS: It is our understanding that an attempt will be made today, in consideration of H.R. 4481, to reduce the funds appropriated for Title VI of CETA by $812.5 million. We are strongly opposed to this amendment.

The only weapon that has been brought to bear directly on joblessness in the nation's cities over the past six months has been public service employment. While over the coming quarters, the effects of the tax cut will begin to be felt, the concentration of long-term unemployment will continue in our urban areas at higher levels than has been experienced in many decades.

Public service employment programs have been implemented rapidly and efficiently despite the relatively short lead-time for planning. These programs will shortly peak at a level of approximately 310,000 jobs—an inconsequential level when compared to the over 10 million Americans potentially eligible to participate and the urgent public service needs that exist in urban areas.

These programs are geared to workers at the lower end of the skill spectrum, those traditionally last hired and first fired. Their immediate needs for jobs are enormous and the benefits produced by their work in public service are substantial. At the same time, the initial funding outlays necessary to sustain these employees are reduced by at least half when the net economic effects of increased tax revenues, decreased transfer payments and multiplier effects are considered. These benefits are furthermore increased by offsetting the potential social costs of increased crime, family instability and social unrest that arise when dignified work is no longer available.

Expanded public works activities are also needed to help address these problems, but not at the expense of public service jobs. These programs have different service effects, different objectives, different geographic impact and different client constituencies and are therefore not substitutes for each other. Public works are greatly needed to offer an economy—with a predicted unemployment rate in excess of 7% over the next five years—a long-term stimulus that can engage our most highly skilled and productive workers. In recent experience these projects have not been significantly directed toward urban development where joblessness and public needs are most concentrated. An urban-oriented public works program *and* a parallel public service employment effort would combine in their efforts to serve both long-term and immediate job creation objectives for the lowest as well as the highest skilled workers.

We therefore urge that in your consideration of the Emergency Employment Supplemental Appropriation of 1975 these dual objectives be kept separate and distinct. At this time the $1.625 billion for public service jobs included in this measure will barely suffice to sustain the existing level of public service employment, at a time when substantial increases are warranted. The prospect of layoffs of subsidized workers resulting from inadequate federal resources is a definite possibility in the $1.625 billion figure is reduced. We strongly urge that the Senate reject this amendment.

Thank you for your consideration of our views.

Sincerely,

ALLEN E. PRITCHARD, JR.,
Executive Vice President, National League of Cities.
JOHN J. GUNTHER,
Executive Director, U.S. Conference of Mayors.

NATIONAL ASSOCIATION OF COUNTIES,
Washington, D.C., April 25, 1975.

Hon. JACOB JAVITS,
Senate Subcommittee on Employment, Poverty and Migratory Labor, Dirksen Senate Office Bldg., Washington, D.C.

DEAR SENATOR JAVITS: The National Association of Counties strongly supports Senate approval of H.R. 4481. Counties will face massive layoffs of public service employees on June 30, 1975, if the full $1.625 billion for Title VI is not passed by the Senate today. In addition to these potential layoffs coming at a time of unsually high unemployment, counties are also concerned with the resulting loss in human services to their residents which would result from any reduction of the $1.625 billion level.

Counties moved quickly to place people in public service jobs as soon as money was made available under the act. In fact, most counties doubled and tripled their hiring by converting these dollars into shorter term jobs, This has created an even larger number of people who would lose their jobs if the full $1.625 billion were not appropriated.

Counties have used public service job monies to create productive jobs which provide necessary services in communities across the country. Despite anecdotal impressions to the contrary, CETA is working and is vital to our nation's economic recovery.

Sincerely,

BERNARD F. HILLENBRAND,
Executive Director.

NATIONAL GOVERNORS' CONFERENCE,
Washington, D.C., April 25, 1975.

Hon. JACOB K. JAVITS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR JAVITS: As the Emergency Employment Appropriations Act of 1975 (H.R. 4481) comes to the Senate floor for debate, we are aware of efforts being made to reduce the public service employment funds requested by the Administration and passed by the House. The House-passed measure would fully fund Title I of the Emergency Jobs and Unemployment Assistance Act of 1974.

During their February Mid-Winter Meeting here in Washington, the Governors adopted the enclosed resolution, the thrust of which is an endorsement of a mixture of public service employment and public works programs to create jobs during this recession.

Since the Administration is threatening a possible veto of the legislation because of the several billion dollar public works additions, not because of the public service jobs and summer youth program components, it seems peculiar that the attempt to cut the total dollar figure of the bill is directed at an unobjectionable portion of the total with the argument that the sum is budget busting. That is the same argument used by the Administration for the public works portions.

It should be clear that enactment of H.R. 4481 with less than the PSE appropriation recommended by the National Governors' Conference will require the termination of some CETA participants during the height of the recession when other employment may not be available. Costs for unemployment insurance, welfare, and food stamps would, therefore, be correspondingly higher.

The National Governors' Conference called for a balanced approach to solve our unemployment dilemma because too great a reliance on only one alternative would not provide the broad-based stimulus we need. Sole reliance upon public works projects would particularly assist our depressed construction industry and its employees, but may not fairly provide for women or the disadvantaged who are more equitably served through programs such as PSE.

We trust the Senate, in its wisdom, will enact a balanced program as it votes upon H.R. 4481.

Sincerely,

JAMES L. MARTIN,
Director, State-Federal Affairs.

PUBLIC SERVICE EMPLOYMENT

The National Governors' Conference supports and encourages policies that enable all Americans to achieve and maintain self-sufficiency and gainful employment opportunities.

The NGC wishes to state that Governors have an obligation to provide immediate assistance to those unemployed Americans who suffer during periods of unusually high unemployment, utilizing the resources available to States, such as public service employment, unemployment insurance, and public works programs. The NGC recognizes, however, that public service employment alone will not, and cannot, solve America's economic problems nor provide long-term solutions for our citizens.

The Nation's Governors support all efforts made by the Congress and the federal government to provide meaningful and dignified ways to provide unemployed Americans with public service employment opportunities, unemployment insurance assistance and jobs through public works projects.

The Conference supports the following policy recommendations:

1. That Congress appropriate at least another $1 billion from the initial $2.5 billion authorization of Title VI of the Comprehensive Employment and Training Act of 1973.

(a) It should be recognized that if no additional funds are appropriated for public service employment beyond those of December 1974, then further payments under unemployment insurance, welfare, and medicaid programs will be made correspondingly higher.

(b) While it is anticipated that Congress will monitor the progress of city, county, and state public service employment utilization, it is suggested that this new recommended $1 billion and other appropriations for fiscal years 1975 and 1976 be made available to individual prime sponsors when they have effectively and fully committed previously appropriated funds.

2. That Congress extend Title I of the Emergency Jobs and Unemployment Act of 1974 (CETA Title VI). This extension should include a funding authorization that will provide such sums as may be necessary to enable a significant number of unemployed Americans to receive public service job opportunities. The extension, at a minimum, should continue through fiscal year 1976.

3. That the Act and Regulations for the Emergency Jobs Program be amended immediately to state that "prime sponsors utilize at least 85 percent of the funds for wages and fringe benefits and 15 percent of the funds for administration, training, supportive services and job related equipment for participants in the program."

4. That state, city, and county governments develop and maintain effective cooperative working relationships in the administration of all public jobs programs, including the provision of equitable state public service employment opportunities in areas of over 100,000 population.

Proposed by Committee on Human Resources.

Adopted February 20, 1975.

Mr. JAVITS. Now, Mr. President, instead of my arguing the thing, let me read to the Senate what is stated in the Manpower Report of the President which has just been transmitted by the President to Congress. It is not very long and it is worth reading, at least an excerpt from it, which appears at page 47 on this matter.

It states as follows:

A General Accounting Office evaluation of the public services provided with EEA money cited examples of parks, libraries, and other public facilities which remained open for longer hours; much more police on the streets in high-crime areas, and of increased staffing for overworked departments. In many cases, the report stated, staff cutbacks were avoided by designating the new hires for old job openings.

Perhaps the best criteria for judging the usefulness of the positions created under PEP are the feelings of the workers and supervisors involved in the program. Reports from both regular and high-impact programs indicated that most employees feel their jobs were fulfilling public service needs. In addition, most supervisors indicated a high level of satisfaction with their PEP employees, ranking them as generally better than average in their work habits and efficiency when compared with government employees.

I ask unanimous consent that the table which accompanies this report showing the division of public service employees as of now as showing the highest number in public works and transportation, the next highest number in education, and the next highest number in law enforcement, all critically important categories of work as far as we are concerned, be included in the RECORD at this point.

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

[In percent]

Employment category	PEP	State and local employment, 1971
Law enforcement	15	7
Education	19	52
Public works and transportation	23	7
Health and hospitals	8	10
Environmental quality	5	4
Fire protection	2	3
Parks and recreation	9	3
Social services	7	3
Other	12	11

Mr. President, I deeply believe that when we are spending, as has already been pointed out, $15 billion in fiscal 1976 for welfare costs at the Federal level, and $16 billion for unemployment compensation at the Federal level, and when you lay that, which is 10 percent of the $16 billion, beside this figure, considering the constructive nature of it, and the fact that it deals essentially with those unemployed, and I now read from the statute which is applicable to this, "who are the most severely disadvantaged in terms of the length of time in finding employment without assistance under this title, to wit, public service employment referral," then, Mr. President, I think it appears absolutely and conclusively that at least to the extent that can be provided, at least these 310,000 jobs, it is an essential, vital and indispensable element for dealing with the catastrophic unemployment situation in this country.

For those reasons, I hope very much the amendment will be rejected.

Mr. PROXMIRE. Mr. President, I support the amendment of the distinguished Senator from Louisiana to cut funding for this program. The Emergency Employment Appropriation Act we are considering today would provide over $6 billion for the creation of about one million jobs of short duration. It would have a substantial adverse impact on an already staggering projected budget deficit. Since these are dollars that would be spent very quickly, it will be reflected at an early date in the deficit and will, in all likelihood, exceed $70 billion in fiscal 1976.

I should point out to the Members of the Senate, having acted as we did on the tax reduction bill, the impact of that bill, the biggest fiscal impact will be this quarter—in fact we are told that the annual rate, the deficit at an annual rate during this quarter, will be over $100 billion.

That is because, of course, there are rebates in this quarter, plus refunds from last year. We can expect, therefore, a powerful stimulus from the tax reduction and while it is difficult when we have more than 8 percent unemployment to feel we can overstimulate the economy, it is true that we can very seriously upset our capital markets. We can reverse the healthy dolling of interest rates, and begin to push them up because of the effect of too much Government spending and borrowing to finance it at this time.

I think that for the reasons that the distinguished Senator from Louisiana and the distinguished Senator from New Mexico have given us, we ought to take a long look at this bill and support the Johnston amendment.

All that Senator JOHNSTON is asking us to do, as I understand it, is not to cut jobs, as he pointed out, but to cut the funds so that between now and January 1 we can consider the situation and see whether or not, under the circumstances, it is wise for us to proceed with this large expenditure.

As the distinguished Senator from New Mexico pointed out to us, the budget ceiling has been recommended by the Budget Committee and if we stick to that ceiling, and I hope we do, if we stick to it, it means we will be strapped if we adopt this bill unamended today.

Mr. President, under these circumstances, the Johnston amendment is logical, it is responsible, it is not a cruel and inhuman amendment. It will not reduce the number of jobs, necessarily. Maybe it will, but we have plenty of time between now and January to decide whether to restore the amount we would cut here.

Mr. President, I think we ought to recognize——

Mr. MAGNUSON. Will the Senator yield for half a second?

Mr. PROXMIRE. I yield.

Mr. MAGNUSON. I want the RECORD to be correct, but the Department of Labor says that they have to let them off July 1, not January, if the amendment carries.

Mr. PROXMIRE. Well, it may be that the Department of Labor would have to make some reductions in spending before the end of the calendar year, but I would doubt very much they would have to make very substantial cuts.

It seems to me in a program this massive, when we have already passed highly stimulating legislation in the form of the tax cut, that this may well go too far.

Mr. President, I would hope also we consider the fact that there are other programs that may be far better than this that we can adopt. I think the public service jobs program is attractive and does make sense, but as a program it is essentially, basically, a make-work program. Far better than welfare, I agree, and better than unemployment compensation, but we can take other actions and we ought to be free to take them, to do work that must be done in this country, build houses, provide sewer and water and to provide many other things that are being held up.

I would hope that we do not rush. The Johnston amendment has the great advantage, telling us now that we ought to hold up on this so we can take a second look at it and determine, once we have acted on the budget, recommendations and set the ceiling. We can then determine whether or not this is the best way, the most responsible way to provide jobs, and the best way from the standpoint of our country and also from the standpoint of the prospects of aggravating our capital markets and setting off, an inflation spiral once again.

I yield the floor.

Mr. MAGNUSON. Vote.

Mr. FORD. Mr. President, I would like to use a few moments just to support the distinguished Senator from Washington's comments that he made as to the broad scope of support this money would help in the local communities, from law enforcement to libraries, and various areas in which this money would help the communities.

One point I wish to make, and that is that the distinguished Senator from Wisconsin said we need go into emergency housing, I thought we passed his bill yesterday.

The distinguished Senator from Rhode Island talks about people standing in line for a pittance, and he admits, and I believe I would admit and anyone here would, that the people in our State would rather work than beg.

And what happens to the communities? What happens to State government?

We stand here today doing the same thing that we have always done. We encourage the cities to join in with a program here of the Federal Government and then we cut their legs out from under them by saying that we are going to cut their program in half and see what it will do in January and we may give them some more money.

We say the same things to State government, and they cannot run an efficient State government or an efficient local goverment if we are going to continue to do this to the people that have the respect and responsibilities in their communities.

It is somewhat exasperating to a former Governor to come here, only a very few months away, and have to live under this cloud. I would hope my colleagues would say to those in the communities who have the responsibility of working closer to the people than we, those Governors who have to run their States, they are closer to the people than we are, "Go on, you are doing a good job."

Not a word has been said about the employment at the local level. That is bad. Do not cut the legs out from under these people who are trying at the local level to shore up what you and I want to do. We pass the legislation here, but they carry out the job down there.

I ask Senators to vote this amendment down and say to our people out there in the communities and in the States, "You have a program, stay with it, we want you to know we support you."

Thank you, Mr. President.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. JOHNSTON. Mr. President, the distinguished Senator from Kentucky, I think, put his finger very well on some of my concerns when with his parting remarks he said, "You have got a good program, stay with it." And the distinguished Senator from Rhode Island when he said, "Let us put the cities back where they can be fiscally stable."

In effect, what we have got here, Mr. President, is a program that threatens to become permanent. It is very difficult to create jobs and then ever come along at any other time and comfortably let go those jobs. The jobs soon become permanent. The spending soon becomes permanent.

The distinguished Senator from Rhode Island would divide up this Senate into those who have compassion and empathy and sympathy for those who are unemployed—and those, apparently, would oppose the amendment, and the others would be hardhearted and have no sympathy and no compassion for those who are unemployed and who are picking up——

Mr. PASTORE. Will the Senator yield on that point

I never said such a thing. All I said is that to know unemployment—to have the unemployment we have is to know the problem and to have compassion for it.

Maybe in the Senator's State they do not have that problem. I do not know what the level of unemployment is in the Senator's State. Does the Senator know what it is?

Mr. JOHNSTON. Eight percent.

Mr. PASTORE. Eight percent.

In my State it is 2½ times larger than that. That is a tragedy and it is like everything else, the man who has a full stomach can never understand the pains of being hungry.

That is the point I am trying to make.

To have unemployment and to be frustrated, not meeting it and not being able to solve it, that is the tragedy today.

Mr. JOHNSTON. I agree.

Mr. PASTORE. I did not say the Senator did not have compassion.

Mr. JOHNSTON. No, no.

Mr. PASTORE. I think every Member of the Senate has compassion, I think every Member of the Senate has a big heart, but the question is that sometimes we fail to realize, the fact that there is a situation in one State that does not exist in another State, and that is the point I was making.

Mr. JOHNSTON. I think the Senator made the point very well, very eloquently. The point I am trying to make is that every Member of this Senate does have compassion, but the question is how to deal with this cancerous problem we have. Do we help ourselves by putting what will become a permanent program of unemployment at the expense of the economy of this country?

Mr. President, just about 6 weeks ago Texaco went to the capital markets to try to sell some bonds. They withdrew that offering from the public because interest rates were too high and the responses were not good enough. Why? Because of competition from the Federal Government in trying to get money from the public. And the Federal Government has just begun.

We started off with a $50 billion deficit. This bill adds $6 billion. Yesterday we added over $1 billion for housing and mortgage insurance. We released some $9 billion for highways. Tax reduction was almost $23 billion. We are looking at a $75 billion deficit. What is going to be the result of a $75 billion deficit?

It is going to mean that private enterprise when it tries to go to the capital markets to get the money to create the jobs to build the industry to produce the products to make the things that make America really good are not going to be able to get the money in sufficient quantities to make this free enterprise engine work.

Sure, I have compassion. I have compassion for those thousands in Louisiana who are unemployed. But my people in Louisiana realize that you cannot kill the goose that laid the golden egg. I feel that we are thinking about doing that in this country because of our compassion for people out of work. We are creating jobs in the public sector. One out of 6 jobs is in the public sector. How far can the public sector go without ruining free enterprise? That is our system in this country—free enterprise.

I believe we need public jobs, public compassion. I believe we need programs to get jobs going.

Mr. GOLDWATER. Will the Senator yield?

Mr. JOHNSTON. Mr. President, I believe $6 billion in this bill is enough without adding another $1,625,000,000 for public jobs.

I yield to the Senator from Arizona.

Mr. GOLDWATER. On this subject of compassion, it has been a long time since I heard anybody express compassion for the taxpayers of this country. I think it is time that we worry about that man who is now approachng the point where nearly 50 percent of his income will have to be used to pay for these things we so wantonly handle in this Senate.

Mr. JOHNSTON. I appreciate the comments of the Senator from Arizona.

Mr. MANSFIELD. Mr. President, the yeas and nays have been ordered on the Johnston amendment. Would it be possible to vote at 2 o'clock on the amendment?

Mr. BAYH. With all respect to our leader, I have heard some things discussed here which concern me greatly. It is not that I do not feel that people are sincere. On the matter of compassion, I know my distinguished friend from Louisiana is as compassionate as anybody here. But I think we are basing some of our judgments on a misguided——

Mr. MANSFIELD. As the Senator is aware, this question has been thrashed out for the last hour and a half. I do not think other new arguments can be offered. I am trying to get the Senate going because we have other business this afternoon, too.

Mr. BAYH. I do not want to belabor this any longer than necessary, but I am sure the leader recognizes that others of us can make a contribution.

Mr. MANSFIELD. I withdraw the suggestion.

Mr. JOHNSTON. Mr. President, if I may address the leader, I think most of those who wanted to say something have had the opportunity to speak. I would think we could get a time limitation to accommodate the distinguished Senator from Indiana and not vote by 2 o'clock but shortly thereafter.

Mr. BAYH. I must say I seldom inter-

pose an objection to our leader, and I do not think I spend a great deal of time discussing issues on the floor. But this one I feel very strongly about. I think 10 minutes will be sufficient.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the distinguished Senator from Indiana have the rest of the time and that the vote occur at 2:10. That gives him 16 minutes.

Mr. BAYH. That is fine with me, provided my distinguished colleague from Maine does not have the same kind of yearning in his heart that I do.

Mr. MUSKIE. Mr. President, I have been asked to comment on this from the point of view of the budget to be considered next Tuesday. I can do it in 5 minutes or less.

Mr. MANSFIELD. I ask that there be 10 minutes and 5 minutes.

The PRESIDING OFFICER. Is there objection?

Mr. JAVITS. I think we ought to have another 5 minutes, Mr. President, if there is a question to be answered.

Mr. MANSFIELD. The Senator knows what I am up against, and the Senator has spoken several times on this subject.

Mr. JAVITS. I said there is a question to be answered, can we answer it?

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered. The Senator from Indiana is recognized for 10 minutes.

Mr. BAYH. Mr. President, I feel compelled to offer some concern about some of these arguments and express myself. I happened to have chaired one of the subcommittees on the Appropriations Committee that has a significant component in this bill, as well as having studied the other aspects which are under criticism by our distinguished colleague from Louisiana.

At the risk of repeating what has been said, none of us enjoy the reasons for this bill. There is not a person here who would not rather have no need to consider a measure like this. But I believe we all recognize the need to face the facts as they are, to take off the rose-colored glasses and make some of the painful decisions that will keep this economy from getting worse and start it moving back up again.

That is one of the major reasons that we are here discussing this important piece of legislation—how we get matters on a different track; how we correct some past mistakes.

We are trying to accomplish three basic things. We are trying to provide jobs that everybody knows are necessary. We have over 8 million people out of work. I must say in a free enterprise society I would much rather have people working in the private sector. But there is something wrong in a great, free, and rich nation like ours when you have 8 million people out of work—something very wrong. I must say I do not care whether it is 8 percent or 20 percent unemployment. We sit here employed. All of us are employed. All of us get that paycheck every month. We may be able to sort this out as to high-unemployment areas and low-unemployment areas. But the person who is unemployed, wherever he lives, finds great difficulty in this rationale.

So with great respect to those who may have a differing opinion on this, I think that the jobs that are in this bill are not going to cover the families that do not have wage earners right now. I think it is important, and I certainly salute my distinguished friend from Rhode Island. He has made more progress than anybody else. And also the distinguished Senator from Washington. But let us not feel that we are going to have a lot of jobs out here going begging in this bill. We are just going to provide bare bone essentials. In fact, we will not provide enough.

Second, we are looking for something that yields a return on the investment. Some of these jobs are going to make a significant contribution in this regard and some are not.

There is another very important section in this bill.

Mr. President, for chapter VIII the committee is recommending appropriations for two items—$5 million for the administrative expenses of the U.S. Railway Association for the balance of fiscal year 1975 and $700 million for the Federal Railroad Administration to initiate a program of rail rehabilitation and improvement.

The committee's $5 million recommendation for the USRA is the full amount requested by the Department and included in the House version of the bill. These funds are urgently needed in order to enable the USRA to complete its work on the final system plan which, under the Regional Rail Reorganization Act, is to be submitted to Congress this July 26.

Mr. President, the committee had two purposes in mind in adding the $700 million for the Federal Railroad Administration: first, providing reemployment opportunities for the Nation's railroad workers, particularly those engaged in maintenance of the roadbeds and; second, expediting critically needed assistance to the railroads to enable them to accelerate programs to begin railroad rehabilitation.

The effects of the current recession have been particularly devastating on the railroad industry. Carloadings are down 20 percent from last year, forcing the railroads to reduce their payrolls and curtail their maintenance programs to a marked degree. Results of operations for the first quarter of this year show the largest decline in earnings since the Depression for the Nation's major railroads. The industry lost over $100 million compared with profits of $170 million for the same period last year. It has been estimated that the number of laidoff maintenance-of-way workers that will be immediately rehired under this appropriation exceeds 20,000 people.

In addition, another 20,000 to 30,000 jobs will be provided for other furloughed railroad employees and other unemployed persons who have unsuccessfully sought work for more than 3 months. Of the $700 million contained in the bill, $600 million must be used for wages and related benefits. The other $100 million will be used by the Secretary of Transportation to provide assistance to railroads which show that they are unable to acquire the necessary tools or equipment to implement a rehabilitation project without such additional assistance.

Mr. President, at a time when the Nation must utilize every possible measure to conserve our scarce energy resources, we simply cannot allow our freight and passenger trains to continue to be forced to travel at greatly reduced speeds over much of the country because of hazardous track conditions. Amtrak has estimated that over 25 percent of the tracks over which its trains run are under "slow orders" due to poor track conditions. The USRA says that in the region covered under the Regional Rail Reorganization Act, some 8,000 miles of track needs immediate rehabilitation.

The railroad industry is a very important element of this country's transportation system. We all know of the growing importance of coal as an energy source. Over two-thirds of all the coal mined in this country is shipped by rail. In addition, 70 percent of the automobiles, 78 percent of all lumber and wood materials, 60 percent of chemicals and raw material products, 71 percent of pulp and paper goods, and 66 percent of the country's food are shipped by rail. Surely from these figures it is clear that an efficient and properly maintained rail system will be essential to the Nation for the foreseeable future. This appropriation is not intended as a long-term solution, Mr. President.

The authorizing committees of both Houses of Congress have numerous proposals before them which attempt to resolve the long-range needs of our railroads. The committee views this appropriation as an interim, emergency measure to deal with the immediate problems which it addresses. We worked closely with the Public Works and Commerce Committees in developing this proposal and have been assured that the authorizing committees of both Houses plan immediate action to complete the necessary authorizations for this program by mid-May or thereabouts.

Although the committee in making this recommendation has not followed the usual process of awaiting authorizing legislation and a budget request before making appropriations, the committee views this emergency jobs bill as a unique opportunity to expedite critically needed assistance to the Nation's railroads for rehiring their furloughed employees and for accelerating programs to begin the process of railroad rehabilitation.

I commend to the Senate their taking our item of $700 million to get the railroad maintenance people back to work again. That will have a positive showing in getting people back to work. Many of these jobs by local officials will leave a positive contribution by the community.

Third, and the last thing that I think we have to recognize, is that this is another part of the building block to put this economy back on the right track.

My distinguished friend from Louisiana has expressed great concern about unemployment and employment, but he

is particularly concerned about employment in the private sector.

I see the expenditure of these moneys putting people to work and having them being able to buy things that are needed by their families as another shot in the arm.

I listened to our good colleague from Arizona saying that nobody is concerned about the taxayer. We have spent more time debating that tax bill and cutting the people's taxes than on any other issue. We are concerned about the taxpayers. We are not going to solve the economic problems that confront us today with any easy solution. It took that tax bill. It took the housing bill of the distinguished Senator from Wisconsin. It took that highway bill that the Senator from West Virginia and the Senator from Indiana were concerned about yesterday. It takes a freeing up of the pollution money that the Senator from Maine is worried about. In the final analysis it takes this public service jobs program.

It is like trying to suggest that all you need is a framework on a house. That is not the way you build a house. That is not the way you put an economy back together. It takes all of these parts, hopefully working together.

I think this is a very important part of the total package of putting our economy back together.

I am concerned about inflation, but I must say that I have not talked to any economist who has said that the expenditure of this money is going to be inflationary. If you get 1½ or 2 years away, the expenditure of this kind of money is going to be a problem, but it is not going to be a problem right now.

I want to work with the Senator from Louisiana to find a way we can develop a capital investment pool for some of the big expenditures some of those big firms are not now able to meet in the open market.

If we look at the reason why they cannot do it now, we have to go to the Federal Government being involved and see what the Federal Reserve Board has done so far as cranking up the interest rate and cutting back on the supply of money. The Federal Reserve Board has had a significant role in why the corporations have problems.

We are concerned about deficit spending, but I suggest that the taxpayer look at where the major part of this deficit is coming from. It has not come from the Members of this body throwing money out of the rear end of the pay wagon. It has come by 8 million people being out of work, businesses going bankrupt, revenues falling off.

I suggest to my colleagues—I will close now, and I ask their forgiveness for being carried away in this matter—that the best way to deal with the deficit and with unemployment is to get the economy moving and create an incentive so that people are hiring instead of firing, so that people are making money instead of going bankrupt.

With all respect to the distingushed Senator from Louisiana, I think this is an important part—these public service jobs. Let us spend this money now, get these people something to live on and to spend, as an additional stimulation to the economy. A year or two from now, we will have a different situation.

The PRESIDING OFFICER (Mr. LAXALT). The Senator from Maine is recognized for 5 minutes.

Mr. MUSKIE. Mr. President, I rise to speak not so much on this amendment as I do in my capacity as chairman of the Budget Committee.

I simply want to make it clear that in terms of the budget resolution which the Budget Committee will take up on the floor of the Senate next Tuesday, the outlays that would be mandated by this bill could be accommodated by the overall spending ceiling which the Budget Committee will recommend.

We were fully informed as to this program by the Committee on Appropriations in the report the committee filed with us on March 15. We considered this and other proposals for recovery programs; and the totals assumed in this bill—in the form in which it appears on the floor of the Senate—can be accommodated under the overall spending ceiling.

Let me be a little more specific, so that the Senate will understand what I mean.

This bill would provide, as I understand it, $5.5 billion in new budget authority, $485 million in loan authority, and $93 million in the liquidation of existing contract authority, for a total of slightly more than $6 billion for the acceleration of existing Federal programs and projects in order to increase employment immediately.

It is estimated by the committee that this legislation could produce more than 1 million jobs, including 310,000 jobs for adults, for 1 year; 920,000 summer youth jobs, and about 250,000 part-time jobs for students attending college.

The bill greatly increases funding for the two major Federal approaches to the unemployment problem: funding programs for the direct creation of jobs such as public service jobs, and funding for indirect creation of jobs through accelerated Federal construction, building, and purchase programs.

As I understand, it would add $1.6 billion to funds already appropriated in fiscal year 1975 for public service job title VI althorizations. It would add $3.7 billion for the creation of jobs. Government stimulation of construction, manufacturing, and other economic activities, such as acceleration of ongoing public works projects, rural water and sewer grants, improvements in modernization of veterans hospitals, reforestation and timber stand improvements, expansion and upgrading of facilities for Federal parks, forests, and other Federal lands, increased assistance to small business, and other items.

The outlay implications for fiscal year 1976 total $3.7 billion. That can be accommodated within the $4.5 billion that the Budget Committee assumed for recovery job creating programs of this nature. The total of $600 million already had been enacted earlier this year, and another $200 million was approved yesterday in connection with the emergency housing legislation.

Reciting this does not suggest that any Member should adopt these kinds of programs, rather than some other kind, or no programs for creating jobs. But this seemed to us to be a responsible program, initiated on the House side, which was already moving through committees and could be approved quickly, to begin the job of putting people back to work. For that reason, we included it within our overall ceiling on spending.

Some of us would have preferred more than this; but the result, approved by a vote of 13 to 2 in the Budget Committee, assumed this kind of total, and it seems to me that the Senate would like to have that information from the Budget Committee.

I hope that in more normal times, we will have the report of the Budget Committee and will act upon it before we act on the programs which comprise its elements. But we live in unusual times. We were faced with this recession in January, so we had to act quickly, and in advance of the full implementation of the budget process.

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

Mr. MUSKIE. Mr. President, will the Senator yield me another minute?

Mr. MANSFIELD. I yield.

Mr. MUSKIE. With the cooperation of other committees, we were able to get to the consideration of these matters and the proposals, and I am happy to add my endorsement of this program to that of the distinguished Senator from Arkansas and the Appropriations Committee.

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

Mr. MUSKIE. I yield.

Mr. McCLELLAN. To make it definitely clear, the enactment of this bill, including the amount for public service jobs, is within the ceiling that is recommended by the Budget Committee.

Mr. MUSKIE. That is as I understand it.

Mr. McCLELLAN. Nothing then is added to the deficit than that which is contemplated by the Senator's committee.

Mr. MUSKIE. The Senator is correct.

Mr. NUNN. Mr. President, will the Senator yield on that point?

Mr. MUSKIE. I yield.

Mr. NUNN. Mr. President, I commend the Senator for making this statement. I think it is important, if the Budget Committee process is going to work, that these items be looked at in this context.

As I understand it, the outlays we had in the Budget Committee concurrent resolution are $4.5 billion, and the outlays as a result of this bill are $3.7 billion. We previously had authorized and appropriated outlays of $600 million and $200 million on other matters. If we add the $3.7 billion, the $600 million, and the $200 million, we get exactly $4.5 billion.

Mr. MUSKIE. That is correct.

Mr. NUNN. Would it be a fair assumption to say that if we had any more outlays under any type program, it would exceed the Budget Committee's concurrent resolution?

Mr. MUSKIE. Yes. The only way additional outlays for this purpose could be

approved would be to take them out of other functions of the Government or to raise the ceiling. Let us understand that implication.

Mr. NUNN. Unless there were a trade-off.

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

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

Mr. MANSFIELD. I yield.

Mr. BELLMON. Mr. President, I join in the statements made by the chairman of the Budget Committee I sat through the hearings, and I agree with his conclusion that the amount of outlays contemplated in this bill is in keeping with the conclusion of the Budget Committee.

I point out, as the distinguished Senator from Georgia has just done, that this virtually uses up all the funds that the Budget Committee has budgeted for this purpose. But I feel that since the bill has moved so far toward passage and since these programs can be put into operation quickly, this is the wisest course for the Senate. I am going to support the bill and vote for it, and I will urge the President to sign it.

Mr. HANSEN. Mr. President, the deficit in the fiscal year that ends this June will undoubtedly exceed $45 billion. The Senate Budget Committee is recommending a deficit of nearly $70 billion for fiscal 1976. Mr. President, I do not understand how the Congress can continue to spend money it does not have.

I commend Senator JOHNSTON for his effort to hold the deficit in line. The Johnston amendment to the Emergency Employment Appropriation Act of 1975 will reduce the funding for public service jobs by one-half, from approximately $1.6 billion to $800 million. Clearly a saving of $800 million will help ease the pressures of the Nation's expanding deficit.

Mr. President, the Senator from Louisiana has already indicated many of the problems with public service employment. I find it appalling that it will cost the American taxpayer approximately $6,530 to create each public service job. Moreover, in many instances, the program is so poorly administered that the jobs created are merely "make work." Accordingly, often the money spent results in little or no meaningful improvement to our society.

Mr. President, I voted against the legislation that created this program last year and still oppose it. However, if they Congress is intent on funding this program, I strongly feel that $800 million is enough to spend during fiscal 1976, and urge my colleagues to support the Johnston amendment.

VA-EPA PORTION OF EMERGENCY JOBS SUPPLEMENTAL

Mr. PROXMIRE. Mr. President, chapter II of today's jobs bill will provide $70,930,000 for the creation of 4,742 jobs through Veterans' Administration and Environmental Protection Agency expenditures.

The committee has deleted $175,000 of the $350,000 provided in the House-passed version of the legislation for the hiring of 200 EPA personnel to distribute waste treatment grant funds. However, language has been included in the report which directs the Office of Management and Budget to release 100 positions funded in fiscal 1975 for this purpose. These 100 positions together with the 100 funded in the bill as reported from committee will allow an additional 200 personnel to be utilized to distribute $5 billion in waste treatment funds made available by a recent Supreme Court decision. The cost of the additional 100 positions for the remainder of this fiscal year is $175,000.

This chapter also includes $70,755,000 for the creation of 4,642 Veterans' Administration jobs through the upgrading of VA facilities. Although I am opposed to the expenditure of these funds in today's economic climate, the money would help to put various VA medical facilities and cemeteries in better shape.

The funds will provide jobs quickly. They will all be spent within the next 15 months. Recurring and nonrecurring maintenance at various VA sites will consume $60 million of the $70,755,000. Another $5 million will be spent on the demolition of 95 obsolete structures. A further $5,200,000 will permit the employment of personnel in 82 national cemeteries for 8 months for maintenance. The final $555,000 will be expended on national cemetery construction projects.

As I indicated I have grave doubts about the wisdom of spending this money at this time to create jobs in this fashion. However, in all fairness I must note that the VA dollars included in this section are considered by the administration to be the least objectionable of the expenditures they oppose. Thus, although I must vote against the bill, it is clear that these items would have a fairly high priority if the budget were closer to balance.

SEVERAL SENATORS. Vote. Vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Delaware (Mr. BIDEN), the Senator from California (Mr. CRANSTON), the Senator from Mississippi (Mr. EASTLAND), the Senator from Alaska (Mr. GRAVEL), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Hawaii (Mr. INOUYE), the Senator from Louisiana (Mr. LONG), the Senator from New Mexico (Mr. MONTOYA), the Senator from Utah (Mr. MOSS), the Senator from California (Mr. TUNNEY), and the Senator from Arkansas (Mr. BUMPERS) are necessarily absent.

I further announce that the Senator from Iowa (Mr. CULVER), the Senator from Vermont (Mr. LEAHY), the Senator from Wyoming (Mr. MCGEE), the Senator from New Hampshire (Mr. MCINTYRE), and the Senator from Georgia (Mr. TALMADGE) are absent on official business.

I further announce that, if present and voting, the Senator from California (Mr. TUNNEY) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BROCK), the Senator from Massachusetts (Mr. BROOKE), the Senator from New York (Mr. BUCKLEY), the Senator from Kansas (Mr. DOLE), the Senator from New Mexico (Mr. DOMENICI), the Senator from Utah (Mr. GARN), the Senator from North Carolina (Mr. HELMS), the Senator from Kansas (Mr. PEARSON), the Senator from Ohio (Mr. TAFT), and the Senator from South Carolina (Mr. THURMOND) are necessarily absent.

I also announce that the Senator from Nebraska (Mr. CURTIS), the Senator from Maryland (Mr. MATHIAS), the Senator from Vermont (Mr. STAFFORD), and the Senator from Alaska (Mr. STEVENS) are absent on official business.

I further announce that, if present and voting, the Senator from New Mexico (Mr. DOMENICI), and the Senator from Utah (Mr. GARN) would each vote "yea."

On this vote, the Senator from Ohio (Mr. TAFT) is paired with the Senator from South Carolina (Mr. THURMOND).

If present and voting, the Senator from Ohio would vote "nay" and the Senator from South Carolina would vote "yea."

The result was announced—yeas 22, nays 47, as follows:

[Rollcall Vote No. 150 Leg.]

YEAS—22

Allen	Hatfield	Proxmire
Baker	Hruska	Roth
Bartlett	Johnston	Scott, William L.
Bellmon	Laxalt	Sparkman
Byrd, Harry F., Jr.	McClure	Stone
Goldwater	Morgan	Tower
Hansen	Nunn	Young
	Packwood	

NAYS—47

Abourezk	Griffin	Mondale
Bayh	Hart, Gary W.	Muskie
Beall	Hart, Philip A.	Nelson
Bentsen	Hartke	Pastore
Burdick	Haskell	Pell
Byrd, Robert C.	Hathaway	Percy
Cannon	Huddleston	Randolph
Case	Humphrey	Ribicoff
Chiles	Jackson	Schweiker
Church	Javits	Scott, Hugh
Clark	Kennedy	Stennis
Eagleton	Magnuson	Stevenson
Fannin	Mansfield	Symington
Fong	McClellan	Weicker
Ford	McGovern	Williams
Glenn	Metcalf	

NOT VOTING—30

Biden	Eastland	McIntyre
Brock	Garn	Montoya
Brooke	Gravel	Moss
Buckley	Helms	Pearson
Bumpers	Hollings	Stafford
Cranston	Inouye	Stevens
Culver	Leahy	Taft
Curtis	Long	Talmadge
Dole	Mathias	Thurmond
Domenici	McGee	Tunney

So. Mr. JOHNSTON's amendment was rejected.

Mr. McCLELLAN. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. JAVITS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. WILLIAMS. Mr. President, I rise in support of H.R. 4481, the Emergency Employment Appropriations Act of 1975.

This is strong medicine, which is never pleasing nor enthusiastically prescribed, but it is what the beleaguered condition

of our economy requires, and I support it with a determination to discharge a solemn responsibility.

I want to express my deep appreciation to the distinguished chairman of the Appropriations Committee (Mr. McCLELLAN) and the members of the committee for the great care and detailed attention they have given this urgent funding bill. The committee is to be congratulated on the dispatch with which it has considered the numerous intricate issues that arise in such emergency legislation.

The need to act swiftly and decisively is dictated by the grave economic crisis whose human impact is measured by unemployment and its consequences for millions of American families.

Eight million workers are now counted as unemployed. Another million are not counted because they have stopped looking for work, in despair after weeks and months of disappointment.

In my own State of New Jersey, the unemployment rate is 10.9 percent—more than two full percentage points above the national rate. No more than a handful of States can claim the grim distinction that New Jersey claims as a State most ravaged by joblessness and its miserable effects.

Nationally, the number of persons receiving unemployment compensation has doubled over the past year. Some take a measure of comfort in the fact that unemployment insurance is working now, as it was not in the Great Depression, to alleviate the hardship for over 5 million families. But 4 million others were laid off jobs that were not covered by unemployment insurance, and for those 5 million who do receive weekly benefits, they are either less than minimal or in danger of expiring after June 30.

Mr. President, since the recession took hold last fall, the Labor and Public Welfare Committee, which I have the privilege to chair, has targeted on the human impact of joblessness on a personal level. In a series of field hearings around the nation, we have seen and heard personal tragedies first-hand.

Illness strikes a family whose breadwinner is unemployed. The medical bills consume the family's savings and force them into long-term of debt or bankruptcy.

Unemployment benefits averaging $68 per week are far short of a family's needs to meet the monthly mortgage payment and astronomic utility bills. Bankruptcy again.

Still another jobless worker is thwarted in his search for a job, and his unemployment benefits are exhausted after 65 weeks without work. The family spends all its savings, and after depleting their assets completely, they can qualify for the welfare rolls.

Young people drop out of school or college, or vocational training. They cannot find a job and cannot get any help from their unemployed parents.

Businesses close their doors in economically hard-pressed communities, leaving employees and employer alike without incomes.

Viewed in these terms, from the perspective of individual Americans, there can be no reasonable doubt that determined, broad-based congressional initiatives are needed immediately to alleviate the human suffering that the recession has inflicted.

This legislation is a vital part of those initiatives, particularly because of the wide variety of fiscal remedies that are aimed directly at major problem areas of the economy.

The acceleration of public works projects is targeted on relieving unemployment in the construction industry which is hardest hit of any industry with a jobless rate of approximately 25 percent. To the extent that these funds are channeled immediately into labor-intensive projects, they constitute the foremost stimulus contained in this bill.

The $3.7 billion to be approved for this purpose, together with increased purchases of Government automobiles and immediate improvements to Government lands and buildings, can provide a tremendous lift by stimulating construction and manufacturing employment.

Mr. President, it is particularly gratifying that the committee has recommended generous funding of summer youth employment and recreation programs, in response to a need that Senator JAVITS and I and a number of other Senators enunciated in a letter to the committee on February 28.

The $502.3 million recommended by the committee will provide an estimated 920,000 job opportunities for needy youth this summer. This is an increase of $87.3 million and 160,000 jobs over the amount requested by the President. This appropriation will provide for 9 weeks of summer employment with an average of 26 hours per week at the minimum wage of $2.10 per hour.

In this regard, Mr. President, I wish to note what the committee report has to say about allocation of these funds:

> The Department shall not require prime sponsors to provide matching funds for any part of these supplemental Summer Youth Employment funds.

This language is direct and unmistakably clear, and it has my support.

As I understand the tentative plans of the Department of Labor, a matching requirement was to be imposed as a means of prodding local prime sponsors to obligate some $300 million in unspent CETA funds. However, a matching requirement would adversely affect all of those areas, particularly large cities where unemployment has been worst, where CETA funds have been fully committed in a commendable effort to combat the recession.

To promote obligation of unspent funds, the Secretary of Labor can utilize his authority to reallocate them, and this alternative would not have the effect of undermining the urgently needed summer jobs program.

The committee has also wisely recommended $26 million for summer youth recreation programs, none of which was recommended by the President. I want to emphasize that this amount was derived in order to assure that the 50 largest cities of the Nation will receive no less than they received in 1973 and that the remainder of the Nation will receive funds at a level equal to 1974's allocations. The Community Services Administration, which administers these funds, should not mistake the intent of the committee and of the Senate as contained in the committee report in this regard.

I would also like to direct special attention to the committee's recommendation for an appropriation of $119.8 million in additional funds for the college work-study program. Approval of these funds will constitute a strong and unwavering affirmation by the Congress of the value of this vital program at a time when the administration persists in abolishing it.

Aside from the urgent need of several educational institutions for additional funds under college work-study, the appropriation makes eminent sense in this time of grave unemployment. First, it will make it possible for thousands of students, perhaps hundreds of thousands, to continue their studies rather than drop out of school and exacerbate competition for jobs. Second and more important, there is no better time for expanding educational opportunity than during a recession that features astounding levels of unemployment among youth and low-skill workers. Utilizing our educational institutions to enhance individual potential at this time will pay incalculable dividends in additional productivity of the American work force as a weapon against inflation and expanded job opportunities as a weapon against recession.

The committee's recommendations are similarly appropriate in providing funding of $36 million to provide community service jobs for older Americans, with a stern instruction that the Department of Labor move immediately to obligate these funds and discontinue its efforts to dismantle the national program under title LX of the Older Americans Act.

Mr. President, I want to place particular emphasis on the committee's recommendation of $1.625 billion for public service jobs programs. These funds were authorized as temporary emergency measures in the Emergency Jobs and Unemployment Assistance Act of 1974, enacted on an urgent basis last December pursuant to a recommendation by the Labor and Public Welfare Committee.

The appropriation is critical for the full implementation of the emergency public service jobs program contained in title VI of the Comprehensive Employment and Training Act. The total authorization for the program, agreed to in December, was $2.5 billion.

However, the administration requested only $875 million in an urgent supplemental appropriation and has made no further requests for funds. The $1.625 billion to be appropriated with this act represents the balance of the authorized amount and will fund the emergency public service jobs program until December 31, 1975, at the level Congress felt last December would be sufficent.

In January, however, we learned the grim truth that unemployment was worse, and worsening faster, than an-

ticipated a month earlier. The unemployment rate now stands fully 2.5 percent higher than December. Clearly, additional public service jobs are required, not only under title VI of CETA, but under new program ideas, such as repair and renovation of vital railroad resources. Whatever the mix of public service jobs programs, it is imperative that the Department of Labor take every precaution to insure that the funds are used to supplement, rather than supplant, existing jobs.

Mr. President, there is some measure of pride to be had in enacting this urgent appropriation because as many as 1 million new jobs will result from expenditure of these funds. Added to the 300,000 resulting from appropriations to partially fund the December emergency act, the Congress will have directly and indirectly created an estimated 1.3 million new jobs.

While this is significant, I believe it is important to maintain perspective on the scope of the problem and the level of our effort.

The jobs that will have been created are equal to about one-seventh of the total number of unemployed. In the Great Depression, a nation with far less in resources did far more to provide work for its unemployed. The Roosevelt administration provided jobs for one-third of the unemployed through a variety of work-relief programs, more than twice our level of effort.

Admittedly, the billions of dollars now being expended for unemployment compensation constitute a national endeavor to alleviate the symptoms of joblessness through a program that was not in effect during the worst years of the depression. But, as I have already pointed out, the unemployment insurance systems provides a meager level of sustenance and, more important, it is no substitute for jobs that provide a worker with a feeling of personal dignity and provide society with the fruits of his work.

Mr. President, next week the Senate will begin consideration of the first concurrent resolution on the budget, intended to establish within the Congress a target for Federal expenditures that is appropriate in these times of severe economic strain.

The Budget Committee has recommended allocations that total $365 billion for fiscal 1976, with a budget deficit that would approach $70 billion in that year alone. The committee considered but rejected a proposal by the Senator from Minnesota (Mr. MONDALE) to approve an additional several billion dollars for countercyclical assistance to stimulate the economy.

Such a proposal, while increasing Federal outlays on the order of $8 to $9 billion in fiscal 1976, would also produce significant new Federal revenues as a result of the increased economic activity that would be spawned. A net increase in the Federal deficit on the order of $3.5 billion would result, pushing the total estimated deficit for 1976 to slightly over $70 billion.

It is estimated that these additional Federal outlays would reduce the unemployment rate to 7 percent by the end of 1976.

But the unemployment rate is a relative thing, and relativity is a snare that distracts us from the reality of the flesh-and-blood impact on individual people.

A 7-percent unemployment rate translates into about 6.5 million persons who would be counted as unemployed. An additional 1 million discouraged and disaffected workers would be just as unemployed, but not counted because they have given up hope of finding a job.

In sum, 7.5 million persons would remain among the jobless, even with an additional $8 to $9 billion of economic stimulants. The Senate will have to confront this fact next week when, in considering the budget ceilings for 1976, we shoulder the responsibility to guide the economy back onto the road to recovery.

Mr. BAKER. Mr. President, the Senate has before it today H.R. 4481, the Emergency Employment Appropriations Act of 1975. The bill recommends a total of approximately $6 billion—$5.5 billion in new budget authority, $485 million in loan authority and $93 million for liquidation of contract authority. The purpose of the bill is to accelerate existing Federal programs and projects in order to increase immediately employment throughout the Nation.

While I do not wish to support every provision in the bill, I believe that this approach, which makes use of ongoing Federal programs and attempts to get funds and jobs into the economy now, is superior to the creation of new programs at this time to aid economic recovery. New programs require policy guidelines, regulations, staffing, and separate appropriations—a gearing up process taking several months.

The approach in this bill—of utilizing ongoing Federal budgets and programs to stimulate jobs quickly—is the same idea of the jobs opportunities program, title X of the Public Works and Economic Development Act, which I cosponsored last December along with Senator MCCLURE, Senator RANDOLPH, Senator DOMENICI, Senator MONTOYA, and others.

Under the jobs opportunities program, as distinguished from this bill, the effort is made to select projects among the Federal agencies so that areas of highest unemployment receive assistance and the type of Federal activity is appropriate for the type of unemployment in that area. The act also requires prompt initiation of projects and their completion within 12 months.

I am pleased that the Committee on Appropriation recommends full funding for the jobs opportunities program, for I believe it can be most effective. Several of the other activities included in H.R. 4481 were submitted for funding to the Secretary of Commerce under the jobs opportunities program.

By appropriating for ongoing Federal activities now, without waiting for the full appropriation process which is usually not completed until late summer, jobs can be created now. I am concerned, however, that while these appropriations are for fiscal year 1975, ending June 30 of this year, many of them would remain available through June 30, 1976, and others until expended. The budgetary impact of delayed expenditures could, of course, come at the wrong time. The Committee on Appropriations will, however, have an opportunity to make adjustments in the regular appropriations for these agencies during consideration of the fiscal year 1976 budget, taking the increases in this bill into account.

I am also concerned that we are acting in an ad hoc fashion on separate pieces of legislation—with ostensively the same purpose of aiding economic recovery—before the Congress has had time to consider and pass the first concurrent resolution on the budget. For example, we have passed the farm bill, housing bill, and tax bill in recent weeks. Today we are considering an additional $6 billion in appropriations. Other recovery bills, including accelerated public works bills, are under consideration in one committee and before the other body.

While the Budget Reform Act does not become fully operative until fiscal year 1977, I believe it important that we proceed now in the spirit of the act to the fullest extent possible. There is no time when the mechanism we set in place by enacting the Budget Reform Act is more valuable, necessary, or imperative than during economic conditions such as we face today. While such reforms take time to fully implement technically, I trust the Congress will nonetheless adhere to the concepts of the act, and that it will prove of assistance in guiding congressional action and making judgments of the sort we are called upon to make today.

Mr. MCGOVERN. Mr. President, H.R. 4481, the Emergency Employment Appropriation Act, is an essential stimulus to a troubled economy.

It would create jobs throughout our Nation, throughout our economy.

I wish to speak just briefly about the increased appropriations for rural and farm programs which would help so much to stimulate income and employment in a shaky rural economy.

First, this bill would provide lending authority for an additional $150 million in farm operating loans through the Farmers Home Administration.

This money is critically needed by farmers throughout the land, but especially in States across the southern United States where earlier planting requirements have exhausted the available operating capital.

Despite increased production costs during this year, the present ceiling for operating loans remains at $525 million, the same as last year. Yet, because of higher costs of production items—seed, feed, fertilizer, chemicals, baling twine—farmers need to borrow more money this year just to plant the same crops they did last year.

If they heed their Government's appeal for all-out production, they will need more.

The $150 million increase authorized here is a modest increase. It will not fully meet the needs of our farmers.

Second, this bill provides additional

funding for rural water and waste-disposal programs—$150 million for grants and $300 million for loans.

This appropriation would not only create thousands of jobs in the construction industry for those who will build water and sewer systems in our small towns and rural areas, it also will provide the essential central water and waste-disposal systems which must precede longer term job-creating new enterprises in rural areas.

Hundreds of thousands of small communities and rural areas are today without modern water and sewer service—a service that urban Americans take for granted. Thus, their quality of life is diminished, and their opportunities for job expansion are lessened.

This appropriation, too, is modest. It fully deserves adoption.

Third, the committee recommends an additional $106 million for watershed and flood prevention works.

Such investments not only will provide additional jobs for the people in our land improvement contracting industries, but will help mightily to improve the environment and protect our land and water resources, which are the base of our food production in this Nation.

Mr. President, these items only highlight the importance of these appropriations to rural America. Rural people recognize their interdependence with Americans everywhere; they realize that softness in any segment of our economy hurts all of us.

I urge the Senate to approve this legislation with a resounding vote. Indeed, as I said so many times in 1972, I wish we had a national policy to insure a job opportunity for every American able and willing to work. Nothing is so wasteful as unemployment.

Mr. McCLURE. Mr. President, a significant portion of this bill involves programs developed by the Committee on Public Works. That committee examined the issue of job-producing public works spending in a thorough budget review earlier this year. A number of days of hearings were held. A major question was how public works projects could best be employed as a tool to stimulate the economy.

We covered many of the same points as the Committee on Appropriations, and plowed through many of the same figures: the capability of the Corps of Engineers, the wish list of the General Services Administration, and so forth. Let me examine, as an example, the figure in H.R. 4481 for repair and renovation of Federal office buildings. The bill appropriates $340 million to GSA. GSA told us, in testimony, that it could accomplish a total of $360 million in such work within an 18-month period. Of that sum, $110 million was included in the fiscal year 1976 budget. The remaining $250 million was unbudgeted.

I would make two observations: The sum in H.R. 4481 apparently encompasses nearly all that is feasible—both in and outside the budget in fiscal year 1976. But we must not deceive ourselves into thinking that this work will go forward quickly.

Very little of this repair and alteration work has been submitted to the Congress for the necessary authorizations by the Committees on Public Works.

And, second, there was no effort in this bill to match work to areas of joblessness. Of the repair and alteration work in this bill, $117 million is to be accomplished in the Washington, D.C., area, where employment is stronger than in many other metropolitan areas of the Nation.

The inescapable conclusion is that this $340 million cannot be spent quickly, and it will not necessarily get to those areas where jobs are most needed.

Frankly, that is my concern about this entire bill. It takes the meat-axe approach to our economic problems. In no way does it attempt to examine priorities or to fit spending within the overall budgetary goals of the Congress.

Mr. President, I shall vote against passage of this bill.

Mr. MORGAN. Mr. President, I shall vote for H.R. 4481, but I do so reluctantly and only after voting to reduce or eliminate some of the programs which I consider unwise. The bill is a conglomeration of some programs which are already in existence and are meritorious, that is, additional funds for direct loans to small businesses, college work-study programs, water and sewer grants, and construction of some Federal projects will be useful over the years and at the same time provide employment opportunities. On the other hand, I do not condone such expenditures as the purchase of 20,712 new automobiles by agencies of Federal Government. I want the record to be clear that I think many of such programs are not only wasteful, but will unnecessarily contribute to the huge Federal deficit. However, weighing all programs, I must vote for the bill.

Mr. HARTKE. Mr. President, I shall vote against H.R. 4481, the Emergency Employment Appropriations Act.

This step is taken reluctantly. As a member of the Appropriations Committee I prefer whenever possible to stand with the committee.

The bill before us is so flawed both within itself and in relation to the overall Federal and national financial situations that I cannot support it.

It is called an emergency act. Congressional overuse of this label is tending to debase its significance. It should not be used as a cover to ram through ill-conceived and inadequately processed legislation. The Nation's economic plight is too serious for us to indulge in passing so-called emergency bills whose consequences for the economy could well be contrary to the effects sought. I am concerned particularly about appropriating funds which may be injected into the economy some months and possibly years ahead when the economic situation then would call for restraint in Federal spending.

The President requested additional funds over 2 months ago which amounted to $2,042.7 million:

[In millions]

Temporary employment assistance	$1,625.0
Summer Youth employment	412.7
U.S. Railway Association administrative expenses	5.0
Total	2,042.7

The House of Representatives more than doubled that figure by extracting from Federal departments and agencies information on programs and funding levels with employment generating potential. It is important, Mr. President, that we distinguish clearly between the President's request and the amounts dredged up from the agencies by the House and for the most part now offered to the Senate. The normal executive branch processes of advocacy, screening, and final selection, which are integral parts of the Federal budget process, were largely bypassed in congressional pyramiding above the President's original request.

As a member for many years of the Senate Appropriations Committee, I have experienced my share of frustrations with Federal budgetmaking. But the process can be effective in informing the Congress how best to achieve fiscal goals through a myriad of spending actions, provided the process is given an opportunity to work.

In testimony before the Senate Appropriations Committee last March 17, Mr. James T. Lynn, Director of the Office of Management and Budget, reviewed precisely and in considerable detail the administration's many concerns with the amounts added by the House. He pleaded for not exceeding the President's original request both as to amounts and programs. All factors were discussed including impact on the deficit, various risks associated with public unemployment programs, effects of then pending tax cuts, lags in public works programs, and the general difficulties of economic forecasting.

Judged by the recommendations of the committee, Mr. Lynn's efforts were largely in vain. I regret very much, Mr. President, that we could not find a way to respond quickly to the President's original request. Then, in a more orderly and systematic way through action on the supplemental and regular appropriations bills, we could have sought genuinely effective ways to combat recession without risking more inflation in the future and an even more serious recessionary situation than now confronts us.

Finally, Mr. President, I remind my colleagues that the Senate will debate next week the first concurrent resolution under the new budget reform procedures. We will be asked to vote on total outlays, total new budget authority and a deficit level, and to recommend a level of Federal revenues and set an appropriate public debt limit. Needless to say, we cannot have it both ways. We cannot vote nearly $6 billion on the bill before us, and continue in this fashion through the numerous appropriation bills still to come before us, and stay within any reasonable set of total budgetary and fiscal figures which we will set next week.

Mr. HUDDLESTON. Mr. President, as a member of the Committee on Appropriations, I am pleased to support H.R. 4481, the Emergency Employment Appropriations Act of 1975.

The legislation before us is emergency legislation, designed to deal with a crisis situation—and it is certainly no secret that unemployment in this Nation has reached crisis proportions. In March, more than 8 million people, some 8.7 percent of the civilian labor force, were out of work. Unemployment was at its highest level since the beginning of World War II more than 20 years ago.

In my State of Kentucky, 7.4 percent of the labor force is jobless. Unemployment is above 6 percent in some 93 of our 120 counties.

Clearly, the situation demands forceful and immediate action—and that is what H.R. 4481 proposes to do.

Through a double-pronged attack, the legislation is designed to create 1 million jobs in the next 3 to 8 months. First, it would increase direct employment programs—programs which provide for immediate job creation. Additional funding would be provided for public service employment, the job opportunities program of the Economic Development Administration, summer youth programs, older Americans community service jobs, the work incentive program—WIN, work-study for college students, the Youth Conservation Corps and the summer youth recreation and national youth sports programs.

Furthermore, the legislation seeks to remedy a number of allocation and administrative problems which have arisen in the implementation of these programs.

Second, the bill provides for the acceleration of a number of public works programs which can be moved ahead immediately and which can increase the number of jobs available. In other words, in this section of the bill, we will be investing in identifiable future results and providing jobs at the same time.

We are, for example, providing $150 million for rural water and waste disposal grants, which will fund at least part of the more than 1,000 pending applications.

We are making funds available for various needed improvements at our veterans hospitals.

We are accelerating specified Corps of Engineers projects.

We are appropriating additional funds for forest protection and timber stand improvement to help insure our timber needs of the future.

We are expanding the economic development assistance program.

We are seeking to improve the tracks and beds of railroads which have deteriorated, restricting service.

In other words, in this legislation, we will be moving ahead on worthwhile projects which had been judged as beneficial even before we confronted the need to stimulate employment.

I realize that this bill means additional Federal spending and that we as a nation cannot spend our way to wealth. But at a time when more than 8 million of our people are out of work and many others are underemployed or too discouraged to seek work—at a time when more than $50 billion is being lost to the Federal Treasury in tax revenues because of unemployment—at a time when the gross national product is declining—we must act for our own good.

H.R. 4481 represents prompt and positive action, and I am pleased to support it.

Mr. RANDOLPH. Mr. President, the spring sunshine and the beautiful flowers that are blooming all across this land are deceptive. All is not right with America. Millions of our fellow citizens are without jobs, and the number is growing. Despite a decline in the inflation rate, inflation itself continues to undermine our economy and impose hardship on the people.

From all corners of the country we are receiving a clear and distinct signal that the Federal Government must act with dispatch to restore health and stability to our economy. Since it convened in January, the 94th Congress has given priority attention to economic matters as we worked to develop a balanced response to the twin challenges of inflation and recession.

Mr. President, the bill before the Senate represents a significant portion of that response. It provides funds to expand existing Federal activities that can result in new employment opportunities. I believe this to be the most expeditious way that we can stimulate the economy.

This measure, H.R. 4481, appropriates additional funds across the full spectrum of Federal programs. I call attention to those with which I am personally concerned and which are within the jurisdiction of the Committee on Public Works.

Last winter the Congress approved establishment of the jobs opportunities program as title X of the Public Works and Economic Development Act. This effort is aimed specifically at alleviating current economic conditions by giving additional funds to Government agencies and bodies and to regional commissions to accelerate their programs.

At that time, $125 million was appropriated for the jobs opportunities program. This bill provides an additional $375 million for this important program, raising the total appropriations to the full authorization level of $500 million. Both urban and rural areas suffering from unusually high unemployment levels can benefit from this additional financing. It is important now that the executive branch move without delay to implement the job opportunities program. An estimated 50,000 jobs could result from the implementation of title X.

Title X required that a survey be made of Federal agencies to determine the number of projects available for funding and their employment potential. The findings were that 18,000 backlogged projects could be implemented with $3 billion in Federal funds. These would generate 3,141,479 man-months of employment.

The bill also provides an additional $163,250,000 for other programs authorized by the Public Works and Economic Development Act. This amount is in addition to the $247 million previously appropriated for titles I, II and IX of the act. The title V regional action commissions will receive an additional $42 million under provisions of H.R. 4481.

The total of these supplements to economic development programs amounts to more than $580 million. These are programs that can have an immediate impact on unemployment. They have the added attraction of bringing into being needed public facilities with lasting benefits to communities and people.

Acceleration of water resources projects is permitted in this bill through the appropriation of $226,350,000 more for civil works projects of the Army Corps of Engineers. These funds are allocated to 121 projects, all of which have received prior approval. No funds are provided for starting new projects, only for those that are now underway and thus capable of putting the supplemental money to work in a timely fashion.

For maintenance of water resource facilities, an additional $22,405,000 is provided. This is normally the kind of activity that is highly labor intensive, so these funds can be quickly translated into jobs.

A similar area is that of alterations and repairs to Federal Government buildings. For this purpose, the bill appropriates an additional $340 million to the General Services Administraton. It also appropriates $25 million for the construction of seven new customs border stations.

Repair and alteration work is especially job productive. These involve the employment of workers with skills that are particularly hard hit by the current unemployment. Painters, plasterers, electricians, carpenters, and others could immediately find jobs in their fields as we undertake improvements to Federal buildings.

These structures, too, are often located in large urban areas where jobless rolls are often higher than average. Unemployment among construction workers nationally is 24 percent, but it is even higher in cities—49 percent in Miami, 37 percent in St. Paul, Minn., 32 percent in Newark, 32 percent in Cincinnati. These are locations where the improvement of Federal buildings could have substantial impact.

Mr. President, there is one appropriation contained in this bill which is not for an ongoing program. I refer to the $700 million for the Department of Transportation and designated for the repair and rehabilitation of railroad tracks and rights-of-way.

I am particularly gratified that the Committee on Appropriations agreed to the unusual procedure of appropriating funds in advance of passage of the authorizing legislation and contingent on adoption of such legislation.

The money provided in this bill would finance the program envisioned in S. 1436 which I introduced on April 15. These funds would be expended with the dual benefit of job creation and the improvement of a vitally needed public service.

Increasing attention is being focused on the rapidly deteriorating condition of

America's railroads. The ability of many of them to continue functioning as viable parts of our national transportation system is disappearing. Railroads that have been short of cash for many years are pinched even harder by the recession which results in even lower revenues. Curtailment of maintenance operations is an inevitable continuation of this downward cycle.

The $700 million in this measure would support the program of S. 1436 to enable railroads to accelerate repair and rehabilitation work. This work is essential in a period when we as a Nation are turning more and more to our railroads. The inclusion of these funds in the Emergency Employment Appropriation Act is indicative that the Committee on Appropriations shares my concerns. It is my hope that consideration of the authorizing legislation can be expedited so that this vital work can be initiated. Hearings on S. 1436 will begin May 1.

Mr. President, this legislation demonstrates that the Congress is eager and able to move quickly to meet a pressing national need. Adoption of H.R. 4481 will place many thousands of Americans to work on productive labor. This is action that we must take.

Mr. President, the economic development programs which receive additional funding in this bill were developed under the leadership of the able Senator from New Mexico (Mr. MONTOYA), the chairman of the Subcommittee on Economic Development of the Public Works Committee. Senator MONTOYA is necessarily absent from the Senate. I ask unanimous consent that his statement on the pending bill be printed in the RECORD.

STATEMENT BY SENATOR MONTOYA

The bill contains a significant addition of money to agencies under the jurisdiction of my Subcommittee on Economic Development of the Public Works Committee. We have worked closely with the Appropriations Committee on this bill. We think the added stimulus to job creation through appropriations increases in existing authorizations is timely.

First, funds have been provided to complete the authorization for the job opportunities program, which is Title X of the Public Works and Economic Development Act. The bill provides the additional $375 million to the already appropriated $125 million for the calendar year 1975. This is the program that brought in some 18,000 project applications to the Economic Development Administration earlier this year. Nearly $4 billion in labor intensive projects has been proposed. The Administration has recently apportioned the first $125 million, which was appropriated in the closing hours of the 93rd Congress. The present $375 million in this bill will now give that program a meaningful test as to its job-creating potential.

Second, $163 million is also provided to regular EDA programs which are chronically underfunded. These funds—$69 million for public works in the form of community facilities, $58 million for business loans and guarantees, and $36 million for economic adjustment—bring appropriations up to authorization levels for FY '75. However, the funds are to be available through fiscal year 1976.

Third, funds in the amount of $42 million are also provided to the seven regional commissions authorized under the Public Works and Economic Development Act. Six million dollars would be provided to each of the commissions to work with their State partners within existing programs to deal with the current recession.

Finally, provision is made in the bill for additional positions to carry out these expanded programs. In the cast of Title X, the Job Opportunities Program, and additional 35 positions are funded on a temporary basis only for the life of that program. An additional 116 positions are provided for EDA.

I commend the Senator from Rhode Island for his leadership, and his cooperation in our efforts to get realistic funding for these job-creating programs. I wish also to thank and commend the efforts of the chairman of both the Appropriations Committee and the Public Works Committee, Senators McClellan and Randolph, for their leadership and support in these efforts.

I know these programs will produce jobs. They have been creating jobs now for more than ten years. The Congress has been satisfied they have made significant job-creating impacts on our economically lagging communities, for we have extended these programs year after year.

Mr. ROTH. Mr. President, I am deeply concerned about the condition of our economy and the plight of the millions of workers who are currently unemployed. The combined effects of inflation and recession have placed a heavy burden on nearly every American, but the impact on the unemployed worker and his family has been devastating.

Because of these economic hardships, I have supported a degree of deficit spending to get the economy moving again and put people back to work. I have supported the $23 billion antirecession tax cut. I have supported the nearly $20 billion that is already in the fiscal 1976 budget for unemployment compensation and public employment programs. And I have supported the increased food stamp program in order to help the families of the unemployed worker.

But we have to draw the line somewhere, and start to say no to the various emergency programs that are coming out of almost every congressional committee.

Today the Senate is considering a $6 billion emergency job bill. While we are considering this emergency bill, a House committee is considering another $5 billion emergency job bill, while still another House committee is considering a $5 billion emergency bill for public works projects.

I shall continue to support programs to help the economy that I believe are necessary, but I cannot support this budget-breaking bill which, I believe, will be highly inflationary. Many of the programs in this bill are well-intentioned, particularly the summer jobs program, which I shall support in separate legislation. But I do believe that we must make better use of our existing programs before we enact new and expensive programs.

I am very concerned about the reports that there are several billion dollars that have already been approved by Congress that have yet to be used by our local governments.

According to a story in today's Washington Post, there are many programs that are already on the books which State and local governments have not taken advantage of, including my own home State of Delaware which has not spent $21 million of the $24 million allocated for highway construction.

I ask unanimous consent that the Washington Post article be printed in the RECORD.

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

U.S. FUNDS UNCLAIMED BY LOCAL GOVERNMENTS

(By Joel D. Weisman)

Several billion dollars in federal grants—for programs ranging from drug control to flood prevention—have yet to be claimed by local governments.

The unclaimed billions were discovered in a Washington Post survey of 1974 and 1975 grants. An exact figure cannot yet be determined because of varying claim deadlines and the fact that many government agencies do not compute outstanding grants until the end of the fiscal year.

However, the survey shows:

More than $100 million in community development revenue sharing and highway funds have been rejected by dozens of local governments.

More than $5 billion in environmental protection grants have yet to be claimed with the July 1 deadline approaching.

More than $5 million in Health, Education and Welfare and Department of Agriculture grants were not claimed in 1974 in programs including drug control, hospital construction, scholarships, child and maternal care and state agricultural experimental stations. HEW says even more may go unclaimed this year.

Mere compliance with application requirements, sometimes no more than filling out a single-page proposal, assures the communities of the grants, which are so-called mandatory, as contrasted with the discretionary variety. In discretionary grants various applicants vie for portions of a total allotment. The portions are decided at the discretion of the federal government officials.

In virtually all the programs surveyed, the amount of unclaimed grants was relatively small in light of the multibillion-dollar totals available, but taken overall their impact could be significant as local governments, short of cash, try to hold the line on taxes.

The survey indicated there are various reasons for failure to claim funds, including: lack of matching local funds; fear of federal controls; administrative carelessness; and fear of racial integration since most grants require pledges of non-discrimination among other promises.

"These are surely not the times the city should ignore available money," said John Gunter, executive director of the U.S. Conference of Mayors, which represents the nation's largest cities. "But in some cases, it takes money to get money," he added, referring to local matching requirements.

Local matching requirements range from 10 per cent on Interstate Highway funds to 50 per cent for some agriculture grants.

However, there are vast sums available that require no matching funds.

For instance, some $27 million remains available until July 1 for full federal funding of highways in and around national parks. Yet the following states have yet to make claims: Alaska, allotted $3.9 million; Oregon, $3.6 million; Montana, $3 million; Colorado, $2.9 million; Arizona, $2.4 million.

The new HUD community development grants—designed to replace a half-dozen categorical grants—also have no local matching requirements. Moreover, they can be spent for a wide variety of programs, ranging from flood control and open space development to fire and ice protection.

But communities receiving the funds must file low and moderate income housing plans—a requirement that has caused the outright rejection of more than $25 million.

Some two dozen predominantly white, medium-sized cities, generally located near large cities with substantial black populations, were among those that turned down the HUD funds.

"We turned down the program because we feel that such housing plans would encourage inner-city people to migrate to our cities," said Mayor Ted Bates, of Warren, Mich., which borders Detroit. Bates concedes his city of 180,000, with about 90 black families, could have used the $1.6 million in HUD funds "but we don't want it to be at the price of inviting poor people here."

Similar sentiments were expressed by local government leaders in Berwyn, Cicero, and Oak Lawn, Ill., which all border Chicago.

"Let's face it, we're talking about integration," said Richard Drager, of Roseville, Mich., another Detroit suburb.

But while blue-collar cities of 50,000 or more passed up about $5 million in HUD monies, urban counties, comprised of smaller, often white-collar, suburbs, passed up nearly five times that amount.

For instance, Montgomery County, outside Philadelphia, received only $340,000 of a possible $1 million in community development grants because so many suburbs refused to sign a county cooperative agreement—and participate in the housing plan. Cook County, where Chicago is located, sacrificed some $700,000 for the same reason.

And nine urban counties were forced to reject all funds they were allotted because they could not get enough communities to meet the combined 200,000 population minimum required for an urban county grant. These counties were: Dallas County, Tex.; Milwaukee County, Wis.;; Waukesha County, west of Milwaukee, Wis.; McComb County, Mich. near Detroit; York County, Pa.; Monroe County, N.Y., which includes Rochester; Westcester County, N.Y.; Lake County, Ind., which includes Gary; and Baltimore County, Md.

"The cities don't come right out and say it, but in most cases they fear blacks," said Thomas Goodwin, Waukesha County grant administrator. In his county 25 of 37 suburbs refused to enter cooperative agreements, leaving the county short of the minimum 200,000.

HUD officials were surprised by the outright rejections, but declined to label the motive racism, "It may well be a genuine concern for maintaining family economic levels," says James Broughman, chief of HUD grant statistics. "Blacks may be feared because they're poor, more than because they're black."

Like the HUD funds, federal revenue sharing requires no matching grants—and allows local authorities broad discretion in spending funds.

Yet, despite two telegrams, five postcards, and various other reminders and communications from the Treasury Department to apply, 125 government units rejected revenue sharing dollars in 1974 and 103 units have done the same this year.

In some cases rejections are based on deep-seated philosophyical beliefs.

"We just don't want something for nothing," says Mayor Gene Hoke, of Ocean Breeze Park, Fla., who could have cut his city's budget by 25 per cent by accepting the $2,500 in funds.

Arnold Hewitt, a spokesman for the Tuscarora Indian Reservation near Niagara Falls, N.Y., says his tribe refused $18,000 in revenue sharing funds "because the money is like the old pale-faces' fire water. They give it to us then they take our land."

In Leonard Village, Mich., officials refused money they wanted for a public building "because we can't afford to pay laborers prevailing union wages," one of the requirements under the act.

Among the largest unclaimed sums are Environmental Protection Agency grants, which require matching funds. "In some cases communities have to pass referendums just for the matching money," said Peter Romsey of the Illinois Bureau of the Budget. Other states are having difficulty meeting stiff technical requirements.

Thus with only two months until the deadline for claiming 1974 funds and 14 months to claim '75 funds, almost $5 billion remains in Washington.

Interstate highway funds are also plentiful. Massachusetts and the District of Columbia have already rejected $70 million to build Interstate highways, and many millions earmarked for other states have yet to be obligated under the 1973 Highway Act, which expires June 30. For instance, as of March, Delaware had claimed only $3 million of an allotted $24 million and Iowa had received only $5 of $128 million.

Department of Transportation spokesman say in some cases local governments can't meet the 10 per cent matching requirements on Interstate funds and the 30 per cent matching requirements on Interstate federal highways. Many projects, as in the case of the District, are also threatened by citizen opposition to highways or adverse court decisions.

In most cases, unused federal funds revert to the agencies that dispense them and are added to the next year's allotments—but not always to the same states. Thus, alert local governments can increase their share by claiming unused funds.

"That's one good feature of people not taking what they're entitled to," said Richard Eckfield, who has been retained by the cities of San Jose, Dayton, and Seattle to oversee their acquisition of federal funds "I am in the midst of building my own Interstate in San Jose out of funds not claimed by other states—and I've already got money for a few miles."

OREGON AND THE EMERGENCY EMPLOYMENT APPROPRIATIONS

Mr. HATFIELD. Mr. President, Oregon's economy will benefit from several aspects of an emergency employment appropriations bill. The bill contains funds for a wide cross section of government programs designed to create new jobs.

PUBLIC INVESTMENTS

Oregon's long-range benefits from this $6 billion bill will be in the public works and natural resource sections.

Accelerated public works funding for Oregon totalling $6.5 million not only puts people to work right now in construction jobs, but it also provides a capital asset that continues to benefit our local economies and provides a multiplier economic effect in the region. This multiplier effect from the $6.5 million should mean the creation of from 1,400 to 2,100 Oregon jobs for Corps of Engineers and Bureau of Reclamation construction projects and maintenance and operation work. Also, the Forest Service, BLM, Park Service, and related areas will receive over $17.7 million, which not only means jobs now, but better land resource management for the future.

AGRICULTURE

Oregon agriculture will receive an estimated $8.3 million in programs where jobs can be created. Rural water and sewer grant and loan increases of about $4.5 million also help broaden the economic base of Oregon small towns and rural areas. This assists their efforts to attract new industry to create needed jobs to stem the migration of their young people into metropolitan areas. Approximately $2 million in increased funding for FHA farm operating loans also is included in the bill, as is about $1.8 million for small watershed projects under the Soil Conservation Service.

PUBLIC SERVICE EMPLOYMENT

Three public service employment programs should earmark approximately $24.5 million for Oregon. I have made no secret of my skepticism of long-range benefits from these programs, as opposed to others in this bill. That is why I supported the Johnston amendment. While some can be justified, the cost per job raises questions with me. While a public service employment program may cost $9,000 per job, the housing bill we approved yesterday will create 740,000 housing-related jobs nationally at a cost of between $1,000 and $2,500 per job. To me, the benefits of the housing-related jobs appear greater than those in public service employment. There, people sometimes are merely put onto public service work payrolls after being dropped from city or county payrolls, or else are little more than make-work jobs.

I ask unanimous consent that a chart showing the amount this bill contains for individual Oregon public works projects appear at this point in the RECORD.

Mr. President, I ask unanimous consent that a listing of Oregon rural water and sewer projects that possibly can be funded if Oregon receives the anticipated $3 million in loans and $1.5 million in grants appear at this point in the RECORD.

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

OREGON PUBLIC WORKS

Corps of Engineers construction

Bonneville 2nd PH	600,000
Columbia 40' Channel	200,000
Cougar Fish Hatchery	200,000
Elk Creek	1,000,000
Lower Columbia R. Bank Protection	800,000
McNary	500,000
Scappoose Drainage Dist	1,200,000
Williamette Basin Bank Protection	1,000,000
Total	5,500,000
Bureau of Reclamation construction: Tualatin	110,000

Corps of Engineers operation and maintenance

Columbia 40' Channel	199,000
Coos Bay	195,000
Rogue at Gold Beach	134,000
Siuslaw at Florence	174,000
Umpqua at Reedsport	133,000
Yaquina Bay (Newport)	65,000
Total	900,000

(NB: Multiplier job effect in region: 4–6, meaning an additional 1400–2100 jobs in region resulting from this public works spending.)

Oregon rural water and sewer projects

Glide Water Association, Douglas County	300,000
Riets Water District, Umatilla County	109,000
Long Creek, Grant County	132,000
North Tillamook County Sanitary Authority	450,000
Seal Rock, Lincoln	250,000
Mollalla, Clackamas	500,000
Glen Eden, Lincoln	530,000

Beverly Beach, Lincoln	113,000
Hubbard, Marion	330,000
Rufus, Shermanok	60,000
Netarts, Tillamook	295,000
Bly, Klamath	255,000
Total	9,324,000

Mr. PACKWOOD. Mr. President, I cannot in good conscience vote for the legislation now before us. We just cannot spend another $6 billion that we do not have. The danger is clear. We have got to decide now to stop spending ourselves into a deficit that looms ever nearer to a crippling $70 billion.

The Emergency Employment Appropriations Act of 1975, as reported out of the Senate Appropriations Committee, increases fiscal year 1975 outlays by $6,082,647,000. Congress is acutely aware of the need for increased employment. But the expenditure of so staggering a sum as this bill provides can only jeopardize efforts to heal our ailing economy. Undoubtedly, Mr. President, there are some very good projects for Oregon funded in this bill. No Senator wants to vote against Federal projects in his own State. This legislation would appropriate money for flood control, and dam construction and maintenance in the two great river regions of Oregon. It would add jobs with the Forest Service, among others. But we have got to say "no" to some projects. The middle-income taxpayers in our States just cannot afford to say "yes" all of the time.

I am increasingly distressed by the prospect that runaway deficit spending will spur another round of crippling inflation. Oregonians, too, recognize the serious implications here. They know that our economy and our taxpayers cannot afford all of the worthy programs we would like to have.

My constituents have responded to my recent questionnaire, Mr. President, with obvious concern over inflation. When asked, "If you were talking to Senator PACKWOOD in person, which of the following would you tell him concerns you the most? First, increasing unemployment; second, inflation; or third, recession and possible depression, the overwhelming majority of Oregonians responded, 'inflation'."

I am worried about the same thing.

Mr. ROBERT C. BYRD. Mr. President, I wish to call attention to a very important item contained within the Agricultural Chapter of H.R. 4481, within the total amount provided for the Soil Conservation Service. The item to which I refer is the $2 million for the Pocatalico River basin project.

Last year, at my request the committee included $1,161,000 for initial funding of the Pocatalico River basin project. This SCS project, which is desperately needed to provide a source of water supply for the towns of Pocatalico, Walton, Sissonville, and Gandeeville, W. Va., was authorized by section 5 of Public Law 93-251. This authorization made the release of the project funds contingent upon approval by the President, and in January of this year, he approved the release and use of the initial funding which I obtained.

On March 6, I wrote to Senator McGEE, chairman of the subcommittee, to urge the inclusion of the additional $2 million required to complete this project within H.R. 4481. Senator McGEE informed me by letter of March 12 that, within the $106 million provided for accelerated work by the Soil Conservation Service, the necessary $2 million would be allocated to Pocatalico River basin project.

Mr. President, I want to take this opportunity to thank the chairman for his endeavors in including these funds within the pending appropriations bill.

I ask that both of these letters, to which I referred, be included in the RECORD at this point.

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

MARCH 6, 1975.

Hon. GALE McGEE,
Chairman, Subcommittee on Agriculture, Environmental and Consumer Protection, Washington, D.C.

DEAR MR. CHAIRMAN: You will recall that last year your committee included $1,161,000 in initial funding for the Pocatalico River Basin Project which, when constructed, will provide sources of water supplies for the towns of Pocatalico, Walton, Sissonville and Gandeeville, West Virginia. Thereafter, the President approved release of this initial funding and that project is now moving ahead. I am writing to request the Committee to include the additional $2 million which is required to fund the balance of the project.

The Soil Conservation Service developed in conjunction with the Corps of Engineers emergency plans for water provision in the Pocatalico River Basin, and the total amount recommended would permit construction of the water impoundments, installation of vegetative cover to control erosion and resulting sedimentation, and limit annual out-of-bank flooding, and would meet a need for water-oriented recreational facilities.

I believe it is urgent that immediate funding be provided for the balance needed for this project, in order that advantages may be taken of the forthcoming construction season. We are facing very terrible health hazards in the area, implicit in the current situation due to polluted water supplies, and this fact makes it imperative that we quickly rectify the inadequate and degraded water supply which is available to the residents of these communities, and that we obtain completed construction of this proposed project at the earliest possible date.

Therefore, I urge that the additional $2 million for this very important project be included in the first available appropriation bill which comes before the Subcommittee—within which you deem it suitable to include these funds—to assure timely completion of this project which (while under construction) will create sorely needed jobs and will (when completed) have lasting benefits.

Sincerely yours,

ROBERT C. BYRD,
U.S. Senator.

WASHINGTON, D.C., *March 12, 1975.*

Hon. ROBERT BYRD,
U.S. Senate,
Washington, D.C.

DEAR BOB: Thank you for your recent letter in reference to additional funding for the Pocatalico River Basin Project.

As you know, the House approved the Emergency Employment Appropriations Act and it is now pending in the Senate. That bill contains $106 million for the Watershed and Flood Prevention activities of the Soil Conservation Service. It is my understanding that the Pocatalico project was one which was identified as suitable for accelerated construction and was included in this total.

The Agriculture Appropriations Subcommittee will hold hearings on this bill later this week and I shall be certain that the record is clear that this project is to be included in this bill. As I indicated, this is my understanding but the record made in the House does not spell this out. You may rest assured that we shall do so in the Senate hearings.

Sincerely yours,

GALE McGEE,
Chairman, Subcomimttee on Agriculture and Related Agencies.

Mr. GOLDWATER. Mr. President, I ask for the yeas and nays on passage.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The bill is open to further amendment. If there is no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

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

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

The question is, Shall the bill pass?

The yeas and nays have been ordered, and the clerk will now call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Delaware (Mr. BIDEN), the Senator from Arkansas (Mr. BUMPERS), the Senator from California (Mr. CRANSTON), the Senator from Missouri (Mr. EAGLETON), the Senator from Mississippi (Mr. EASTLAND), the Senator from Alaska (Mr. GRAVEL), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Hawaii (Mr. INOUYE), the Senator from Louisiana (Mr. LONG), the Senator from New Mexico (Mr. MONTOYA), the Senator from Utah (Mr. Moss), and the Senator from California (Mr. TUNNEY) are necessarily absent.

I further announce that the Senator from Iowa (Mr. CULVER), the Senator from Vermont (Mr. LEAHY), the Senator from Wyoming (Mr. McGEE), the Senator from New Hampshire (Mr. McINTYRE), and the Senator from Georgia (Mr. TALMADGE) are absent on official business.

I further announce that, if present and voting, the Senator from California (Mr. TUNNEY) would vote "yea."

Mr. HUGH SCOTT. I announce that the Senator from Tennessee (Mr.

BROCK), the Senator from Massachusetts (Mr. BROOKE), the Senator from New York (Mr. BUCKLEY), the Senator from Kansas (Mr. DOLE), the Senator from New Mexico (Mr. DOMENICI), the Senator from Utah (Mr. GARN), the Senator from Michigan (Mr. GRIFFIN), the Senator from North Carolina (Mr. HELMS), the Senator from Kansas (Mr. PEARSON), the Senator from Ohio (Mr. TAFT), and the Senator from South Carolina (Mr. THURMOND) are necessarily absent.

I also announce that the Senator from Nebraska (Mr. CURTIS), the Senator from Maryland (Mr. MATHIAS), the Senator from Vermont (Mr. STAFFORD), and the Senator from Alaska (Mr. STEVENS) are absent on official business.

I further announce that, if present and voting, the Senator from New Mexico (Mr. DOMENICI) and the Senator from Utah (Mr. GARN) would each vote "nay."

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

The result was announced—yeas 53, nays 14, as follows:

[Rollcall Vote No. 151 Leg.]

YEAS—53

Abourezk	Hartke	Nelson
Baker	Haskell	Nunn
Bayh	Hatfield	Pastore
Beall	Hathaway	Pell
Bellmon	Huddleston	Percy
Bentsen	Humphrey	Randolph
Burdick	Jackson	Ribicoff
Byrd, Robert C.	Javits	Schweiker
Cannon	Johnston	Scott, Hugh
Case	Kennedy	Sparkman
Chiles	Magnuson	Stennis
Church	Mansfield	Stevenson
Clark	McClellan	Stone
Fong	McGovern	Symington
Ford	Metcalf	Weicker
Glenn	Mondale	Williams
Hart, Gary W.	Morgan	Young
Hart, Philip A.	Muskie	

NAYS—14

Allen	Hansen	Roth
Bartlett	Hruska	Scott, William L.
Byrd, Harry F., Jr.	Laxalt	Tower
Fannin	McClure	
Goldwater	Packwood	
	Proxmire	

NOT VOTING—32

Biden	Eastland	McIntyre
Brock	Garn	Montoya
Brooke	Gravel	Moss
Buckley	Griffin	Pearson
Bumpers	Helms	Stafford
Cranston	Hollings	Stevens
Culver	Inouye	Taft
Curtis	Leahy	Talmadge
Dole	Long	Thurmond
Domenici	Mathias	Tunney
Eagleton	McGee	

So the bill (H.R. 4481) was passed.

Mr. McCLELLAN. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. MANSFIELD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. McCLELLAN. Mr. President, I move that the Senate insist on its amendments, requests a conference with the House, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer appointed Mr. McCLELLAN, Mr. MAGNUSON, Mr. STENNIS, Mr. PASTORE, Mr. ROBERT C. BYRD, Mr. PROXMIRE, Mr. MONTOYA, Mr. BAYH, Mr. YOUNG, Mr. HRUSKA, Mr. CASE, Mr. BROOKE, Mr. HATFIELD, Mr. MATHIAS, Mr. STEVENS, and Mr. BELLMON, on the part of the Senate.

ORDER TO HOLD H.R. 4269 AT THE DESK

Mr. MANSFIELD. Mr. President, I ask uanimous consent that H.R. 4269 be held at the desk pending reference to the appropriate committee.

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

HUMANITARIAN ASSISTANCE FOR SOUTH VIETNAM—CONFERENCE REPORT

Mr. MANSFIELD. Mr. President, I submit a report of the committee of conference on H.R. 6096, and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. LAXALT). The report will be stated by title.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 6096) to authorize funds for humanitarian assistance and evacuation programs in Vietnam and to clarify restrictions in the availability of funds for the use of U.S. Armed Forces in Indochina, and for other purposes, 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, which reads as follows:

CONFERENCE REPORT (S. REPT. NO. 94-97)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 6096) to authorize funds for humanitarian assistance and evacuation programs in Vietnam and to clarify restrictions on the availability of funds for the use of United States Armed Forces in Indochina, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

That this Act may be cited as the "Vietnam Humanitarian Assistance and Evacuation Act of 1975".

SEC. 2. Funds hereafter made available under section 36 of the Foreign Assistance Act of 1974 may be used on such terms and conditions as the President may deem appropriate for humanitarian assistance to and evacuation programs from South Vietnam without regard to the provisions of section 36(a)(1), section 36(a)(6), section 38(a)(1), or the third sentence of section 37(b) of such Act and notwithstanding any other provision of law.

SEC. 3. (a) It is traditional for the American people to be generous and compassionate in helping the victims of foreign conflicts and disasters. In keeping with that tradition it shall be the policy of the United States to provide humanitarian assistance to help relieve the suffering of refugees and other needy people who are victims of the conflict in South Vietnam.

(b) Notwithstanding any other provision of law, in addition to amounts made available under section 2 of this Act, and in addition to those amounts otherwise available for assistance to South Vietnam, there are authorized to be appropriated to the President for the fiscal year 1975, to remain available until expended, $150,000,000, under such terms and conditions as he may determine, to provide humanitarian assistance to refugees and other needy people who are victims of the conflict in South Vietnam.

(c) To insure that the humanitarian assistance provided under this section is provided to refugees and other needy people who are victims of the conflict in South Vietnam, such assistance shall be provided, to the extent feasible, under the direction and control of international organizations or under the auspices of voluntary relief agencies. To the extent that such assistance is so provided, it may be furnished only under the direct supervision and control of representatives of such organizations or agencies.

(d) Not less than ninety days after the date of enactment of this Act and not later than the end of each ninety-day period thereafter, the President shall transmit to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate a report with respect to humanitarian assistance provided under this Act describing fully and completely—

(1) the amount of each type of humanitarian assistance;

(2) the expected recipients of such assistance;

(3) the names of all organizations and agencies involved in the distribution of such assistance; and

(4) the means with which such distribution is carried out.

SEC. 4. (a) If the President determines that the use of United States Armed Forces is necessary to evacuate citizens of the United States and their dependents from South Vietnam, the President may, in accordance with the provisions of subsection (b), use such Armed Forces in a number and manner essential to and directly connected with the protection of such United States citizens and their dependents while they are being evacuated. In the event that such evacuation cannot be accomplished without involving such Armed Forces in hostilities or in situations where imminent involvement in hostilities is clearly indicated by the circumstances, such evacuation shall, if feasible, be accomplished in a single operation. Other than the minimum number of personnel determined by the President to be essential to carry on critical functions of the United States mission or to carry out such evacuation, all such citizens who are employed by, or in the service of, the United States, and all such dependents, shall be evacuated as rapidly as possible after the date of enactment of this Act.

(b) If the President uses the United States Armed Forces for the purposes stated in subsection (a) of this section, he shall submit a report on the use of those forces as required by section 4(a) of the War Powers Resolution (including the certification required under subsection (c) of this section) and shall comply with all other provisions of that resolution.

(c) In addition to the information required under section 4(a) of the War Powers Resolution, the President shall also certify pursuant to subsection (b) of that section that—

(1) there existed a direct and imminent

threat to the lives of such citizens and their dependents; and

(2) every effort was made to terminate the threat to such citizens and their dependents by the use of diplomatic and any other means available other than use of the Armed Forces; and

(3) other than such essential personnel, such citizens and their dependents are being evacuated as rapidly as possible.

SEC. 5. In carrying out the withdrawal of such United States citizens and their dependents from South Vietnam pursuant to section 4 of this Act, the President is authorized to use the United States Armed Forces to assist in bringing out—

(1) dependents of permanent residents of the United States;

(2) Vietnamese nationals eligible for immigration to the United States by reason of their family relationship to citizens of the United States; and

(3) other foreign nationals to whose lives a direct and imminent threat exists;

if he determines and certifies in writing to the Congress pursuant to section 4(b) of the War Powers Resolution that—

(A) every effort has been made to terminate the threat to such persons by the use of diplomatic and any other means available other than the use of the Armed Forces; and

(B) the number of such United States Armed Forces will not be required beyond those essential to and directly connected with the evacuation of citizens of the United States and their dependents; and

(C) the duration of the use of such United States Armed Forces to hostilities will not thereby be extended; and

(D) such evacuation will be confined to areas where United States forces are present for the purpose of protecting citizens of the United States and their dependents while they are being evacuated.

SEC. 6. The authority contained in this Act is intended to constitute specific statutory authorization within the meaning of section 8(a) of the War Powers Resolution but shall not be considered specific statutory authorization for purposes of sections 5 (b) and (c) of the War Powers Resolution.

SEC. 7. Nothing contained in section 839 of Public Law 93–437, section 30 of Public Law 93–189, section 806 of Public Law 93–155, section 13 of Public Law 93–126, section 108 of Public Law 93–52, or any other comparable provision of law shall be construed as limiting the availability of funds for the use of the Armed Forces of the United States for the evacuation programs authorized by this Act.

SEC. 8. (a) The President shall transmit each day to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate a report setting forth fully and completely—

(1) the number of citizens of the United States and their dependents who left Vietnam the previous day, including the number of Embassy personnel and private contract personnel among such persons;

(2) the number of such persons remaining in South Vietnam; and

(3) the number of Vietnamese nationals who left South Vietnam the previous day with the assistance of the United States.

(b) Such reports shall be transmitted until such date as the Speaker of the House of Representatives and such committee may direct. The information may be submitted on a confidential basis if the President deems it advisable.

SEC. 9. Not more than four days after the date of enactment of this Act, the President shall transmit to the Speaker of the House of Representatives and the chairmen and ranking minority members of the Committees on Foreign Relations, Judiciary, and Armed Services of the Senate a report describing his general plan for the evacuation from Vietnam of the persons described in sections 4 and 5 of this Act.

SEC. 10. It is the sense of the Congress that as the humanitarian aid provided under this Act is made available in South Vietnam, the President is requested to use all appropriate diplomatic means at his disposal to obtain (1) an updated accounting of Americans listed as missing in action in Southeast Asia, and (2) the return of the remains of known American dead. The President is further requested to report to the Congress within 30 days after aid is made available in Southeast Asia, the diplomatic actions being taken.

SEC. 11. No funds authorized in this Act shall be used, directly or indirectly, to aid the Democratic Republic of Vietnam (DRV) or the Provisional Revolutionary Government (PRG) nor shall any funds authorized under this Act be channeled through or administered by the DRV or the PRG.

And the Senate agree to the same.

JOHN SPARKMAN,
FRANK CHURCH,
HUBERT H. HUMPHREY,
CLIFFORD P. CASE,
JACOB K. JAVITS,
HUGH SCOTT,
Managers on the Part of the Senate.

THOMAS E. MORGAN,
CLEMENT J. ZABLOCKI,
WAYNE L. HAYS,
L. H. FOUNTAIN,
DANTE FASCELL,
WM. S. BROOMFIELD,
EDWARD J. DERWINSKI,
Managers on the Part of the House.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill H.R. 6096, the Vietnam Humanitarian Assistance and Evacuation Act of 1975, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Committee of Conference recommends that the House recede from its disagreement to the amendment of the Senate to the text of the bill with an amendment which is a substitute for both the text of the House bill and the Senate amendment thereto.

Except for clarifying, clerical, and necessary conforming changes, the differences between the two Houses and the adjustments made in the committee of conference are noted below.

SHORT TITLE

The House bill contained a short title which cited the Act as the "Vietnam Humanitarian Assistance and Evacuation Act of 1975".

The Senate amendment contained a short title which cited the Act as the "Vietnam Contingency Act of 1975".

The Senate receded.

FUNDING AUTHORIZATION

The House bill authorized the appropriation of $150 million for FY 1975 for humanitarian assistance to and evacuation programs from South Vietnam. The House version also authorized the use of Indochina economic aid funds previously authorized under the Foreign Assistance Act of 1974, for humanitarian purposes without regard to the restrictions of sections 36(a)(1), 36(a)(6), 37(b) (third sentence) and 38(a)(1).

The Senate amendment authorized the appropriation of $100 million for FY 1975 for humanitarian and withdrawal purposes and waived all the provisions of sections 36 and 38.

In addition the Senate version established a policy to provide humanitarian aid for war victims throughout all of South Vietnam and Cambodia, to be provided through channels acceptable to all parties; and authorized the appropriation of $150 million for FY 1975 for humanitarian assistance to refugees and other victims of the conflicts in South Vietnam and Cambodia, to be furnished under the direction and control of the UN or under the auspices of other international organizations, international agreements, or voluntary agencies, to be distributed only under the direct supervision and control of representatives of such organizations and agencies.

The Senate amendment also required the President to report to the Congress every 90 days (A) the amount of each type of economic assistance provided under the bill, (B) the expected recipients, (C) the distributing agencies, and (D) the means of distribution.

The committee of conference agreed to authorize the use of Indochina economic aid funds previously authorized under the Foreign Assistance Act of 1974, but not yet appropriated, for humanitarian assistance to, and evacuation programs from, South Vietnam without regard to the funding limitations set in Section 36(a)(1), section 36(a)(6), section 38(a)(1), or the third sentence of section 37(b) of such Act.

The committee of conference also agreed to a new authorization of appropriations of $150 million for humanitarian assistance in South Vietnam. It is the intent of the committee of conference that funds made available under this section be available to administer these humanitarian programs for victims of the conflict, wherever they may be located.

It is the intention of the conference that such programs be carried out under the direction and control of international organizations and voluntary relief agencies, located in the United States and abroad, to the extent feasible. In order to insure that assistance so provided is actually delivered to refugees and others in need, the section requires that the assistance only be furnished under the direct supervision and control of representatives of the international organizations and voluntary agencies. The Conferees expect the Executive Branch to make every reasonable effort to involve these organizations and agencies in this humanitarian effort. Finally, the section requires quarterly reports to the Congress which would describe the amount and nature of the assistance provided by the Act, the expected recipients, the organizations and agencies involved in the distribution of the assistance, and the means by which the assistance is distributed. This reporting requirement should not be construed to require the imposition of additional U.S. Government inspections and audits on the distributing agencies and organizations, if such requirements would substantially impede or diminish the involvement of these agencies and organizations in the programs authorized by this section.

The Conferees have deleted the provisions in the Senate bill authorizing humanitarian assistance to refugees and war victims in Cambodia and a provision relative to Public Law 480 food assistance to Cambodia solely because the retention of these provisions of the Senate version would have subjected the Conference report to a point of order under the House rules. The managers of both the House and the Senate are aware that under existing law food assistance for humanitarian purposes can be supplied to needy people in Cambodia and urge that Executive Branch officials give continuing consideration to requests for food and other assistance from international organizations and voluntary relief agencies to the extent such assistance may be provided under existing law. As to Cambodian refugees who have fled from Cambodia, the Conferees expect that the United

States will provide appropriate assistance to those refugees through international organizations and voluntary agencies through whatever authority and funds that are available for such purposes, including the Migration and Refugee Assistance Act.

There is no funding authorization in this Act for military assistance programs in South Vietnam.

AUTHORIZATION OF USE OF UNITED STATES ARMED FORCES FOR EVACUATION PROGRAMS IN VIETNAM

The House bill had no express authorization for the use of United States Armed Forces but defined "evacuation" as one "without the use of military force, if possible, but should it become necessary and essential, with the minimum use of necessary force" to remove the categories described in the House bill.

The Senate amendment authorized the President to use United States Armed Forces to assist in withdrawing Americans and their dependents and endangered foreign nationals, and placed limitations on the use of those forces. If feasible, a single operation was required where imminent involvement in hostilities was indicated.

The House receded. It is the intention of the Committee of Conference that references in the conference report to the use of the United States Armed Forces are not intended to relate to the normal logistics and related services which may be performed by the Department of Defense, using military personnel in a non-combat situation, on a reimbursable basis under the Foreign Assistance Act and other laws.

Reporting requirements regarding use of Armed Forces in connection with evacuation of Americans and their dependents

The House bill did not refer to the provisions of section 4 of the War Powers Resolution which require that the President submit reports to the Congress in connection with the introduction of U.S. combat forces into a foreign country or the introduction of forces into a situation involving actual or imminent hostilities.

The Senate amendment required that if it is essential to employ the Armed Forces in withdrawal operations, a report be filed as required by Section 4 of the War Powers Resolution, and that that report certifies:

1. That a direct and imminent threat exists to the lives of U.S. citizens and their dependents;

2. That every effort was made to terminate the threat by means other than the use of forces; and

3. That, with the exception of essential personnel, such citizens and their dependents are being evacuated as rapidly as possible.

The House receded.

EVACUATION OF FOREIGN NATIONALS

The House bill authorized the use of minimum necessary force to evacuate, in addition to American citizens, their dependents, Vietnamese nationals eligible for immigration to the U.S. by reasons of their relationships to American citizens, and other foreign nationals "to whose lives a direct and imminent threat exists". Military force employed for this last purpose may not exceed that necessary to carry out the evacuation of the three categories of persons. The House bill also stipulated that the authority with respect to the last category does not extend to any action or conduct not essential to effectuate and protect the evacuation of the persons referred to above.

The Senate Amendment authorized the President to use Armed Forces to assist in bringing out endangered foreign nationals if he certifies, pursuant to section 4(b) of the War Powers Resolution, that:

1. Every effort has been made to terminate the threat by other than military force;

2. A direct and imminent threat exists to the lives of such individuals;

3. The number of American forces used to evacuate foreign nationals will not be greater than those essential to and directly connected with a withdrawal of American citizens;

4. The duration of the use of such forces will not be extended; and

5. The withdrawal will be confined to areas where United States Forces are present for the purpose of protecting Americans while they are being withdrawn.

The conference report adopts the authorities and restrictions provided in the Senate version but adopts the definition of foreign nationals eligible for evacuation under the Act which was part of the House version.

WAR POWERS RESOLUTION

The difference

The House bill stated that nothing in this Act is to be construed in derogation of the War Powers Resolution or to constitute a specific authorization for the use of Armed Forces within the meaning of section 5 (b) and (c) of such Resolution.

The Senate amendment stated that the authority of this Act is intended to constitute specific authorization within the meaning of secion 8(a) of the War Powers Resolution and is not a specific authorization for the purpose of section 5(c) of such Resolution, and required the removal of such forces by concurrent resolution if Congress directs.

The conference report provides that the authority contained in the Act is intended to constitute specific statutory authorization within the meaning of section 8(a) of the War Powers Resolution but shall not be considered specific statutory authorization for the purposes of sections 5 (b) and (c) of the War Powers Resolution. This reference incorporates the time limitations and termination procedure of section 5(b) of the War Powers Resolution and requires that such forces be removed by the President if the Congress so directs by concurrent resolution under section 5(c) of the Resolution.

WAIVER OF PROHIBITIONS ON THE USE OF FUNDS FOR THE USE OF U.S. FORCES IN EVACUATION

Th House bill waived prohibitions on the use of funds for combat activities in Vietnam, in 5 public laws, section 839 of PL 93–437, section 30 of PL 93–189, section 806 of PL 93–155, section 13 of PL 93–126, section 108 of PL 93–52 and the precautionary phrase "or any other comparable provision of law" to the extent necessary for the evacuation programs authorized in that bill.

The Senate amendment waived the same five prohibitions, plus section 741 of PL 93–238, and section 307 of PL 93–50, "only to the extent necessary" to use U.S. armed forces to withdraw U.S. citizens and their dependents from South Vietnam. The Senate amendment did not contain the precautionary phrase "or any other comparable provision of law."

The Senate receded.

DAILY WITHDRAWAL REPORT

The House bill contained no provision requiring a daily withdrawal report.

The Senate amendment required a daily report to the Speaker and to the Senate Committee on Foreign Relations, as long as the recipients desire such reports, on the numbers of Americans and dependents who left Vietnam the previous day, broken down by government and private contract personnel. The number remaining in South Vietnam, and the number of South Vietnamese who left South Vietnam the previous day with U.S. assistance.

The House receded.

WITHDRAWAL PLAN

The Senate amendment required the President to submit, within 48 hours of enactment, a report to the Speaker and to the Chairman and ranking minority members of Senate Foreign Relations, Judiciary and Armed Services Committees a report describing his general plan for withdrawal of U.S. citizens and their dependents and for withdrawal of endangered foreign nationals.

The House bill contained no provision requiring the submission to the Congress of a withdrawal plan.

The House receded, with an amendment extending the time period within which a report is required from 48 hours to 4 days.

MISSING IN ACTION REPORT

The House bill contained a sense of the Congress provision requesting that, as humanitarian assistance is being made available to South Vietnam, the President use all appropriate diplomatic means to obtain:

1. An updated accounting of Americans missing in action; and

2. The return of the remains of known American dead.

The House bill further requests that within 30 days after aid is made available in Southeast Asia, the President report to the Congress the diplomatic actions being taken.

The Senate amendment contained no comparable provision.

The Senate receded.

PROHIBITION ON ASSISTANCE

The House bill prohibited the use of funds authorized in this Act to aid, directly or indirectly, the Democratic Republic of Vietnam (DRV) or the Provisional Revolutionary Government (PRG) or the channeling or administration of funds by the DRV or the PRG.

The Senate amendment contained no comparable provision.

The Senate receded, with an understanding that the provision is not intended to prohibit assistance to refugees and other needy people who are victims of the conflict located in the territories controlled by these entities, if such assistance is channeled through and directly administered by international organizations or private voluntary agencies, and public facilities (for transportation, etc.) are only used in a manner that is similar to the common practice of these agencies and organizations in non-communist territories.

EVACUATION OF DESERTERS FROM THE UNITED STATES MILITARY

The House bill contained no provision relating to the evacuation of deserters from the United States military.

The Senate amendment contained a provision which expressed the sense of Congress that the United States not abandon in Vietnam deserters from the United States military who remain in that country, but that upon their return to the United States they be turned over to proper authorities for prosecution in accordance with the law.

The Senate receded, with the understanding that the provision would have been subject to a point of order in the House.

RESCESSION OF PROVISIONS THROUGH CONCURRENT RESOLUTION

The House bill provided that any provisions of the bill may be rescinded by the Congress through concurrent resolution.

The Senate amendment contained no comparable provision.

The House receded, because the Committee of conference believed that the safeguards contained in Section 5, concerning the War Powers Resolution, made the provision unnecessary.

DELIVERY OF PUBLIC LAW 480 SHIPMENTS TO CAMBODIA

The House bill did not contain a provision relating to delivery of PL 480 shipments to Cambodia.

The Senate amendment required PL 480

food shipments scheduled for delivery to Cambodia on or before the date of enactment of this bill to be delivered to Cambodia through international channels, provided that the assistance is requested by the Cambodian Government.

The Senate receded.

FINDING OF CONGRESS ON NORTH VIETNAMESE AND VIETCONG VIOLATION OF PARIS PEACE AGREEMENT

The House bill stated the finding of the Congress that this bill is made necessary by North Vietnamese and Vietcong military aggression in flagrant violation of the Paris Peace Agreement.

The Senate amendment contained no comparable provision.

The House receded. The Committee of Conference believes that a formal assessment of blame could have undesirable consequences with respect to the overall objectives of the Act and, specifically, with respect to obtaining information about Americans listed as missing in action in Southeast Asia and the return of the remains of known American dead.

JOHN SPARKMAN,
FRANK CHURCH,
HUBERT H. HUMPHREY,
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Managers on the Part of the Senate.

THOMAS E. MORGAN,
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L. H. FOUNTAIN,
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WM. S. BROOMFIELD,
EDWARD J. DERWINSKI,
Managers on the Part of the House.

Mr. MANSFIELD. Mr. President, I ask unanimous consent if I may have the attention of the Senate, that a vote occur on the pending conference report no later than the hour of 4 o'clock; that in the meantime, 40 minutes be allocated to the distinguished Senator from Iowa and 21 minutes to the distinguished Senator from New Jersey, under the usual rule.

The PRESIDING OFFICER. Without objection, it is so ordered. Who yields time?

Mr. MANSFIELD. Mr. President, I ask unanimous consent that one side or the other yield 2 minutes to the distinguished Senator from Kentucky (Mr. FORD), and I now yield 1 minute to the distinguished Senator from Wisconsin (Mr. PROXMIRE)

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

SECURITIES REFORM ACT OF 1975

Mr. PROXMIRE. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 249.

The PRESIDING OFFICER (Mr. LAXALT) laid before the Senate the amendments of the House of Representatives to the bill (S. 249) to amend the Securities Exchange Act of 1934, and for other purposes, as follows:

Strike out all after the enacting clause and insert:

That this Act may be cited as the "Securities Reform Act of 1975".

TITLE I—REGULATION OF EXCHANGES AND ASSOCIATIONS

SEC. 101. (a) Section 3(a)(3) of the Securities Exchange Act of 1934 (15 U.S.C. 78c (a)(3)) is amended to read as follows:

"(3) The term 'member' when used with respect to a national securities exchange or national securities association means any person who agrees to be regulated by an exchange or association and with respect to whom the exchange or association undertakes to enforce compliance with its rules and with the provisions of this title, and any amendment thereto and any rule or regulation made or to be made thereunder."

(b) Section 3(a)(21) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(21)) is amended to read as follows:

"(21) The term 'person associated with a member' with respect to a member of a national securities exchange or national securities association means any partner, officer, director, or branch manager of such member (or any person occupying a similar status or performing similar functions), any person who is employed by such member, or any person directly or indirectly controlling, under common control with, or controlled by, such member. The Commission may, by rule, classify, for the purpose of any provision of this title, persons associated with a member of an exchange or an association."

SEC. 102. Section 6 of the Securities Exchange Act of 1934 (15 U.S.C. 78f) is amended to read as follows:

"NATIONAL SECURITIES EXCHANGES

"SEC. 6. (a) Any exchange may register with the Commission as a national securities exchange under the terms and conditions provided in this section by filing with the Commission a registration statement in such form as the Commission may prescribe setting forth the following information and accompanied by the following documents:

"(1) Copies of its constitution, articles of incorporation, bylaws, or rules or instruments corresponding to the foregoing, and its stated policies and practices relating to its organization, membership, and procedures, collectively referred to in this title as the 'rules of the exchange'.

"(2) Such other information which may be necessary or appropriate in the public interest or for the protection of investors as the Commission may, by rule, require.

"(b) An exchange shall not be registered as a national securities exchange unless it appears to the Commission that—

"(1) such exchange will be able to comply with and carry out the requirements of subsection (q) of this section;

"(2) the rules of the exchange provide that any broker or dealer registered under this title may become a member of such exchange in conformity with the requirements of subsection (o) of this section;

"(3) the rules of the exchange assure a fair representation of its members, issuers of securities listed on the exchange, and the public, in the adoption of rules of the exchange and amendments thereto, the selection of its officers and directors, and in all other phases of the administration of its affairs, including, as a minimum provisions that—

"(A) the governing body of the exchange, whether called a Board of Governors, Board of Directors, or some other name, contain individuals who are not brokers, dealers, members, persons associated with a broker or dealer or persons associated with a member, and who are representative of issuers and the public (hereinafter referred to as the 'public representatives');

"(B) the exchange will appropriate for the use of the public representatives such sums as are requested by the public representatives and determined by the governing body of the exchange to be reasonable to permit the public representatives to employ such staff or retain such attorneys, consultants, or other experts, as the public representatives may reasonably require, independent of the exchange staff; and

"(C) there are reasonable limits on the length of time and the number of terms members of the governing body may serve;

"(4) the rules of the exchange provide for the equitable allocation of dues, fees, and other charges among its members, among issuers whose securities are traded on such exchange, and among other persons using the facilities of the exchange;

"(5) the rules of the exchange are designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, and, in general, to protect investors and the public interest, and to remove impediments to and perfect the mechanism of a free and open market; and are not designed to permit unfair discrimination between or among customers, issuers, or brokers or dealers;

"(6) the rules of the exchange provide for the appropriate disciplining of its members and persons associated with its members for violations of its rules or the provisions of this title and the rules or regulations thereunder, by expulsion, suspension, fine, censure, limitation of activities, functions and operations, being suspended or barred from being associated with a member or any other fitting sanction, except that such rules need not require an exchange to discipline any person, directly or indirectly controlling, under common control with, or controlled by, a member of such exchange if such person is not otherwise a person associated with such member;

"(7) the rules of the exchange provide a fair and orderly procedure with respect to the disciplining of members and persons associated with members, including that the rules, as a minimum, meet the requirements of subsection (g) of this section;

"(8) the rules of the exchange provide a fair and orderly procedure with respect to the denial of membership to any person seeking membership therein or with respect to action taken to bar any person from becoming a person associated with a member of such exchange, including that the rules, as a minimum, meet the requirements of subsection (h) of this section; and

"(9) the rules of the exchange are sufficient and reasonably necessary to permit the exchange to discharge its regulatory responsibility under this title.

"(c) Unless disapproved by the Commission pursuant to subsection (f) of this section or otherwise provided by the Commission pursuant to section 6A of this title, nothing in this title shall be construed to prevent any exchange from adopting and enforcing any rule not inconsistent with this title and the rules, regulations, and orders thereunder and with applicable State law.

"(d) The Commission shall, upon the filing of an application of registration pursuant to subsection (a), publish notice of the filing and afford interested persons a reasonable opportunity for comment. Within 60 days of the filing of an application for registration pursuant to subsection (a) the Commission shall—

"(1) by order grant such registration if the Commission finds that the requirements of this section are satisfied, or

"(2) institute appropriate administrative action to determine whether the application should be denied.

If, after appropriate notice and opportunity for hearing, the Commission finds that any requirement of this section is not satisfied, the Commission shall by order deny such registration. The Commission shall conclude administrative action and issue an order either granting or denying an application within 120 days of the filing of the application, unless the Commission finds good cause for extending the period, in which case the Commission may extend such period for a period of time not to exceed 90 days.

"(e) A national securities exchange may, upon such terms and conditions as the Commission may deem necessary in the public

interest or for the protection of investors, withdraw from registration by filing a written notice of withdrawal with the Commission. If the Commission finds that any such exchange or such other person for whom an application of registration is pending is no longer in existence or has ceased to do business in the capacity specified in the registration statement, the Commission shall by order cancel or deny registration.

"(f)(1) Each national securities exchange shall file with the Commission, in accordance with such rules as the Commission may prescribe, copies of any proposed changes in, additions to, deletions from, or amendments to the rules of the exchange, to be accompanied by a summary statement of the bases and purposes of such proposed change, addition, deletion, or amendment, and such other information and documents as the Commission may require to keep current or supplement the registration statement and documents filed pursuant to subsection (a). No proposed change, addition, deletion, or amendment to an exchange's rules shall take effect except in accordance with the provisions of this subsection.

"(2) The Commission shall, upon the filing of a proposed change, addition, deletion, or amendment to an exchange's rules, publish notice of such proposal together with the exchange's statement of bases and purposes and, except with respect to those rules which constitute its stated policies and practices relating to its organization, membership, and procedures, shall afford interested persons a reasonable opportunity for comment on the proposed change, addition, deletion, or amendment. Proposed changes, additions, deletions, or amendments to an exchange's rules, except those rules which constitute its stated policies and practices relating to its organization, membership, and procedures, shall take effect 45 days after publication of such notice by the Commission, unless the Commission, by order, disapproves such proposed change, addition, deletion, or amendment as inconsistent with the purposes of this title or otherwise inconsistent with the public interest, but the Commission may extend this time for a period not to exceed 90 days in order to solicit additional public comment or to provide interested persons an opportunity for oral presentation of views, data, or arguments concerning the proposed change, addition, deletion, or amendment. The Commission, upon its own motion, or upon application setting forth the reasons therefor, may, conditionally or unconditionally, exempt from the public comment requirements of this subsection, and may accelerate the effectiveness of any proposed change, addition, deletion, or amendment, or any class of such proposed change, addition, deletion, or amendment if the Commission finds that the application of either the public comment requirement, or the waiting period requirement, or both, to such change, addition, deletion, or amendment, or class of such change, addition, deletion, or amendment is not necessary or appropriate in the public interest or for the protection of investors and that such exemption or acceleration is not inconsistent with the purposes of this section.

"(3)(A) Notwithstanding the provisions of paragraphs (1) and (2) of this subsection, changes, additions, deletions, or amendments to an exchange's stated policies and practices relating to its organization, membership, and procedures may take effect on such date as may be designated by the exchange. An exchange shall file with the Commission, on a date no later than on the date on which any such change, addition, deletion, or amendment takes effect, copies of any such change, addition, deletion, or amendment to such stated policies and practices, accompanied by a summary statement of the basis and purpose therefor, except that the Commission shall have no authority to require the filing of such copies and statements prior to the date on which any such change, addition, deletion, or amendment takes effect, and the failure to file such copies and such statements as hereinabove provided shall not affect the validity, force, or effect of any such change, addition, deletion, or amendment.

"(B) The Commission may, at any time but no later than 60 days after the filing of any such change, addition, deletion, or amendment to an exchange's stated policies and practices relating to its organization, membership, and procedures (except those which relate solely to the internal administration of such exchange) disapprove, by order, such change, addition, deletion, or amendment as inconsistent with the purposes of this title or otherwise inconsistent with the public interest. Disapproval by the Commission under this subparagraph shall apply prospectively.

"(4) Any filing required to be made with the Commission under this subsection or pursuant to any rule under this subsection, and all written communications between the Commission and the exchange and between the Commission and any other person relating to all such filings, shall be placed in a public file and shall be made available to any person for inspection and copying.

"(g)(1) In any proceeding to determine whether a member or person associated with a member should be disciplined, rules of a national securities exchange registered under this section shall require that specific charges of any violation be brought; that such member or person associated with a member shall be notified of and be given an opportunity to defend against such charges; and that a record shall be kept. A determination to impose a disciplinary sanction shall be supported by a statement setting forth—

"(A) any act or practice in which such member or person associated with such member has been found to have engaged, or any required act or practice which such member or person associated with such member has been found to have omitted;

"(B) the specific rule or rules of the exchange or provisions of this title or rules or regulations thereunder which any such act or practice, or omission to act, is deemed to violate; and

"(C) the sanction imposed and the reasons for that sanction.

Such statement shall be publicly noticed in accordance with such procedures as the Commission shall, by rule, specify.

"(2) Rules of a national securities exchange may, with the approval of the Commission, provide for a summary procedure for the suspension, in whole or in part, of the business activities of a member or person associated with a member—

"(A) where the member or person associated with a member who is the subject of the summary proceeding has been disciplined by another national securities exchange or national securities association for the behavior which is the subject of the summary procedure; or

"(B) where the member is insolvent or failing to perform its contracts, and the exchange determines that public investors may be endangered, or where the member is in such financial or operating condition that it cannot be permitted to continue in business with safety to its customers, creditors, or the exchange.

Following any such suspension, the member or person associated with a member so suspended promptly shall be afforded an opportunity for a hearing which meets the requirements of paragraph (1) above.

"(h) In any proceeding to determine whether a person shall be denied membership, or whether a person should be barred from being associated with a member, rules of a national securities exchange registered under this section shall provide that any such person shall be notified of, and be given an opportunity to be heard upon, the bases for the denial or bar which are under consideration; and that a record be kept. A determination to deny membership or to bar a person from being associated with a member shall be supported by a statement setting forth the specific grounds on which the denial or bar is based.

"(i) If any national securities exchange imposes any disciplinary sanction against or concludes disciplinary proceedings without imposing a sanction with respect to any member thereof, or any person associated with a member, or denies admission to any person seeking membership therein or bars any person from being associated with a member of such exchange, the exchange shall promptly notify the Commission. Such action or proceedings shall be subject to review by the Commission within 30 days after a copy of the statement referred to in subsection (g) or (h) has been given to the aggrieved party and to the Commission, or within 30 days after the exchange has notified the Commission pursuant to this subsection that the exchange has concluded disciplinary proceedings without imposing a sanction, upon the Commission's own motion, or upon application by any person aggrieved thereby. The Commission may, upon the application of an aggrieved party for review or upon the initiation of review by the Commission on its own motion, order a stay of such disciplinary action, or order a stay of any action under subsection (h) barring a person from being associated with a member, pending completion of the review proceeding.

"(j)(1) In a proceeding to review disciplinary proceedings of a national securities exchange registered under this section with respect to a member or any person associated with a member, after appropriate notice and opportunity for hearing—

"(A) if the Commission finds that such member or such person has engaged in such acts or practices, or has omitted such acts, as the exchange has charged or has found him to have engaged in or to have omitted, and determines that such acts or practices, or omission to act, are in violation of the provisions of this title, or the rules adopted thereunder, or the rules of the exchange as have been designated in the determination of the exchange, it shall by order so declare and, if appropriate, affirm the action taken by the exchange or remand the proceeding to the exchange or modify any sanction in accordance with paragraph (2) of this subsection; or

"(B) if the Commission finds that such member or such person has not engaged in such acts or practices, or has not omitted such acts, as the exchanges has charged or found him to have engaged in or to have omitted, or that such acts or practices are not prohibited by the designated provisions of this title, or the rules adopted thereunder, or by the designated rule or rules of the exchange or that such act as alleged or found to have been omitted is not required by such designated provisions, rule, or rules, the Commission shall by order so declare and, if appropriate, set aside the action of the exchange.

"(2) If the Commission, having due regard for the public interest, finds that the disposition of the proceedings before the exchange with respect to the imposition or failure to impose any sanction against a member or person associated with a member is inappropriate, the Commission shall, by order, declare that the imposition or failure to impose a sanction is inappropriate and may in such order cancel, reduce, or require the remission of such sanction or penalty, or may remand the disciplinary pro-

ceeding to the exchange with a statement of the Commission's position thereon and with appropriate instruction to the exchange to reconsider such sanction, to adduce such additional evidence as may be necessary, and to determine whether some different or additional sanction should be imposed. The exchange shall notify the member or person associated with the member, and the Commission, as to the exchange's determination whether to impose a different or additional sanction, and the Commission, within 30 days after being informed of the exchange's determination, upon the Commission's own motion or upon application by any person aggrieved thereby, may again review such disciplinary action or proceeding and may then, by order, confirm, reduce, cancel, or require the remission of such sanction.

"(k) In any proceeding to review the denial of membership in a national securities exchange or to review action of an exchange to bar a person from being associated with a member, if the Commission, after appropriate notice and opportunity for hearing, (A) finds that the specific grounds on which such denial or bar is based exist in fact and are valid under the rules of the exchange and this section, it shall by order so declare and affirm the exchange's action; or (B) finds that the specific grounds do not exist or are invalid under the rules of the exchange or this section, the Commission shall by order so declare and set aside the action of the exchange and require it to admit the applicant to membership or to permit such person to be associated with a member.

"(l) With respect to (1) any broker or dealer who is not a member of an exchange but whom the Commission finds to be effecting transactions on an exchange through a member of such exchange in significant and substantial amounts, or (2) any person who is not a member of, but who is permitted by, an exchange to effect transactions directly on the exchange without the services of another person acting as broker, the Commission may, after notice and opportunity for hearing, as it determines to be necessary or appropriate in the public interest, to protect investors, or to assure the maintenance of fair and orderly markets, require, by order, such broker or dealer or person to accede to the regulation of such exchange with respect to the effecting of such transactions of such exchange and require such exchange to regulate such broker or dealer or person, but such person shall not, solely because of such action, be deemed a member of such exchange. In any such circumstance, the Commission shall define and specify the authority and responsibility of such exchange to establish and enforce standards and requirements to be satisfied by such broker or dealer or person with respect to such transactions.

"(m)(1) The Commission may, with respect to any person who is a member of more than one national securities exchange, or who is a member of an exchange and a national securities association, assign to an exchange or an association of which such person is a member the responsibility in whole or in part for the regulation of such person, including the responsibility to conduct inspections and examinations of such person, and such assignment shall, as the Commission may find to be consistent with the purposes of this title, relieve from the requirement of subsection (q) of this section and section 15A(m) of this title any exchange or association of which a person is also a member to the extent that the responsibility for regulation has been assigned to another exchange or association.

"(2) In any circumstance in which an assignment of regulatory responsibility under paragraph (1) is determined by the Commission to relieve an exchange or an association from the requirements of subsection (q) of this section or subsection (m) of section 15A, with respect to a member of such exchange or association, the Commission may, as it deems necessary or appropriate in the public interest and for the protection of investors, require any such exchange or association and any such member, to take appropriate steps to notify the public, customers, and persons doing business with such members of the nature of such membership.

"(n) A national securities exchange or national securities association shall furnish copies of any reports of inspections or examinations of its members to any other national securities exchange or national securities association of which such member is a member upon the request of such member, exchange, or association, or upon the request of the Commission, and shall not be liable for damages to any person, whether or not the subject of such report, solely for having furnished such copies to another exchange or association pursuant to such request.

"(o) A national securities exchange shall permit any broker or dealer registered under this title to become a member of such exchange, except that any exchange may—

"(1) deny membership to, or bar from being associated with a member, any person who, by order of the Commission or by action of an exchange or association, has been expelled or suspended from membership in, or who has been barred or suspended from being associated with a member of, any other exchange or any national securities association, during the period of such expulsion, suspension, or bar;

"(2) deny membership to any broker or dealer, who is subject to an order of the Commission denying, suspending for a period not exceeding 12 months, or revoking such broker or dealer's registration pursuant to section 15 of this title;

"(3) bar from being associated with a member any person who, by his conduct while associated with a broker or dealer, was a cause of any suspension, expulsion, or order of the character described in paragraph (1) or (2) of this subsection and in entering such a suspension, expulsion, or order, the Commission or any such exchange or association shall have jurisdiction to determine whether or not any person was a cause thereof;

"(4) deny membership to any broker or dealer who has associated with him any person who is known, or in the exercise of reasonable care should be known, to such broker or dealer to be a person who, if such person were a broker or dealer, would be ineligible for admission to or continuance in membership under paragraph (1), (2), or (3) of this subsection;

"(5) unless the Commission directs to the contrary in a proceeding under section 6(k), in instances where the Commission finds it appropriate in the public interest so to direct, deny membership to, or bar from being associated with a member, any person on those grounds set forth in section 15(b)(5)(C)–(F) of this title or to any person who (A) has willfully made or caused to be made in any application for membership or report required to be filed with the exchange, or in any proceeding before the exchange, any statement which was at the time and in the light of the circumstances under which it was made false or misleading with respect to any material fact, or has omitted to state in any such application or report any material fact which is required to be stated therein; or (B) has been convicted within ten years preceding the filing of the application or at any time thereafter of the crime of armed robbery or grand larceny or of any felony or misdemeanor which the exchange finds—

"(i) involves the purchase or sale of any security;

"(ii) arises out of the conduct of the business of a broker, dealer, or investment adviser;

"(iii) involves embezzlement, fraudulent conversion, or misappropriation of funds or securities;

"(iv) involves the violation of section 1341, 1342, or 1343 of title 18, United States Code;

"(6) condition membership on the members meeting financial responsibility requirements which are additional to those imposed by rules or regulations adopted by the Commission pursuant to section 15 of this title and which the Commission determines are reasonable and consistent with the purposes of this title and with the public interest;

"(7) require applicant for membership, or any natural person to be associated with a member, to meet competency requirements which are additional to those imposed by rules or regulations adopted by the Commission pursuant to section 15(b)(8) of this title and which the Commission determines are reasonable and consistent with the purposes of this title and with the public interest; and

"(8) condition membership on the members meeting operation capability requirements imposed by rules of the exchange which the Commission determines are reasonable and consistent with the purposes of this title and with the public interest.

An exchange may, pursuant to such procedures as the Commission finds, give fair and equitable treatment to the members of the exchange, limit the number of its members or designated representatives of its members permitted to effect transactions on the exchange without the services of another person acting as broker to the extent that such limitations are found by the Commission to be justified by reason of limitations in the physical capacity of the exchange.

"(p)(1) On and after May 1, 1975, no national securities exchange may fix or impose any schedule or rate of commission, allowance, or discount except that such prohibition shall not apply to floor brokerage commissions until May 1, 1976, and except that the Commission may (A) after May 1, 1975 and until October 1, 1976, by rule, after appropriate notice and affording interested persons an opportunity for the oral presentation of views, data, and arguments, in addition to an opportunity to make written submissions, permit a national securities exchange or exchanges to continue, establish, or reestablish a reasonable schedule or rate of commission, allowance, or discount for transactions or portions of transactions on such exchange involving amounts up to $300,000 if the Commission determines that the public interest requires the continuation, establishment, or reestablishment of a reasonable schedule or rate for such transactions or portions of transactions on such exchange or exchanges; and (B) on or after October 1, 1976, by order, after appropriate notice and opportunity for a hearing on a record, permit a national securities exchange to continue, establish, or reestablish a schedule or rate of commission, allowance, or discount for transactions or portions of transactions on such exchange involving amounts up to $300,000 if the Commission determines (i) that such schedule, rate of commission, allowance, or discount is reasonable (stating the standard or standards employed by the Commission adjudging the reasonableness of such schedule, rate of commission, allowance or discount) and (ii) that such action is required to accomplish the purposes of this title and to assure the maintenance of fair and orderly markets in securities, taking into consideration the competitive effects of permitting the continuance, establishment, or reestablishment of such schedule, rate of

commission, allowance, or discount weighed against the competitive effect of other lawful action which the Commission is authorized to take under this title and taking into consideration the preservation of auction markets, promotion of market liquidity, the encouragement of direct investment by individual investors, the availability of equity capital to business, and the prevention of undue concentration of the investment banking industry. Any schedule or rate of commission, allowance, or discount at any time permitted after May 1, 1975, may (1) apply only to transactions or portions of transactions of a particular size involving amounts of less than $300,000 and (ii) relate only to one or more particular services rendered and shall be terminated by rule or order whenever the Commission, after appropriate notice and opportunity for the oral presentation of views, data, and arguments, in addition to an opportunity to make written submissions, determine that the public interest no longer requires the continuation of such schedule or rate of commission, allowance, or discount, the Commission shall promptly transmit a copy of any rule or order adopted pursuant to this subsection to the Congress, together with a statement of the Commission's reasons for adopting such rule or order, and the Commission's recommendations, if any, for legislation concerning the matter of commission rates.

"(2) The Commission shall include in its annual report to the Congress required by section 23(b) of this title a description of the effect that competitive determined commission rates is having on the development of a national securities market system and a national clearance and settlement system.

"(q) National securities exchanges registered under this section shall comply with the provisions of this title, and the rules, regulations, and orders thereunder, and shall enforce, so far as within their power, compliance by their members with the provisions of this title, and the rules and regulations thereunder, and with the rules of the exchange.

"(r) This section shall not require any securities exchange which was registered on the date of enactment of the Securities Reform Act of 1975 to re-register with the Commission. If in its opinion the rules of any exchange which is registered on the date of enactment of the Securities Reform Act of 1975 do not comply with the requirements of this section, the Commission, no later than one year from the date of enactment of the Securities Reform Act of 1975, shall so notify such exchange in writing specifying the reasons why in the Commission's opinion such rules do not comply with such requirements. On and after the 180th day following the date of enactment of the Securities Reform Act of 1975, but no sooner than 90 days after an exchange has been notified as required herein, the Commission is authorized, after appropriate notice and opportunity for hearing, by order to suspend the registration of any such national securities exchange if the Commission finds that the rules of such exchange are not in compliance with the requirements of this section, such suspension to continue in effect until the Commission issues an order declaring that the rules of such exchange comply with such requirements.

"(s) Paragraph (2) of subsection (b) of this section and subsection (o) of this section shall not take effect with respect to a national securities exchange registered with the Commission on the date of enactment of the Securities Reform Act of 1975 until January 1, 1978. The Commission shall notify the Congress no later than June 30, 1977, whether the requirements of this subsection can be equitably and reasonably implemented. Taking into consideration the loss of value of exchange seats, if any, that would be sustained by exchange members as a result of the implementation of this subsection, if the Commission finds, with respect to any national securities exchange registered with the Commission on the date of enactment of the Securities Reform Act of 1975, that this subsection cannot be equitably and reasonably implemented it may, by order, after notice and opportunity for hearing, delay the effective date of this subsection with respect to such exchange for an additional period but not beyond January 1, 1979.

"(t)(1) Rules of an exchange may require any person, or any class of persons, associated with a member to be registered with the exchange in accordance with the procedures specified by such rules and may provide that applications to become a member or a person associated with a member shall set forth such facts as the exchange may prescribe as to the training, experience, and other qualifications (including, in the case of an applicant for membership, financial responsibility) of the applicant and that the exchange may adopt procedures for verification of qualifications of the applicant.

"(2) Any application or document supplement thereto required by rules of an exchange to be filed by a person applying for membership on such exchange or to be filed by a person applying to be associated with a member of an exchange shall, for the purposes of subsection (a) of section 32 of this title, be deemed an application or document required to be filed under this title."

SEC. 103. The Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.) is amended by adding after section 6 the following new section:

"AUTHORITY TO AMEND EXCHANGE AND ASSOCIATION RULES

"SEC. 6A. (a) The Commission, by rule, may amend the rules of any national securities exchange or national securities association (the term 'amend', when used with respect to any rule of a national securities exchange or national securities association means to abrogate, or compel the adoption of an alteration of, or supplement to, such rule, or to adopt a new rule) as the Commission deems necessary or appropriate in the public interest or for the protection of investors, or to insure fair dealing in securities, or to insure the fair administration of such exchange or association, or otherwise to effectuate the purposes of this title, in the following manner:

"(1) The Commission shall give appropriate notice to the exchange or association and shall publish in the Federal Register its proposed rule, which shall contain the text of the proposed amendment to the rules of the exchange or association; a statement of the reasons for the Commission's determination to propose to require the amendment, including any facts which the Commission considers especially pertinent to its determination, and an evaluation by the Commission of the effect of the proposed amendment to the rules of such exchange or association.

"(2) Rules which have been proposed under paragraph (1) shall be promulgated pursuant to the procedures specified in section 553 of title 5, United States Code, except that the Commission shall give interested persons an opportunity for the oral presentation of data, views, and arguments, in addition to any opportunity to make written submissions. A transcript shall be kept of any oral presentation. The Commission may make written submissions or oral presentations respecting such proposed rulemaking. Nothing in this section shall be construed to impair or limit the Commission's power to promulgate, or to modify or alter the procedures the Commission may follow in promulgating rules, regulations, and orders pursuant to any other authority under this title.

"(3) Whenever the Commission promulgates a rule under this section it shall publish with such rule a statement of its bases and purposes for requiring the amendment, including (A) an identification of those facts upon which the Commission considers its determination to be grounded, including its conclusions as to any of such facts which were disputed in oral presentations under paragraph (2) or in written submissions under such paragraph, and (B) an evaluation of what the Commission considers to be the principal arguments made in such oral presentations and in such written submissions.

"(b)(1) Any person adversely affected by a rule promulgated under subsection (a) may, within 120 days from the promulgation of such rule, file a petition for judicial review of such rule with the United States Court of Appeals for the District of Columbia or for the circuit in which such person resides or has his principal place of business. Copies of the petition shall be forthwith transmitted by the clerk of the court to the Commission or any person designated by it for such purpose. The Commission shall file in the court the rule and the statement published therewith; the transcript required by subsection (a)(2) of any oral presentations by the Commission and by interested persons; and any written submission by interested persons or by the Commission in a proceeding under this section.

"(2) Upon the filing of the petition under paragraph (1) of this subsection, the court shall have jurisdiction to review the rule and to affirm or set aside the rule and to grant interim relief of the nature described in section 705 of title 5, United States Code. Upon review, the facts identified by the Commission pursuant to subsection (a)(3), if supported, by substantial evidence, are conclusive. The rule shall be affirmed unless the court finds that (A) the Commission's action in prescribing the rule is arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law; or (B) that the Commission's action is (i) contrary to constitutional right, power, privilege, or immunity; (ii) in excess of statutory jurisdiction, authority, or limitation, or short of statutory right; or (iii) without observance of procedure required by law.

"(3) If proceedings have been instituted under this subsection in two or more courts of appeals with respect to the same rule, the Commission shall file the materials set forth in paragraph (1) of this subsection in that court in which a proceeding was first instituted. The other courts shall thereupon transfer all such proceedings to the court in which the materials have been filed. For the convenience of the parties in the interest of justice that court may thereafter transfer all the proceedings to any other court of appeals.

"(4) The judgment of the court affirming or setting aside, in whole or in part, any rule under this subsection shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification, as provided in section 1254 of title 28, United States Code."

SEC. 104. Section 19 of the Securities Exchange Act of 1934 (15 U.S.C. 78s) is amended to read as follows:

"POWERS WITH RESPECT TO EXCHANGES, ASSOCIATIONS, AND SECURITIES

"SEC. 19. (a) The Commission is authorized, if in its opinion such action is necessary or appropriate for the protection of investors—

"(1) After appropriate notice and opportunity for hearing, by order to suspend for a period not exceeding 12 months or to revoke the registration of a national securities exchange or national securities association if the Commission finds that such exchange or association has violated any provision of this title or any rules, regulations, or orders thereunder, or is unable to comply with the provisions of this title or any rules, regulations, or orders thereunder, or, without

reasonable justification or excuse, has failed to enforce compliance with the title or any rules or regulations thereunder, or with its own rules by a member or, with respect to an exchange, by an issuer of a security registered thereon.

"(2) After appropriate notice and opportunity for hearing, by order to deny, to suspend the effective date of, to suspend for a period not exceeding 12 months, or to withdraw, the registration of a security if the Commissioner finds that the issuer of such security has failed to comply with any provision of this title or the rules and regulations thereunder, or any rule of a registered national securities exchange upon which such security is listed for trading.

"(3) After appropriate notice and opportunity for hearing, by order to suspend for a period not exceeding 12 months or to expel from a national securities exchange or national securities association any member thereof, or to suspend for a period not exceeding 12 months or to bar any person from being associated with a member thereof, whom the Commission finds has violated any provision of the Securities Act of 1933, the Investment Advisers Act of 1940, the Investment Company Act of 1940, or of this title, or a rule, regulation, or order under any of such statutes, or has effected any transaction for any other person who, such member or such person associated with a member had reason to believe, was violating in respect to such transaction any provision of any of such statutes, or a rule, regulation, or order thereunder.

"(4) After appropriate notice and opportunity for hearing, by order to remove from office any officer, director, or employee of a national securities exchange or national securities association who, the Commission finds, has willfully and without reasonable justification or excuse failed to enforce compliance with this title, or any rules or regulations thereunder, or with the rules of the exchange or association of which he is an officer, director, or employee, by a member or, with respect to an exchange by an issuer of a security registered on the exchange, or has willfully abused his authority.

"(5) And if in its opinion the public interest so requires, summarily to suspend trading in any registered security on any national securities exchange for a period not exceeding 10 days, or, with the approval of the President, summarily to suspend all trading on any national securities exchange for a period not exceeding 90 days."

SEC. 105. Section 11(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78h(a)) is amended to read as follows:

"(a)(1) The Commission shall prescribe such rules and regulations as it determines to be necessary or appropriate in the public interest, to assure fair dealing in securities, or for the protection of investors, to regulate or prevent trading by members of national securities exchanges, or trading by brokers or dealers, directly or indirectly (A) for their own account, (B) for any account in which an affiliated or associated person of such member or such broker or dealer has a financial interest (other than an interest which the Commission determines to be insignificant), or (C) for any managed account. Rules under this section shall, as a minimum, assure that any such trading is consistent with and not detrimental to the maintenance of a fair and orderly market in securities.

"(2) For the purposes of this section:

"(A) An 'affiliated person' shall include any person directly or indirectly controlling, controlled by or under common control with (i) such member or such broker or dealer, or (ii) an associated person of such member or such broker or dealer, whether by contractual arrangement or otherwise. A person shall be presumed to control another person if such person has a right to participate to the extent of more than 25 per centum in the profits of such other person or owns beneficially, directly or indirectly, more than 25 per centum of the outstanding voting securities of such person. An affiliated person may also include any person whom the Commission determines to be in a position to control a member or a broker or dealer by reason of the nature and extent of such person's business with such member or such broker or dealer.

"(B) The term 'associated person' with respect to a member or a broker or dealer means any partner, officer, director, or branch manager of such member or such broker or dealer (or any person occupying a similar status or performing similar functions), including any employee of such member or such broker or dealer, except that for the purposes of this section an associated person of such member or such broker or dealer whose functions are clerical or ministerial shall not be included in the meaning of such term; and

"(C) The term 'managed account' shall mean an account of any person (including any investment company, insurance company, separate account of an insurance company, bank, trust company, pension-benefit or profit-sharing or similar plan, foundation or educational or charitable endowment) for which such member or such broker or dealer, any affiliated person of such member or such broker or dealer, or any associated person of such member or such broker or dealer: (i) is empowered to determine what securities or other property shall be purchased or sold or is otherwise authorized to select the securities bought or sold or (ii) regularly furnishes advice with respect to the desirability of investing in, purchasing or selling securities or other property. For the purposes of this section a member, or broker or dealer, or any affiliated or associated person of such member, or of such broker or dealer, shall not be considered to be regularly furnishing advice with respect to the desirability of investing in, purchasing or selling securities or other property if such member, or broker or dealer, or any affiliated or associated person of such member, or of such broker or dealer, furnishes only statistical or other factual information, advice regarding economic factors and trends, or advice as to occasional transactions in specific securities or if such advice is furnished solely through uniform publications distributed to subscribers thereto or to customers of such member, or broker or dealer, or affiliated or associated person.

"(3) Except as provided in paragraph (5) of this subsection, on or after May 1, 1975, it shall be unlawful for any member of a registered national securities exchange to effect, whether as broker or dealer, any transaction on an exchange for any account described in subparagraphs (A), (B), and (C) of paragraph (1) of this subsection, except that this paragraph shall not apply so as to make unlawful the following—

"(A) any transaction by a registered specialist acting in such capacity;

"(B) any transaction for the account of an odd-lot dealer in a security in which he is so registered;

"(C) any transaction determined in accordance with criteria acceptable to the Commission to be a transaction by a block positioner, or a market maker, acting in such capacity;

"(D) any stabilizing transaction effected in compliance with rules under section 10 (b) of this title to facilitate a distribution of a security in which the member effecting such transaction is particiapting;

"(E) any bona fide arbitrage transaction, including hedging between an equity security and a security entitling the holder to acquire such equity security, or any risk arbitrage transaction in connection with a merger, acquisition, tender offer, or similar transaction invoking a recapitalization;

"(F) any transaction for a managed account of a natural person or of a trust created by and for a natural person or his spouse, children, grandchildren, brothers, sisters, aunts, uncles, nieces, or nephews, if such natural person is not otherwise an affiliated or associated person of such member;

"(G) any transaction for a member who is a natural person, or for an account of a natural person who is an affiliated or associated person of a member;

"(H) any transaction to offset a transaction made in error;

"(I) any other transaction of a kind which the Commission, by rule, shall determine contributes to the fair and orderly functioning of the securities market and which is consistent with the purposes of this paragraph; and

"(J) any transaction by a member for a managed account of a person who, with respect to such member is, not an affiliated or associated person, if such member (or any affiliated or associated person of such member) performs no functions for such account other than those functions described in paragraph (2)(C) of this subsection and which is effected pursuant to standards prescribed by the Commission, by rule, to assure that (i) satisfactory provision is made for the review of trading for such account by a person with investment experience who is not an associated or affiliated person of such member, and (ii) the effecting of such transaction by such member would be consistent with the maintenance of fair and orderly markets in securities.

The Commission shall promulgate appropriate rules under section 3(b) of this Act which shall define terms used in subparagraphs (A) through (J) of this paragraph.

"(4) The Commission shall, under authority of paragraph (1) of this subsection, prescribe such rules and regulations applicable to any transaction for an account described in subparagraph (A), (B), and (C) of paragraph (1) to prevent any member of a national securities exchange from effecting transactions for such accounts otherwise than on an exchange and to prevent any broker or dealer (other than a member of an exchange) from effecting any transaction for such an account on an exchange or otherwise than on an exchange to the extent that the Commission determines that the prohibition on trading contained in paragraph (3) of this subsection must be applied, in whole or in part, to such members and such brokers or dealers in order to assure the maintenance of fair and orderly markets in securities.

"(5) Until the end of a period of 3 years following the date of enactment of the Securities Reform Act of 1975, the provisions of paragraph (3) of this subsection shall not apply to any member of an exchange who acquired membership on such exchange prior to January 16, 1973, or who on date of enactment of the Securities Reform Act of 1975 was directly or indirectly controlled by a person who was a member of such exchange prior to January 16, 1973, so as to make unlawful the effecting of any transaction for (A) such member's own account, (B) for the account of any associated or affiliated person who was so associated or affiliated on January 16, 1973, or (C) for a managed account for which such member or any affiliated or associated person performed functions described in subparagraph (C) of paragraph (1) on January 16, 1973.

"(6) It shall be unlawful for any member of a national securities exchange or for any broker or dealer to utilize a scheme, device, arrangement, agreement, or understanding designed to circumvent or avoid, by reciprocal means or otherwise, the provisions of paragraph (3) of this subsection or any rule

or regulation promulgated by the Commission under authority of this subsection."

SEC. 106. Section 21 of the Securities Exchange Act of 1934 (15 U.S.C. 78u) is amended to read as follows:

INVESTIGATIONS, INJUNCTIONS, AND PROSECUTION OF OFFENSE

"SEC. 21. (a) The Commission may, in its discretion, make such investigations as it deems necessary to determine whether any person has violated or is about to violate any provision of this title or any rule or regulation thereunder, or any rule of a national securities association, national securities exchange, registered clearing agency, or registered securities depository, of which such person is a member, an associated person or a member, a participant, or a person who is required to be regulated by an exchange pursuant to section 6(1) of this title, and may require or permit any person to file with it a statement in writing, under oath or otherwise as the Commission shall determine, as to all the facts and circumstances concerning the matter to be investigated. The Commission is authorized, in its discretion, to publish information concerning any such violations, and to investigate any facts, practices, or matters which it may deem necessary or proper to aid in carrying out its functions under this title or in securing information to serve as a basis for recommending further legislation concerning the matters to which this title relates.

"(b) For the purpose of any such investigation, or any other proceeding under this title, any member of the Commission or any officer designated by it is empowered to administer oaths and affirmations, subpena witnesses, compel their attendance, take evidence, and require the production of any books, papers, correspondence, memoranda, or other records which the Commission deems relevant or material to the inquiry. Such attendance of witnesses and the production of any such records may be required from any place in the United States or any State at any designated place of hearing.

"(c) In case of contumacy by, or refusal to obey a subpena issued to, any person, the Commission may invoke the aid of any court of the United States within the jurisdiction of which such investigation or proceeding is carried on, or where such person resides or carries on business, in requiring the attendance and testimony of witnesses and the production of books, papers, correspondence, memoranda, and other records. And such court may issue an order requiring such person to appear before the Commission or member or officer designated by the Commission, there to produce records, if so ordered, or to give testimony touching the matter under investigation or in question; and any failure to obey such order of the court may be punished by such court as a contempt thereof. All process in any such case may be served in the judicial district whereof such person is an inhabitant or wherever he may be found. Any person who shall, without just cause, fail or refuse to attend and testify or to answer any lawful inquiry or to produce books, papers, correspondence, memoranda, and other records, if in his power so to do, in obedience to the subpena of the Commission, shall be guilty of a misdemeanor and, upon conviction, shall be subject to a fine of not more than $1,000 or to imprisonment for a term of not more than one year, or both.

"(d) Wherever it shall appear to the Commission that any person is engaged or about to engage in any acts or practices which constitute or will constitute a violation of the provisions of this title, or any rule or regulation thereunder, or any rule of a national securities association, national securities exchange, registered clearing agency, or registered securities depository, of which such person is a member, an associated person of a member, a participant, or a person who is required to be regulated by an exchange pursuant to section 6(1) of this title, it may in its discretion bring an action in the proper district court of the United States, the United States District Court of the District of Columbia or the United States courts of any territory or other place subject to the jurisdiction of the United States, to enjoin such acts or practices, and upon a proper showing a permanent or temporary injunction or restraining order shall be granted without bond: *Provided, however*, That the Commissioner shall not proceed against any person under this subsection based on a violation of an exchange, association, clearing agency, or securities depository rule without first notifying such exchange, association, clearing agency, or securities depository of the alleged violation and the Commission's intention to proceed based upon it and giving such exchange, association, clearing agency, or securities depository such time as the Commission determines to be reasonable within which to take appropriate action, except that the Commission need not give prior notification to an exchange, association, clearing agency, or securities depository if the Commission determines that the public interest or the protection of investors requires immediate action on the part of the Commission. The Commission may transmit such evidence as may be available concerning acts or practices which may constitute a violation of this title, or any rule, regulation, or order thereunder to the Attorney General, who may, in his discretion, institute the necessary criminal proceedings under this title.

"(e) Upon application of the Commission the district courts of the United States, the United States District Court for the District of Columbia, and the United States Courts of any territory or other place subject to the jurisdiction of the United States shall also have jurisdiction to issue writs of mandamus commanding any person to comply with the provisions of this title or any rule, regulation, or order of the Commission made in pursuant thereof, or any rule of a national securities association, national securities exchange, registered clearing agency, or registered securities depository, of which such person is a member, an associated person of a member, a participant, or a person who is required to be regulated by an exchange pursuant to section 6(1) of this title, or with any undertaking contained in a registration statement as provided in subsection (d) of section 15 of this title or to compel a registered national securities exchange, national securities asssociation, registered claims agency, or registered securities depository to enforce compliance with the rules of such exchange, association, clearing agency, or securities depository: *Provided, however*, That the Commission shall not proceed against any person under this subsection based on a violation of an exchange association, clearing agency, or securities depository rule without first notifying such exchange, association, clearing agency, or securities depository of the alleged violation and the Commission's intention to proceed based upon it and giving such exchange, association, clearing, agency, or securities depository such time as the Commission determines to be reasonable within which to take appropriate action, except that the Commission need not give prior notification to an exchange, association, clearing agency, or securities depository if the Commission determines that the public interest or the protection of investors requires immediate action on the part of the Commission.

"(f) Notwithstanding the provisions of section 1407 of title 28, United States Code, no enforcement action for equitable relief instituted by the Commission pursuant to the securities laws shall be consolidated or coordinated with other actions not brought by the Commission, even though such other actions may involve common questions of fact, unless such consolidation is consented to by the Commission. As used in this subsection, the term 'securities laws' includes the Securities Act of 1933 (15 U.S.C. 77 et seq.), the Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.), the Public Utility Holding Company Act of 1935 (15 U.S.C. 79a et seq.), the Trust Indenture Act of 1939 (15 U.S.C. 77aaa et seq.), the Investment Company Act of 1940 (15 U.S.C. 80a–1 et seq.), the Investment Advisors Act of 1940 (15 U.S.C. 806 et seq.), and the Securities Investor Protection Act of 1970 (15 U.S.C. 78aaa et seq.).".

SEC. 107. Section 15A of the Securities Exchange Act of 1934 (15 U.S.C. 78o–3) is amended to read as follows:

"NATIONAL SECURITIES ASSOCIATIONS

"SEC. 15A. (a) Any association may register with the Commission as a national securities association under the terms and conditions provided in this section by filing with the Commission a registration statement in such form as the Commission may prescribe setting forth the following information and accompanied by the following documents:

"(1) Copies of its constitution, articles of incorporation, bylaws, or rules or instruments corresponding to the foregoing, and its stated policies and practices relating to its organization, membership, and procedures, collectively referred to in this title as the 'rules of the association'.

"(2) Such other information which may be necessary or appropriate in the public interest or for the protection of investors as the Commission may, by rule, require.

"(b) An association shall not be registered as a national securities association unless it appears to the Commission that—

"(1) such association will be able to comply with and carry out the requirements of subsection (m) of this section;

"(2) the rules of the association provide that any broker or dealer may become a member of such association in conformity with the requirements of subsection (1) of this section;

"(3) the rules of the association assure a fair representation of its members, issuers of securities, and the public, in the adoption of rules of the association and amendments thereto, the selection of its officers and directors, and in all other phases of the administration of its affairs, including, as a minimum, provisions that—

"(A) the governing body of the association, whether called a Board of Governors, Board of Directors, or some other name, contain individuals who are not brokers, dealers, members, persons associated with a broker or dealer or persons associated with a member, and who are representative of issuers and the public (hereinafter referred to as the 'public representatives');

"(B) the association will appropriate for the use of the public representatives such sums as are requested by the public representatives and determined by the governing body of the association to be reasonable to permit the public representatives to employ such staff or retain such attorneys, consultants, or other experts, as the public representatives may reasonably require, independent of the association staff; and

"(C) there are reasonable limits on the length of time and the number of terms members of the governing body may serve;

"(4) the rules of the association provide for the equitable allocation of dues, fees, and other charges among its members, among issuers with respect to whose securities quotations are disseminated through facilities of the association, and among other persons using its facilities;

"(5) the rules of the association are designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to provide safe-

guards against unreasonable profits or unreasonable rates of commissions or other charges, and, in general, to protect investors and the public interest, and to remove impediments to and perfect the mechanism of a free and open market; and are not designed to permit unfair discrimination between or among customers or issuers, or brokers or dealers, to fix minimum profits, to impose any schedule of prices, or to impose any schedule or fix minimum rates of commissions, allowances, discounts, or other charges;

"(6) the rules of the association provide for the appropriate disciplining of its members and persons associated with its members for violations of its rules or the provisions of this title and the rules or regulations thereunder, by expulsion, suspension, fine, censure, limitation of activities, functions, and operations, being suspended or barred from being associated with a member, or any other fitting sanction, except that such rules need not require an association to discipline any person, directly or indirectly controlling, under common control with, or controlled by a member of such association if such person not otherwise a person associated with such member;

"(7) the rules of the association provide a fair and orderly procedure with respect to the disciplining of members and persons associated with members, including that the rules, as a minimum, meet the requirements of subsection (g) of this section;

"(8) the rules of the association provide a fair and orderly procedure with respect to the denial of membership to any person seeking membership therein or with respect to action taken to bar any person from becoming a person associated with a member of such association, including that the rules, as a minimum, meet the requirements of subsection (h) of this section;

"(9) the rules of the association are sufficient and reasonably necessary to permit the association to discharge its regulatory responsibilities under this title; and

"(10) the rules of the association include provisions governing the form and content of quotations relating to securities or any class thereof which may be disseminated by any member or any person associated with a member, and the persons to whom such quotations may be supplied. Such rules relating to quotations shall be designed to produce fair and informative quotations, both at the wholesale and retail level, to prevent fictitious or misleading quotations, and to promote orderly procedures for collecting, publishing, and diseminating quotations.

"(c) Unless disapproved by the Commission pursuant to subsection (f) of this section or otherwise provided by the Commission pursuant to section 6A of this title, nothing in this title shall be construed to prevent any association from adopting and enforcing any rule not inconsistent with this title and the rules, regulations and orders thereunder and with applicable State law.

"(d) The Commission shall, upon the filing of an application for registration pursuant to subsection (a), publish notice of the filing and afford interested persons a reasonable opportunity for comment. Within 60 days of the filing of an application for registration pursuant to subsection (a), the Commission shall—

"(1) by order grant such registration if the Commission finds that the requirements of this section are satisfied, or

"(2) institute appropriate administrative action to determine whether the application should be denied.

If, after appropriate notice and opportunity for hearing, the Commission finds that any requirement of this section is not satisfied, the Commission shall by order deny such registration. The Commission shall conclude administrative action and issue an order either granting or denying an application within 120 days of the filing of the application, unless the Commission finds good cause for extending the period, in which case the Commission may extend such period of time not to exceed 90 days.

"(e) A national securities association may, upon such terms and conditions as the Commission may deem necessary in the public interest or for the protection of investors, withdraw from registration by filing a written notice of withdrawal with the Commission. If the Commission finds that any such association or such other person for whom an application of registration is pending is no longer in existence or has ceased to do business in the capacity specified in the registration statement, the Commission shall by order cancel or deny the registration.

"(f)(1) Each national securities association shall file with the Commission, in accordance with such rules as the Commission may prescribe, copies of any proposed changes in, additions to, deletions from, or amendments to the rules of the association, to be accompanied by a summary statement of the bases and purposes of such proposed change, addition, deletion, or amendment, and such other information and documents as the Commission may require to keep current or supplement the registration statement and documents filed pursuant to subsection (a). No proposed change, addition, deletion, or amendment to an association's rules shall take effect except in accordance with the provisions of this subsection.

"(2) The Commission shall, upon the filing of a proposed change, addition, deletion, or amendment to an association's rules, publish notice of such proposed together with the association's statements of bases and purposes and, except with respect to those rules which constitute its stated policies and practices relating to its organization, membership, and procedures, shall afford interested persons a reasonable opportunity for comment on the proposed change, addition, deletion, or amendment. Proposed changes, additions, deletions, or amendments to an association's rules, except those rules which constitute its stated policies and practices relating to its organization, membership, and procedures, shall take effect 45 days after publication of such notice by the Commission, unless the Commission, by order, disapproves such proposed change, addition, deletion, or amendment as inconsistent with the purposes of this title or otherwise inconsistent with the public interest, but the Commission may extend this time for a period not to exceed 90 days in order to solicit additional public comment or to provide interested persons an opportunity for oral presentation of views, data, or arguments concerning the proposed change, addition, deletion, or amendment. The Commission, upon its own motion, or upon application setting forth the reasons therefor, may, conditionally or unconditionally, exempt from the public comment requirements of this section, and may accelerate the effectiveness of any proposed change, addition, deletion, or amendment or any class of such proposed change, addition, deletion, or amendment if the Commission finds that the application of either the public comment requirement, or the waiting period requirement, or both, to such change, addition, deletion, or amendment or class of such change, addition, deletion, or amendment is not necessary or appropriate in the public interest or for the protection of investors and that such exemption or acceleration is not inconsistent with the purposes of this section.

"(3)(A) Notwithstanding the provisions of paragraphs (1) and (2) of this subsection, changes, additions, deletions, or amendments to an association's stated policies and practices relating to its organzation, membership, and procedures may take effect on such date as may be designated by the association. An association shall file with the Commission copies of any such change, addition, deletion, or amendment to such stated policies and practices, accompanied by a summary statement of the basis and purpose therefor, on the date on which such change, addition, deletion, or amendment takes effect, except that the failure to file such charge, addition, deletion, or amendment to such stated policies and practices as hereinabove provided shall not affect the validity, force, or effect of any such change, addition, deletion, or amendment.

"(B) The Commission may, at any time but no later than 60 days after the filing of any such change, addition, deletion, or amendment to an association's stated policies and practices relating to its organization, membership, and procedures (except those which relate solely to the internal administration of such association) disapprove, by order, such change, addition, deletion, or amendment as inconsistent with the purposes of this title or otherwise inconsistent with the public interest. Disapproval by the Commission under this subparagraph shall apply prospectively.

"(4) Any filing required to be made with the Commission under subsection or pursuant to any rule under this subsection, and all written communications between the Commission and the association and between the Commission and any other persons relating to all such filings, shall be placed in a public file and shall be made available to any person for inspection and copying.

"(g)(1) In any proceeding to determine whether a member or person associated with a member should be disciplined, rules of a national securities association registered under this section shall require that specific charges of any violation be brought; that such member or person associated with a member shall be notified of and be given an opportunity to defend against such charges; and that a record shall be kept. A determination to impose a disciplinary sanction shall be supported by a statement setting forth—

"(A) any act or practice in which such member or person associated with such member has been found to have engaged, or any required act or practice which such member or person associated with such member has been found to have omitted;

"(B) the specific rule or rules of the association or provisions of this title or rules or regulations thereunder which any such act or practice, or ommission to act, is deemed to violate; and

"(C) the sanction imposed and the reasons for that sanction.

Such statement shall be publicly noticed in accordance with such procedures as the Commisison shall, by rule, specify.

"(2) Rules of a national securities association may, with the approval of the Commission, provide for a summary procedure for the suspension of a member or person associated with a member—

"(A) where the member or person associated with a member who is the subject of the summary proceeding has been disciplined by another national securities association or a national securities exchange for the behavior which is the subject of the summary procedure; or

"(B) where the member is insolvent or failing to perform its contracts, and the association determines that public investors may be endangered, or where the member is in such financial or operating condition that it cannot be permitted to continue in business with safety to its customers, creditors, or the association.

Following any such suspension, the member promptly shall be afforded an opportunity for a hearing which meets the requirements of paragraph (1) above.

"(h) In any proceeding to determine whether a person shall be denied membership, or whether a person should be barred from being associated with a member, rules of a national securities association registered under this section shall provide that any such person shall be notified of, and be given an opportunity to be heard upon, the bases for the denial or bar which are under consideration; and that a record be kept. A determination to deny membership or to bar a person from being associated with a member shall be supported by a statement setting forth the specific grounds on which the denial or bar is based.

"(i) If any national securities association imposes any disciplinary sanction against or concludes disciplinary proceedings without imposing a sanction with respect to any member thereof, or any person associated with a member, or denies admission to any person seeking membership therein or bars any person from being associated with a member of such association, the association shall promptly notify the Commission. Such action or proceedings shall be subject to review by the Commission within 30 days after a copy of the statement referred to in (g) or (h) above has been given to the aggrieved party and to the Commission, upon the Commission's own motion, or upon application by any person aggrieved thereby. The Commission may, upon the application of an aggrieved party for review or upon the initiation of review by the Commission on its own motion, order a stay of such disciplinary action, or order a stay of any action under subsection (h) barring a person from being associated with a member, pending completion of the review proceeding.

"(j)(1) In a proceeding to review disciplinary proceedings of a national securities association registered under this section with respect to a member or any person associated with a member, after appropriate notice and opportunity for hearing—

"(A) if the Commission finds that such member or such person has engaged in such acts or practices, or has omitted such acts, as the association has charged or has found him to have engaged in or to have omitted, and determines that such acts or practices, or omission to act, are in violation of the provisions of this title, or the rules adopted thereunder, or the rules of the association as have been designated in the determination of the association, it shall by order so declare and, if appropriate, affirm the action taken by the association or remand the proceeding to the association, or modify any sanction in accordance with paragraph (2) of this subsection; or

"(B) if the Commission finds that such member or such person has not engaged in such acts or practices, or has not omitted such acts, as the association has charged or has found him to have engaged in or to have omitted, or that such acts or practices are not prohibited by the designated provisions of this title, or the rules adopted thereunder, or by the designated rule or rules of the association or that such act as alleged or found to have been omitted is not required by such designated provisions, rule, or rules, the Commission shall by order so declare and, if appropriate, set aside the action of the association.

"(2) If the Commission, having due regard for the public interest, finds that the disposition of the proceedings, before the association with respect to the imposition or failure to impose any sanction against a member or person associated with a member is inappropriate, the Commission shall, by order, declare that the imposition or failure to impose a sanction is inappropriate and may in such order cancel, reduce, or require the remission of such sanction, or may remand the disciplinary proceeding to the association with a statement of the Commission's position thereon and with appropriate instruction to the association to reconsider such sanction, to adduce such additional evidence as may be necessary, and to determine whether some different or additional sanction should be imposed. The association shall notify the member or person associated with the member, and the Commission, as to the association's determination whether to impose a different or additional sanction, and the Commission, within 30 days after being informed of the association's detrmination, upon the Commission's own motion or upon application by any person aggrieved thereby, may again review such disciplinary action or proceeding and may then, by order, confirm, reduce, cancel, or require the remission of such sanction.

"(k) In any proceeding to review the denial of membership in a national securities association or to review action of an association to bar a person from being associated with a member, if the Commission, after appropriate notice and opportunity for hearing, (A) finds that the specific grounds on which such denial or bar is based exist in fact and are valid under the rules of the association and this section, it shall by order so declare and affirm the association's action; or (B) finds that the specific grounds do not exist or are invalid under the rules of the association or this section, the Commission shall by order so declare and set aside the action of the association and require it to admit the applicant to membership or to permit such person to be associated with a member.

"(l) A national securities association shall permit any broker or dealer to become a member of such association, except that, any association may—

"(1) unless the Commission, by order, directs otherwise in cases in which the Commission finds it appropriate in the public interest so to direct, deny membership to, or bar from being associated with a member, any person who, by order of the Commission or by action of an exchange or association, has been expelled or suspended from membership in, or who has been barred or suspended from being associated with a member of, any other association or any national securities exchange, during the period of such expulsion, suspension, or bar;

"(2) unless the Commission, by order, directs otherwise in case in which the Commission finds it appropriate in the public interest so to direct, deny membership to any broker or dealer, who is subject to an order of the Commission denying, suspending for a period not exceeding 12 months, or revoking such broker or dealer's registration pursuant to section 15 of this title;

"(3) unless the Commission, by order, directs otherwise in cases in which the Commission finds it appropriate in the public interest so to direct, bar from being associated with a member any person, during the period of any suspension, expulsion, or order of the character described in paragraphs (1) or (2) of this subsection, who, by his conduct while associated with a broker or dealer, was the cause of such suspension, expulsion, or order, and in entering such a suspension, expulsion, or order, the Commission or any such exchange or association shall have jurisdiction to determine whether or not any person was a cause thereof;

"(4) unless the Commission, by order, directs otherwise in cases in which the Commission finds it appropriate in the public interest so to direct, deny membership to any broker or dealer who has associated with him any person who is known, or in the exercise of reasonable care should be known, to such broker or dealer to be a person who, if such person were a broker or dealer, would be ineligible for admission to or continuance in membership under paragraphs (1), (2), or (3) of this subsection;

"(5) unless the Commission directs to the contrary in a proceeding under section 15A (k), in instances where the Commission finds it appropriate in the public interest so to direct, deny membership to, or bar from being associated with a member, any person on those grounds set forth in section 15(b)(5)(C)–(F) of this title or to any person who (A) has willfully made or caused to be made in any application for membership or report required to be filed with the association, or in any proceeding before the association, any statement which was, at the time and in light of the circumstances under which it was made, false or misleading with respect to any material fact, or has omitted to state in any such application or report any material fact which is required to be stated therein; or (B) has been convicted, within ten years preceding the filing of the application or at any time thereafter, of the crime of armed robbery or grand larceny or of any felony or misdemeanor which the association finds—

"(i) involves the purchase or sale of any security;

"(ii) arises out of the conduct of the business of a broker, dealer, or investment adviser;

"(iii) involves embezzlement, fraudulent conversion, or misappropriation of funds or securities;

"(iv) involves the violation of section 1341, 1342, or 1343 of title 18, United States Code;

"(6) condition membership on the members meeting financial responsibility requirements which are additional to those imposed by rules or regulations adopted by the Commission pursuant to section 15 of this title and which the Commission determines are reasonable and consistent with the purposes of this title and with the public interest;

"(7) require an applicant for membership, or any natural person to be associated with a member, to meet competency requirements which are additional to those imposed by rules or regulations adopted by the Commission pursuant to section 15(b)(8) of this title and which the Commission determines are reasonable and consistent with the purposes of this title and with the public interest; and

"(8) condition membership on the members meeting operation capability requirements imposed by rules of the association which the Commission determines are reasonable and consistent with the purposes of this title and with the public interest.

"(m) National securities associations registered under this section shall comply with the provisions of this title, and the rules, regulations, and orders thereunder, and shall enforce, so far as within their power, compliance by their members with the provisions of this title, and the rules and regulations thereunder, and with the rules of the association.

"(n) This section shall not require any securities association which was registered on the date of enactment of the Securities Reform Act of 1975 to re-register with the Commission. If in its opinion the rules of any association which is registered on the date of enactment of the Securities Reform Act of 1975 do not comply with the requirements of this section, the Commission, no later than one year from the date of enactment of the Securities Reform Act of 1975, shall so notify such association in writing specifying the reasons why in the Commission's opinion such rules do not comply with such requirements. On and after the 180th day following the date of enactment of the Securities Reform Act of 1975, but no sooner than 90 days after an association has been notified as required herein, the Commission is authorized, after appropriate notice and opportunity for hearing, by order to suspend the registration of any such national securities association if the Commission finds that the rules of such association are not in compliance with the requirements of this section, such sus-

pension to continue in effect until the Commission issues an order declaring that the rules of such association comply with such requirements.

"(o) (1) The rules of a registered securities association may provide that no member thereof shall deal with any nonmember broker or dealer (as defined in paragraph (2) of this subsection) except at the same prices, for the same commissions or fees, and on the same terms and conditions as are by such member accorded to the general public.

"(2) For the purposes of this subsection, the term 'nonmember broker or dealer' shall include any broker or dealer who makes use of the mails or of any means or instrumentality of interstate commerce to effect any transaction in, or to induce the purchase or sale of, any security otherwise than on a national securities exchange, who is not a member of any national securities association, except a broker or dealer who deals exclusively in commercial paper, bankers' acceptance, or commercial bills.

"(3) Nothing in this subsection shall be so construed or applied as to prevent any member of a national securities association from granting to any other member of any national securities association any dealer's discount, allowance, commission, or special terms.

"(p) Nothing in this section shall be construed to apply with respect to any transaction by a broker or dealer in any exempted security.

"(q) (1) Rules of an association may require any person, or any class of persons, associated with a member to be registered with the association in accordance with procedures specified by such rules and may provide that applications to become a member or a person associated with a member shall set forth such facts as the association may prescribe as to the training, experience, and other qualifications (including, in the case of an applicant for membership, financial responsibility) of the applicant and that the association may adopt procedures for verification of qualifications of the applicant.

"(2) Any application or document supplemental thereto required by rules of an association to be filed by a person applying for membership in such association or to be filed by a person applying to be associated with a member of an association shall, for the purposes of subsection (a) of section 32 of this title, be deemed an application or document required to be filed under this title."

TITLE II—FINANCIAL RESPONSIBILITY; REGULATION OF BROKERS AND DEALERS; REPORTS AND EXAMINATIONS

SEC. 201. Section 8 of the Securities Exchange Act of 1934 (15 U.S.C. 78h) is amended to read as follows:

"RESTRICTIONS ON BORROWING BY MEMBERS, BROKERS, AND DEALERS

"SEC. 8. It shall be unlawful for any registered broker or dealer or any broker or dealer who transacts a business in securities through the medium of any member of a national securities exchange directly or indirectly—

"(a) To borrow in the ordinary course of business as a broker or dealer on any security (other than an exempted security) registered on a national securities exchange except (1) from or through a member bank of the Federal Reserve System, (2) from any nonmember bank which shall have filed with the Board of Governors of the Federal Reserve System an agreement, which is still in force and which is in the form prescribed by the Board, undertaking to comply with all provisions of this Act, the Federal Reserve Act as amended, and the Banking Act of 1933, which are applicable to member banks and which relate to the use of credit to finance transactions in securities, and with such rules and regulations as may be prescribed pursuant to such provisions of law or for the purpose of preventing evasions thereof, or (3) in accordance with such rules and regulations as the Board of Governors of the Federal Reserve System may prescribe to permit loans between such members and/or brokers and/or dealers, or to permit loans to meet emergency needs. Any such agreement filed with the Board of Governors of the Federal Reserve System shall be subject to termination at any time by order of the Board after appropriate notice and opportunity for hearing because of any failure by such bank to comply with the provisions thereof or with such provisions of law or rules or regulations; and, for any willful violation of such agreement, such bank shall be subject to the penalties provided for violation of rules and regulations prescribed under this title. The provisions of sections 21 and 25 of this title shall apply in the case of any such proceeding or order of the Board of Governors of the Federal Reserve System in the same manner as such provisions apply in the case of proceedings and orders of the Commission.

(b) In contravention of such rules and regulations as the Commission shall prescribe for the protection of investors to hypothecate or arrange for hypothecation of any securities carried for the account of any customer under circumstances (1) that will permit the commingling of his securities without his written consent with the securities of any other customer, (2) that will permit such securities to be commingled with the securities of any person other than a bona fide customer, or (3) that will permit such securities to be hypothecated, or subjected to any lien or claim of the pledgee for a sum in excess of the aggregate indebtedness of such customers in respect of such securities.

"(c) To lend or arrange for the lending of any securities carried for the account of any customer without the written consent of such customer or in contravension of such rules and regulations as the Commission shall prescribe for the protection of investors."

SEC. 202. Section 15(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78o(a)) is amended to read as follows:

"SEC. 15. (a) (1) No broker or dealer (other than one whose business is exclusively intrastate) shall make use of the mails or an exchange facility or of any means or instrumentality of interstate commerce, and no broker or dealer who is a member of an exchange shall make use of an exchange facility, to effect any transaction in, or to induce the purchase or sale of, any security (other than an exempted security or commercial paper, bankers' acceptances, or commercial bills) unless registered as a broker or dealer in accordance with subsection (b) of this section.

"(2) The Commission may by such rules and regulations or orders as it deems necessary or appropriate in the public interest or for the protection of investors, either unconditionally or upon specified terms and conditions or for specified periods, exempt from paragraph (1) of this subsection any broker or dealer or class of brokers or dealers specified in such rules, regulations, or orders.

SEC. 203. (a) Section 15(b) of the Securities Exchange Act of 1934 (15 U.S.C. 78o(b)) is amended to read as follows:

"(b) (1) A broker or dealer may be registered for the purpose of this section by filing with the Commission an application for registration, which shall contain a balance sheet certified by an independent public or certified accountant and such other financial statements (which may be certified) or such other information in such detail as to such broker or dealer and any persons associated with such broker or dealer as the Commission may by rules and regulations require as necessary or appropriate in the public interest or for the protection of investors. Within 45 days of the filing of such application or any amendment to such application the Commission shall—

"(A) by order grant such registration if the Commission finds that the requirements of this section are satisfied, or

"(B) institute appropriate administrative action to determine whether the application should be denied. If, after appropriate notice and opportunity for hearing, the Commission finds that any requirement of this section is not satisfied, the Commission shall by order deny such registration. The Commission shall conclude administrative action and issue an order granting or denying the application within 120 days of the filing of such application, unless the Commission finds good cause for extending the period, in which case the Commission may extend such period for an additional 90 days.

"(2) An application for registration of a broker or dealer to be formed or organized may be made by a broker or dealer to which the broker or dealer to be formed or organized is to be the successor. Such application shall contain a balance sheet certified by an independent or certified public accountant and such other financial statements (which may be certified) or such other information in such detail as to the applicant and as to the successor and any person associated with the applicant or the successor, as the Commission may by rules and regulations require as necessary or appropriate in the public interest or for the protection of investors. The effectiveness of such application shall be governed by the same procedures as set forth in subsection (b)(1). Should the Commission grant such application for registration, the registration shall terminate on the forty-fifth day of the effective date thereof, unless prior thereto the successor shall, in accordance with such rules and regulations as the Commission may prescribe, adopt such application as its own.

"(3) Within 6 months of the granting of an application for registration the Commission, or such national securities association or national securities exchange of which such broker or dealer is a member as the Commission may, by rule, designate, shall conduct an inspection of the broker or dealer so registered, to determine whether such broker or dealer is operating in conformity with the provisions of this title, and the rules and regulations adopted thereunder: *Provided, however*, That the Commission may classify brokers and dealers on appropriate bases, including the type of business in which they are engaged, and, with respect to particular classes of brokers and dealers, delay for a period not to exceed 6 months the inspection required by this paragraph.

"(4) Any provision of this title (other than section 5 and subsection (a) of this section) which prohibits any act, practice, or course of business if the mails or any means or instrumentality of interstate commerce are used in connection therewith shall also prohibit any such act, practice, or course of business by any broker or dealer registered pursuant to this subsection or any person acting on behalf of such a broker or dealer, irrespective of any use of the mails or any means or instrumentality of interstate commerce in connection therewith.

"(5) The Commission shall, after appropriate notice and opportunity for hearing, by order censure, deny registration to, suspend for a period not exceeding 12 months, or revoke the registration of, any broker or dealer if it finds that such censure, denial, suspension, or revocation is in the public interest and that such broker or dealer, whether prior or subsequent to becoming such, or any person associated with such broker or dealer, whether prior or subsequent to becoming so associated—

"(A) has willfully made or caused to be made in any application for registration or report required to be filed with the Commission under this title, or in any proceeding before the Commission with respect to registration, any statement which was at the time and in the light of the circumstances under which it was made false or misleading with respect to any material fact, or has omitted to state in any such application or report any material fact which is required to be stated therein.

"(B) has been convicted within 10 years preceding the filing of the application or at any time thereafter of the crime of armed robbery or grand larceny or of any felony or misdemeanor which the Commission finds—

"(i) involves the purchase or sale of any security.

"(ii) arises out of the conduct of the business of a broker, dealer, or investment adviser.

"(iii) involves embezzlement, fraudulent conversion, or misappropriation of funds or securities.

"(iv) involves the violation of section 1341, 1342, or 1343 of title 18, United States Code.

"(C) is permanently or temporarily enjoined by order, judgment, or decree of any court of competent jurisdiction from acting as an investment adviser, underwriter, broker, or dealer, or as an affiliated person or employee of any investment company, bank, or insurance company, or firm engaging in or continuing any conduct or practice in connection with any such activity, or in connection with the purchase or sale of any security.

"(D) has willfully violated any provision of the Securities Act of 1933, the Investment Advisers Act of 1940, the Investment Company Act of 1940, or this title, or any rule or regulation under any of such statutes.

"(E) has willfully aided, abetted, counseled, commanded, induced, or procured the violation by any other person of the Securities Act of 1933, the Investment Advisers Act of 1940, the Investment Company Act of 1940, or of this title, or any rule or regulations under any of such statutes, or has failed reasonably to supervise, with a view to preventing violations of such statutes, rules, and regulations, another person who commits such a violation, if such other person is subject to his supervision. For the purposes of this clause (E) no person shall be deemed to have failed reasonably to supervise any person, if—

"(i) there have been established procedures, and a system for applying such procedures, which would reasonably be expected to prevent and detect, insofar as practicable, any such violation by such other person, and

"(ii) such person has reasonably discharged the duties and obligations incumbent upon him by reason of such procedures and system without reasonable cause to believe that such procedures and system were not being complied with.

"(F) is subject to an order of the Commission entered pursuant to paragraph (7) of this subsection (b) barring or suspending the right of such person to be associated with a broker or dealer, which order is in effect with respect to such person.

"(6) Pending final determination whether any registration under this subsection shall be revoked, the Commission shall by order suspend such registration, if after appropriate notice and opportunity for hearing, such suspension shall appear to the Commission to be necessary or appropriate in the public interest or for the protection of investors. Any registered broker or dealer may, upon such terms and conditions as the Commission may deem necessary in the public interest or for the protection of investors, withdraw from registration by filing a written notice of withdrawal with the Commission. If the Commission finds that any registered broker or dealer is no longer in existence or has ceased to do business as a broker or dealer, the Commission shall, after appropriate notice and opportunity for hearing, by order cancel the registration of such broker or dealer.

"(7) The Commission may, after appropriate notice and opportunity for hearing, by order censure any person, or bar or suspend for a period not exceeding 12 months any person from being associated with a broker or dealer if the Commission finds that such censure, barring, or suspension is in the public interest and that such person has committed or omitted any act or omission enumerated in clause (A), (D), or (E) of paragraph (5) of this subsection or has been convicted of any offense specified in clause (B) of said paragraph (5) within 10 years of the commencement of the proceedings under this paragraph or is enjoined from any action, conduct, or practice specified in clause (C) of said paragraph (5). It shall be unlawful for any person as to whom such an order barring or suspending him from being associated with a broker or dealer is in effect, willfully to become, or to be, associated with a broker or dealer, without the consent of the Commission, and it shall be unlawful for any broker or dealer to permit such a person to become, or remain, a person associated with him, without the consent of the Commission, if such broker or dealer knew, or in the exercise of reasonable care, should have known, of such order.

"(8) No broker or dealer registered under section 15 of this title shall effect any transaction in, or induce the purchase or sale of, any security unless such broker or dealer and all natural persons associated with such broker or dealer meet such specified and appropriate standards with respect to training, experience and age, and such other qualifications as the Commission finds necessary or appropriate in the public interest or for the protection of investors. The Commission shall establish such standards by rules and regulations, which may—

"(A) appropriately classify brokers and dealers and persons associated with brokers and dealers (taking into account relevant matters, including types of business done and nature of securities sold).

"(B) specify that all or any portion of such standards shall be applicable to any such class.

"(C) require persons in any class to pass examinations prescribed in accordance with such rules and regulations, which examinations shall, with respect to any class of partners, officers, or supervisory employees (which latter term may be defined by the Commission's rules and regulations and as so defined shall include branch managers of brokers or dealers) engaged in the business activities of the broker or dealer, include questions relating to bookkeeping, accounting, internal control over cash and securities, proper maintenance of records, and other appropriate matters.

"(D) provide that persons in any class other than a broker or a dealer and partners, officers, and supervisory employees of brokers or dealers, may be qualified solely on the basis of compliance with such specified standards of training and such other qualifications as the Commission finds appropriate.

The Commission may prescribe by rules and regulations reasonable fees and charges to defray its costs in carrying out this paragraph, including, but not limited to, fees for any examination administered by it or under its direction. The Commission may cooperate with national securities associations registered under section 15A of this title and with national securities exchanges registered under section 6 of this title in devising and administering examinations and may require brokers and dealers registered under this section and persons associated with such brokers and dealers to pass examinations administered by or on behalf of any such association or exchange and to pay such association or exchange reasonable fees or charges to defray the costs incurred by such association or exchange in administering such examinations.

"(9) In addition to the fees and charges authorized by paragraph (8) each broker or dealer registered under section 15 of this title which is not a member of a national securities association registered pursuant to section 15A of this title shall pay to the Commission such reasonable fees and charges as may be necessary to defray the costs of additional regulatory duties required to be performed by the Commission because such broker or dealer is not a member of such a securities association. The Commission shall establish such fees and charges by rules and regulations.

"(10) No broker or dealer subject to paragraph (9) of this subsection shall effect any transaction in, or induce the purchase or sale of, any security (otherwise than on a national securities exchange) in contravention of such rules and regulations as the Commission may prescribe designed to promote just and equitable principles of trade, to provide safeguards against unreasonable profits of unreasonable rates of commissions or other charges, and in general to protect investors and the public interest, and to remove impediments to and perfect the mechanism of a free and open market."

(b) The amendments and repeals made by this section shall not require the re-registration of any person registered pursuant to subsection 15(b) on the date on which the Securities Reform Act of 1975 take effect.

SEC. 204. Section 15(c)(3) of the Securities Exchange Act of 1934 (15 U.S.C. 78o(c)(3)) is amended to read as follows:

"(3)(A) No broker or dealer shall make use of the mails or an exchange facility or of any means or instrumentality of interstate commerce, to effect any transaction in, or to induce or attempt to induce the purchase or sale of, any security (other than an exempted security or commercial paper, bankers' acceptances, or commercial bills) in contravention of such rules and regulations as the Commission shall prescribe as necessary or appropriate in the public interest or for the protection of investors to provide safeguards with respect to the financial responsibility and related practices of such brokers and dealers including, but not limited to, the acceptance of custody and use of customers' securities, and the carrying and use of customers' deposits or credit balances. Such rules and regulations shall (i) require the maintenance of reserves with respect to customers' deposits or credit balance, and (ii) by no later than July 1, 1975, establish minimum capital requirements for ample, liquid, and permanent capital of such brokers and dealers.

"(B) The Commission shall have authority, after appropriate notice and opportunity for hearing, to order any broker or dealer or class thereof to restrict any of its activities if the Commission finds that such restrictions are reasonably necessary to assure continued compliance with rules under this section.

"(C) For the purposes of this paragraph, the Commission is authorized to classify brokers and dealers on appropriate bases including the type of business in which they are engaged and risks attendant thereto.

"(D)(i) The Commission may, by order, upon written application, exempt from the provisions of this paragraph, either unconditionally or on specified terms and conditions, any broker or dealer who satisfies the Commission that, because of the special nature of his business, his financial position, and the safeguards he has established for the protection of customers' funds and securi-

ties, it is not necessary in the public interest or for the protection of investors to subject the particular broker or dealer to the provisions of this paragraph and the Commission may, by rule, exempt from the provisions of this paragraph, either unconditionally or on specified terms and conditions, any broker or dealer or class of brokers or dealers who do not handle customers' funds and securities, if the Commission determines that it is not necessary in the public interest or for the protection of investors to subject such brokers or dealers or classes of brokers or dealers to the provisions of this paragraph.

"(ii) The Commission shall include in its annual reports to Congress required by section 23(b) of this title information concerning the number of requests for exemptions received, the number granted pursuant to (i) above, the basis or bases upon which the exemptions were granted and any rule or rules exempting any broker or dealer or class of brokers or dealers from the provisions of this paragraph."

SEC. 205. Section 17 of the Securities Exchange Act of 1934 (15 U.S.C. 78q) is amended to read as follows:

"ACCOUNTS AND RECORDS, REPORTS, EXAMINATIONS OF EXCHANGES, MEMBERS, AND OTHERS

"SEC. 17. (a) Every national securities exchange, every member thereof registered under section 15 of this title, every broker or dealer who transacts a business in securities through the medium of any such member, every national securities association, every broker or dealer registered pursuant to section 15 of this title and every securities information processor, shall make, keep, and preserve for such periods, such accounts, correspondence, memoranda, papers, books, and other records, and furnish such copies thereof, and make and disseminate such reports, as the Commission by its rules and regulations may prescribe as necessary or appropriate in the public interest or for the protection of investors or to remove impediments to or perfect the mechanism of a national securities market system. No exchange, broker, dealer, national securities association, or securities information processor shall be liable for damages to any person, whether or not the subject of such accounts, correspondence, memoranda, papers, books, or other records solely for having furnished copies of such material as required by this section or rules or regulations thereunder.

"(b) Such accounts, correspondence, memoranda, papers, books, and other records shall be subject at any time or from time to time to such reasonable periodic, special, or other examinations by examiners or other representatives of the Commission as the Commission may deem necessary or appropriate in the public interest or for the protection of investors.

"(c) Every broker or dealer registered under this title shall file with the Commission balance sheets and income statements, certified by an independent public or certified public accountant, prepared on a calendar or fiscal year basis for the current year and the preceding year, if any, and shall file such other information concerning its financial conditions as the Commission shall, by rule, require. Every such broker or dealer shall send to its customers its certified balance sheet and, upon the request of any customer or as may be required by the Commission, by rule, its certified income statement and any other information concerning its financial condition which it is required to file with the Commission.

"(d) Rules under subsection (a) of this section may include rules (1) regulating the reporting of transactions executed on an exchange, or otherwise than on an exchange on a continuous basis or otherwise; (2) regulating the reporting of bids and offers for securities traded on an exchange or otherwise than on an exchange on a continuous basis or otherwise; and (3) prescribing uniformity in accounting procedures and systems of brokers and dealers and members of exchanges and associations.

"(e) Any broker, dealer, member or other person extending credit who is subject to the rules and regulations prescribed by the Board of Governors of the Federal Reserve System pursuant to this title shall make such reports to the Board as it may require as necessary or appropriate to enable it to perform the functions conferred upon it by this title. If any such broker, dealer, member, or other person shall fail to make any such report or fail to furnish full information therein, or, if in the judgment of the Board it is otherwise necessary, such broker, dealer, member, or other person shall permit such inspections to be made by the Board with respect to the business operations of such broker, dealer, or other person as the Board may deem necessary to enable it to obtain the required information.

"(f) The term 'securities information processor' means any person engaged in the business of (1) collecting, processing, or preparing for distribution or publication, or assisting, participating in, or coordinating the distribution or publication of information with respect to transactions in, quotations for, or indications of interest to purchase or sell any security, or (2) distributing or publishing (whether by means of a ticker take, a communications network, a terminal display device, or otherwise) on a current and continuing basis information with respect to such transactions, quotations, or indications of interest. The term 'securities information processor' does not include the publisher of any bona fide newspaper, news magazine, or business or financial publication of general and regular circulation, any common carrier subject to the jurisdiction of the Federal Communications Commission or a State commission as defined in section 3(t) of the Communications Act of 1934, any national securities exchange, or any national securities association."

TITLE III—DEVELOPMENT OF A NATIONAL CLEARANCE AND SETTLEMENT SYSTEM

SEC. 301. Section 2 of the Securities Exchange Act of 1934 (15 U.S.C. 78b) is amended by striking the word "and" immediately before the phrase "to impose requirements necessary to make such regulation and control reasonably complete and effective," and by adding the following immediately after the phrase "and to provide for the development of an integrated national system for the prompt and accurate processing and settlement of securities transactions".

SEC. 302. Section 3(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)) is further amended by adding at the end thereof the following new paragraphs:

"(22)(A) The term 'clearing agency' means any person who acts as an intermediary in making payments or deliveries (or both) in connection with transactions in securities or who provides facilities (i) for comparison of data respecting the terms of settlement of securities transactions, (ii) to reduce the number of settlements of securities transactions, or (iii) for the allocation of securities settlements responsibilities.

"(B) The term 'securities depository' means (i) any person who acts as a custodian of securities in connection with a system which permits securities so held to be transferred, loaned, or pledged without physical delivery of securities certificates, or which otherwise permits or facilitates or provides facilities for the settlement of securities without physical delivery of securities certificates, or (ii) any person who engages on behalf of an issuer of securities, or on behalf of itself as an issuer of securities, in transferring record ownership of such securities by bookkeeping entry without physical issuance or delivery of securties certificates.

"(C) The terms 'clearing agency' and 'securities depository' shall not include (i) Federal Reserve Banks, Federal Home Loan Banks, Federal Land Banks and (ii) any bank or any building and loan, savings and loan, and homestead association or any cooperative bank if such bank or association would be classified as a clearing agency or securities depository solely by reason of lending, fiduciary, correspondent, or safekeeping functions commonly performed by them as incidental to their banking or association activities.

"(D) The terms 'clearing agency' and 'securities depository' shall not include (i) any life insurance company, or its registered separate accounts, or a subsidiary of such insurance company by reason of functions commonly performed by such entities in connection with variable annuity contracts issued by such insurance company or its separate account, or, (ii) any registered open-end investment company or unit investment trust by reason of functions commonly performed by it in connection with shares in such registered open-end investment company or unit investment trust.

"(23) The term 'participant', when used with respect to a clearing agency or securities depository, means any person who uses a clearing agency or securities depository for the purpose of settling or comparing transactions in securities or making or receiving payment for or delivering, lending, or hypothecation of securities; but does not include a person whose only use of a clearing agency or securities depository is through another person.

"(24) The term 'transfer agent' means any person who engages, on behalf of an issuer, or on behalf of itself as an issuer, of securities, in: (A) countersigning such securities upon issuance; (B) monitoring the issuance of such securities with a view to preventing unauthorized issuance, a function commonly performed by a person called a registrar; (C) registering the transfer of such securities; or (D) exchanging or converting such securities. The term 'transfer agent' shall not include any person who performs such functions solely with respect to variable annuity contracts issued by an insurance company or its registered separate account.

"(25) The term 'appropriate regulatory agency', when used with respect to a clearing agency, securities depository, or transfer agent required to be registered under this title, means:

"(A) the Comptroller of the Currency, in the case of a national bank or a bank operating under the Code of Law for the District of Columbia, or a subsidiary of any such bank;

"(B) the Board of Governors of the Federal Reserve System, in the case of a State member bank of the Federal Reserve System or subsidiary thereof;

"(C) the Federal Deposit Insurance Corporation in the case of a bank insured by the Federal Deposit Insurance Corporation (other than a member of the Federal Reserve System) or a subsidiary thereof; and

"(D) the Commission, in the case of all other clearing agencies, securities depositories, and transfer agents.

"(26) The terms 'rules of a clearing agency' or 'rules of a securities depository' mean the clearing agency's or securities depository's constitution, articles of incorporation, bylaws, or rules or instruments corresponding to the foregoing, and its stated policies and practices relating to its organization, participation, procedures, financial condition, methods of safekeeping, transferring, hy-

pothecating, lending and accounting for funds and securities, and similar matters."

SEC. 303. Section 15(c) of the Securities Exchange Act of 1934 (15 U.S.C. 78o(c)) is further amended by adding the following new paragraph at the end thereof:

"(6) No broker or dealer shall make use of the mails or of any means or instrumentality or interstate commerce and no member of a national securities exchange shall make use of an exchange facility to effect any transaction in, or to induce or attempt to induce the purchase or sale of, any security (other than an exempted security or commercial paper, bankers' acceptances, or commercial bills) in contravention of such rules and regulations as the Commission shall prescribe as necessary or appropriate in the public interest or for the protection of investors to regulate the time and method of making settlements, payments, and deliveries and of opening, maintaining, and closing accounts. Nothing in this paragraph shall be construed to affect the authority of the Board of Governors of the Federal Reserve System, pursuant to section 7 of this title, to prescribe rules and regulations for the purpose of preventing the excessive use of credit for the purchase or carrying of securities, or to authorize the Commission to prescribe rules or regulations for such purpose."

SEC. 304. The Securities Exchange Act of 1934 is amended by inserting after section 17 (15 U.S.C. 78q) the following new section:

"PROCESSING OF SECURITIES TRANSACTIONS

"SEC. 17A. (a)(1) One hundred and eighty days after the effective date of the Securities Reform Act of 1975, and except as otherwise provided in this subsection, it shall be unlawful for any person, directly or indirectly, to make use of the mails or any means or instrumentality of interstate commerce to perform the function of a clearing agency, securities depository, or transfer agent unless such person is registered under this section. The Commission, by rules and regulations or by order, upon its own motion, or upon application, may conditionally or unconditionally exempt any person who is a clearing agency, securities depository, or transfer agent, or any class of persons, who are clearing agencies, securities depositories, or transfer agents from any provision or provisions of this section or of any rule or regulation prescribed under this section if the Commission finds that the application of such provision or provisions or such rule or regulation to such person, is not necessary or appropriate in the public interest or for the prompt and accurate processing and settlement of securities transactions.

"(2) The Commission shall include in its annual reports to Congress required by section 23(b) of this title information concerning the number of requests for a rule, regulation, or order exempting a person, or class or classes of persons from the provisions of this section, action taken with respect to such requests, and the basis or bases for such action, and similar information concerning exemptions granted on the Commission's own motion.

"(3) The provisions of this section shall apply only to securities and to persons performing the function of transfer agent with respect to securities which are registered under section 12 of this title or which would be required to be so registered except for the exemption from registration provided in subsection (g)(2)(B) or (g)(2)(G) of that section.

"(b) TRANSFER AGENTS.—(1) Any transfer agent may be registered for the purposes of this section by filing with the appropriate regulatory agency a registration statement which shall state the address of its principal office or offices for transfer agent activities, the identity of the issuers and issues of securities for which it is then acting as transfer agent, and such other information in such detail as the Commission may by rule require as necessary or appropriate in the public interest, for the protection of investors or to assure the prompt and accurate processing and settlement of securities transactions. Each appropriate regulatory agency other than the Commission shall supply to the Commission a copy of any registration statement filed with it as well as such additional information as the Commission may request to keep current the information in such registration statement or to carry out its responsibilities under this section. Except as otherwise provided in this subsection, a registration statement of a transfer agent filed under this subsection shall become effective thirty days after its filing or within such shorter period of time as the appropriate regulatory agency may determine.

"(2) The appropriate regulatory agency shall, after appropriate notice and opportunity for hearing, by order, deny registration to any transfer agent if it finds that such denial is in the public interest and that such transfer agent does not have procedures or means to be able to comply with the provisions and purposes of this section and the rules, regulations, and orders prescribed thereunder.

"(3) Pending final determination whether the registration of a transfer agent shall be denied, the appropriate regulatory agency may, by order, postpone the effective date of such registration for a period not to exceed 90 days, except that the appropriate regulatory agency may extend such period until final determination if it finds good cause for such extension and publishes its reasons therefor.

"(4) A transfer agent registered under this subsection may, upon such terms and conditions as the appropriate regulatory agency may deem necessary in the public interest, for the protection of investors, or to assure the prompt and accurate processing and settlement of securities transactions, withdraw from registration by filing a written notice of withdrawal with the appropriate regulatory agency. If the appropriate regulatory agency finds that any such registrant or such other person for whom an application of registration as a transfer agent is pending is no longer in existence or has ceased to do business as a transfer agent, the appropriate regulatory agency shall, by order, cancel or deny the registration. Appropriate regulatory agencies other than the Commission shall inform the Commission of the withdrawal from registration by a transfer agent under its jurisdiction and shall supply to the Commission a copy of all orders canceling or denying the registration of a transfer agent.

"(c) Any clearing agency or securities depository may be registered for the purposes of this section by filing with the Commission a registration statement in such form as the Commission may prescribe setting forth the rules of the clearing agency or securities depository and such other information as the Commission may, by rule, require.

"(d) An applicant shall not be registered as a clearing agency or a securities depository unless the Commission finds that—

"(1) such clearing agency or securities depository is organized so as to facilitate the prompt and orderly settlement of securities transactions, to safeguard funds and securities held for the accounts of participants, and to comply with the provisions of this title and the rules, regulations and orders thereunder, and to carry out the purposes of this section;

"(2)(A) the rules of the clearing agency or securities depository provide that (i) all registered brokers or dealers, (ii) other registered clearing agencies or securities depositories, (iii) registered investment companies, (iv) banks, (v) such other persons or classes of persons as the Commission may from time to time designate by rule as appropriate to the development of an integrated national system for the prompt and accurate processing and settlement of securities transactions, are eligible to become participants in such clearing agency or securities depository, subject only to such other rules of the clearing agency or securities depository as are expressly permitted under subparagraph (B) of this paragraph;

"(B) the rules of the clearing agency or securities depository may (i) restrict or condition participation upon the deposit of property of value or the posting of a bond with the clearing agency or securities depository in an amount which bears a reasonable relationship to the risks attendant to such participant's use of such clearing agency or securities depository; (ii) restrict or condition participation upon compliance with such standards of operational capacity and financial responsibility as the Commission, by rule, finds to be necessary to assure the prompt and accurate processing of securities transactions and the protection of investors, the clearing agency or securities depository, and participants therein; (iii) deny participation to persons who have been expelled or suspended by a registered clearing agency or securities depository during the period of such expulsion or suspension; and (iv) provide for the exclusion of persons who have been convicted within 10 years preceding the filing of the application for participation of the crimes of armed robbery or grand larceny or of any felony or misdemeanor which the clearing agency or securities depository finds—

"(a) involves the purchase or sale of any security,

"(b) involves embezzlement, fraudulent conversion, or misappropriation of funds or securities, or

"(c) involves the violation of section 1341, 1342, or 1343 of title 18, United States Code;

"(3) the rules of the clearing agency or securities depository assure that no participant or class of participants, by reason of stock ownership or otherwise, is afforded a role greater than that of any other participant in the adoption of rules of the clearing agency or securities depository, the selection of officers and directors, or in any other phase of the administration of such clearing agency or securities depository;

"(4) the rules of the clearing agency or securities depository provide for the equitable allocation of dues, fees, and other charges among its participants;

"(5) the rules of the clearing agency or securities depository do not impose any schedule of prices, or fix minimum rates or charges, for services rendered by its participants;

"(6) the rules of the clearing agency or securities depository are designed to promote the prompt and orderly processing and settlement of securities transactions, to provide safeguards for securities and funds which are in its custody, to foster cooperation and coordination with national securities exchanges, national securities associations, other clearing agencies or securities depositories, brokers, dealers, banks, registered investment companies, and with other persons engaged in the settlement and processing of securities transactions, and to protect investors and the public interest; and do not have the effect of unfairly discriminating in the admission of participants in the use of such clearing agency or security depository;

"(7) the rules of the clearing agency or securities depository provide for the imposition of appropriate sanctions on participants for violations of its rules or the provisions of this section and the rules or regulations thereunder, which sanctions may include expulsion, suspension, fine, censure, or the

limitation of activities, functions, and operations.

"(8) the rules of the clearing agency or securities depository provide a fair and orderly procedure with respect to the imposition of sanctions on participants and the denial of participation to any person seeking participation therein. In any proceeding to determine whether a sanction should be imposed such rules shall require that specific charges of any rule violation shall be brought; that a participant shall be notified of and be given an opportunity to defend against such charges; that a record shall be kept; and that a determination to impose a sanction shall be supported by a statement setting forth—

"(A) any act or practice in which such participant may be found to have engaged, or any required act or practice which such participant may be found to have omitted;

"(B) the specific rule or rules of the clearing agency or securities depository or provisions of this section or rules or regulations thereunder which any such act or practice, or omission to act, is deemed to violate; and

"(C) the sanction imposed and the reason therefor.

In any proceeding to determine whether a person shall be denied participation, such rules shall provide that the prospective participant shall be notified of, and be given an opportunity to be heard upon, the specific grounds for denial which are under consideration; that a record shall be kept and that the determination to deny participation shall be supported by a statement setting forth the specific grounds on which the denial is based. Nothwithstanding any other provision of this section the rules of the clearing agency or securities depository may provide for the temporary suspension of a participant, the prohibition of such participant's use of the clearing agency or securities depository and the closing of such participant's accounts pending determination on the merits of any disciplinary proceeding if, in the opinion of the clearing agency or securities depository, such suspension or prohibition on use and closing of accounts are necessary for the protection of the clearing agency or securities depository or its participants or for the protection of investors or to facilitate the orderly and continuous performance of the clearing agency's or securities depository's services. The rules shall afford the participant opportunity for a prompt hearing on the merits in the case of any temporary suspension.

"(e) The Commission shall, upon the filing of an application for registration pursuant to subsection (c), publish notice of the filing and afford interested persons a reasonable opportunity for comment. Within 90 days of the filing of an application for registration pursuant to subsection (c), or such shorter period of time as the Commission may determine, the Commission shall:

"(1) by order grant such registration if the Commission finds that the requirements of this section are satisfied, or

"(2) institute appropriate administrative action to determine whether the application should be denied. After appropriate notice and opportunity for hearing, the Commission shall by order grant such registration unless it finds that any requirement of this section is not satisfied, in which case the Commission shall by order deny such registration. The Commission shall conclude administrative action and issue an order granting or denying an application within 180 days of the filing of the application unless the Commission finds good cause to extend such period and publishes its reasons therefor.

"(f) A clearing agency, or securities depository, registered under this section may, upon such terms and conditions as the Commission may deem necessary in the public interest, for the protection of investors, or to assure the prompt and accurate processing and settlement of securities transactions, withdraw from registration by filing a written notice of withdrawal with the Commission. If the Commission finds that any such registrant or such other person for whom an application of registration is pending is no longer in existence or has ceased to do business in the capacity specified in the registration statement, the Commission shall by order cancel or deny the registration.

"(g) No clearing agency, securities depository, or transfer agent registered under this section shall, directly or indirectly, engage in any activity as clearing agency, securities depository, or transfer agent in contravention of such rules and regulations as the Commission shall prescribe as necessary or appropriate in the public interest or for the protection of investors.

"(h) If any registered clearing agency or securities depository imposes any sanction on any participant therein, or denies admission to any person seeking participation therein, such action shall be subject to review by the Commission, on its own motion, or upon application by any person aggrieved thereby filed within 30 days after such action has been taken or within such longer period as the Commission may determine. Application to the Commission for review, or the institution of review by the Commission on its own motion, shall not operate as a stay of such action, unless the Commission otherwise orders, after notice and opportunity for hearing on the question of a stay (which hearing may consist solely of affidavits and oral arguments).

"(i) (1) In a proceeding to review sanctions imposed by a registered clearing agency or a securities depository against a participant after notice and opportunity for hearing:

"(A) if the Commission finds that such participant has engaged in such acts or practices, or has omitted such acts, as the clearing agency or securities depository has found him to have engaged in or to have omitted, and that such acts or practices, or omission to act, are in violation of such rules of the clearing agency or securities depository or provisions of this section or rules or regulations thereunder as have been designated in the determination of the clearing agency or securities depository, it shall by order so declare and affirm the action taken by the clearing agency or securities depository or, if appropriate, modify the sanctions in accordance with paragraph (2) of this subsection, or

"(B) if the Commission finds that the evidence does not warrant the finding required in clause (A), or if the Commission determines that such acts or practices as are found to have been engaged in are not prohibited by the designated rule or rules of the clearing agency or securities depository or the designated provisions of this section or the rules or regulations thereunder or that such act as is found to have been omitted is not required by such designated provisions or rules, the Commission shall by order set aside the action of the clearing agency or securities depository.

"(2) With respect to any sanction imposed by a clearing agency or a securities depository upon a participant the Commission may, having due regard to the public interest, if it finds that such sanction is inappropriate, cancel, reduce, increase, require the remission, broaden the scope or otherwise require modification of such sanction.

"(j) In any proceeding to review the denial of participation in a registered clearing agency or a securities depository, if the Commission, after appropriate notice and opportunity for hearing, determines that the specific grounds on which such denial or bar is based exist in fact and are valid under this section, it shall by order dismiss the proceeding; otherwise, the Commission shall by order set aside the action of the clearing agency or securities depository and require it to admit the applicant to participation therein.

"(k) (1) Each registered clearing agency or securities depository shall file with the Commission, in accordance with such rules as the Commission may prescribe, copies of any proposed changes in, additions to, or amendments to the rules of the clearing agency or securities depository accompanied by a summary statement of the basis and purpose for such proposed change, addition or amendment, and such other information and documents, as the Commission may require to keep current or to supplement the registration statement and documents filed pursuant to subsection (c). All such proposed changes, additions, or amendments, and their accompanying statements of basis and purpose, shall be made available for public inspection and copying. No such proposed change, addition, or amendment shall become effective except in accordance with the provisions of this subsection.

"(2) The Commission shall, upon the filing of a proposed change in, addition to, or amendment to the rules of a clearing agency or securities depository, publish notice of such proposal together with the clearing agency's or securities depository's statement of basis and purpose, and shall afford interested persons a reasonable opportunity for comment on the proposed change, addition, or amendment. The Commission shall make available for public inspection and copying copies of all written communications between the Commission and the clearing agency or securities depository, and between the Commission and any other persons, related to the proposed change, addition or amendment. Such change, addition, or amendment shall take effect 60 days after publication of such notice by the Commission, unless the Commission disapproves such change, addition, or amendment as inconsistent with the purposes of this section or otherwise inconsistent with the public interest: *Provided*, That the Commission may extend this time for a period not to exceed 90 days in order to solicit additional public comment or to provide interested persons an opportunity for oral presentation for views, data, or arguments concerning the proposed change, addition or amendment. The Commission, upon its own motion, or upon application setting forth the reasons therefor, may, conditionally or unconditionally, exempt from the public comment requirements of this subsection, and may accelerate the effectiveness of any proposed change, addition or amendment or any class or classes of such proposed change, addition or amendment if the Commission finds that the application of either the public comment requirement, or the waiting period requirement, or both, to such change, addition or amendment or class of such change, addition or amendment is not necessary or appropriate in the public interest or for the protection of investors and that such exemption or acceleration is not inconsistent with the purposes of this section.

"(l) The appropriate regulatory agency may, after appropriate notice and opportunity for hearing, by order, censure, bar, suspend for a period not exceeding 12 months, or place limitations upon any transfer agent, or revoke the registration of any transfer agent, if the appropriate regulatory agency finds that such censure, barring, suspension, placing of limitations, or revocation is in the public interest, or necessary for the protection of investors, and that such transfer agent or any partner, officer, director, or employee thereof has violated or is unable to comply with any provision of this section or any rule, regulation or order promulgated thereunder.

"(m) The Commission is authorized, if it finds such action to be necessary or appropriate in the public interest or for the pro-

tection of investors or to carry out the purposes of this section—

"(1) after appropriate notice and opportunity for hearing, by order to suspend for a period not exceeding 12 months or revoke the registration of a registered clearing agency or a securities depository or impose limitations upon the activities, functions, or operations of such clearing agency or securities depository, if the Commission finds that such clearing agency or securities depository has violated any provision of this title, or any rule or regulation thereunder, or has failed to enforce compliance with its own rules, or has engaged in any other activity tending to defeat the purposes of this section;

"(2) after appropriate notice and opportunity for hearing, by order to suspend for a period not exceeding 12 months, censure or expel from a registered clearing agency or securities depository any participant therein, or impose limitations upon the activities, functions, or operations of such a participant if the Commission finds that such participant, or any partner, officer, director, or employee of such participant, has violated any provision of this title or any rule, regulation, or order thereunder or any rule of the clearing agency or securities depository; and

"(3) after appropriate notice and opportunity for hearing, by order to remove from office any officer, director, or employee of a registered clearing agency or a securities depository who, the Commission finds, has willfully failed to enforce the rules of the clearing agency or securities depository or the provisions of this section or the rules or regulations promulgated thereunder, or has willfully abused his authority.

"(n) If a proceeding under subsection (m)(1) of this section results in the suspension or revocation of the registration of a clearing agency or a securities depository, the Commission may, upon notice to such clearing agency or securities depository, apply to any court of competent jurisdiction specified in section 21(e) or 27 of this title for the appointment of a trustee. In such event, the court may, to the extent it deems necessary or appropriate, take exclusive jurisdiction of the clearing agency or securities depository involved, and the books, records, and assets thereof, wherever located; and the court shall appoint the Commission or a person designated by the Commission as the trustee with the power to take possession and to continue to operate or to terminate the facilities of such clearing agency or securities depository in an orderly manner, for the protection of participants and public investors, subject to such terms and conditions as the court may prescribe.

"(o)(1) Each registered clearing agency and securities depository shall make, keep, and preserve for such periods such accounts, correspondence, memorandums, papers, books, and other records, and furnish such copies thereof and make such reports, as the Commission by its rules and regulations may prescribe as necessary or appropriate in the public interest, to facilitate cooperation among clearing agencies and securities depositories and the prompt and orderly settlement of securities transactions, to safeguard funds and securities held for the accounts of participants, or for the protection of investors. Such accounts, correspondence, memorandums, papers, books, and other records shall be subject at any time to such reasonable periodic, special, or other examinations by examiners or other representatives of the Commission as the Commission may deem necessary or appropriate in the public interest or for the protection of investors.

"(2) Each registered transfer agent shall make, keep, and preserve for such periods such accounts, correspondence, memorandums, papers, books, and other records, and furnish such copies thereof and make such reports, as the Commission by its rules and regulations may prescribe as necessary or appropriate in the public interest, to facilitate the prompt and orderly settlement of securities transactions or for the protection of investors. Such accounts, correspondence, memorandums, papers, books, and other records shall be subject at any time to such reasonable periodic, special, or other examinations by examiners or other representatives of the appropriate regulatory agency as may be deemed necessary or appropriate in the public interest or for the protection of investors. Appropriate regulatory agencies other than the Commission shall make a report of all examinations conducted by them with respect to transfer agents subject to their jurisdiction and shall furnish to the Commission, at its request, a copy or portion of any such report which is relevant to functions regulated under this section. Nothing in this section shall preclude an appropriate regulatory agency (other than the Commission) from requiring a registered transfer agent to comply with such additional or other recordkeeping, reporting, inspection, or examination requirements as may be consistent with rules and regulations prescribed by the Commission under this section.

"(3) In the case of a transfer agent which is subject to regulation by an appropriate regulatory agency other than the Commission, the Commission shall rely to the fullest practicable extent on such agency for the conduct of routine, periodic, or other inspections or examinations under this section, and for obtaining reports from such transfer agents, but notwithstanding any provision of this section, the Commission shall have authority to make special or other examinations or inspections and to require special reports of such transfer agents in those situations where the Commission determines that such action would nevertheless be appropriate.

"(4) In the case of any disagreement between the Commission and any other appropriate regulatory agency concerning any rule of the Commission with respect to any transfer agent, the determination of the Commission shall be definitive.

"(p)(1) The Commission shall make a full and detailed report of all examinations conducted by it of any bank, bank subsidiary, or bank holding company which is a registered clearing agency or securities depository and shall, upon request, furnish a copy of such report to the other appropriate regulatory agencies.

"(2) The Commission shall, in the conduct of its responsibilities under this title with respect to banks registered as clearing agencies, securities depositories, or transfer agents, consult and cooperate with the other appropriate regulatory agencies toward the end that their mutual regulatory needs and responsibilities be fulfilled to the maximum extent practicable. At least 5 days prior to the issuance for public comment or adoption of any proposed rule or regulation pursuant to this section, the Commission shall first consult and request the views of the other appropriate regulatory agencies: *Provided*, That the failure of the Commission to so consult or request views shall not affect the validity, force or effect of any rule or regulation of the Commission or of any Commission action or omission to act thereunder.

"(q) Compliance with the requirements of this section or any rule, regulation, or order thereunder, with respect to transfer agents may be enforced under section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818) by the appropriate regulatory agencies other than the Commission. For the purpose of the exercise by such agencies of their powers under section 8 of the Federal Deposit Insurance Act, a violation of any requirement imposed under this section is a violation of the requirements imposed under the Federal Deposit Insurance Act and shall constitute adequate basis for the issuance of orders under sections 8(b) and 8(c) of that Act. In addition to its power under section 8 of the Federal Deposit Insurance Act, each of such appropriate regulatory agencies may, for the purpose of enforcing compliance with this section (or any rule or order thereunder), exercise any other authority conferred on it by law.

"(r) The provisions of this section 17A or of any rule or regulation thereunder shall not apply to any person acting as transfer agent with respect to securities transactions which occur without the jurisdiction of the United States, except as the Commission may prescribe as necessary or appropriate to prevent the evasion of this title.

"(s) The Commission shall, on or before December 31, 1976, take such steps as are within its power to bring about elimination of the stock certificate as a means of settlement among brokers or dealers of transactions consummated on national securities exchanges or by means of the mails or other means or instrumentalities of interstate commerce. In 1975 and in 1976, the Commission shall report to the Congress (1) the steps it has taken and progress it has made toward elimination of the stock certificate as a means of settlement, and (2) its recommendations, if any, for further legislation to eliminate the stock certificate. In connection with such reports, the Commission shall consult with the other appropriate regulatory agencies concerning the effects elimination of the stock certificate as a means of settlement among brokers or dealers may have on the safeguarding of assets held by securities depositories for the accounts of participants, and shall report such views to the Congress."

SEC. 305. Section 24 of the Securities Exchange Act of 1934 (15 U.S.C. 78x) is amended to read as follows:

"INFORMATION FILED WITH THE COMMISSION

"SEC. 24. (a) Any person filing information contained in a registration statement, document, report, contract, correspondence, or other paper filed with the Commission pursuant to this title may make written objection to the public disclosure of such information stating the grounds for such objection. The Commission is authorized to hear objections in any such case where it deems it advisable. The Commission shall grant confidential treatment to such information for which application has been made if it finds (1) that disclosure is not in the public interest, and (2) that disclosure would (A) jeopardize the safety of funds or securities, (B) require the revealing of trade secrets or processes, or (C) impair the value of a contract.

"(b) The Commission is authorized to treat such information as confidential pending the findings required by subsection (a), but if the Commission does not make such a finding within 60 days from the date the information is received by the Commission, then the information shall cease to be afforded confidential treatment.

"(c) Nothing in this section shall prohibit the Commission from disclosing any information in any administrative or judicial proceeding.

"(d) Nothing in this section shall authorize the Commission to withhold information from the duly authorized committees of the Congress.

"(e) It shall be unlawful for any member, officer, or employee of the Commission to disclose to any person other than a member, officer, or employee of the Commission, or to use for personal benefit, any information contained in any registration statement, document, report, contract, correspondence, or other paper filed with the Commission which is not made available to the public pursuant to subsection (a) of this section: Provided, That the Commission may make

available to an appropriate regulatory agency any information requested by such agency for the purpose of enabling it to perform its duties under this title."

SEC. 306. Section 12 of the Securities Exchange Act of 1934 (10 U.S.C. 781) is amended by inserting after subsection (i) the following new subsections:

"(j) It shall be unlawful for an issuer, any class of whose securities is registered under this section or which would be required to be so registered except for the exemption from registration provided by paragraph (2)(B) or (2)(G) of subsection (g), by use of any means or instrumentality of interstate commerce, or of the mails, to issue, either originally or upon transfer, such securities whose form or format contravenes such rules and regulations as the Commission may prescribe as necessary or appropriate for the prompt and accurate processing of transactions in securities. The provisions of this subsection shall not apply to variable annuity contracts issued by an insurance company or its registered separate account.

"(k) Every issuer whose securities are registered under this section, or which would be required to be so registered except for the exemption from registration provided by paragraph (2)(B) or (2)(G) of subsection (g), shall comply with such rules and regulations as the Commission may promulgate as necessary to assure the prompt and accurate processing and settlement of securities transactions, which rules may provide for the consolidation into a single person of the functions of transfer agent and registrar. The provisions of this subsection shall not apply to variable annuity contracts issued by an insurance company or its registered separate account."

SEC. 307. Section 19 of the Securities Exchange Act of 1934 (15 U.S.C. 78s) is further amended by inserting at the end thereof the following new subsection:

"(b) The Commission is authorized and directed to make a study and investigation of the practice of registration of securities other than in the name of the beneficial owner and to determine (1) whether such registration is consistent with the policies and purposes of this title, with particular reference to sections 12(g), 14, 15(d), and 17A and (2) if consistent, whether steps can be taken to facilitate communications between corporations and their shareholders while at the same time retaining the benefits of such registration. The Commission shall report to the Congress its preliminary findings within six months after the date of enactment of this subsection, and its final results and recommendations within one year of such date."

SEC. 308. Section 28 of the Securities Exchange Act of 1934 (15 U.S.C. 78bb) is amended by inserting after subsection (b) the following new subsection:

"(c) No State or political subdivision thereof shall impose any tax on any change in beneficial or record ownership of securities effected through the facilities of a registered clearing agency or securities depository or any nominee thereof or custodian therefor or upon the delivery or transfer of securities to or through or receipt from such agency or depository or any nominee thereof or custodian therefor, unless such transfer or delivery or receipt would otherwise be taxable by such State or political subdivision if the facilities of such registered clearing agency or securities depository or any nominee thereof or custodian therefor were not physically located in the taxing State or political subdivision. No State or political subdivision thereof shall impose any tax on securities which are deposited in or retained by a registered clearing agency or securities depository or any nominee thereof or custodian therefor, unless such securities would otherwise be taxable by such State or political subdivision if the facilities of such registered clearing agency or securities depository or any nominee thereof or custodian therefor were not physically located in the taxing State or political subdivision."

SEC. 309. The Securities Exchange Act of 1934 is amended by inserting after section 19 (15 U.S.C. 78s) the following new section:

"LOST, STOLEN, AND COUNTERFEIT SECURITIES; FINGERPRINTING

"SEC. 19A. Every national securities exchange, national securities association, broker dealer, member of an exchange or association, transfer agent, clearing agency, and securities depository, registered pursuant to this title, and every participant therein shall—

"(1) report such information about missing, lost, counterfeit, or stolen securities, in such form and within such time as the Commission determines by rule is necessary or appropriate in the public interest or for the protection of investors, to the Commission or to such other person as the Commission may by rule designate, and such information shall be made available, for a reasonable fee, to any such exchange, transfer agent, association, broker, dealer, member, clearing agency, or securities depository who shall request it;

"(2) make such inquiry with respect to information reported pursuant to this section as the Commission decides, by rule, is necessary or appropriate in the public interest or for the protection of investors to determine whether securities transactions in which they are participating involve securities that have been reported as missing, lost, counterfeit, or stolen; and

"(3) in the case of a clearing agency, securities depository, transfer agent, broker, dealer, or member, require that each of its partners, directors, officers, and employees be fingerprinted and shall submit such fingerprints, or cause the same to be submitted, to the Attorney General of the United States for identification and appropriate processing. The Commission may, by rule, exempt from the provisions of this paragraph upon such terms and conditions and for such period as it deems necessary or appropriate, any one or more classifications of partners, directors, officers, or employees of any one or more of such clearing agencies, securities depositories, transfer agents, brokers, dealers, or members if the Commission finds that such action is not inconsistent with the public interest or the protection of investors."

TITLE IV—MISCELLANEOUS

SEC. 401. Section 23(b) of the Securities Exchange Act of 1934 (15 U.S.C. 78w(b)) is amended to read as follows:

"(b) The Commission and the Board of Governors of the Federal Reserve System, respectively, shall include in their annual reports to Congress such information, data, and recommendation for further legislation as they may deem advisable with regard to matters within their respective jurisdictions under this title. The Commission shall also include in its annual report each year information detailing its administration of the Freedom of Information Act (5 U.S.C. 552). Such information shall include a detailed description of its processes for handling requests under the Act, including the names of persons assigned to carry out those processes; and also include data on schedules of fees (if any), and on the number of written requests for records under the Act, the number of denials, the section relied upon in each denial, the number of administrative appeals, the elapsed time in responding to initial requests and the handling of appeals, the number of suits filed within the year, and any regulatory changes made during the year. Further, the Commission shall include in its annual report each year information concerning (1) the effects its rules and regulations are having on the viability of small brokers and dealers; (2) its attempts to reduce any unnecessary reporting burden on such brokers and dealers; and (3) its efforts to help to assure the continued participation of small brokers and dealers in the United States securities markets."

SEC. 402. (a) Section 31 of the Securities Exchange Act of 1934 (15 U.S.C. 78ee) is amended to read as follows:

"REGISTRATION FEES

"SEC. 31. Every national securities exchange shall pay to the Commission on or before March 15 of each calendar year a registration fee for the privilege of doing business as a national securities exchange during the preceding calendar year or any part thereof. Such fee shall be in an amount equal to one one-hundredth of 1 per centum of the aggregate dollar amount of the sales of securities (other than securities which are direct obligations of or obligations guaranteed as to principal or interest by the United States or such securities issued or guaranteed by corporations in which the United States has a direct or an indirect interest as shall be designated for exemption from the provisions of this section by the Secretary of the Treasury) transacted on such national securities exchange during the preceding calendar year and subsequent to its registration as a national securities exchange. Every registered broker or dealer shall pay to the Commission on or before March 15 of each calendar year a fee in an amount equal to one one-hundredth of 1 per centum of the aggregate dollar amount of the sales of securities listed for trading on a registered national securities exchange pursuant to section 12(b) of this title (other than securities which are direct obligations of or obligations guaranteed as to principal or interest by the United States or such securities issued or guaranteed by corporations in which the United States has a direct or an indirect interest as shall be designated for exemption from the provisions of this section by the Secretary of the Treasury) transacted otherwise than on an exchange during the preceding calendar year and subsequent to the date of enactment of the Securities Reform Act of 1975, except that no payment shall be required for any calendar year in which such payment would be less than one hundred dollars."

(b) The amendment made by subsection (a) of this section shall take effect on the first day of the first full calendar year which begins after the date of enactment of this Act and shall apply with respect to such first full calendar year and all succeeding calendar years thereafter.

SEC. 403. (a) Section 24 of the Securities Act of 1933 (15 U.S.C. 77x) is amended by changing the figure "$5,000" to "$10,000".

(b) Section 32(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78ff(a)) is amended by changing the phrase "or imprisoned not more than two years" to read: "or imprisoned not more than five years".

(c) Section 29 of the Public Utility Holding Company Act of 1935 (15 U.S.C. 79z-3) is amended by changing the phrase "or imprisoned not more than two years" to read "or imprisoned not more than five years".

(d) Section 325 of the Trust Indenture Act of 1939 (15 U.S.C. 77yyy) is amended by changing the figure "$65,000" to "$10,000".

(e) Section 49 of the Investment Company Act of 1940 (15 U.S.C. 80a-48) is amended by changing the phrase "or imprisoned not more than two years" to read "or imprisoned not more than five years".

(f) Section 217 of the Investment Advisers Act of 1940 (15 U.S.C. 80b-17) is amended by changing the phrase "imprisoned for not more than two years" to read "imprisoned for not more than five years".

SEC. 404. Section 203(c) of the Investment Advisers Act of 1940 (15 U.S.C. 80b-3) is amended to read as follows:

"(c) Any investment adviser, or any person who presently contemplates becoming an investment adviser, may register under this section by filing with the Commission an application for registration. Such application shall contain such of the following information, in such form and detail, as the Commission may by rules and regulations prescribe as necessary or appropriate in the public interest or for the protection of investors:

"(1) information in respect of—

"(A) the name and form of organization under which the investment adviser engages or intends to engage in business; the name of the State or other sovereign power under which such investment adviser is organized; the location of his or its principal business office and branch offices, if any; the names and addresses of his or its partners, officers, directors, and persons performing similar functions or, if such an investment adviser be an individual, of such individual; and the number of his or its employees;

"(B) the education, the business affiliations for the past ten years, and the present business affiliations of such investment adviser and of his or its partners, officers, directors, and persons performing similar functions and of any controlling person thereof;

"(C) the nature of the business of such investment adviser, including the manner of giving advice and rendering analyses or reports;

"(D) the nature and scope of the authority of such investment adviser with respect to clients' funds and accounts;

"(E) the basis or bases upon which such investment adviser is compensated; and

"(F) whether such investment adviser, or any person associated with such investment adviser, is subject to any disqualification which would be a basis for denial, suspension, or revocation of registration of such investment adviser under the provisions of subsection (e); and

"(2) a statement as to whether the principal business of such investment adviser consists or is to consist of acting as investment adviser and a statement as to whether a substantial part of the business of such investment adviser consists or is to consist of rendering investment supervisory services.

"(3) within 45 days of the filing of such application or any amendment to such application the Commission shall—

"(A) by order grant such registration if the Commission finds that the requirements of this section are satisfied, or

"(B) institute appropriate administrative action to determine whether the application should be denied. If, after appropriate notice and opportunity for hearing, it appears to the Commission that any requirement of this section is not satisfied, the Commission shall by order deny such registration. The Commission shall conclude administrative action and issue an order granting or denying the application within one hundred and twenty days of the filing of such application, unless the Commission finds good cause for extending the period, in which case the Commission may extend such period for an additional ninety days."

SEC. 405. Section 203(e)(2) of the Investment Advisers Act of 1940 (15 U.S.C. 80b–3(2)) is amended to read as follows:

"(2) has been convicted within ten years preceding the filing of the application or any time thereafter of the crime of armed robbery or grand larceny or of any felony or misdemeanor which the Commission finds (A) involves the purchase or sale of any security, (B) arises out of the conduct of the business of a broker, dealer, or investment adviser, (C) involves embezzlement, fraudulent conversion, or misappropriation of funds or securities, or (D) involves the violation of section 1341, 1342, or 1343 of title 18, United States Code; or"

SEC. 406. Section 204 of the Investment Advisers Act of 1940 (15 U.S.C. 80b–4) is amended to read as follows:

"SEC. 204. Every investment adviser who makes use of the mails or of any means or instrumentality of interstate commerce in connection with his or its business as an investment adviser (other than one specifically exempted from registration pursuant to section 203(b)), shall make, keep, and preserve for such periods, such accounts, correspondence, memorandums, papers, books, and other records and furnish copies thereof, and make such reports (which may include certified financial statements) available to clients or to the Commission as the Commission by its rules and regulations may prescribe as necessary or appropriate in the public interest or for the protection of investors. Such accounts, correspondence, memorandums, papers, books, and other records shall be subject at any time or from time to time to such reasonable periodic, special, or other examinations by examiners or other representatives of the Commission as the Commission may deem necessary or appropriate in the public interest or for the protection of investors."

SEC. 407. The Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.), is amended by adding at the end thereof the following new section:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 35. There are hereby authorized to be appropriated to carry out the functions, powers, and duties of the Commission not to exceed $54,000,000 for the fiscal year ending June 30, 1976, not to exceed $62,600,000 for the fiscal year ending September 30, 1977, and not to exceed $71,200,000 for the fiscal year ending September 30, 1978. For fiscal years succeeding the 1978 fiscal year, there may be appropriated such sums as the Congress may hereafter authorize by law.".

SEC. 408. (a) The Investment Company Act of 1940 (15 U.S.C. 80a) is amended as follows:

(a) Section 15 thereof is amended by adding at the end thereof the following new subsection:

"(f)(1) An investment adviser or a corporate trustee performing the functions of an investment adviser of a registered investment company or an affiliated person of such investment adviser or corporate trustee may receive any amount or benefit in connection with a sale of securities of, or a sale of any other interest in, an investment adviser or a corporate trustee performing the functions of an investment adviser which results in an assignment of an investment advisory contract with such company or the change in control of or identity of a corporate trustee which performs the functions of an investment adviser, if—

"(A) for a period of three years after the time of such action, at least 75 per centum of the members of the board of directors of such registered company or such corporate trustee (or successor thereto, by reorganization or otherwise) are not (i) interested persons of the investment adviser of such company or such corporate trustee, or (ii) interested persons of the predecessor investment adviser or such corporate trustee; and

"(B) there is not imposed an unfair burden on such company as a result of such transaction or any express or implied terms, conditions, or understandings applicable thereto.

"(2)(A) For the purpose of paragraph (1)(A) of this subsection, interested persons of a corporate trustee shall be determined in accordance with section 2(a)(19)(B), except that no person shall be deemed to be an interested person of a corporate trustee solely by reason of (i) his being a member of its board of directors or advisory board or (ii) his membership in the immediate family of any person specified in clause (i) of this subparagraph.

"(B) For the purpose of paragraph (1)(B) of this subsection, an unfair burden on a registered investment company includes any arrangement, during the two-year period after the date on which any such transaction occurs, whereby the investment adviser or corporate trustee or any interested person of any such adviser or any such corporate trustee receives or is entitled to receive any compensation directly or indirectly (i) from any person in connection with the purchase or sale of securities or other property to, from, or on behalf of such company, other than bona fide ordinary compensation as principal underwriter for such company, or (ii) from such company or its security holders for other than bona fide investment advisory or other services.

"(3) If—

"(A) an assignment of an investment advisory contract with a registered investment company results in a successor investment adviser to such company, or if there is a change in control of or identity of a corporate trustee of a registered investment company, and such adviser or trustee is then an investment adviser or corporate trustee with respect to other assets substantially greater in amount than the amount of assets of such company, or

"(B) as a result of a merger of, or a sale of substantially all the assets by, a registered investment company with or to another registered investment company with assets substantially greater in amount a transaction occurs which would be subject to paragraph (1)(A) of this subsection.

such discrepancy in size of assets shall be considered by the Commission in determining whether or to what extent an application under section 6(c) for exemption from the provisions of paragraph (1)(A) should be granted.

"(4) Paragraph (1)(A) of this subsection shall not apply to a transaction in which a controlling block of outstanding voting securities of an investment adviser to a registered investment company or of a corporate trustee performing the functions of an investment adviser to a registered investment company is—

"(A) distributed to the public and in which there is, in fact, no change in the identity of the persons who control such investment adviser or corporate trustee, or

"(B) transferred to the investment adviser or the corporate trustee, or an affiliated person or persons of such investment adviser or corporate trustee, or is transferred from the investment adviser or corporate trustee to an affiliated person or persons of the investment adviser or corporate trustee, except that (i) each transferee (other than such adviser or trustee) is a natural person and (ii) the transferees (other than such adviser or trustee) owned in the aggregate more than 25 per centum of such voting securities for a period of at least six months prior to such transfer.".

(b) Section 15(c) is amended by adding at the end thereof a new sentence as follows: "It shall be unlawful for the directors of a registered investment company, in connection with their evaluation of the terms of any contract whereby a person undertakes regularly to serve or act as investment adviser of such company, to take into account the purchase price or other consideration any person may have paid in connection with a transaction of the type referred to in paragraph (1), (3), or (4) of subsection (f).".

(c) Section 16 thereof is amended as follows:

(1) in the first sentence of subsection (b) by striking out "The provisions of subsection (a) of this section" and inserting in lieu

thereof "The foregoing provisions of this section";

(2) by redesignating subsection (b) as subsection (c), striking out "this subsection (b)" therein, and inserting in lieu thereof "this subsection (c)"; and

(3) by adding after subsection (a) thereof the following new subsection:

"(b) Any vacancy on the board of directors of a registered investment company which occurs in connection with compliance with section 15(f)(1)(A) and which must be filed by a person who is not an interested person of either party to a transaction subject to section 15(f)(1)(A) and which must be filled person (1) who has been selected and proposed for election by a majority of the directors of such company who are not such interested persons, and (2) who has been elected by the holders of the outstanding voting securities of such company, except that in the case of the death, disqualification, or bona fide resignation of a director selected and elected pursuant to clauses (1) and (2) of this subsection (b), the vacancy created thereby may be filled as provided in subsection (a).".

(d) Sections 13(b), 15(d), 18(1), and 32(a) thereof are amended by striking out the phrases "subsection (b) of section 16" and "section 16(b)" wherever they occur and inserting in lieu thereof "section 16(c)".

(e) Section 10(e) thereof is amended to read as follows:

"(e) If by reason of the death, disqualification, or bona fide resignation of any director or directors, the requirements of the foregoing provisions of this section or of section 15(f)(1) in respect of directors shall not be met by a registered investment company, the operation of such provisions shall be suspended as to such registered company—

"(1) for a period of thirty days if the vacancy or vacancies may be filled by action of the board of directors;

"(2) for a period of sixty days if a vote of stockholders is required to fill the vacancy or vacancies; or

"(3) for such longer period as the Commission may prescribe, by rules and regulations upon its own motion or by order upon application, as not inconsistent with the protection of investors.".

(f) Section 9 thereof is amended by adding at the end thereof the following new subsection:

"(d) For the purposes of subsections (a) through (c) of this section, the term 'investment adviser' includes a corporate or other trustee performing the functions of an investment adviser.".

(g) Section 36 thereof is amended by adding at the end thereof the following new subsection:

"(c) For the purposes of subsections (a) and (b) of this section, the term 'investment adviser' includes a corporate or other trustee performing the functions of an investment adviser.".

"(h) Section 15(d) of the Investment Company Act of 1940 (15 U.S.C. 80a–15(d)) is amended by striking 'paragraph (40) of section 2(a)' and inserting in lieu thereof 'paragraph (42) of section 2(a)'.".

SEC. 409. Section 13 of the Securities Exchange Act of 1934 (15 U.S.C. 78m) is amended by adding at the end thereof the following new subsection:

"(f)(1) Every institutional investment manager which uses the mails, or any means or instrumentality of interstate commerce, or any facility of a national securities exchange, directly or indirectly, in the course of its business as an institutional investment manager and which exercises investment discretion with respect to accounts holding equity securities having an aggregate fair market value on the last trading day in any of the preceding twelve months of at least $100,000,000 or such lesser amount (but in no case less than $10,000,000) as the Commission, by rule, may determine, shall file reports with the Commission in such form, for such periods, and at such times after the end of such periods as the Commission, by rule, may prescribe. Such reports shall include for each such equity security held on the last day of the reporting period by accounts (in aggregate or by type as the Commission, by rule, may prescribe) with respect to which the institutional investment manager exercises investment discretion (other than securities held in amounts which the Commission, by rule, determines to be insignificant for purposes of this subsection), the name of the issuer and the title, class, CUSIP number, number of shares or principal amount, and aggregate fair market value of each such security. Such reports may also include for accounts (in aggregate or by type) with respect to which the institutional investment manager exercises investment discretion such of the following information as the Commission, by rule, prescribes—

"(A) the name of the issuer and the title, class, CUSIP number, number of shares or principal amount, and aggregate fair market value or cost or amortized cost of each other security (other than an exempted security) held on the last day of the reporting period by such accounts;

"(B) the aggregate fair market value or cost or amortized cost of exempted securities (in aggregate or by class) held on the last day of the reporting period by such accounts;

"(C) the number of shares of each equity security held on the last day of the reporting period by such accounts with respect to which the institutional investment manager possesses sole or shared authority to exercise the voting rights evidenced by such securities;

"(D) the aggregate purchases and aggregate sales during the reporting period of each security (other than an exempted security) effected by or for such accounts; and

"(E) with respect to any transaction having a market value of at least $500,000 or such other amount as the Commission, by rule, may determine, effected during the reporting period by or for such accounts in any equity security.

"(i) the name of the issuer and the title, class, and CUSIP number of the security;

"(ii) the number of shares or principal amount of the security involved in the transaction;

"(iii) whether the transaction was a purchase or sale;

"(iv) the per share price or prices at which the transaction was effected;

"(v) the date or dates of the transaction;

"(vi) the date of the settlement of the transaction;

"(vii) the broker or dealer through whom the transaction was effected;

"(viii) the market or markets in which the transaction was effected; and

"(ix) such other related information as the Commission, by rule, may prescribed.

"(2) The Commission, by rule or order, may exempt, conditionally or unconditionally, any institutional investment manager or security or any class of institutional investment managers or securities from any or all of the provisions of the subsection or the rules thereunder.

"(3) The Commission shall tabulate the information contained in any report filed pursuant to this subsection in a manner which will, in view of the Commission, maximize the usefulness of the information to other Federal and State authorities and the public. Promptly after the filing of any such report, the Commission shall make the information contained therein conveniently available to the public for a reasonable fee in such forms as the Commission, by rule, may prescribe, except that the Commission, as it determines to be necessary or appropriate in the public interest or for the protection of investors, may delay or prevent public disclosure of any such information in accordance with section 24 of the title. Notwithstanding the preceding sentence, any such information identifying the securities held by the account of a natural person or an estate or trust (other than a business trust or investment company) shall not be disclosed to the public.

"(4) In exercising its authority under this subsection, the Commission shall determine (and so state) that its action is necessary or appropriate in the public interest or for the protection of investors or to maintain fair and orderly markets, or, in granting an exemption, that its action is consistent with the protection of investors and the purposes of this subsection. In exercising such authority the Commission shall take such steps as are within its power, including consulting with the Comptroller General of the United States, the Director of the Office of Management and Budget, the appropriate regulatory agencies, Federal and State authorities which, directly or indirectly, require reports from institutional investment managers of information substantially similar to that called for by this subsection, national securities exchanges, and registered securities associations, (A) to achieve uniform, centralized reporting of information concerning the securities holdings of and transactions by or for accounts with respect to which institutional investment managers exercise investment discretion, and (B) to avoid unnecessarily duplicative reporting by and minimize the compliance burden on institutional investment managers consistent with the purposes of this subsection. Federal authorities which, directly or indirectly, require reports from institutional investment managers of information substantially similar to that called for by this subsection shall cooperate with the Commission in the performance of its responsibilities under the preceding sentence. An institutional investment manager which is a bank, the deposits of which are insured in accordance with the Federal Deposit Insurance Act, shall file with the appropriate regulatory agency a copy of every report filed with the Commission pursuant to this subsection.

"(5)(A) For purposes of this subsection the term 'institutional investment manager' includes any person, other than a natural person, investing in or buying and selling securities for its own account, and any person exercising investment discretion with respect to the account of any other person.

"(B) The Commission shall adopt such rules as it deems necessary or appropriate to prevent duplicative reporting pursuant to this subsection by two or more institutional investment managers exercising investment discretion with respect to the same account.

"(6) A person exercises 'investment discretion' with respect to an account if, directly or indirectly, he (A) is authorized to determine what securities or other property shall be purchased or sold by or for the account, (B) makes decisions as to what securities or other property shall be purchased or sold by or for the account even though some other person may have responsibility for such investment decisions, or (C) otherwise exercises such influence with respect to the purchase and sale of securities or other property by or for the account as the Commission, by rule, determines, in the public interest or for the protection of investors, should be subject to the operation of the provisions of this subsection and the rules and regulations thereunder.".

TITLE V—DEVELOPMENT OF A NATIONAL SECURITIES MARKET SYSTEM

SEC. 501. The Securities Exchange Act of 1934 is amended by adding after section 20 (15 U.S.C. 78t) the following new section:

"NATIONAL SECURITIES MARKET SYSTEM

"SEC. 20A. (a) Congress finds and recognizes—

"(1) that our country's capital markets are an important national asset which must be preserved and strengthened;

"(2) that changing conditions and trading patterns have placed considerable strain on existing market mechanisms;

"(3) that in order to preserve and strengthen our capital markets, a national securities market system, should be established;

"(4) that it is in the national interest to assure the vitality and strength of the Nation's securities markets and to take all practicable steps to encourage a free and adequate flow of capital to the economy of the United States;

"(5) that a national system for the clearance and settlement of securities, wherever traded, should be established as part of the system; and

"(6) that a national regulatory body may be appropriate to govern and operate the system, subject to oversight and regulation by the Commission.

"(b) The Commission is directed, therefore, having due regard for the public interest, the protection of investors and the need to assure fair dealing in securities, and to preserve and foster competition among exchanges and between exchange markets and markets occurring otherwise than on an exchange, to take such steps as are within its power, including the power granted to it pursuant to this section and section 17 of this title, to establish a national market system for transactions in securities. Such a system shall include, as a minimum, a transactional reporting system for reporting transactions in securities qualified for trading within the national securities market system; a composite quotation system for reporting bid and offered quotations for all securities qualified for trading in the national securities market system; and rules or regulations designed to provide fair competition between competitors in the national securities market system.

"(c) No dealer shall make use of the mails or of any means or instrumentality of interstate commerce to effect, or induce, the purchase or sale for his own account of any security in contravention of such rules and regulations as the Commission may prescribe as necessary or appropriate in the public interest and for the protection of investors, to assure the maintenance of a fair and orderly market in securities, or to remove impediments to and perfect the mechanism of a national market system. The Commission shall, under authority of this section, promulgate such rules and regulations applicable to any dealer in securities registered under section 12(b) of this title who, with respect to such securities, (a) regularly publishes bid and offer quotations through an interdealer quotation system, communications system or otherwise, (b) furnishes bid and offer quotations on request to others, including brokers and dealers, (c) holds himself out as being ready, willing, and able to effect transactions at quoted prices with others, including brokers and dealers, or (d) is otherwise acting as a specialist or market maker (as such term may be further defined by the Commission) in such securities on an exchange or otherwise than on an exchange, as may be necessary to assure that equal regulation of such dealers is obtained. For the purposes of this subsection the term 'equal regulation' means that degree of regulation as the Commission may determine to be necessary and appropriate to apply to such dealers in order to remove any unfair competitive advantage found to result from an unjustifiable disparity of regulation of such dealers by exchanges and associations of which they are members. If the Commission finds after notice and opportunity for hearing on a record, that rules promulgated by the Commission pursuant to this title as applied to any broker or dealer, or class of brokers or dealers who effect transactions in securities registered under section 12(b) of this title, on a national securities exchange or otherwise than on a national securities exchange, are insufficient to assure the protection of investors and the maintenance of a fair and orderly market in such securities and that such investor protection and the maintenance of a fair and orderly market in such securities may not be assured through other lawful action under this title, it may, by order, prohibit such broker or dealer or such class thereof from effecting, or inducing, the purchase or sale of any such security on a national securities exchange or otherwise than on a national securities exchange. The Commission may, by such order, conditionally or unconditionally exempt any security or transaction, or class of securities or transactions, from the provisions of this section.

"(d) The Commission shall prescribe such rules and regulations as it deems necessary or appropriate in the public interest or for the protection of investors (1) to assure that all brokers and dealers and, subject to such limitations as the Commission may, by rule, impose as necessary or appropriate for the protection of investors and the maintenance of fair and orderly markets, all other persons, have access on reasonable and nondiscriminatory terms to quotations for, and reports of transactions in, securities; (2) to assure that any system utilized by any broker or dealer to transmit or direct orders for the purchase or sale of securities to a facility for execution operates in a manner consistent with the development and operation of a national market system; and (3) to provide for the fair and reasonable allocation among national securities exchanges, national securities associations, and brokers and dealers subject to paragraph (9) of section 15(b) of this title of the costs associated with the collection, processing, distribution, and publication of information with respect to quotations for, and transactions in, securities, and the development and operation of a national market system.

"(e) To facilitate the establishment and governance of a national market system, in accordance with this section, within one hundred eighty days after the effective date of the Securities Reform Act of 1975, or at such earlier date as the Commission may determine to be appropriate for the purposes of this title, the Commission shall appoint a National Market Board ('Board').

"(f)(1) In carrying out its responsibilities under subsection (e), the Commission shall appoint a Board of fifteen members, not all of whom shall be from the same geographical area of the United States, for a term specified by the Commission (but in no event to exceed five years), a majority of whom may, in the Commission's discretion, be persons active in the securities industry, the remainder of whom shall be representative of the public who, to the extent feasible, shall have knowledge of the Nation's capital markets.

"(g)(1) The Board is authorized and directed to study and advise the Commission of the steps it finds appropriately should be taken, by the Commission, the securities industry, the Congress, or otherwise, to facilitate the development of the system. For the purposes of performing the functions set forth in this paragraph, the Board shall assume the responsibilities of, and the documents prepared for or by, any advisory committee, in existence at the time of the establishment of the Board, appointed to advise the Commission on the implementation of the system.

"(2) The Board shall have, as a continuing responsibility, the obligation to furnish the Commission with its views on significant regulatory proposals of the Commission or any registered national securities exchange or association relating to the fairness, honesty, and efficiency of the markets for the trading in securities.

"(h)(1) The Board is authorized and directed to make a study of the need for the establishment of a national regulatory body (hereinafter referred to as the 'National Market Regulatory Board' or 'Regulatory Board') to administer the national market system, including the following:

"(A) the point in time at which such a Regulatory Board should be established;

"(B) the composition of such a Regulatory Board;

"(C) the manner in which such a Regulatory Board shall be brought into existence;

"(D) the scope of the authority of such a Regulatory Board;

"(E) the relationship of such a Regulatory Board to the Commission and to national securities exchanges and national securities associations registered with the Commission; and

"(F) the manner in which such a Regulatory Board should be funded.

"(2) The Board shall report to the Congress, on or before December 31, 1976, the results of its study, together with its recommendations, including such recommendations for legislation as it deems advisable.

"(3) In connection with the study authorized by this subsection, the Board shall consult with national securities exchanges; national securities associations; the likely classes of participants in a national market system, such as securities information processors, market makers, specialists, brokers and dealers; investors; the public; representatives of Government agencies and other interested persons.

"(i)(1) There is authorized to be appropriated $300,000 to the Commission for allocation to the Board for the purpose of enabling the Board to hire staff, rent office space, and generally to organize to carry out the functions set forth in this section.

"(2) Such sums when appropriated for this purpose may be made available by the Commission to the Board beginning with the creation of the Board pursuant to the provisions of this section.

"(3) The Board, since it shall act as an advisory body, is authorized to appoint and fix the compensation of such officers, attorneys and other experts and employees as may be necessary for carrying out its functions under this section, without regard to the provision of any laws applicable to the employment and compensation of officers and employees of the United States.

"(4) The Board shall furnish to its members representing the public such funds, on a per diem basis, as it finds reasonably will permit such members to perform their functions under this section.

"(j)(1) The Commission is authorized and directed to make a study of the securities activities conducted by persons who are not brokers or dealers, who maintain accounts on behalf of public customers for buying and selling securities registered under section 12 of the Act to determine the extent of such business conducted by such persons, the desirability of greater uniformity of regulation of such accounts, the effects of such activities on the process of raising and allocating capital in interstate commerce, the effect on competition for such public accounts, and whether the exclusions from the definition of broker and dealer are necessary and appropriate for the protection of investors and to achieve the purposes of this title.

"(2) The Commission shall report to the

Congress on or before December 31, 1976, the results of its study including such recommendations for legislation as it deems advisable."

"SEC. 502. The Securities Exchange Act of 1934 is further amended by adding after section 20A the following new section:

"RESTRICTIONS ON MARKET SELECTION AND USE OF CLEARING AGENCIES AND DEPOSITORIES

"SEC. 20B. (a) On or after September 1, 1975, no national securities exchange, or national securities association may, by rule or otherwise, limit or condition a member's ability to transact business on any other exchange or otherwise than on an exchange, except pursuant to a rule of such exchange or association which is approved as consistent with the purposes of this title and such member's agency obligation to its customer, and declared effective by the Commission by rule, after providing for appropriate notice and an opportunity for the oral presentation of views, data, and arguments by interested persons in addition to an opportunity to make written submissions to the Commission. The Commission shall approve, with or without modification, or disapprove any such rule proposed by an exchange or association within 90 days of the date of the filing of such proposed rule.

"(b) No national securities exchange registered under section 6 and no national securities association registered under section 15A shall by rule or otherwise limit or condition any of its members from participating in any clearing agency or securities depository registered under section 17A."

SEC. 503. Section 28 of the Securities Exchange Act of 1934 (15 U.S.C. 78bb) is further amended by adding at the end thereof the following new subsection:

"(d) (1) No person using the mails, or any means or instrumentality of interstate commerce, in the exercise of investment discretion with respect to an account shall be deemed to have acted unlawfully or to have breached a fiduciary duty under State or Federal law in effect on or enacted prior to the date of enactment of the Securities Reform Act of 1975 solely by reason of his having caused the account to pay a broker or dealer an amount of commission for effecting a securities transaction in excess of the amount of commission another broker or dealer would have charged for effecting that transaction, if such person determined in good faith that such amount of commission was reasonable in relation to the value of the brokerage and research services provided by such broker or dealer, viewed in terms of either that particular transaction or his overall responsibilities with respect to the accounts as to which he exercises investment discretion. This subsection is exclusive and plenary insofar as conduct is covered by the foregoing, unless otherwise expressly provided by contract: *Provided, however,* That nothing in this subsection shall be construed to impair or limit the power of the Commission under any other provision of this title.

"(2) A person exercising investment discretion with respect to an account shall make such disclosure of his policies and practices with respect to commissions that will be paid for effecting securities transactions, at such times and in such manner, as the appropriate regulatory agency, by rule, may prescribe as necessary or appropriate in the public interest or for the protection of investors.

"(3) For purposes of this subsection a person provides brokerage and research services insofar as he—

"(A) furnishes advice, either directly or through publications or writings, as to the value of securities, the advisability of investing in, purchasing, or selling securities, and the availability of securities or purchasers or sellers of securities;

"(B) furnishes analyses and reports concerning securities, economic factors and trends, and the performance of accounts; or

"(C) effects securities transactions and performs functions incidental thereto (such as clearance, settlement, and custody) or required in connection therewith by rules of the Commission or a securities industry regulatory organization of which such person is a member or person associated with a member or in which such person is a participant.".

Amend the title so as to read: "An Act to amend the Securities Exchange Act of 1934 to remove barriers to competition, to foster the development of a national securities market system and a national clearance and settlement system, to make uniform the Securities and Exchange Commission's authority over securities industry regulatory organizations, and for other purposes."

Mr. PROXMIRE. Mr. President, I move that the Senate disagree to the House amendments and that the Chair appoint conferees.

The motion was agreed to; and the Chair appointed Messrs. PROXMIRE, WILLIAMS, MCINTYRE, TOWER, and BROOKE conferees on the part of the Senate.

HUMANITARIAN ASSISTANCE FOR SOUTH VIETNAM—CONFERENCE REPORT

The Senate continued with the consideration of the conference report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 6096) to authorize funds for humanitarian assistance and evacuation programs in Vietnam and to clarify restrictions in the availability of funds for the use of U.S. Armed Forces in Indochina, and for other purposes.

Mr. SPARKMAN. Mr. President, I yield 2 minutes to the distinguished Senator from Kentucky (Mr. FORD).

Mr. FORD. I thank the Senator from Alabama.

Mr. President, I am concerned about what seems to be the administration's evacuation policy in South Vietnam. From reports in this morning's paper, and from calls made to relevant offices in the State Department and in the Immigration and Naturalization Service, it is my understanding that the flow of Americans from Saigon has been stemmed in overwhelming favor of evacuating South Vietnamese at an intensified pace. Apparently it is the administration's intention to leave American citizens for the last possible moment, perhaps at a time when they must be brought out under fire. L. Dean Brown, U.S. Task Force Director, was quoted at a State Department news conference yesterday as saying. "If Saigon is under attack and the airfield is under attack, that is that. That is when you go in for the last haul" of Americans.

To add insult to injury, it is said that Americans must pay for evacuation flights while the airlift is free to the South Vietnamese.

Mr. President, I think the Senate needs to know the rationale behind this policy. I am sending a letter to the President requesting an immediate explanation. I would hope to be able to read his answer to my colleagues at the first of next week.

The PRESIDING OFFICER (Mr. ROTH). Who yields time?

Mr. SPARKMAN. Mr. President, the conference, which has just concluded on the Vietnam evacuation bill, was one of which I have participated in a long time. There were significant differences between the House and the Senate bills both in terms of money authorizations and in the issue involving authority for use of the U.S. Armed Forces in hostilities if necessary to bring out Americans and foreign nationals. The gap between the House and the Senate on the latter point was especially broad.

I am pleased to report to the Senate that the Senate's position relative to authority to use the Armed Forces in evacuation of Americans and foreigners was accepted by the House conferees. The evacuation authority in the conference report is as tight and as restricted as that in the bill passed by the Senate by a vote of 75 to 17 2 days ago. The House conferees were persuaded by the more restrictive provisions in the Senate bill. We did, however, add in the Senate bill specific reference to categories of persons who could be taken out along with Americans but in such a way that the Senate bill's authority was not expanded.

As to the funds allowed under the conference version, the conferees agreed to authorize of $177 million in unappropriated balances of previous authorizations for economic aid to Indochina, which will be available for "humanitarian assistance to and evacuation programs from South Vietnam." In addition, the conferees agreed to a separate authorization of $150 million for humanitarian assistance in South Vietnam. The provision is essentially that of the Senate's bill which authorized this same amount for humanitarian aid in South Vietnam and Cambodia. Unfortunately, the House conferees were adamant on the question of taking out provisions from the bill, including the amendment of the Senator from Oregon (Mr. HATFIELD) relative to aid to Cambodia. They argued very strenuously that any provision in the conference report concerning aid to Cambodia would be subject to a point of order in the House and would endanger the entire conference report. The managers on both sides, however, did agree to include language in the statement of managers of the conference report urging the administration to give continuing consideration to the food and other humanitarian needs of refugees and other Cambodians who are victims of the war. I ask unanimous consent that the language which will be included in the statement of managers be printed in the RECORD.

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

AID TO CAMBODIA

The Conferees have deleted the provisions in the Senate bill authorizing humanitarian assistance to refugees and war victims in Cambodia and a provision relative to Public Law 480 food assistance to Cambodia solely because the retention of these provisions of the Senate version would have subjected the

Conference report to a point of order under the House rules. The managers of both the House and the Senate are aware that under existing law food assistance for humanitarian purposes can be supplied to needy people in Cambodia and urge that Executive Branch officials give continuing consideration to requests for food and other assistance from international organizations and voluntary relief agencies to the extent such assistance may be provided under existing law. As to Cambodian refugees who have fled from Cambodia, the Conferees expect that the United States will provide appropriate assistance to those refugees through international organizations and voluntary agencies through whatever authority and funds that are available for such purposes, including the Migration and Refugees Assistance Act.

Mr. SPARKMAN. Mr. President, the bill authorizes a total of $327,000,000 in these two categories compared with a total of $250,000,000 in the Senate bill and $327,000,000 in the House bill.

The two reporting provisions sponsored by the Senator from Iowa were retained in the conference agreement.

All in all, it was a very satisfactory and historic conference. The conference report before the Senate is the first exercise by Congress under the war powers resolution to authorize specifically the President to use the Armed Forces in hostilities. It will serve as an important precedent for the future.

Mr. President, I yield to the Senator from New Jersey such time as he may require.

Mr. CASE. I thank the chairman.

Mr. President, I again pay my respects to the Senator from Alabama for his wise, skillful, and understanding chairmanship of the conference. The fact that we accomplished agreement on this quite difficult matter in such a relatively short time, with a degree of unanimity which is satisfying to many of us, is a tribute to his ability and the trust and confidence all of us, on both the House and the Senate sides, have in him and in his leadership.

He has described the conference report accurately. I believe it measures up to the requirements of the Senate bill in all basic ways, and it does not depart from it in any way that is a matter of substance. I fully support it, as do my colleagues on this side of the aisle who were members of the conference, and I hope it will be adopted quickly.

Mr. President, I ask unanimous consent that during further consideration of the report, including any vote on it, my staff assistant, Stephen Bryan, be allowed the privilege of the floor.

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

Mr. CLARK. Mr. President, I ask for the yeas and nays on the conference report.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. CLARK. Mr. President, I join the ranking member of the Committee on Foreign Relations in complimenting the chairman on his patience and fairness in dealing with this bill throughout the last 2 weeks. And I would like to add that a great deal of credit also should go to an outstanding staff, particularly Dick Moose and Chuck Meissner who went to Vietnam and came back with an excellent report, and to Norvill Jones and the other members of the staff who did such an outstanding job working with us on this legislation.

Mr. President, I voted against the Vietnam Contingency Act when it came from the Committee on Foreign Relations a week ago today. I voted against it on Wednesday, did not sign the conference report this morning, and I will vote against it one final time this afternoon.

The conference committee did a good job on the legislation—the report contains a number of positive features. But the final version of the legislation is inevitably weaker than the original Senate bill on several significant points.

First, the contingency fund in this bill has been increased to $177 million from the $100 million in S. 1484 approved here 2 days ago. The money can be used for direct military assistance to the South Vietnamese Government if the President feels that it is in the national interest—despite the language in the bill, the language in the conference report, and the best intentions of Congress. And even this possibility of military assistance could be detrimental to the chances of an early and negotiated settlement.

There should not be any confusion about this contingency fund. The President could not use it for direct military assistance unless it was clearly connected, in his judgment, with withdrawal or evacuation or humanitarian purposes. But it is the President that would make that connection and that judgment.

We do not need any further debate on that question. We are all aware that the Senate does not want the President to use it for military assistance. It is clearly our desire that it not be used for that purpose. But it is also clear that a crack is left in the door for that to occur.

Second, the conference dropped from the legislation all humanitarian assistance to the people of Cambodia. The people of Cambodia, it seems to me, deserve special consideration. If we needlessly involved one country and one people more than any other in this war, it was the Cambodians. Eliminating Cambodia aid from the bill was particularly unfortunate because it was dropped for parliamentary reasons. The House conferees argued, as it so often does, that it cannot take anything back to the House that is not in the original House bill. As a result, it often becomes necessary to drop Senate amendments. It would seem wise for the Senate to adopt a similar rule—if only in self defense. But that is another question.

The fact is that we have come out of the conference eliminating humanitarian assistance for Cambodia.

Mr. SPARKMAN. Will the Senator yield for a brief comment?

Mr. CLARK. Yes, I do yield.

Mr. SPARKMAN. I subscribe completely to his statement regarding the House rule. Many times, I have protested against it. It is vicious. Nevertheless, it is a rule and we have to abide by it. The only way I have found to get around it—and when I was chairman of the Committee on Banking, often, we could do this—was to be certain that the bill that we passed here was a Senate bill and that we would pass it before they would pass one and send it over here. That way, there is a Senate title and that rule does not hold against us.

Every time a House bill comes over here, we are caught in the viciousness of that rule. I wish we could do away with it.

Mr. CLARK. I thank the chairman.

But given the immediate food relief needs there, it is unfortunate in this final act providing aid to South Vietnam, nothing could be done to help the people of Cambodia.

Finally, while the Senate bill required that humanitarian assistance be provided through international organizations and private relief agencies, the conference report enables the President to provide this assistance through whatever channels he sees fit. It was important to many Members of the Senate that humanitarian assistance be channeled through the United Nations and international organizations like the Red Cross. Such assistance would be unmistakably humanitarian, not political, and the chances would be greater that it would get to the people who need it. Under this legislation all of the assistance could bypass international organizations and relief agencies, frustrating the humanitarian intent of this legislation.

While I voted against the bill in the conference committee because of these weaknesses, I am encouraged that the conferees retained the Senate provisions to require that the administration send Congress a plan for evacuation of Americans and South Vietnamese; that daily reports be made of the numbers of Americans and Vietnamese evacuated, and that the American personnel in Vietnam be reduced to the minimum essential to run the Embassy—and carry out our remaining mission there.

I think that is important, and I hope that we can hold this administration to those requirements.

Today's report on evacuation only emphasizes the need for Congress to keep a close watch on that process.

There are still more than 1,800 Americans and their dependents in South Vietnam—and at least half of them are not essential.

There is no justification for the continued presence of nonessential Americans and dependents in South Vietnam. The larger the American community in Vietnam, the greater the chance that a sizable American force will have to go in for an extended period to bring them out, and the greater the danger to American lives.

Despite all this, the United States is bringing 18 South Vietnamese citizens out for every one American. It is critically important that Congress continue to urge the Administration to evacuate Americans as quickly and as safely as possible—before it becomes necessary to use U.S. troops under sections 3 and 4 of the bill to get them out.

I strongly favor bringing out as many South Vietnamese endangered nationals

as possible, but let us not resort to military intervention unnecessarily.

Mr. President, the Senate wants to vote on this conference legislation right away, and I will not delay its passage. However, it is essential that Congress be aware of its possible implications. The chances for a negotiated settlement in South Vietnam appear better today than ever before, but this bill will not help attempts to reach a negotiated settlement. If President Ford does use the authority in this bill to send in a large American force to evacuate the sizable community of Americans remaining and as many Vietnamese as possible during the negotiations, the consequences could be unfortunate. I hope and believe that the President will do everything in his power to complete the evacuation without U.S. troops.

The conference legislation, I think, does have some sound features. But I will vote against it because of the lack of restrictions on military aid, the presence of restrictions on humanitarian aid, and the continued presence of so many Americans in Saigon.

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

Mr. CLARK. I yield to the Senator from South Dakota.

Mr. ABOUREZK. Mr. President, I wish to take a few minutes to voice my objection to this bill, which has been labeled a humanitarian bill. Actually, more than one administration has been selling snake oil to Congress, and this is just another bottle of snake oil with a different kind of label on it. This is $377 million, supposedly for humanitarian aid to South Vietnam and for evacuation. But in fact, many of us here have been trying to determine from the administration what kind of plan they have to bring Americans out of South Vietnam, how rapidly they are going to bring them out, and we can get no such plan. The only response that we do get is that if we bring them out too rapidly, panic will occur in the streets of Saigon.

Permit me to say that administration witnesses testified this morning before the Subcommittee on Refugees of the Committee on the Judiciary that we are now bringing out of South Vietnam with American airplanes some 5,000 South Vietnamese each day. The capacity and the plan is for the administration to move out 5,000 each day until they can no longer bring out South Vietnamese.

We still have 1,357 American nationals in South Vietnam. They have been moving only from 100 to 300 American nationals a day out of South Vietnam, up until yesterday, when 501 were moved out.

It is obvious that there is no more money needed to evacuate Americans, and it is obvious that, as many of us have charged, they were holding American nationals in South Vietnam hostage to whatever policy it was that the administration wanted to carry out.

So we see now that the request for and imminent approval of $327 million additional to go to a very doubtful and a very nebulous kind of evacuation plan is for $327 million that ought not to be used, for many reasons, one of them being that the Pentagon already has the money with which to evacuate the Americans left in Vietnam. There is no more money needed for that purpose, and especially not $327 million.

What it amounts to, I think, is really this: The Pentagon is simply asking for this money to replenish what they are using out of their own contingency fund for evacuation of Americans, and what we are doing, in essence, is voting $327 million in military aid, not in humanitarian aid. Why we insist on buying this kind of snake oil and being, in effect, conned each time they come up with this kind of request I fail to understand, Mr. President.

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

The PRESIDING OFFICER. Who yields time?

Mr. SPARKMAN. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 12 minutes remaining.

Mr. SPARKMAN. I yield 5 minutes to the Senator from New York.

Mr. JAVITS. Mr. President, I wish to deal with two points in respect to the conference report.

First, I, joining the Senator from New Jersey (Mr. CASE) in expressing great appreciation for the quality and character of the conference, and also expressing to the Senator from Iowa (Mr. CLARK), a member of our committee, the fact that notwithstanding his opposition, it was always handled in such a way as not to interfere with the essential functions of the committee, and indeed with great helpfulness in clearing up points which were valuable to the legislation itself.

The two things I would like to clarify are, first, this question, can any of the funds, the $177 million which is for evacuation and humanitarian purposes together, be used for military supply to Vietnam or any of its forces?

The Senator said, and I tried to note it down here:

> Clearly if he, the President considered it in the national interest, he could divert some of this money for military aid for the South Vietnamese Government.

The important thing that I would like to emphasize is that his primary duty, at least as to this money, is humanitarian aid and evacuation, and it is only in order to promote and forward those particular things, strictly, that some money was required for munitions, in order that the President could, in his discretion, use it.

We do not contemplate any program of military assistance, or any substitution of this money for Pentagon money which has already been expended, and we should, I think, look with great disfavor on any effort to distort what we are doing in that way. It is strictly confined to what is absolutely essential to the two things: humanitarian aid—obviously no munitions are needed there—or evacuation, if we should get in a jam on evacuation.

I should like to point out, Mr. President, that the war powers resolution has met its first test, and very admirably. Congress has specified the ways in which Armed Forces may be used, and the principles which must be employed in that regard, and has not tried to be an army officer itself in telling the President exactly how to go about performing this responsibility. An examination of sections 4 and 5 of this legislation makes that crystal clear.

Second, we retain all our rights under the war powers resolution to put an end to any Armed Forces participation anytime we join in a concurrent resolution, if we feel that that small authority, in consideration of the great size of the problem, is being abused.

Finally, Mr. President, in respect of the point made by the Senator from Kentucky (Mr. FORD), we have locked into this particular bill the sternest kind of mandate respecting prompt evacuation. The conference report requires that not more than the minimum number of personnel determined by the President to be essential to carry on critical functions of the U.S. mission, or to carry out such evacuation, shall be used, and that they shall be evacuated as rapidly as possible after the enactment of this act.

I emphasize that, Mr. President, because I oppose, and the Senate sustained the idea, naming 500 as a specific number, for the reasons which I argued then—that it could break the back of the new authority which we have respecting the war powers resolution. But certainly I join with Senator CLARK, Senator ABOUREZK, and other Senators in the clear understanding as a conferee, as a Senator, and as one of the architects of this bill with Senator CASE, Senator HUMPHREY, and others, that we insist on the very minimum in terms of any personnel who are absolutely essential to the functions of the United States in that area; and those functions obviously are getting down to evacuation and humanitarian assistance.

Mr. President, as I say, Congress has met, in my judgment admirably, the first test under the war powers resolution, with great statesmanship, very promptly—which was also critically important—and with proper understanding of the President's powers and the new powers which we have claimed and secured in the war powers resolution.

I believe that our people can feel assured in the future that the dogs of war are under greater restraint than they have ever been in our history since its very beginning, because of this landmark statute which we have enacted as to the methodology by which American forces may be put into war situations, and the final control of Congress as to how long that should last, considering all the circumstances, to be applied not with the President's consent but by our own concurrent resolution.

I thank my colleague for yielding the time. I yield back the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Several Senators addressed the Chair.

Mr. ABOUREZK. Mr. President, will the Senator from Iowa yield?

Mr. CLARK. I yield.

Mr. ABOUREZK. I want to ask several questions of the Senator from Iowa. Is it possible that the $177 million contin-

gency fund could be used for military assistance to South Vietnam?

Mr. CLARK. I agree with Senator JAVITS' interpretation of that provision just a moment ago. This money could not be used for military assistance unless it is tied, in the President's judgment, to evacuation or humanitarian purposes. Clearly, that decision is left to the judgment of the President—in terms of what he believes is in the national interest. I would hope that the President would not use it for that purpose.

Mr. ABOUREZK. But he could.

Mr. CLARK. Yes. And there is no question about the President's desire to have some military assistance. He has made that very, very clear over and over—as late as yesterday.

Mr. ABOUREZK. Another question: What would be the impact of the passage of this bill on the effort to reach a negotiated settlement in South Vietnam?

Mr. CLARK. It depends very much on what happens over the weekend. I am pleased that the House of Representatives will not be taking up the measure until Monday at the earliest.

There seem to be strong indications that a cease-fire or a negotiated settlement is very possible. Giving the President even this possibility of military assistance would not help achieve a negotiated settlement.

Mr. ABOUREZK. Is it possible, in the Senator's opinion, that the slowness in the manner in which the administration is moving out Americans is tied to the provision in this bill and, of course, in their original planning, that the slower the Amercans come out, the more Vietnamese they can bring out under the authority granted to them in this bill and under the authority they believe they already have under the War Powers Act?

Mr. CLARK. I am not prepared to say that these people are being held there intentionally for that purpose. But I certainly have no explanation for why we brought out over 5,500 South Vietnamese yesterday and yet the number of American citizens in South Vietnam went down by only 324.

We clearly have the ability to take out more Americans. I cannot believe that that is in the interest of this country to keep nonessential personnel there. However, I do know the figures are not adequate. The evacuation is not getting down to the essential minimum.

Mr. ABOUREZK. Does the Senator from Iowa have any idea why Ambassador Brown who is special assistant to the President to coordinate refugee evacuation in Indochina, declined to testify before the Judiciary Committee today on grounds of executive privilege? Would that be connected in any way to what the administration's plan is with regard to a slowdown of American evacuation?

Mr. CLARK. I was not aware of that refusal.

Mr. ABOUREZK. In this conference report in what way were the humanitarian assistance provisions of the Senate bill altered?

Mr. CLARK. They have been weakened in, perhaps, two or three respects. First of all, we cannot now give aid to Cambodia under the conference bill, although we did write language in the report, that we would try to get the administration to continue to deliver the Public Law 480 food that is on its way. But clearly we have eliminated humanitarian aid to Cambodia in the bill.

Second, we have taken the words "United Nations" out of the bill.

Third, instead of mandating the $150 million in humanitarian aid, we have now just given the President the authority to do that. Furthermore, we have said in the conference report that the President need not go through international organizations. That is up to him. In the Senate bill, we mandated that this money be spent through international organizations.

Mr. ABOUREZK. May I ask the Senator, is there an advantage to giving the President the discretion over giving it to international organizations?

Mr. CLARK. It seems clear to me that there would be a better chance of getting food delivered to people who were hungry if we went through the United Nations and through international organizations. It is no longer possible to deliver aid through bilateral assistance to almost anybody in South Vietnam—except right around Saigon.

The conference also reluctantly accepted a House section which forbade any assistance to the PRG or to the Khmer Rouge and that, too, of course, not only eliminates any possibility of money going to Cambodia, but to the occupied areas of South Vietnam as well.

Mr. ABOUREZK. I thank the Senator.

I yield to the Senator from Ohio.

Mr. GLENN addressed the Chair.

Mr. CLARK. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator has 17 minutes remaining.

Mr. CLARK. How much times does the Senator want?

Mr. GLENN. 5 minutes.

Mr. CLARK. I yield 5 minutes to the Senator.

Mr. GLENN. I have a question I would like to ask the distinguished chairman of the Committee on Foreign Relations. I know in the past, Mr. Chairman, we have had some very great difficulties in getting information just to know what the situation is in Vietnam.

It seemed to me earlier, when we were debating this whole thing in the Senate that, perhaps, we were missing something here. We already had some powers we were trying to protect against in the War Powers Act where by a concurrent resolution we can, in fact, stop whatever is going on in Vietnam by a concurrent resolution of both Houses of Congress. So this really leaves us in control, with one big factor necessary, and that is that we get all the information surrounding what the situation is at any one time.

I know that in the Committee on Foreign Relations they are receiving daily reports, and I hope, as I understand, they are daily reports concerning the situation in Vietnam. I also know that earlier, before some pressure was put on to get that information, it was so difficult to find out the truth of what was going on that the Senator felt compelled to send a couple of investigators to get your own information which, I thought, was a very wise and proper thing to do and, in retrospect, the information those gentlemen brought back was instrumental in making some of the decisions that have been made in this body in the last couple of weeks.

So I think it is paramount that we are at the mercy of the administration with regard to information that we are given on a daily basis.

I had earlier had an amendment drawn up before the original bill passed that I was going to submit requiring that the administration give Congress as a whole a daily briefing because all of our people are vitally concerned about this entire situation. I felt it was that critical.

My question today, I guess, is does the Senator feel that at the current time there is sufficient information coming in, and that we will be provided sufficient information to make certain that we do have every bit of information we need?

The bill, as now constituted out of conference, provides for only a reporting daily of the number of personnel still involved. Yet we find, we would find, in a combat situation that we would want to know such things as: Is a perimeter defense set up; are we expanding that perimeter defense; are we getting more involved in a military situation; have SAM missiles been moved in on the other side? All of these are things that would be of absolute and paramount importance to make decisions in this body if they are not being known somewhere.

At the present time I do not have that information. I get most of my information from the news media in this regard, and I think we probably should be making our decisions on a better basis than that, of course.

So does the Senator think that the current information being obtained daily by the committee is adequate, and could that information be made available to Members of the Senate who would wish to stop by in the committee room and be briefed by the staff of the Committee on Foreign Relations on a daily basis so that we could keep up with every possible bit of this whole situation?

Mr. SPARKMAN. Mr. President, I will say to the distinguished Senator from Ohio that certainly Members of the Senate are urged—I do not know how many of them take advantage of it—to come by the Committee on Foreign Relations anytime to see any of the papers that we have there that we feel ought not to go out on general distribution.

We welcome any and every Senator to come by at any time and ask for that information and he will be shown just what we have.

Now, in the conference report, we included one of the amendments that the Senator from Iowa offered here on the floor of the Senate:

SEC. 8. (a) The President shall transmit each day to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate a report setting forth fully and completely—

(1) the number of citizens of the United States and their dependents who left Vietnam the previous day, including the number

of Embassy personnel and private contract personnel among such persons;

(2) the number of such persons remaining in South Vietnam; and

(3) the number of Vietnamese nationals who left South Vietnam the previous day with the assistance of the United States.

(b) Such reports shall be transmitted until such date as the Speaker of the House of Representatives and such committee may direct. The information may be submitted on a confidential basis if the President deems it advisable.

Now, we have been getting that information.

Let me say this in all frankness, the thing we have been concerned with for the last 10 days, I presume, maybe 2 weeks, has been more the matter of how many Americans were there, how we could get them out, how we could get them together, how many dependents they had, and things of that kind, rather than following the battle plan of South Vietnam, and I believe the Senator——

The PRESIDING OFFICER. The 5 minutes of the Senator from Ohio have expired.

Mr. GLENN. May I have 1 more minute?

Mr. CLARK. One more minute.

Mr. GLENN. I thank the Senator from Iowa very much.

I am concerned about it and I think most of those in the Senate have shown that much of the concern was what the combat situation would be that we might be getting ourselves into, and that we would not be in an expanding situation beyond, say, a perimeter defense, just to evacuate people, and would not be reinvolving ourselves, in effect, in a land war in Asia.

Is the information available daily to the Committee on Foreign Relations, covering the combat situation, if we once get our people back in there?

Mr. SPARKMAN. Yes, in the completely reverse condition to that stated by the Senator.

We have got the safeguard, as far as I believe can be done, to make certain that we do not have people in there who become engaged in conflict.

Mr. GLENN. I thank the chairman very much.

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

Mr. SPARKMAN. The only conflict recognized is that to our men where it might be necessary to help our people get out.

Mr. GLENN. I thank the chairman very much for his courtesy.

The PRESIDING OFFICER. Who yields time?

Mr. GLENN. And for his courtesy in letting me sit in with the committee in the past.

Mr. SPARKMAN. Mr. President, how much time do we have?

The PRESIDING OFFICER. The Senator has 7 minutes remaining.

Mr. SPARKMAN. Seven minutes.

I had promised Senator CHURCH, I promised him time and he wants 5 minutes.

Senator CHURCH now says he will take 3 minutes, and if the Senator from Illinois takes 3, I will retain 1.

The PRESIDING OFFICER. The Senator only has 6 minutes remaining now.

Mr. PERCY. I appreciate very much the Senator's generosity.

Mr. SPARKMAN. I surrender my minute.

Mr. PERCY. I will take no more than 2 minutes in commending the chairman of the committee.

I would not want this conference report to be considered by the Senate without taking into account that I believe the best has been done, taking into account the parliamentary situation that we faced.

I do wish to commend Chairman JOHN SPARKMAN and Senator CLIFFORD CASE for their leadership on this bill, and Senator JAVITS, particularly, for the immense help in connection with the War Powers portion of this legislation.

I also wish to thank the chairman for very prompt action on the letter I sent to him and Senator CASE suggesting that two staff members of our own committee be sent out to Vietnam. I was very concerned that the information we would have would only be the executive branch viewpoint. The objectivity of our staff members, their ability to talk with both sides, their ability to objectively look at the matter, and their competence and knowledge of Vietnam and Cambodia, proved of immense help to the committee.

I also feel we ought to comment on the fact that, in a sense, history was made in the way the Senate worked together with the executive branch of Government to create a common policy. The unusual meeting that we requested be held with the President, the first the Committee on Foreign Relations has held since World War I, I think was an historic moment. The President, with his usual candor and openness, made himself available on very short notice and had with him the Secretary of State, the Secretary of Defense, and General Frederick Weyand, who had just returned from Vietnam. He listened attentively as the members of the Committee on Foreign Relations expressed to him their deep concern about the continuation of military assistance, President Thieu's continued presence, and the deep concern we had for the slowness of the evacuation process in Southeast Asia.

I think it is probably one of the best examples I have seen, in some 9 years in the Senate now, of the Senate exercising its oversight responsibility, working in cooperation with the executive branch of Government, but very firmly holding positions it believed were right, and absolutely not exceeding or caving in or giving way when we felt that the arguments presented to us simply did not correspond with the firsthand information brought to us by the Senate staff members Charles Meissner and Richard Moose.

The actions of the Committee on Foreign Relations over the last week have laid on excellent precedent for the future. It carried out its oversight function with great skill and both Senators SPARKMAN and CASE are due congratulations. Their efforts and those of the committee members effectively transmitted the concern of this body that the rate of evacuation of Americans from South Vietnam was inadequate.

I am distressed that for parliamentary reasons this bill does not include humanitarian aid for the people of Cambodia. I concur with Senators CLARK and SPARKMAN on the unreasonable nature of the House rules that compelled the Senate to accept this aspect of the House legislation. While I am relieved that American military involvement in Indochina has finally ended, our concern for the welfare of the peoples of these countries has not terminated. I am, therefore, proud to be a cosponsor on new legislation that will restore humanitarian aid to the people of Cambodia.

I would hope that H.R. 6096 will close the legislative chapter of this body dealing with what is now known as the second Indochina war. Many Members of this body have opposed U.S. involvement in this war and others have just as eloquently supported the American presence. Let us not now fall into recriminations and self flagulation as to who lost this war, whether it be from hawk or dove.

What we need now is a look forward, not backward. Vietnam is history and while history always affects the present it need not dominate it. We are faced with major foreign policy questions in the North Atlantic, the Middle East, and the Far East. For too long we have neglected issues in Latin America, Africa, and South Asia. Let us now turn to these problems, the legislative and executive branches together. Together we shall make progress and together we shall heal the wounds that for so long have weakened the resolve of this great Nation.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. PERCY. I thank my distinguished colleague and I gladly yield.

Mr. SPARKMAN. I yield the remainder of my time to the Senator from Idaho.

The PRESIDING OFFICER. The Senator from Idaho has 3 minutes.

Mr. CHURCH. Mr. President, first of all, I want to say that all members of the conference, indeed, all members of the Committee on Foreign Relations have tried very hard to design a bill that meets the needs of the current crisis in Saigon.

Certain members of the committee have opposed this bill. I want to say to them, to Senator CLARK of Iowa, to Senator BIDEN of Delaware, that I fully appreciate the reason for their misgiving.

Furthermore, I want to say that I share with them the concern they have expressed about the sluggish pace of the withdrawal from Saigon of American citizens and their dependents.

There is no reason why the remaining Americans should not be out of Saigon by now, except for those absolutely critical to the mission, and this number is 500 or less.

The reason why it is necessary to remove all unessential Americans is to make certain that, if worse comes to worse, and it is necessary to use U.S. Armed Forces to rescue the remaining

Americans, this can then be done very quickly, with the least possible exposure of our forces and the least possible danger of them being mired down in protracted hostilities.

Mr. President, if we reach that point, the question we face is whether we are going to leave it to the President to decide how many troops to employ, how many foreign nationals to bring out with the Americans, or whether we are going to tie it down with the stringent restrictions contained in this bill.

When the President sent in U.S. forces to remove Americans and Cambodians from Phnom Penh, he did not ask for a clarification of the law; he did not ask for congressional authority. He exercised what he believed to be his constitutional prerogative as commander in chief. But he did ask for a clarification of the law when it came to Vietnam.

Now we are giving him that clarification, and we are giving it to him in such terms that Congress imposes the limitations that will apply if it becomes necessary to use troops.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. CHURCH. Very well.

Mr. President, let me just say, the two alternatives are clear. Between the two, we are better advised to proceed with the bill than without.

Mr. CLARK. I yield 4 minutes to the Senator from Illinois.

Mr. STEVENSON. I thank the Senator from Idaho.

Mr. President, this bill confers no authority on the President that he requires for the evacuation of Americans or South Vietnamese from South Vietnam. The President is already evacuating American nationals and South Vietnamese from South Vietnam. Earlier he evacuated Americans and Cambodians from Indochina. And he does so with U.S. Armed Forces. This bill is not required for that limited purpose—authority to evacuate American nationals and in conjunction therewith, South Vietnamese, from South Vietnam.

If the bill were merely redundant, an unnecessary measure motivated by some obscure but innocent political purpose, I would not vote against it. But that is not the case. The intentions of its authors are commendable—but the bill is dangerous.

Power has not been transferred in South Vietnam to General Minh or some other such figure capable of negotiating a settlement or bloodless surrender. A negotiated settlement or surrender is the only alternative to an assault upon Saigon followed by reprisals. Negotiations could permit the safe evacuation of all remaining foreign nationals and some assurance of amnesty for the South Vietnamese. With or without this legislation, and with or without a negotiated transfer of power to the PRG, hundreds of thousands of South Vietnamese who were associated with the Americans and the Saigon regime, will be left behind. Without a negotiated surrender they will be left behind and in grave danger of reprisal.

The purpose of this legislation is to permit the safe evacuation of Americans and South Vietnamese, but its effects could be the opposite, a resumed conflict, a bloody battle for Saigon and an end to any prospect for negotiations with an enlarged threat to the lives of Americans and South Vietnamese. Its purpose is humanitarian assistance but that purpose appears to be nullified by the prohibition of any assistance to or through the PRG or the North.

Whatever the intentions of the Congress and the President, this bill appears to contemplate a massive removal of South Vietnamese. If enacted, the first result could be heavy fire on Tan Son Nhut Airport and the cutoff of Vangtau. The North Vietnamese might be prompted to cut off the last remaining exits for large numbers of South Vietnamese.

But more dangerously, it authorizes $177 million which could be used as military assistance for the Government of South Vietnam. That money is not needed. Millions of dollars worth of equipment is still undelivered to South Vietnam. Additional funds for military equipment cannot, with no time remaining, be delivered to an army which does not exist in any event. But from its appearances, this bill could make it look as if the United States is still pursuing the policy which has already led the PRG and the North Vietnamese to the gates of Saigon. Additional military assistance for the continued pursuit of military stabilization by the Thieu regime, now the Huong regime, combined with massive evacuations and the presence of U.S. forces in Thailand and off the coast authorized by law to intervene, could encourage the North to abandon a political settlement and take Saigon by storm. If that happens, the lives of South Vietnamese and Americans would be endangered and the risks of reinvolvement by U.S. forces would be greatly increased.

The timing of this legislation is particularly unfortunate. The North is awaiting events to determine if, finally, a possibility for negotiations exist—or so it appears. And the South Vietnamese have not yet arranged a transfer of power to General Minh or to some other such figure capable of negotiating. For the Congress at this moment to intrude by authorizing massive evacuations, the reintroduction of U.S. forces and $177 million which could be used for military assistance to the South Vietnamese is not only gratuitous, unnecessary as the present evacuations have proved, but destructive of the remaining possibility for a political and bloodless solution.

Mr. CLARK. I thank the Senator for his statement.

I yield 3 minutes to the Senator from Delaware.

Mr. BIDEN. Mr. President, I associate myself with the remarks of the Senator from Illinois. I wish to speak to two questions raised by a man for whom I have the greatest respect, who has been a leader in this area for a long time, the Senator from Idaho (Mr. CHURCH).

The Senator addressed himself a moment ago to two specific points. He said, No. 1, that this bill was the necessary tool to limit the power of the President and it was essential that the Congress do that in this regard; otherwise, our alternative was worse. The second thing that he spoke to was that this bill was necessary to insure the safety of American citizens in their evacuation.

I am going to vote against this bill. I am going to vote against it primarily for the two reasons the Senator from Idaho indicates he is going to vote for it.

No. 1, I will not repeat the arguments I have made for the last 3 weeks in the Foreign Relations Committee and here in the Chamber at length with regard to how this endangers American nationals, but, clearly, the President has the power now. We could proscribe that power if need be to evacuate American citizens and their dependents.

When the ratio is running 18 to 1 Vietnamese nationals to American citizens being withdrawn from Vietnam, it seems to me that we are making a bit of a fruitless effort here in going under the guise of evacuating Americans when in fact the intent of the administration seems to be to evacuate large numbers of Vietnamese to whom they say the American people have a moral obligation. If we do have that moral obligation, which in fact I questioned on occasion, if we do, the only way to safely insurance that they be evacuated, and not at the potential expense of American citizens, is through a negotiated settlement.

Second, with regard to the question of limiting the President's power, how in Lord's name do we limit the President's power when we expand the power which he does not have now, which is his inability to use military force to remove Vietnamese nationals? Why did we not just adopt the resolution offered by me or others which said, "Mr. President, you have the power to use force to insure the safety of American citizens while you are evacuating them." We needed to do no more. We needed to do nothing else in order to insure the stated objective of everybody in this Chamber. That is to save the lives and insure the safety of American citizens.

So let us not kid ourselves, the Ameriman public or anybody else. We call it contingency funds. We call it humanitarian aid. We call it evacuation. It is not needed. It was not needed. It still is not needed. All it does is obfuscate the issue. Why are American citizens still there? Why do we need this additional power, even though it is stated that they can only take out Vietnamese incidental to the evacuation of Americans? There should be no incidental to. They should be out. They should be gone. We should be taking a totally different course of action.

I shall not detain my colleagues any further.

Mr. CLARK. I yield to the Senator from New Jersey.

Mr. CASE. Mr. President, I thank my colleague.

At this time I announce that I have introduced a bill for $50 million in humanitarian assistance to Cambodia with the cosponsorship of my colleagues from the committee: Our chairman (Mr. SPARKMAN), Senator CHURCH, Senator MCGEE, Senator HUMPHREY, Senator CLARK, Senator PELL, Senator JAVITS,

Senator SCOTT, Senator PERCY, Senator GRIFFIN, Senator BAKER, and Senator GRIFFIN. Senator SYMINGTON, I believe, will also cosponsor.

Mr. BIDEN. Mr. President, I would like to ask unanimous consent——

The PRESIDING OFFICER. The Senator from Iowa has control of the time.

Mr. STENNIS. Will the Senator yield a half minute?

Mr. CLARK. I yield to the Senator from Delaware.

Mr. BIDEN. I request the Senator from New Jersey to add me as a cosponsor to that resolution, if he will.

Mr. CASE. It is my understanding that the Senator had been asked to be a cosponsor and said he did not want to be. I will be happy to do so.

Mr. CLARK. I yield the remainder of my time to the Senator from Massachusetts.

Mr. MANSFIELD. As long as the vote will occur at 4 o'clock, I ask unanimous consent that the Senator from Mississippi have one-half minute and the Senator from Massachusetts have one-half minute.

Mr. KENNEDY. Mr. President, I rise to indicate that although I supported this measure at the time it came before the Senate, I thought primarily it provided an important vehicle to try and recognize our responsibilities in a humanitarian way toward the whole Indochina peninsula.

The PRESIDING OFFICER. The one-half minute has expired.

Mr. KENNEDY. Mr. President, I ask unanimous consent to be able to proceed for 1 minute.

The PRESIDING OFFICER. Is there objection? The Chair hears none. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, it seems to me that the Committee on Foreign Relations has demonstrated a very serious effort to try and recognize that our responsibilities in that part of the world should be met by working through the humanitarian agencies of the United Nations and the voluntary agencies.

That provision, as I understand this measure, has been gutted effectively in conference. Although the other provisions limiting the use of U.S. forces remain, I think that with the loss of these humanitarian provisions, the conference report does not deserve support, and I intend to vote in opposition to it.

First, it eliminates all reference to Cambodia.

Second, it deletes specific reference to United Nations agencies, and eliminates the proviso requiring all humanitarian assistance authorized by the bill must be "furnished under the direction and control of the United Nations or its specialized agencies or under the auspices of other international organizations, international agreements, or voluntary relief agencies." Instead, it provides a weak instruction to the President to provide such assistance through these international channels only "to the extent feasible."

Mr. President, a similar phrase is already in the Foreign Assistance Act of 1975, in section 35(a)(7), and regrettably the record will show it has all but been ignored by this administration in the past. Less than 6 percent of the funds available for humanitarian assistance this year have actually been channeled through international agencies.

Finally, Mr. President, I am deeply disturbed by section 11 of the conference report which stipulates that "no funds authorized by this Act shall be used, directly or indirectly, to aid . . . the Provisional Revolutionary Government." I am greatly concerned that this language, as similar language has been used in the past, will block U.S. contributions to international relief agencies which work in all areas of Indochina—such as UNICEF, the International Red Cross, and the United Nations High Commissioner for Refugees.

Last year, for example, we saw a similar provision of law relating to the Democratic Republic of Vietnam used by the administration to halt U.S. contributions to UNICEF programs in Vietnam.

I hope the President will not use this provision to destroy America's ability to meet humanitarian needs of all people in all areas of South Vietnam. The Sacred Heart Orphange in DaNang, which we helped to support only a month or so ago, should still be eligible to receive our aid today through international or voluntary agencies.

Mr. President, a change of government, or a shift of political geography does not change or alter the humanitarian needs of people, nor does it relieve us of our moral obligations to help all people in need. I regret that the conference report seriously jeopardizes our ability to fulfill these responsibilities, and for that reason I am voting against its acceptance.

The PRESIDING OFFICER. The Senator from Mississippi is recognized for one-half minute.

Mr. STENNIS. Mr. President, I thank the chairman and the members of the Committee on Foreign Relations for working out a bill in this very difficult area with respect to the refugees, the Vietnamese nationals, who really deserve to be taken care of, to be provided for. Even though it is not an absolute ceiling, it is a reasonable understanding with reference to this matter.

Mr. HATFIELD. Mr. President, I oppose the recommendations of the conference. Despite the fact that Congress has made efforts to eliminate any possibility of direct U.S. troop involvement in the conflict in the Saigon area, the clear and present danger remains, as a result of the authority vested in this bill, for American soldiers to again fight, and possibly die, in a confrontation on South Vietnamese soil.

Mr. President, I have spent 10 years trying to convince the Congress of the United States that the death of American soldiers in Southeast Asia occurred—tragically—in defending international policy that was morally and politically bankrupt. The fact that this policy has now entered its final, sad chapter in no way diminishes the danger to American lives that is contained in the bill recommended today by the conferees.

It is clear that the evacuation of the remaining Americans in South Vietnam can occur without additional action of Congress. In fact, it has proceeded in the past weeks without such authority having been granted. Given the critical situation developing in Saigon, given the immediate danger that confronts American citizens there, and given the fact that there are virtually no guarantees that the situation will not worsen, I cannot conceive of why the administration has not evacuated these remaining countrymen long before this.

Congress has been given no reliable information as to the number of South Vietnamese that we will be required to evacuate from Saigon, nor the number of U.S. military forces that will be necessary to insure that this evacuation will successfully take place, nor the conditions that these troops will encounter in attempting to secure the safe passage of these Vietnamese nationals. Indeed, it might be emphatically asked why Congress has bothered to grant such dangerous authority to the Executive when over 12,000 Vietnamese citizens have already been flown to safety without the benefit of the mandated authority that Congress is granting today?

Mr. President, at best the answers to these questions remain unclear. I suggest to my colleagues that this is no time to grant, in haste and in fear, authority to use U.S. military forces in a land where so much American blood has already been shed. I suggest that the granting of this authority, however characterized by good intent, is both dangerous and unnecessary.

Mr. President, years filled with tragedy, bloodshed, and loss have gone by since we first entered, with misguided intentions, into the jungles and swamps of Indochina. Those intentions proved wrong. They were based on inaccuracies both moral and strategic, and the mistakes brought us nothing but the return of hundreds of thousands of wounded and dead American soldiers, haunting pictures of a devasted land, and a people whose hope had died amid the rumblings and slaughter of war. Our involvement in this conflict was rifled with misconceptions, half-truths and tragic decisions that proved little and cost us deeply in honor, lives and treasure. As our involvement now draws to a close, let us not make the same mistakes that brought us to this time, this place and this tragic situation. We must give these people all the humanitarian assistance that the charity of America can possibly provide, but it can and must be done without leading us back, or having us contribute to, the nightmare of despair that is and will always be, symbolized by Vietnam.

The PRESIDING OFFICER (Mr. BEALL). All time on the conference report has expired.

The question is on agreeing to the conference report. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. BUMPERS), the Senator from California (Mr. CRANSTON), the Senator from Mississippi (Mr. EASTLAND), the Senator from Alaska (Mr. GRAVEL), the Senator from

South Carolina (Mr. HOLLINGS), the Senator from Hawaii (Mr. INOUYE), the Senator from Louisiana (Mr. LONG), the Senator from New Mexico (Mr. MONTOYA), the Senator from Utah (Mr. Moss), the Senator from California (Mr. TUNNEY), the Senator from North Carolina (Mr. MORGAN), the Senator from Wisconsin (Mr. NELSON), and the Senator from Missouri (Mr. EAGLETON) are necessarily absent.

I further announce that the Senator from Iowa (Mr. CULVER), the Senator from Vermont (Mr. LEAHY), the Senator from Wyoming (Mr. MCGEE), the Senator from New Hampshire (Mr. MCINTYRE), and the Senator from Georgia (Mr. TALMADGE) are absent on official business.

On this vote, the Senator from North Carolina (Mr. MORGAN) is paired with the Senator from Virginia (Mr. SCOTT). If present and voting, the Senator from North Carolina would vote "yea" and the Senator from Virginia would vote "nay."

I further announce that, if present and voting, the Senator from Iowa (Mr. CULVER), the Senator from Arkansas (Mr. BUMPERS), and the Senator from Wyoming (Mr. MCGEE) would each vote "yea."

Mr. HUGH SCOTT. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Tennessee (Mr. BROCK), the Senator from Massachusetts (Mr. BROOKE), the Senator from New York (Mr. BUCKLEY), the Senator from Kansas (Mr. DOLE), the Senator from New Mexico (Mr. DOMENICI), the Senator from Arizona (Mr. FANNIN), the Senator from Utah (Mr. GARN), the Senator from Michigan (Mr. GRIFFIN), the Senator from North Carolina (Mr. HELMS), the Senator from Kansas (Mr. PEARSON), the Senator from Virginia (Mr. SCOTT), the Senator from Ohio (Mr. TAFT), and the Senator from South Carolina (Mr. THURMOND) are necessarily absent.

I further announce that the Senator from Nebraska (Mr. CURTIS), the Senator from Maryland (Mr. MATHIAS), the Senator from Vermont (Mr. STAFFORD), and the Senator from Alaska (Mr. STEVENS) are absent on official business.

I further announce that, if present and voting, the Senator from Utah (Mr. GARN), the Senator from Ohio (Mr. TAFT), and the Senator from South Carolina (Mr. THURMOND) would each vote "yea".

The result was announced—yeas 46, nays 17, as follows:

[Rollcall Vote No. 152 Leg.]

YEAS—46

Allen	Hansen	Nunn
Bartlett	Hart, Gary W.	Packwood
Bayh	Hathaway	Pastore
Beall	Hruska	Pell
Bentsen	Huddleston	Percy
Byrd, Harry F., Jr.	Humphrey	Proxmire
Byrd, Robert C.	Jackson	Randolph
Cannon	Javits	Roth
Case	Johnston	Scott, Hugh
Chiles	Laxalt	Sparkman
Church	Magnuson	Stennis
Fong	McClellan	Stone
Ford	McGovern	Tower
Glenn	Metcalf	Williams
Goldwater	Mondale	Young
	Muskie	

NAYS—17

Abourezk	Hartke	Ribicoff
Bellmon	Haskell	Schweiker
Biden	Hatfield	Stevenson
Burdick	Kennedy	Symington
Clark	Mansfield	Weicker
Hart, Philip A.	McClure	

NOT VOTING—36

Baker	Garn	Moss
Brock	Gravel	Nelson
Brooke	Griffin	Pearson
Buckley	Helms	Scott, William L.
Bumpers	Hollings	Stafford
Cranston	Inouye	Stevens
Culver	Leahy	Taft
Curtis	Long	Talmadge
Dole	Mathias	Thurmond
Domenici	McGee	Tunney
Eagleton	McIntyre	
Eastland	Montoya	
Fannin	Morgan	

So the conference report was agreed to.

Mr. SPARKMAN. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. HUMPHREY and Mr. CASE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

APPOINTMENTS BY THE PRESIDENT PRO TEMPORE

The PRESIDING OFFICER (Mr. BEALL). The Chair, on behalf of the President pro tempore of the Senate, pursuant to Public Law 93–526, appoints the following Senators to the National Study Commission on Records and Documents of Federal Officials: The Senator from Wisconsin (Mr. NELSON) and the Senator from Connecticut (Mr. WEICKER).

EXECUTIVE SESSION

Mr. HATFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider certain nominations.

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

ACTION

Mr. HATFIELD. Mr. President, I call up the nomination of John Dellenback, of Oregon, to be Director of the Peace Corps, favorably reported earlier in the day by the Committee on Foreign Relations.

The PRESIDING OFFICER. The nomination will be stated.

The second assistant legislative clerk read the nomination of John Dellenback, of Oregon, to be an Associate Director of the ACTION agency.

The PRESIDING OFFICER (Mr. PACKWOOD). Without objection, the nomination is confirmed.

Mr. HATFIELD. I ask unanimous consent that the President be immediately notified of the confirmation of this nomination.

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

(Mr. HATFIELD assumed the chair as Presiding Officer at this point.)

Mr. PACKWOOD. Mr. President, the Senate has just confirmed the nomination of John Dellenback as head of the Peace Corps. I should like to say just a few words for the record. I have known John Dellenback for 15 years. I knew him when he first served in the Oregon legislature. He is one of my half-dozen closest friends in this country, and I have been as proud to associate with him as with anyone I have ever met in my life. He is tolerant of everyone's views, he is a leader without qualification, and he will add a luster to the Peace Corps that was intended when it was founded. I am delighted with the action of the Senate today.

DEPARTMENT OF COMMERCE

Mr. BEALL. Mr. President, I call up the nomination of Rogers C. B. Morton, of Maryland, to be Secretary of Commerce, favorably reported by the Committee on Commerce earlier in the day.

The PRESIDING OFFICER. The nomination will be stated.

The second assistant legislative clerk read the nomination of Rogers C. B. Morton, of Maryland, to be Secretary of Commerce.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. BEALL. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nomination.

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

LEGISLATIVE SESSION

Mr. PACKWOOD. Mr. President, I move that the Senate resume the consideration of legislative business.

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

AUTHORITY FOR THE COMMITTEE ON COMMERCE TO HAVE UNTIL MIDNIGHT TO FILE REPORTS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Commerce may have until midnight tonight to file reports.

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

ORDER FOR RECOGNITION OF SENATOR TAFT ON TUESDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Tuesday, after the two leaders or their designees have been recognized under the standing order, the Senator from Ohio (Mr. TAFT) be recognized for not to exceed 15 minutes.

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

DESIGNATION OF PERIOD FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS ON MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday, following the recognition of the two leaders or their designees under the standing order, there be a period for the transaction of routine morning business

of not to exceed 30 minutes, with Senators permitted to speak not in excess of 5 minutes each.

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

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at 12 o'clock noon on Monday, following a recess.

After morning business is concluded, the Senate will proceed to the consideration of S. 917, a bill to amend the Interstate Commerce Act to authorize the Interstate Commerce Commission to grant temporary operating authority to a carrier by railroad pending final determination by the Commission.

There is a time limitation agreement on that measure, but under a previous unanimous-consent agreement entered on yesterday, there will be no rollcall vote prior to the hour of 4 o'clock. I would anticipate rollcall votes on amendments or on passage thereof.

There may be other matters called up on Monday which I cannot foresee at this time. Conference reports, being privileged matters, of course, are always in order, and may result in rollcall votes.

On Tuesday, the Senate will take up the measure relating to a determination of the congressional budget for the United States, Senate Concurrent Resolution 32.

RECESS UNTIL MONDAY

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until the hour of 12 o'clock noon on Monday.

The motion was agreed to; and at 4:25 p.m., the Senate took a recess until Monday, April 28, 1975, at 12 noon.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 25, 1975:

DEPARTMENT OF COMMERCE

Rogers C. B. Morton, of Maryland, to be Secretary of Commerce.

ACTION AGENCY

John Dellenback, of Oregon, to be an Associate Director of the ACTION Agency.

(The above nominations were approved subject to the nominations' commitment to respond to requests to appear and testify before and duly constituted committee of the Senate.)

EXTENSIONS OF REMARKS

SPRAYS ARE POISONING US NOW

HON. WILLIAM S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1975

Mr. BROOMFIELD. Mr. Speaker, the controversy surrounding the use of aerosol sprays and the ozone layer in the Earth's atmosphere has diverted attention from more immediate, and equally serious, questions raised by our society's widespread use of aerosols.

For a number of years, many scientists and medical authorities have suspected that exposure to particles in these sprays is a serious health hazard. Dr. Harold Gregg, a dentist from Birmingham, Mich., has been working in this area for several years, and last week the Detroit News ran a most interesting article on Dr. Gregg and the aerosol controversy.

Since the health questions involved with the use of aerosols have been overshadowed by the ozone debate, I would like to bring this Detroit News story to the attention of my colleagues:

SPRAYS ARE POISONING US NOW, SOME CRITICS CONTEND

(By William A. Clark)

A Birmingham dentist is convinced that Americans are spraying themselves to death with the contents of the three billion aerosol cans manufactured annually in this country.

"We are poisoning people by spraying solid particles into the air we breathe," claims Dr. Harold Gregg, a Birmingham dentist for the last 26 years and now engaged in a Ralph Nader-like crusade to "make people aware of the dangers of inhaling the spray particle contents of aerosol products."

It is estimated that there are 45 spray cans in the average American home. Dr. Gregg said it can be mathematically proven that the contents of 45 spray cans "will leave 2½ pounds of chemical residue in a house."

Some aerosols, he said, contain talcum powder.

"Talcum powder is essentially silicon dioxide," he said, "which is a prime cause of silicosis—a serious lung disease.

"These sprays are dust, pollution, death-in-a-can.

"Everything in a can is a pollutant when it gets in your lungs. Paint isn't dangerous on a wall but it is dangerous when it is broken down into particles small enough to be sprayed out of a can and later inhaled into the lungs.

"And you can't really spray away from yourself because it's in the air and will come back at you."

Government agencies and industry representatives discount Dr. Gregg's contentions, but he is not without supporters.

A medical officer and researcher for the Environmental Protection Agency (EPA) said last week that he believes Dr. Gregg is correct in the thrust of his claims although they yet have not been scientifically proven.

"I don't think I can prove in the absolute sense," said Dr. Kenneth Bridbord, "but as we look at chemicals in cans and their use in confined spaces—I believe we are sitting on a chemical time bomb."

Dr. Bridbord is medical officer at the EPA's Environmental Research Center in North Carolina. He said he believes there are "substantial product effects" from the use of aercsols in the home that these include carcinogenesis (production of cancer) and "electrical disturbances in the heart that could lead to sudden death."

However, an EPA press officer in Washington indicated the agency primarily is concerned with claims that certain aerosol spray propellants are a threat to upper atmosphere ozone. The ozone absorbs ultraviolet radiation and, thus, helps shield humans from the dangers of overexposure to the sun's radiation.

Regulatory supervision of household aerosols is divided among three government agencies—the EPA, the Food and Drug Administration (FDA) and the Consumer Product Safety Commission (CPSC).

FDA has regulatory powers over aerosol foods, drugs and cosmetics; EPA over spray pesticides and insecticides; and CPSC has all the rest—spray paint, furniture polish, window and oven cleaners, and the many other uses to which aerosols have been put in the last 30 years.

Use of aerosols has proliferated in recent years to the extent that the industry is estimated to be a $3-billion-a-year business, producing an average of 45 such cans annually for every American household.

A 1974 CPSC aerosol can hazard analysis study stated that when 2.8 billion such cans were filled in 1971 the total would supply 14 cans for every man, woman and child in the country.

The study report defined aerosol as a "term commonly used to refer to all products which depend upon the power of a compressed liquid gas to dispense them from their containers."

The report said there were an estimated 5,000 aerosol-related injuries requiring hospital treatment in 1973. It said it was aware of in-depth investigation reports on nine deaths due to aerosol-related accidents and that "at least 11 additional fatalities have come to the attention of the commission since September, 1973."

The study said that intentional misuse (sniffing to obtain a "high") "is particularly serious because it is often fatal."

In all, the analysis pointed out "four distinct aerosol hazard areas—explosive hazard, fire hazard, intentional and unintentional inhalation of vapors, and chemical burn and other sensitizer reactions."

Nevertheless, the CPSC announced earlier this month that an 18-month staff study concluded that there is not enough evidence of danger from aerosol sprays to warn consumers to stop using them.

Asked about the seeming incongruity between the CPSC hazard analysis and the staff study, an agency spokesman said:

"Any action under the Consumer Product Act of 1972 is predicated on a finding that a product poses an unreasonable risk of injury or illness to consumers."

The spokesman said the key to agency action is in "determining unreasonable risk as opposed to reasonable risk. Congress only gave us a little help in defining this," the spokesman said.

Such talk enrages Dr. Gregg, father of three grown children and a 1949 graduate of the University of Michigan's dental school.

"They are avoiding the issue," he said, "it's up to them to prove these products are safe before we use them.

"Instead, they allow people to be in the test tube and have drugs put in on top of us. If we survive, they say the drugs are safe."

Dr. Gregg read from an article by R. H. Wheater in the March 24 issue of the Journal of the American Medical Association which concluded that "all aerosol consumer products are potentially dangerous to humans . . . even if medical evidence is lacking or inconclusive as to how harmful these products are."

The Industrial Council on Atmospheric Science (an umbrella group of companies and associations in the aerosol field) said through a spokesman:

"A number of industry and government groups are studying the aerosol issues and considerable additional facts are needed before conclusions can be drawn."

Albert J. Fritsch, co-director of the Washington, D.C., based Center for Science in the Public Interest, maintains: "There is sufficient evidence to indicate aerosols are ex-

tremely expensive and ecologically dangerous."

He said that persons arguing for the banning of aerosols "are in trouble when they attempt to use individual arguments (health hazard, ozone hazard, explosion hazard, etc.) against aerosols.

"The total picture must be argued," Fritsch said, "because when you add all the elements together aerosols are a junk material that can easily be replaced by other dispensing methods—roll-ons, atomizer types."

Fritsch said he believes aerosols continue on the market "because people are hooked on them. They love the convenience—that's the only criteria they use: how quickly the stuff can be sprayed on the body. I say use another criteria—your health."

Government agencies within the last year have taken action to either ban or recommend the banning of certain ingredients from aerosol sprays. Among these are the propellant vinyl chloride (a known cancer-causing agent) and zirconium, an ingredient of some anti-perspirants.

A special interagency (FDA, CPSC, and EPA) commission has been established to study the danger to the ozone from flurocarbon-type aerosol propellants.

And the FDA has ordered that certain "warnings" must be included on aerosol spray cans under its jurisdiction by March, 1977. One of the warnings concerns sprays using "halocarbon or hydrocarbon propellants." It will read:

"Warning. Use only as directed. Intentional misuse by deliberately concentrating and inhaling the content can be harmful or fatal."

The warning incenses Dr. Gregg.

"They are warning people about hydrocarbons. Yet the automobile industry has taken one of the greatest beatings ever, over hydrocarbons. The contamination danger from spray cans in the house is far greater than the danger from automobiles out in the street."

An FDA spokesman said, however, the agency's current position on aerosols is that "if used properly they are safe to use. If we are presented with evidence to the contrary we will take it into consideration . . . regulations change and are written on the basis of the best scientific evidence available at the time."

OLD AGE: THE MYTH AND THE REALITY

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1975

Mr. DOWNEY. Mr. Speaker, the real problems of older people in the United States have been receiving increasing attention. And yet as our awareness of that reality has developed, perhaps so, too, has a myth. I would like to share with my colleagues a newsstory that discusses just this problem. It appeared recently in the Long Island Press in my district:

OLD AGE: THE MYTH AND THE REALITY

(By Susan Fogg)

WASHINGTON. — Old age is viewed by the public as a time of fear, infirmity, poverty, loneliness and neglect, according to a survey conducted by pollster Louis Harris for the National Council on the Aging.

But this stereotype of the aged—which is shared by those 65 and older, who ought to know better—doesn't stand up when older Americans are asked to rate their personal well-being, said the 245-page report on the survey called "The Myth and Reality of Aging in America."

Fifty per cent of the public said fear of crime was a "very serious problem" for the elderly, but only 23 per cent of those over 65 rated it a personal problem for themselves.

Fifty-one percent of the public rated poor health as a major concern of old age, but only 21 per cent of those over 65 said poor health was a problem.

Sixty-two per cent of the public viewed "not having enough money to live on" as a serious problem for those over 65, but only 15 percent of the older Americans saw it that way personally.

Loneliness was a personal problem for 12 per cent of those over 65, although 60 per cent of the general public feared it was.

Older Americans shared the general public's notions about the hardships of old age, apparently assuming that they were exceptions to the rule, the report said.

These ungrounded views of the old as a "socially and economically deprived group can do the old a disservice," the report said, by leading society to regard them as objects of "guilt and fear," rather than people with energy and talents to contribute to society.

Moreover, "exaggerations of the problems of old age might instill in the young a deep-seated fear of growing old," the report said.

Financial insecurity, loneliness and poor health do plague significant numbers of older Americans, especially the elderly poor, the report found. However, these problems are more a function of income than of age, the report said, with poor people regardless of age sharing the same fears and problems.

Although the public over 65 did testify to somewhat greater personal problems in the area of health and fear of crime than the general public, on all other yard sticks of well-being—money, loneliness, a sense of being unneeded—the old were no more afflicted than anyone else.

Personal well-being was much more likely to be a function of income, education and race than age, the report said.

The one area where older Americans clearly had problems unique to old age was social mobility. Those over 65 do not get around as much as younger Americans and they regard a variety of entertainments as less convenient, the report showed.

The older public saw libraries, parks, movies, sports events, museums and live theater, dance or musical concert performances as far less convenient to get to than did persons under 65, the report showed.

Older Americans were about as likely as the young to visit friends and relatives, doctor's offices, shops or churches, but their attendance at other social doings was much more limited.

Only 22 per cent of those over 65 had attended a movie in the last year, compared with 70 per cent of the general public, the report said.

The elderly also were much less likely to get to restaurants, museums, public parks, sports events and live theater than the population under 65, the report said.

These discrepancies held regardless of the income or educational background of the older Americans.

"Lower attendance rates have to be attributed either to lack of interest in these places and events by older people or to their perceived inaccessibility," the report said. "Fear of crime . . . may prevent them from evening attendance at many of these places."

Senior citizens centers or Golden Age clubs held no attraction for 57 per cent of the Americans 55 or older, with one 90-year old woman quoted as saying "I would feel out of place, because I have young ways and young ideas. I like rock and roll."

But if older Americans were somewhat less likely to burn the candle than younger people, those over 65 did have a positive self-image of themselves as active, bright and alert, competent and open-minded.

However, the positive personal self-image those over 65 had of themselves was not shared by the general public—nor was it the view the old held of their contemporaries, the report found.

For instance, 68 per cent of those 65 and older viewed themselves personally as bright and alert compared with 29 per cent of the total public who regarded most people over 65 as bright and alert.

Older Americans agreed in this assessment, with only 33 per cent rating their peers as bright and alert, the report showed.

The general public rated older Americans as warm and friendly and wise from experience, but did not see them as competent, open minded or physically active, the report showed.

Those over 65 went along with this image—with one exception: where 82 per cent of the public saw older people as "warm and friendly" only 25 per cent of those over 65 saw other older people that way.

Thus young and old alike share a jaundiced view of the social and economic plight of the old, and tend to regard old people as passive, sedentary dodderers (with those over 65 seeing themselves as exception, of course) the report said.

Before the problems of aging can be solved these misconceptions about old age need to be cleared away, the report said.

"The young must be taught to see that there is a continuity to life, and that, apart from the inevitable aging of the body, people in their later years are not that much different from the way they were in the own youth and the way the young are now themselves," the report said.

"The old themselves must learn to see that they are not really exceptions, but that their peers as a group share their energies, interests, capabilities and concerns."

METRO FINANCING

HON. JOSEPH L. FISHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1975

Mr. FISHER. Mr. Speaker, I am pleased to join with other Congressmen from the Washington metropolitan region, in bipartisan cosponsorship of the National Capital Transportation Act of 1975.

The Metro system is of vital concern not only to the residents of my district in Virginia, but it is important also to our Nation to serve the visitors who pour into the Washington area from all parts of this country and the world.

Increasing the Federal share of the cost of building Metro from a one-third-two-thirds formula to an 80–20 formula retroactive to July 1, 1973, would place the Washington area in the same position as other metropolitan areas of the country. This will also help lift some of the financial burden weighing on local governments in the Washington metropolitan area. It would be a significant step toward insuring full completion of the Metrorail system as originally designed. Not completing the entire project—the framework for a balanced transportation system to serve the metropolitan area—would have devastating effects. Outlying districts denied service could demand their money back, intensifying the financial burden on the remaining jurisdictions. This in turn could cause complete collapse of Metro's financial structure. Further, it could lead to increased demands for construction of more highways at a time when energy

concerns dictate that we cut down on the use of private automobiles.

By providing some of the Federal share through an increase in the amount supported by long-term bonds, thus spreading Federal payments over 40 years, this bill is in line with the effort to hold down annual Federal expenditures.

Without this or similar legislation, Metro will face severe problems this fall in funding design and construction contracts. Time is running out.

I urge your support for this bill.

COMMEMORATION OF THE FIRST GENOCIDE AGAINST THE ARMENIAN PEOPLE

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1975

Mr. DERWINSKI. Mr. Speaker, today, April 24, 1975, we commemorate what is properly regarded as the first tragedy of genocide in the 20th century—the ruthless massacres of the Armenian people by the Ottoman government. Since that time, of course, the world has witnessed other incidents of man's irresponsible cruelty to his fellow human beings. However, this historic event not only threatened the Armenian people with extinction as attempted by the tyrants of the Ottoman Empire but also set an unfortunate precedent for the world as the first modern genocide.

The history of the Armenian people has been marked by long periods of subjugation to foreign rule. As early as the 16th century nearly the whole country was overrun and held by the Ottoman Turks. Today, the historic Armenian area is what is now Turkey and is totally devoid of Armenian populace, while the Soviet Union holds the Armenian people captive in Soviet Armenia.

Despite the years of subjugation by alien rulers the Armenian peoples still manage to hold on their religious and cultural heritage and retain their national consciousness through their national church and their language.

The Armenians were the first nation in the world to accept Christianity as their state religion. As I have emphasized, the Armenians retained their sense of unity and their national aspiration became intense by the mid-19th century, with the hope of attainment of a goal of self-government. However, at that time, the Turks set out to exterminate the whole Armenian Christian population within its borders and called for the elimination of some 2 million Armenians in the Ottoman empire through deportation, contrived famine, and large-scale massacres. But many hundreds of thousands were able to flee abroad to neighboring Persian and the Russian Caucasus, and others, mostly women and children were forced to adopt the Moslem faith and submit to servitude in Turkish homes. The Armenians paid with their lives for having entertained the elemental idea of human dignity and freedom. No provocation on the part of individual Armenians could justify such a crime against the whole race.

The anniversary of this tragic event must not be allowed to pass without a tribute to the 1,500,000 Armenian men, women, and children who perished during the 1915–18 period. As one of the cosponsors of House Joint Resolution 148, which designates today, April 24, 1975, as "National Day of Remembrance of Man's Inhumanity to Man," I believe the statement of "man's inhumanity to man" symbolizes not only the crime of genocide committed against the Armenians, but dedicates the day to the memory of those martyrs who sacrificed their lives, and recognizes a day for us all to renew our reverence for human life, and the call of justice for all peoples.

END FAIR TRADE LAWS TO BATTLE INFLATION

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1975

Mr. FINDLEY. Mr. Speaker, we face an unprecedented economic situation—inflation gallops at a high rate and recession and unemployment cripple our efforts to bring it under control.

The quandary seems to defy solution. Proposals which curb inflation may worsen the recession. Attempts to confront the recession seem only to aggravate the inflation we are trying to check. We are caught in a vicious economic circle.

The bill I am introducing today, although not a panacea, will help make our free enterprise system function more efficiency. It provides us with a unique opportunity to strike at inflation without compounding our recessionary woes and it will encourage the forces of composition in our Nation's market system. I propose we eliminate the network of fair trade laws in this country.

Fair trade laws are residual of the Great Depression. Also referred to as resale price maintenance laws, they are simply agreements between a producer and a seller that a commodity bearing the producer's trademark or brand name be sold at or above a set price. The first State fair trade laws were passed in 1931 to revive a shattered economy. To avert an obvious conflict with Federal antitrust legislation, Congress enacted the Miller-Tydings Act of 1937, granting the State fair trade laws an exemption from the Sherman Antitrust Act. Then again, in 1952, Congress exempted these restrictive statutes from the Federal Trade Commission Act. Fair trade laws are nothing but Government-sanctioned price fixing. They are legally protected contracts which force every retailer in a particular State to market a product at the manufacturer's privately set price, whether the individual retailer was party to the original contract or not.

In all, 36 States have enacted fair trade laws of one form or another including Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, South Dakota, Tennessee, Virginia, Washington, West Virginia, and Wisconsin.

These laws are restrictive. They penalize the consumer now more than ever and subsidize certain segments of an industry at a time when such protection is no longer necessary. Officials at the Federal Trade Commission and the Departments of Justice and Commerce agree with many businessmen and retailers that fair trade is a concept whose time has passed.

The Department of Justice estimates that fair trade laws increase prices 18 to 27 percent above the level which competition would dictate. All told, fair trade laws cost consumers $2.1 billion annually. By removing this $2.1 billion burden from the backs of the consumers, we can take an effective step toward curbing inflation.

We are all aware of the circumstances which prevailed during the 1930's. In a time when business firms were failing left and right, fair trade laws presented an attractive stabilizing influence on a shaky economy. We need not debate the wisdom of adopting such measures to agree that the circumstances under which they were adopted are behind us.

In fact, the argument used in recent years to justify fair trade laws is that such legislation insures against the predatory practices of mammoth chain and discount stores. Translated, that means insuring higher prices than might otherwise be charged. In many instances, fair trade laws actually inhibit the smaller retailer's ability to compete effectively with the chain stores by requiring him to charge an artificially high price.

There is no lack of State and Federal legislation prohibiting predatory marketing practices on the part of the large chain retailers and two Federal agencies exist to enforce these laws. Fair trade laws serve only to make it a crime to market products inexpensively and efficiently within those laws.

By legally insulating such products as electrical appliances, bicycles, jewelry and baseball gloves from the competition of the open market, fair trade laws allow manufacturers to skim artificial profits off the top while both the retailer and the consumer pay the price. If there was ever a valid argument for such Government intervention in the marketplace, it is now outdated.

Since entering the House of Representatives, I have been firmly committed to a policy of encouraging competition in our free enterprise system. What I propose is a simple, uncomplicated answer to an outdated problem.

Our laws are not intended to insulate inefficient small businesses from the competition of the open market. The overall effects of the repeal of fair trade laws and a return to a more competitive, free enterprise system will ultimately be of benefit to the consumer and businessman alike.

IN COMMEMORATION OF ARMENIAN MARTYR DAY AS A NATIONAL DAY OF REMEMBRANCE OF MAN'S INHUMANITY TO MAN

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1975

Mr. ROE. Mr. Speaker, it is indeed my privilege and honor to join in the solemn observance of Armenian Martyr Day which is being memoralized in special religious services throughout our State and Nation today as we observe April 24 as "National Day of Remembrance of Man's Inhumanity to Man."

This year marks the 60th anniversary of the genocide of the Armenians, one of the most atrocious, offensive crimes against the human race. As we pause in our deliberations today for this commorative observance, we share with our people of Armenian heritage our renewed reverence for human life and pay tribute to the memory of the martyrs of the Turkish massacre of 1915.

As a nation comprised of a society of people who came to the United States seeking comfort and solace from the oppressed and dictatorial government of other lands, we are fully dedicated to the essential need to preserve the heritage of the people of all nations. The grief and horror of the annihilation of any of our people strike at the heart of our Nation's conscience and weigh heavily upon the conscience of all civilized mankind throughout the world.

On April 8 the House of Representatives adopted the joint resolution, which I was privileged to join with many of our colleagues in sponsoring, requesting the President to issue a proclamation calling upon the people of the United States to observe today as a day of remembrance for all victims of genocide, especially those of Armenian ancestry who lost their lives six dacades ago in the massacre that was aimed at the genocide of the entire Armenian nation. This congressional action fully recognizes that—

The Armenian people have been by their spirit of dedication and creativity champions of civilization;

The Armenian people have struggled and suffered for over 50 years to establish a Free Republic of Armenia;

The people of Armenia have been subjected to hunger, poverty, and disease by their oppressors;

The Armenian people fought valiantly with the Allied forces in World War I and became known as the Little Allies;

The first genocide of the 20th century, resulting in the death of 1.5 to 2 million people, was perpetrated upon Armenians living in Turkey; and

People of Armenian ancestry all over the world commemorate April 24 of each year as a sacred day of mourning for the victims of genocide.

Mr. Speaker, there is undying strength in the spirit of freedom and justice that can be achieved through the communion of understanding that is within the realm of all freedom-loving nations of people. In remembering the unwanton destructiveness of the dastardly act of genocide, may today's commemorative salute help instill in the hearts and minds of all mankind that the true purpose and fulfillment of life's endeavors is within the domain of all human life—spiritual, moral, cultural, and social—if each and every human being practices the divine principle, "Do unto others as you would have done unto yourself." In reflecting and observing with all freedom-loving people throughout the world man's inhumanity to man, we can take another step in our humanitarian ideals for a communion among all peoples of the world to achieve quality of life that will permit the widest possible expression of cultural and national heritage so important to mankind's purpose and objectives in attaining a rich and lasting peace throughout the world.

REDUCING THE U.S. FINANCIAL ROLE IN THE UNITED NATIONS

HON. JOHN P. HAMMERSCHMIDT

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1975

Mr. HAMMERSCHMIDT. Mr. Speaker, recently, I had the opportunity to contribute an article to The Congressional Digest magazine, advocating a substantial reduction in the U.S. financial commitment to the United Nations.

I am pleased that the U.S. Information Agency—USIA—has requested that my article be used for publication overseas.

Because this is an issue being widely discussed at this time and is one which I feel is very much on the minds of the American people, I respectfully submit my comments as they appeared, for the earnest consideration of my colleagues.

The text of the article is as follows:

REDUCING THE U.S. FINANCIAL ROLE IN THE UNITED NATIONS

(By Hon. John Paul Hammerschmidt)

A question being asked today with increasing frequency is whether the United States should curtail significantly its financial support for the United Nations.

The answer, in my view, is yes and the reasons are compelling. In fact, the issue of the extent of our financial commitment to the U.N. should be consistent with that of seeking a re-evaluation of the thrust of our entire foreign assistance program.

Our membership and participation in the United Nations can be equated with the nature of our aid commitments throughout the world. In short, I believe the American people are beginning to question seriously the value and return of the huge unilateral aid investments made over the years with their tax dollars.

United States U.N. Ambassador John Scali has very clearly set the tone of what is rapidly becoming the American view toward the organization. In his well-publicized address before the General Assembly on December 6th, he said:

"Americans are questioning their belief in the United Nations. They are deeply disturbed. My country cannot participate effectively in the United Nations without the support of the American people and the American Congress. For years, they have provided that support generously. But I must tell you honestly that this support is eroding—in our Congress and among our people."

The recent U.N. actions to which the Ambassador addressed himself related to the exclusion of member states, the restriction of their participation in discussions of matters relevant to them, and attempts to convert U.N. humanitarian and cultural activities into instruments of political reprisal. All were vigorously opposed by the United States and, according to diplomatic sources, could eventually lead to the irreparable debilitation of the international forum.

The United States, as the organization's largest single contributor, has provided 40 per cent of all monies spent by the world body between 1945 and 1970. The traditional disproportionate share assumed by the U.S. strikes at the heart of the question at hand, whether or not to curtail our financial commitment.

For the first time, in 1973, the U.S. share was reduced. The impetus has very clearly been provided and the momentum is gaining.

I cannot help but believe that the American people have come to realize that we cannot buy friendship. We must earn it. Perhaps the only way to do so is to demonstrate clearly how a democracy can best function and to indicate in a very positive way the benefits of living under our form of government and in our society. And, we can best achieve those ends by providing exemplary leadership, realizing order in our own house, and thus fortifying the inherent strengths of a democratic government. By attaining those lofty but necessary aims, we might expect to insure our continued position as leader of the Free World.

Like other well-meaning intentions which have not lived up to their expectations—the unilateral foreign aid programs, for example—our participation in and traditional sense of obligation toward the U.N. have not fully achieved their purpose, which was and is to create and foster a palpable and very real sense of mutual understanding and peaceful co-existence.

Unfortunately, it would appear that those expectations have not been realized. The body has, it seems, taken on counter-productive aspects.

Points of disagreement alone would not necessarily dictate that the United States withdraw its U.N. membership or truncate entirely its financial support. It is important to keep open the lines of communication, which in itself can represent a worthwhile end. It is desirable that we "keep talking" and conduct an active and frank dialogue. Many American officials will underscore the value of saving the United Nations if only to continue performing vital peacekeeping tasks.

But, the dialogue is becoming a cacophony of strident voices. This is reflected in the "tyranny of the majority" of which Ambassador Scali spoke, and it concerns me greatly.

The attitude of some member nations has taken on a different aspect. In short, it is taking on the form of hostility.

There are, of course, compelling financial reasons which come into play, as we consider the reduction of our U.N. financial commitment.

I am convinced that the American people are tired and dismayed by the lack of truly meaningful and lasting accomplishment of the world body. They view with concern also the recalcitrance of certain member states who are acting contrary to the spirit of the U.N. Charter, which formed the global organization to reflect the highest aspirations of a world torn by two major conflicts.

Our people have, I believe, grown weary of being expected to continue their traditional policy of open-handed largesse, while being slapped in the face. We must and should respond to this situation with a changing posture, not only in relation to the U.N., but perhaps also to our continuing programs of unilateral aid, as well.

This is not meant to infer that the United States must embrace isolationism. Nor does

it mean that by assuming a firmer, stronger stance, we need abandon our determination not to forcibly impose our way of life or form of government on other nations.

What it is meant to imply, in the simplest of terms, is that the time has come to take a long, hard look at certain aspects of U.S. assistance programs, particularly those for which the direction has been primarily unilateral. The Congress indicated such a view in December of 1974, by enacting as part of a foreign assistance measure, the so-called "barter" concept, under which the United States would provide aid to nations in exchange for strategic or critical raw materials. The thrust of this program offers a step in the right direction and represents one aspect of the solution in re-aligning our commitments, along with other multilateral arrangements.

A good point at which to continue what I feel is a growing trend is through a reassessment of our financial commitment to the United Nations. We can apply what we have learned from that experience to other areas of U.S. assistance policies.

We may find that we have learned some very valuable lessons.

THE ABORTION CONTROVERSY

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1975

Mr. CRANE. Mr. Speaker, in the wake of the 1973 Supreme Court decisions, *Roe* v. *Wade* (93 S. Ct. 705) and *Doe* v. *Bolton* (93 S. Ct. 739), invalidating numerous State abortion laws, there has been a rising tide of sentiment urging Congress to pass legislation, or a constitutional amendment, protecting the right to life of the unborn. As the father of eight children and as one who finds the concept of abortion on demand totally repugnant, I sympathize completely with those who feel the Supreme Court was out of line in its abortion ruling.

In essence, what the Court ruled was that, until the fetus becomes viable—able to sustain life outside the womb if necessary—a woman's right to privacy is protected by the 14th amendment to the extent that State law may not prevent her from getting an abortion. However, once the fetus is judged to be viable—usually 24 to 28 weeks after conception—a State may prohibit abortion except in cases where the life or health of the mother are endangered. In so ruling, the Court not only departed from the long-standing American custom of leaving abortion decisions up to the States, but also went counter to the entire history of English common law regarding such matters.

Prior to the Civil War, the English common law was the law that prevailed in most States vis-a-vis abortion. From the 13th century on, English common law set forth the proposition that an act of abortion was a crime if evidentiary proof of the existence of a live fetus could be established since the process of conception was not fully understood by medical science until 1827, "quickening"—the first time the mother feels the unborn child kicking in her womb—was usually considered to be the first conclusive and, therefore, legally acceptable, evidence of pregnancy. Since quickening generally occurs about 17 to 20 weeks after conception, it should not be confused with viability as defined by the Supreme Court in Roe against Wade.

However, once the process of conception was fully understood, the British Parliament simply dropped the requirement for proof of pregnancy and imposed a penalty for any act of abortion. This step was certainly a logical extension of the common law concept of punishing those who tried to abort life after it could be proven to exist. Moreover, a similar evolution in the law took place in the United States except that, instead of a national statute being enacted, the matter was handled by the States individually. By 1883, 35 of the 38 States then comprising the United States, had made an act of abortion prior to quickening a criminal offense. And, by 1950, all 50 States had abortion laws on the books which, consistent with the legal history of abortion, differ considerably from State to State. Thirty-one State statutes outlawed abortion except to save the life of the mother; two States extended that exception to include the health of the mother; three States allowed abortions not unlawfully performed or not without lawful justification, and 14 States permitted abortions in other specified instances.

From all this history several points become clear. First, it is quite evident that the historical thrust of abortion legislation aimed at making abortions illegal from the time it could be proven a fetus was alive, not at making them legal up until the time the fetus became viable. Second, it is quite evident that the term quickening is not comparable to the term viability and, by adopting the latter standard, the Supreme Court has established a different criterion from the one used to determine the point at which an act of abortion might be considered a crime. Third, from a historical standpoint, abortion legislation and case law in the United States has been a matter of State rather than Federal concern. And, finally, there has been considerable diversity in State law concerning abortion, although most statutes were far more stringent than those permitted under the recent Supreme Court decisions.

Given these historical considerations, it seems to me the Supreme Court would have done better by leaving the matter of abortion up to the States to decide. Not only would such a decision have been more consonant with legal tradition and recorded legislative intent, but it would have permitted a greater reflection of community consensus. One of the greatest strengths of our republic, from its inception, was federalism. This principle guaranteed diversity, recognized the sensitivities of local constituencies, and rejected the arrogant presumptions of national infallibility.

Personally, I am opposed to abortion except in three instances: First, rape of a minor child; second, when incestuous conception between minors has taken place; and third, when substantial medical opinion indicates that carrying the child will threaten the life of the mother. However, I recognize that many will not agree with me and suggest, therefore, that the best way to settle the matter is to permit the degree of diversity that community judgment, translated into State law, can provide. Instead of a nationalized answer, the result would be variation from State to State in keeping with the ideals and morals of the people in the various States, which was the situation that prevailed prior to Roe against Wade.

While I realize that such an approach will not please everybody, I also believe that it will be more acceptable or, to put it another way, less offensive to more people than any other solution. There would be more opportunity for divergent views to be accommodated which, in turn, should mean less infringement on the deeply held convictions of people on all sides of the issue.

In order to accomplish the objective of having State Law prevail, I have recently sponsored a bill that would remove the question of abortion from the jurisdiction of either the Supreme Court or lower Federal Courts. This would mean that States could reenact abortion laws and that State courts would be able to rule on abortion cases without being intimidated by a Supreme Court ruling.

Not only does article III, sections 1 and 2, make it very clear that Congress has the power to limit the jurisdiction of Federal Courts and the Supreme Court, but there are a number of precedents for such action being taken. Perhap the most striking evolved out of an 1868 case (Ex Parte McCardle, 6 Wall. (7 U.S.) 318) in which the Supreme Court had agreed to review a case involving a writ of Habeas Corpus—dealt with in article I, section 9 of the constitution fearing that the Supreme Court might void all, or part, of its plan for reconstruction of the South Congress passed a law repealing the act on which the case was based thus inducing the court to dismiss the case for lack of jurisdiction (Ex parte McCardle, 7 wall (74 U.S.) 506 (1869)).

However, there have been other, more recent examples. In two cases, the Norris-La Guardia Act of 1932 and the Emergency Price Control Act of 1942, Congress limited the Court's use of remedies—in each case, injunctions. In the first instance, a rigorous procedure had to be followed before the courts could issue an injunction and, in the second case, jurisdiction was limited to an emergency court of appeals to reduce the possibility of an injunction being issued.

Even more recently, Congress passed an amendment implicitly limiting court jurisdiction over an abortion matter thereby causing a Montana State court to reverse a ruling that initially required a hospital receiving Federal—Hill-Burton—funds to perform abortions and sterilizations even though the policy of the hospital—it was a private Catholic hospital—was opposed to such operations *Taylor* v. *St. Vincent's Hospital*, Civil No. 1090 (D. Mont. Nov. 1, 1972) and *Taylor* v. *St. Vincent's Hospital*, 369 F. Supp. 948 (D. Mont. 1973). Moreover, less than 18 months ago, in an effort to

overcome legal obstacles being thrown up by environmentalists, Congress limited court jurisdiction in the matter of the Trans-Alaska Pipeline to constitutional questions and to actions which went beyond the authority of the act. Furthermore, the time in which such challenges could be brought was limited to 60 days and the district courts in which the cases were to be brought was required to give them precedence over all other matters. In short, further court challenges on environmental grounds were barred and court jurisdiction over such cases thereby denied.

It is apparent, therefore, and many constitutional scholars uphold this point of view, that Congress can restrict the jurisdiction of the Federal courts and the Supreme Court over a specific type of case. By so doing, a potential plaintiff would not be deprived of recourse, because he could still seek relief in the State courts which would have the final say. Furthermore, this approach has the advantage of being easier to pass and quicker to implement. Instead of requiring a two-thirds vote of Congress plus ratification by three-fourths of the States, as would be required by a constitutional amendment, only a majority vote by both Houses of Congress and signature by the President is necessary.

Finally, it must be said that, from a political standpoint, an abortion measure that permits diversity stands a much better chance of passage than one which enunciates a hard-and-fast rule. Given the past precedents, it would seem to me that there is no reason why we should not proceed with a bill limiting Federal and Supreme Court jurisdiction over abortion as soon as possible.

In the meantime, I believe that we should make sure that no Federal moneys are used to foster abortions. It is bad enough that the issue has reached its present point, but to have the tax dollars of those who oppose abortion used to promote it can only make things worse. Furthermore, it gets the Federal Government into an area which, as I have repeatedly indicated, is best left to the States.

Abortion is, and always will be, a volatile issue, however, one of the strengths of America has been the ability of its people to accommodate divergent views within the framework of a republican system of government. As long as each American continues to respect the rights of others to hold views differing from his, neither abortion nor any other issue is going to undermine that basic strength.

DEPARTMENT OF STATE—COORDINATOR FOR HUMANITARIAN AFFAIRS

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1975

Mr. FRASER. Mr. Speaker, I would like to insert in the RECORD two documents relating to the recent establishment by the Department of State of a new post entitled "Coordinator for Humanitarian Affairs." As the attached letter from Deputy Secretary Ingersoll indicates, the Coordinator will be responsible:

To bring a clear focus on human rights issues to activities throughout the Department, and to assure attention at the highest level, as these issues deserve.

I am gratified not only with the Department's establishment of this office but with Secretary Ingersoll's keen concern that human rights as well as refugee affairs be given greater consideration in the making of U.S. foreign policy.

These bureaucratic changes will, I hope, give rise to increasing sensitivity to human rights issues in the making of U.S. foreign policy.

The documents follow:

APRIL 18, 1975.

Hon. DONALD M. FRASER,
Chairman, Subcommittee on International Organizations, Committee on International Relations, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: On July 28, 1974, I wrote to Chairman Morgan of the House International Relations Committee about my plan to have attached to my office someone who could advise me on overall progress in human rights matters and ensure full consideration of human rights factors in decision making. I am pleased to inform you that I have now appointed James M. Wilson, Jr., an able senior Foreign Service Officer with broad experience, to the position of Coordinator for Humanitarian Affairs. This is a new position expressly created to bring a clear focus on human rights issues to activities throughout the Department, and to assure attention at the highest level, as these issues deserve.

Mr. Wilson will be charged with coordinating the efforts of all of the existing offices within the Department engaged in work which is directed toward, or impinges upon, human rights and humanitarian affairs. He will in addition undertake the direct supervision of activities now performed by Frank Kellogg, Special Assistant for Refugee and Migration Affairs, and the office of Frank A. Sieverts, my Special Assistant for Prisoner of War and Missing in Action Matters. Mr. Wilson will of course work closely with the Under Secretary for Security Assistance, the Deputy Under Secretary for Management, and the Legal Adviser, all of whom have broad Department-wide responsibilities in this area.

In short, I am instituting centralized direction of the Department's efforts on human rights, refugees, humanitarian assistance, prisoners of war and with the Red Cross, other voluntary agencies and such related institutions.

I would like to stress that our objective in creating this new position, and appointing Mr. Wilson to fill it, is to expand and upgrade the time and attention devoted to human rights considerations in the work of the Department of State. In so doing, we intend to consult fully with you and your colleagues in Congress, a task to which Mr. Wilson will be devoting special effort.

I shall report to you further on the progress of this reorganization.

Sincerely,

ROBERT S. INGERSOLL.

[From The Christian Science Monitor, Apr. 22, 1975]

STATE DEPARTMENT TURNS TO HUMAN RIGHTS CONCERN—CONGRESSIONAL PRESSURES HELP PROD UNITED STATES TO LINK DEALINGS ABROAD TO RIGHTS OBJECTIVES

(By Benjamin Welles)

WASHINGTON.—The State Department—bowing to congressional pressure—is creating an Office of Humanitarian Affairs. Its aims will be to monitor and—where possible—oppose the use of torture and other forms of political repression in countries with which the U.S. has diplomatic ties.

The question now being asked in Congress is whether the move implies a genuine commitment to human-rights issues, particularly in such areas as Indo-China, or is merely a cosmetic gesture designed to placate congressional liberals.

James M. Wilson, a veteran foreign-service officers who has been serving as U.S. deputy representative in the office for Micronesian status negotiations, has been selected as special assistant on human rights to Deputy Secretary Robert S. Ingersoll. Mr. Wilson will coordinate the work of human-rights officers recently appointed by the State Department.

Creation of the new post in the office of Mr. Ingersoll, Secretary of State Henry A. Kissinger's ranking assistant, follows increasing congressional criticism that the State Department has long ignored the use of torture and political repression by several foreign governments to which it has furnished large-scale aid. Among those often cited are Chile, Brazil, and South Korea.

BILL AMENDED

Rep. Donald M. Fraser (D) of Minnesota, backed by other liberal congressmen, succeeded last year in amending the foreign-aid bill to bar all but "development" aid to governments found guilty of violating the human rights of their citizens.

In the future, Mr. Wilson and his human-rights colleagues are expected to keep a close eye on reports from U.S. embassies about torture or other repressive measures overseas and recommend to Mr. Kissinger, Mr. Ingersoll, and other policymakers when aid to offending governments should be cut. The new office will also maintain close liaison with Congress on this issue.

Mr. Fraser and congressional colleagues reportedly were incensed last autumn by reports that David Popper, U.S. Ambassador to Chile, had been disparaged as a "bleeding heart" by Secretary Kissinger during a meeting with top-level aides. Mr. Popper had reported in detail on repressive measures employed by the Chilean military junta against suspected opponents of the regime.

As a result of congressional criticism of the State Department's alleged indifference to the mounting human-rights problem around the world, Mr. Fraser, Sen. Alan Cranston (D) of California, Rep. Jonathan Bingham (D) of New York, Rep. Dante B. Fascell (D) of Florida, and others met with Secretary Kissinger in December and again in January. Another meeting has been scheduled for the near future.

"They told Kissinger in no uncertain terms that there was no one around they could talk to in the State Department about human rights," said one informed source, "They said the time had come to put someone in charge of this problem—fast."

REACTION: CAUTIOUS

Reaction on Capitol Hill to news of the State Department's forthcoming move was cautious.

It was suggested, for instance, that in seeming to bow to congressional demands for more attention to human rights, Dr. Kissinger was attempting to blunt further congressional moves to "legislate" foreign policy. He is known, for instance, to resent congressional bans on military aid to Turkey and Chile and Mr. Fraser's recent amendment limiting military aid to South Korea.

Congressional sources suggest that Mr. Kissinger's sudden decision to drop Chile and Peru from his coming visit to Latin America can be traced to urgent warnings from liberal senators and congressmen who have recently visited him.

Sources close to Sen. Edward M. Kennedy (D) of Massachusetts noted that Mr. Ken-

nedy has been pressing the State Department unsuccessfully for years to create a bureau of humanitarian and social affairs under an assistant secretary "with clout." They regard the designation of Mr. Wilson as "special assistant for human rights as a timid step in the right direction, but no more.

DEVELOPMENT OF NEW ENERGY SUPPLIES

HON. RAY THORNTON

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1975

Mr. THORNTON. Mr. Speaker, there are few challenges more vital to our Nation than a clear recognition that real solutions to problems of our economy depend upon the development of new energy resources, and the conservation of existing energy supplies by avoiding wasteful uses of such resources.

On April 22, 1975, the gentleman from Washington, Mr. MCCORMACK, appeared before the Joint Engineering Legislative Forum to discuss these issues. His remarks to that group, which I am placing in the RECORD, deserve to be shared with all Members of this House:

COMMENTS BY CONGRESSMAN MIKE MCCORMACK

Mr. Robertson, Mr. Nader, ladies and gentlemen.

I would like to express my appreciation to the National Society of Professional Engineers for inviting me to meet with you today, and to discuss some aspects of this nation's energy crisis. This is a matter of supreme importance, for our nation is truly in mortal danger. Our standard of living, our economic stability, our political institutions, and even the safety of our streets may well hang on whether or not we are able to produce enough energy to maintain the job market and an opportunity for low-income Americans and members of minority groups to aspire to and work for a decent standard of living. We must bring a spotlight of truth on this subject, so that every responsible person can see and understand the facts.

Out of the confused debate about the energy crisis, one concept is almost universally accepted. We must reduce waste in our use of energy, and we must reduce our historic rate of growth of energy consumption. What is not apparent, however, even to many sincere and concerned policy-makers, is that the total energy consumption of our nation must continue to increase, even if we establish very successful conservation programs. Of the dozen or so major reports projecting future energy consumption, all agree on this fundamental fact, even including "The Citizen's Energy Platform", to which Mr. Nader's "Congressional watch" subscribes. This is true because additional energy will be required for new homes, new jobs, upward mobility of low income groups, employment and liberation for women, and more productive and competitive manufacturing processes. This would be true even if we had a zero population growth, starting today.

The recent report of the Ford Foundation Energy Policy Project assumes, as a reasonable scenario for the future, limiting the growth of our total energy consumption to 2% per year. This would be a dramatic reduction, but a 2% growth rate still means that we will double our energy consumption in about 35 years. Within this overall growth, there will inevitably be a dramatic shift from the use of petroleum and natural gas to the production of electricity from coal and nuclear fission, and the annual growth rate here will be 4% to 5% per year, doubling electric generation by about 1990.

Unfortunately, most of the debate on the energy crisis, in spite of the perils we are facing, has centered around such subjects as import tariffs, quotas, gas taxes, allocations, regulations, and incentives. While all of this is important, it is somewhat like wrestling for deck chairs on the Titanic.

The stark realities are that while this debate has been going on, our oil production is down from last year, our natural gas production is down from last year, our coal production has scarcely changed from last year, the percent of petroleum we import has now increased to about 38%, more railroads have gone out of business, the situation in the Middle East has deteriorated, and Mr. Nader is clamoring for us to declare a moritorium on nuclear energy—our only rapidly growing energy resource, and the cleanest, safest—most environmentally acceptable—energy option available to this nation during this century.

The challenge we face today is to overcome this attempt at confusing and misleading the American people, and to develop now an energy policy to produce the energy that we will need in the future. If we do create such an energy policy, and if we implement the programs which will carry it into effect, the people of this country can have adequate energy, environmental protection, and economic stability. If we fail, the inevitable result will be catastrophe.

There are several fundamentals upon which an energy policy must be built, and which merit special attention.

Any energy policy must be based upon the best scientific and engineering facts available. We simply cannot afford the luxury of basing policies on fantasies, such as assuming that solar energy or geothermal energy or some suppressed carburetor design will bail us out of our problems; or prejudices, such as an anti-Israeli—or anti-Arab—or anti-oil company or utility industry obsession—or anti-nuclear fanaticism; or hopes, such as the hope that we will keep finding enough natural gas or petroleum to keep us going. or the hope that the people of this country will voluntarily reduce their standard of living, and voluntarily accept massive unemployment, in the name of energy conservation, or because they have been frightened into a state of irrationality by irresponsible scare stories about nuclear energy.

A national energy policy must allow a large segment of our people to continue to aspire to—and strive for—a higher standard of living, and greater freedom and dignity. This has always been the hallmark of American society, and we cannot expect low and modest income Americans—or average American housewives—or those who want women to be liberated, to sacrifice such aspirations because irrational fears have prevented us from providing adequate supplies of safe, clean energy.

Certainly each of us recognizes that a sort of three-cornered dynamic equilibrium should exist between energy conversion, transmission, and consumption in one corner, a reasonable and rational program for protecting our environment and conserving our resources in the second, and the maintenance of a stable and responsive economic system in the third corner.

So, while we can't allow the excesses which marked some industrial development of the past, raping our land and polluting the atmosphere, we cannot expect to have energy production without some impact on the environment, no matter how benign the source may seem to be from a distance; and we certainly cannot expect to have jobs for the American people unless we produce more energy. Thus, we have several "environments" to protect all at the same time. There are, for instance, those that we classically think of in terms of air and water, but there is also the environment of the job market, and an industrial capacity that will maintain this nation's national security and standard of living. Finally, there is the environment of our own homes, where we must have enough energy for a decent standard of living. Our national energy policy must strike this dynamic balance in a rational manner.

It may be appropriate at this point to review what the energy crisis is really all about, and why we are where we are. To put it simply, Western industrialized civilization—and our affluent standard of living—have risen to their present remarkable heights on a prodigious consumption of petroleum and natural gas. About seventy-five percent of the energy we use today comes from these sources. Now, when our society and our economy are actually dependent on continued energy growth, we are coming face-to-face with the reality that we are running out of petroleum and natural gas. We are just beginning to feel the first effects.

This reality is the most difficult of all for us—who have lived all our lives in a culture built on cheap mobility—that we have, almost certainly, already discovered and burned up more than half of all the petroleum and natural gas we have ever discovered, or ever will discover, on this continent or off its shores, and that it will be gone, insofar as a significant supply of fuel is concerned, by the end of this century. Furthermore, responsible studies by the National Academy of Sciences and the Federal Power Commission point out that, even with crash programs of exploration and drilling, we cannot expect to significantly increase production at any time in the future above present levels.

As our supplies of petroleum and natural gas dwindle, this nation will become dependent for virtually all of its energy on coal and nuclear fission. But in the long perspective, even these sources of energy are really only transitional. Though we must increase our reliance upon them now, we must also make plans for phasing them out in the more distant future, and replacing them with other, still-to-be-developed energy sources.

Of course, coal is our greatest resource of fossil fuel, and we must rely heavily upon it. However, there are a broad spectrum of factors which limit the rate of growth of coal consumption—economic—logistical—and environmental. Although time does not allow an in-depth discussion of this subject here today, clearly coal can play only a partial role in this nation's energy future.

As responsible citizens sort out the facts in the energy picture, it becomes more and more obvious that one of the greatest strokes of good fortune this nation has experienced is to have our nuclear industry as well advanced as we find it today, ready *now* to provide much of the energy this nation will need during the next fifty years.

Nuclear energy is the cleanest, cheapest source of energy available with the least environmental impact of any significant option. If we did not have nuclear energy available to us for the coming decades, the future of this country would indeed be black—in more ways than one.

Today, there are 55 nuclear power plants licensed to operate in the United States. They have a capacity of about 40 thousand megawatts, or about 9% of this nation's electric generating capacity. Seventeen more plants should be on the line within the next two years. In addition to the 72 plants that will be on the line by the end of 1976, there are 149 more nuclear plants which are under construction or being planned. If these plants are are on the line by 1985, and they *can* be if we simply eliminate unnecessary delays and provide for construction capital, then this nation will have a nuclear capacity of about 220 thousand megawatts—about 30% of our electric generating capacity—in 1985. One can appreciate the importance of such progress. Each nuclear plant saves the equivalent of from 10 to 12 million barrels of oil a year. Thus, it would require 6 to 7 million barrels of oil a day to produce the same electricity as these 221 plants will generate. This is equivalent to all the U.S. petroleum imports today.

The nuclear industry, contrary to statements by Mr. Nader, does not have to be perfect. He is the only person I know of who has made this suggestion—setting up his own straw man to knock down with his own lack of technical competence. Just as any industry or any other nuclear technology, nuclear energy has some hazardous aspects, and we must assume that at some time in the future there will be some accident causing property damage, injuries, and even deaths.

While it is essential that every conceivable accident be guarded against, and every reasonable precaution taken, there is a point of absurdity beyond which the rational public should not be expected to go in imagining nuclear hazards or hypothesizing extreme nuclear accidents.

Recent studies by Dr. Norman Rasmussen of M.I.T. indicate that with 100 plants on the line (as will be the case by 1980) a major nuclear accident would be 10,000 times less likely to happen than a comparable accident with 100 fatalities in a non-nuclear facility. Thus, the hazard to any individual or group will be about the same in 1980—with 100 plants on the line—as the hazard of being struck by a meteor.

Numerous scare stories have been circulated about the radiation impact of a nuclear industry on the general public. Here are some figures that cast some light on this subject.

If we assume 1,000 nuclear power plants on the line in the year 2000, the average person in the United States will receive the following radiation: 102 millirem per year from natural background, 73 millirem per year from medical X-rays and therapeutic radiation, but only 0.4 millirem per year from the operation of all 1,000 nuclear plants and all their supporting activities. That's less than ½ of a millirem, as compared to almost 200 from natural and medical sources.

Today, with our automobile speed limit reduced to 55 mph, we kill about forty-five thousand Americans a year, and suffer about 2 million serious injuries from automobile accidents. More than 8,000 persons burn to death. Overdoses of aspirin and aspirin compounds cause more than 200 deaths per year. 1,000 persons die from electrical shock. About 160 are killed by lighting. About 3,000 choke to death on food. About 2,000 persons are killed in plane accidents. More than 2,000 are bitten by rabid animals. An unknown number of persons are killed each year by polio vaccines and smallpox vaccinations. No radiation injury or death has resulted from the operation of any licensed nuclear power plant in the United States, nor has any member of the public been exposed to any radiation in excess of internationally approved standards as the result of the operation of all the 55 nuclear power plants and their supporting activities, and the more than 100 U.S. military nuclear reactors now in service.

Ladies and gentlemen, we have discussed the energy crisis, our need for increased supplies of energy, and what sources of energy we have available. Of course, you recognize that solar and geothermal energy will make no significant contribution to this nation's energy demand before 1990, and very little before the year 2000. Competitive generation of electricity from nuclear fusion will not come before the 21st Century. (Mr. Nader had recently changed his position on these subjects and has been forced to agree with me.)

Now I want to talk to you about the most critical aspect of the energy crisis facing America today. The best estimates for U.S. energy demand for 1985—ten years from today—average about 48 million barrels of oil a day of oil equivalent. If we assume a very aggressive conservation program, cutting 6½ million barrels below projected growth rates; and if we undertake an all-out exploration and drilling program for petroleum and natural gas; and if we undertake a massive expansion of our coal extraction industry, almost doubling it within ten years; and if we get all the hydroelectric sites that are going to be developed on the line—and if we get all the nuclear power plants that are on the line, under construction, or on order built and operating, thus producing about 6½ million barrels of oil a day equivalent; then we must still import about 8½ million barrels of oil per day, which is 2 million barrels more than we import now. For each million barrels we fall below some critical point near 48 million barrels of oil per day consumption, we must accept the unemployment of another 900,000 American workers. The nuclear portion of that 1985 energy consumption is also equivalent to almost 6 million jobs. There is no substitute for it.

Mr. Nader wants to deprive us and the people of this country of our traditional practice of basing policies on scientific and engineering facts, and frighten us into accepting this kind of unemployment and the chaos it would bring with fantasies and irrational scare stories. Are you ready to give up your right to rational thought? Are you willing to allow Mr. Nader to do this to our nation?

THE EUROPEAN SECURITY CONFERENCE

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1975

Mr. KEMP. Mr. Speaker, there is an apparently growing likelihood of a substantial increase in Soviet influence over all of Europe—including Western Europe—through the agreements expected to be arrived at during this summer's European Security Conference. The United States is a full participant in that conference.

The United States entered into the preliminary meetings associated with this conference several years ago for a variety of reasons. But one of those reasons was Soviet insistence that there be such a conference as a precondition of its willingness to pursue a policy of détente.

I am not confident that the American people—or the people of Western Europe—are sufficiently aware of the premises on which this conference is based. It is within this context—the need for heightened public awareness of the possible outcome of the conference—that I was impressed by an analysis in the New York Times of today, authored by former Presidential Assistant William Safire. This analysis reflects much insight as to the dangers associated with this summer's conference sessions and its agreements.

There is much public misunderstanding about the issues associated with this conference.

The idea of collective European security is not one within which the distinctions of the past 30 years between the separate securities of western-alined—NATO—countries and eastern-alined—Warsaw Pact—countries are to be maintained.

To the contrary, the European Security Conference envisages an all-European security arrangement, through which the NATO and Warsaw Pact countries would pledge themselves to a mutual defense of each other against non-European or other European forces. This has obvious anti-U.S. implications. And, it also has obvious advantages to the Soviet Union, whose dominance and authority over half the countries of Europe—the Moscow-controlled countries of Communist Eastern Europe—is already forcefully assured.

Such an arrangement implies that the European countries which would become members of the European mutual security system would accept one another as partners who would not threaten, but would rather defend, their mutual security. Thus, the Atlantic principle of collective defense against potential aggressors would lose its moral justification.

Any guarantees of all-European collective security would also be far from reliable, for while the principles basic to sovereignty in the autonomous countries of Western Europe imply that when a threat or aggression occurs each would have to decide for itself what to do, the equally basic principle of coordinated military action among the Eastern European countries—coordinated by Moscow despite all the appearances of increasing independence in unrelated nonmilitary affairs—would still result in unanimous action by those countries.

It is inconceivable that a Warsaw Pact country would support a Western country under pressure or attack from another Warsaw Pact country. There is additionally no evidence that the Soviet Union is prepared to dissolve its alliance system if an all-Europe security system were to materialize. Such a system, however, might well induce the United States to discontinue her security commitment to Europe, especially at a time when there is great pressure in the Congress to reduce U.S. policy commitments.

Writing in the February 1975 publication of the Atlantic Treaty Association, entitled "Soviet Foreign Policy: Its Many Facets and Its Real Objectives," Dr. Gerhard Wettig of the Institute for Political Science and International Studies in Cologne, summarized these concerns:

> If the idea of an all-Europe security system became a psychological and political reality, the Soviet leadership would have gained a major victory sought for decades: the withdrawal of the American super-power from Europe. The West European States would lose their military and political backing vis-a-vis the USSR, which could then play a hegemonic role on the whole Continent—a role regarded as natural in Moscow. The permanent organization which the Soviet leaders want to create at the end of the CSCE is to be an institutional standing-point for an all-Europe State system under the aegis of Moscow. As has been explicitly stated, the Soviet side wants that organization gradually to take over security and policy functions from NATO.
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> A characteristic feature of Soviet policy in Europe is that the USSR's military superiority in the area is being maximized, while the tendency in the Western European countries is towards a reduction of manpower. In both public and diplomatic statements, Soviet representatives have made clear that peace in Europe should be built not on the allegedly archaic notion of balanced military forces, but on Western confidence in the

peaceful character of Soviet intent. What would be the purpose of the Soviet military build-up in Europe if the non-use of force is to govern inter-European relations? An overwhelming military advantage of the Soviet Union over Western Europe (particularly if isolated from the US and fragmented in itself) would be a political factor of greater importance, even if the USSR never issued explicit threats. If the Soviet Union were in a position of unrestricted military superiority throughout Europe, it could, by its implied capacity for unimpeded military action, exert a dominating influence over the Western part of the Continent.

Viewed in this context, William Safire's essay is of profound importance. He sees the realization of Soviet aims in Europe, through the agreements it seeks as conclusions of the European Security Conference, as the final step in their domination of all Europe—a domination which they have sought since the end of World War II.

That article follows:

ENDING WORLD WAR II

(By William Safire)

WASHINGTON.—In case you hadn't heard, World War II will soon be coming to its official end. The Russians won.

In Helsinki and then Geneva, delegations from 35 nations have been meeting for the past two years at the European Security Conference, preparing for the grand summit finale this summer at which the heads of state are to gather and make legitimate the Soviet conquest of Eastern Europe.

Naturally, the Soviet Union has long been looking forward to this triumph. To get the conference started, it agreed in 1971 to a four-power arrangement on Berlin, and in 1973 to exploratory talks on a mutual reduction of troops in Europe, which have led nowhere but seemed hopeful at the time.

Since the Soviets have been salivating at the chance to make their Iron Curtain a permanent division of Europe, one might think that the United States is extracting great concessions in return.

But all the Russians have been offering is "confidence-building measures," such as prior notification of military maneuvers, which have no real military meaning, and economic and scientific cooperation projects that the Soviets need more than we do. No quid pro quo there, unless you consider détente an end in itself.

The British, the Belgians and the Dutch—with some belated interest on the part of the United States—have been pressing for freer movement of people between East and West, placing in this basket freedom of contact between creative artists, specific guarantees of credentials for journalists, the opening of "reading rooms" to insure access to foreign periodicals, and agreements to make available television time for the airing of other countries' documentaries.

The Russians are turning aside demands for specifics, instead offering flabby language like "nations shall endeavor to encourage" human rights, which already exists in the United Nations Charter and permits the Communists to interpret it any way they choose.

When the West Germans wanted a provision saying that border changes could be made by peaceful agreement in the future—reunification is still their goal—the Soviets artfully put that in the "Sovereign Equality of States" section of the draft document, and not in the part about the "Inviolability of Frontiers" where it might have had some meaning.

The United States delegation is demoralized. Since our position has been to denigrate the importance of the whole conference, the United States delegation in Geneva is half-headed by our Ambassador to Czechoslovakia, who has his hands full in Prague; his deputy in Geneva has returned to Washington and not been replaced, and the rest of the frustrated staff passes along this story:

When the American Secretary of State met in Geneva two months ago with Soviet Foreign Minister Gromyko, the European Security Conference was discussed at length; afterward, Mr. Gromyko gave a detailed briefing to the Soviet delegation on what had transpired. But the United States delegation was left in the dark and had to ask their Soviet counterparts what had gone on. That close-to-the-vest technique is exactly what led us up the garden path on the SALT negotiations.

President Ford, who plans to attend a NATO meeting soon, did not refer to the European Security Conference in his State of the World address; perhaps he felt that ignoring the problem—as he did Portugal—would make it go away. But if he is serious about making détente a "two-way relationship," Mr. Ford should put a high price on any legitimization of Soviet victories.

First, no European security summit conference should be convened until the Soviets agree to much more than a token reduction of troops in Europe and a timetable for future withdrawals.

Next, a subject we should insist be put on the agenda for debate is the Brezhnev Doctrine, under which the Soviets claim the right to put in their tanks to crush uprisings against their puppet regimes. If that is not a matter of concern to "European Security" and relevant to the "Inviolability of Borders," what is?

Finally, the Soviets should be made to understand that their deeds—in providing North Vietnamese with the means of victory and extremist Arabs with hopes for a "final solution" to the Israelis—speak louder than any protestations of détente. Linkage should live again: no deal in the Middle East, no deal in Europe.

Would demands for these quids pro quo scuttle the Helsinki Summit? Perhaps; at a time when the Soviet Union is riding high and the United States President is helpless against a large group of willful men in Congress, a two-year postponement of the biggest gathering of heads of state since Queen Elizabeth's coronation might not be a bad idea.

Thirty years have passed since V-E Day. America's power has dwindled from days of dominance through an era of parity to a stage of uncertainty. Why, at this worst moment, are we allowing ourselves to be drawn into a Supersummit at which the only purpose is to declare the Russians the victors of World War II?

Mr. Speaker, I commend this article to the members of the House Committee on International Relations, the Senate Committee on Foreign Affairs, our Committees on Appropriations, and most particularly those in the Department of State and White House with responsibilities in this subject area.

Are we—this time in Europe—to risk and perhaps lose through a conference that for which American and other allied men in uniform gave their lives 30 to 35 years ago—a free Europe? The answer is yet to be given.

SENIOR CITIZENS AND THE ECONOMY

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1975

Mr. DOWNEY. Mr. Speaker, on March 3 I held a day-long public hearing in my district on senior citizens and the economy. I heard testimony from more than two dozen witnesses, including heads of senior citizen organizations, agency directors, and some very outspoken individuals representing themselves. The hearing room was filled with interested older Americans anxious to be heard by their Congressman as well as by the various public officials who were also in attendance.

Mr. Arthur Gregory of Lake Ronkonkoma was a witness at the hearing. His remarks constitute a forceful statement of how one senior citizen copes with the economy. I think that we as legislators can learn from Mr. Gregory's experience as we formulate the legislation that is designed to assist older Americans. I include his testimony to be reprinted at the conclusion of my remarks:

TESTIMONY OF MR. ARTHUR GREGORY

Mr. GREGORY. With your permission, Congressman, I would like to introduce two men who I haven't seen in nine or ten years that retired from the newspaper business with me. With your permission, I'd like to introduce both of them, Tommy Hogan and Jimmy Lynn. Thank you very much.

My name is Arthur Gregory. I live at 17 Marc Street, Lake Ronkonkoma.

I will be seventy-four years old this coming July 7th. My wife will be seventy-one on July 24th. We will be married fifty-two years on the 29th of April.

We raised our family and gave them everything. Now, we are retired. We have our own home, the Mrs. and I, though we are being choked with taxes. Not only sales taxes and property taxes but also with the food prices.

I'd like to say to you, Congressman Downey, this morning that the prices of articles have been going out the window. They jump from day to day, and I brought a sample along of what is taking place. Two months ago I bought Wesson Oil for my wife. A sixteen-ounce bottle was fifty-nine cents. That was the price on the label. I went out Friday and bought the same bottle. Do you know what the price on it is? $1.25. Here it is (indicating).

Now, I say this to you and to you, Congressman Downey. It's not the farmers. It's not the people that work or the union women that look for raises in their salaries. It's the man in the middle. The man in the middle is your supermarket. The big corporations that put our little country stores out of business.

I bawl my wife out time and time again, "Stay out of the A. & P. Go to the corner store. Give that little fellow a break."

I've seen it in my entire family where our women, they went to the supermarket. They run to Cheap Johns with a lot of junk, buy these things that are made on the other side. And we, with our people here, are looking to work for a living.

Now, Social Security Income. I have been fighting for four years to have Senator Guiffreda, Assemblyman Costigan and Governors Wilson and Rockefeller—four years prior to this last election, I went after all of them. They were down in our Lake Ronkonkoma church, and I laid the law down to them.

I said, "You are nothing but a lot of phoney baloneys. You are sitting on your big fat fannies and doing nothing."

This is no reflection on you, Congressman Downey. I have to apologize. I believe in giving everybody a break. He has just got the position as Congressman, and I hope he does a good job because, if he does, we can all depend on him.

Now, talking about Social Security. I went after them about property taxes for senior citizens sixty-five and over. That Social Security should be taken off as income. Now, let's not forget one point. It isn't only for the property owner like myself. I'm fighting for the guy that is paying rent. They are being ripped off by landlords.

If you don't believe it, I was talking to a young lady before. She had to run home to get her Social Security check because she is afraid somebody would steal it. She told me she gets $208 and pays rent of two hundred some-odd dollars. Now, you tell me how in the devil can a women or anybody—she can't even feed herself. It costs me more to feed my dog.

WOMAN from the audience. They don't want us to have dogs now.

Mr. GREGORY. I've got one.

The only point I really wanted to get off is that Social Security be taken off as income, and people that are paying rent are being ripped off.

I'd like to add to that. We started a lottery in New York State, and, while Governor Rockefeller was in office, they had been using the lottery money for every Tom, Dick and Harry to go out and have a cup of coffee. The purpose of it when this was put into effect was to be used for educational purposes, and, that way, it would reduce everybody's taxes.

Now, Mr. Ford comes out trying to cut the income taxes from twenty some-odd billion dollars. By the same token, he wants to raise the gasoline taxes and you and you and me and a whole lot more of us that are living on fixed incomes, we will never see a dime out of this reduction in taxes. But we will have to pay the fifteen cents a gallon that they want to put in there on top of it.

Now that we've got a few bucks, what is he going to do? Drain us, send us to the poorhouse or to a nursing home like these fellows they got in there now that are killing off our people?

Now, your Social Security. We are supposed to get a five per cent increase in July, is that right? Well, it seems to me that every time the senior citizen got an increase, we had to wait a year or a year and a half or better because in the last six or seven years, the two previous raises that we got took over two years. But, by the same token, in 1967, Johnson had a law passed to raise everybody in the Senate and Congress including President Nixon's salary up $100,000. The legislators up here in Albany increased every one of themselves up to $15,000, and they did this within forty-eight hours. They put it in effect in less than a month. But, still in all, we have to sit back and twiddle our thumbs for a couple of bucks. Now, Mr. Ford—

The only thing I want to say now is Mr. Ford wants to give Cambodia and the other side $300,000,000.

My belief is charity begins at home. A lot of people in this country live in one-room shacks down in Tennessee and Virginia. This guy didn't want to hear it. We have a lot of people living right through Tennessee and Virginia and down there living in one-room shacks with four, five and six kids, and they can't get nothing. And they are starving to death. This man wants to go to work and give them $300,000,000 in Cambodia. Let us all go after these people and tell them that charity begins at home.

In addition to that, Mr. Ford tells you to go out and buy a little car so you don't waste too much gas, but, by the same token, Mr. Ford and all the representatives in the federal government are riding around with big limousines that suck up a gallon of gas when you turn the corner and that goes for the state and county. I think it's time we let them know about it.

Thank you.

MAN'S INHUMANITY TO MAN

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1975

Mr. ANDERSON of California. Mr. Speaker, today is a day of particular significance. April 24, 1975, marks the 60th anniversary of the Armenian massacres, which saw the slaughtering of 800,000 to 1 million Armenians. At the same time, it is the National Day of Remembrance of Man's Inhumanity to Man. I am happy to say that I cosponsored House Joint Resolution 148, a joint resolution to so designate this day. I feel that at this time it is appropriate to ask ourselves what are the factors that breed mass violence, and what are the solutions to this problem. I also feel that we can make a good start by reexamining the ideals that make up our way of life.

Individualism and politcal sovereignty are ideals that stand as cornerstones of modern democratic thought. And similarly, the pride in one's family, in one's cultural and ethnic roots, as well as one's nation, are concepts that certainly deserve praise.

But at the same time, individual, family, and cultural differences all too often lead to conflict, which all too often lead to open aggression, and in turn, senseless violence. Add to these rather traditional concepts the more recent problems of overpopulation and subsequent food shortages, and the possibility of mass violence greatly increases.

We certainly do not have to look very far to see some current examples. Almost every day, terrorist groups carry out acts of senseless violence. In South Vietnam, we hear fears of a massive bloodbath with a Communist takeover of Saigon. And the recent inhumanities in Bangladesh and South Africa continue.

Yet, the problem does not lie in the concept of individualism itself. Nor does it lie in the cultural, ethnic, and national distinctions we find both inside and outside of national boundaries. For in striving for a strong, unified society, there is room for individualism; there is room for cultural differences; and there is room for political differences that fall short of violence.

There is no room, however, for mass ignorance which leads to misunderstanding and, in, turn, fear. Fear, that is, of anything that is minutely different from what we have come to know through prior personal experience.

Such ignorance and fear are surely a factor in the breeding of mass violence and the genocidal impulse. Yet, education itself is not the answer, for understanding stops far short of compassion. What also seems to be lacking is a strong sense of moral commitment. Simply understanding your fellow man does not necessarily mean having sympathy for his rights as a human being.

We are now in an era where we are finding it necessary to reexamine our societal institutions. Each part of society has a necessary function aimed at achieving the goal of societal harmony. What, then, is religion's role in a violent world? I think that the answer is obvious. The church's role is to help teach the moral values that are necessary for a civilized existence. The universities' role is to help educate in order to understand as well as respect what we have previously feared.

The fact that this day of national remembrance falls on the eve of the Bicentennial of our Nation's birth is, I feel, significant. It is time to reexamine the ideals that this Nation was founded on and ask ourselves if we are living up to them.

Individualism is not at the root of mass violence. It is, rather, the tool with which we can solve our conflicts which lead to aggression. For along with the concept of individualism goes the concept of individual rights and freedoms. The respect for our fellow man's freedoms can only start with the respect of our own. A greater understanding of our fellow man tempered with a morality that respects his rights as a human being is the necessary step away from uncivilized violence.

Solutions to the problem of mass violence and the genocidal impulse lie in relieving of economic disparities, for they lead to conflicts over hunger. They also lie in relieving educational disparities, for they lead to misunderstanding and ultimately intolerance. And finally, they lie in instituting a morality that transcends political, cultural, and individual differences. For in a society there is room for such differences. The recognition and respecting of their existence leads to societal unity. The intolerance of them leads to senseless violence.

SENATE—*Monday, April 28, 1975*

(Legislative day of Monday, April 21, 1975)

The Senate met at 12 noon, on the expiration of the recess, and was called to order by Hon. PATRICK J. LEAHY, a Senator from the State of Vermont.

PRAYER

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

Almighty God, infinite, eternal, and unchangeable, we who are finite, temporal, and changeable open our lives for the indwelling of Thy spirit. We confess that without Thee our human strength and wisdom are insufficient for the urgent needs committed to us. Be with us, O Father, to guide us in actions great and small, that serving Thee with our whole heart and mind and strength, this Nation and all nations may achieve that peace and justice which is the nature of Thy kingdom.

And to Thee shall be the glory and the praise. Amen.