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PROCEEDINGS AND DEBATES OF THE 94th CONGRESS, FIRST SESSION

SENATE—*Friday, May 16, 1975*

(Legislative day of Monday, April 21, 1975)

The Senate met at 9:45 a.m., on the expiration of the recess, and was called to order by Hon. RICHARD STONE, a Senator from the State of Florida.

PRAYER

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

O God, our Father, we thank Thee that Thou art ever present to satisfy our deep longings when we come to Thee in prayer. Amid uncertain and perilous days we need Thee every hour and seek Thy higher wisdom and Thy clear light upon our pathway.

We thank Thee for closed ranks and for united national purpose at this time of crisis.

Help us ever to face toward human need. Make us sensitive to those who would work if they could, eat better if they could get the food, dress better if they could procure the clothes, ride instead of walk, if they had the means.

May our words here help keep men on their feet, our prayers guide us to a cleansed social order, and the actions taken be fruitful in hastening Thy kingdom.

We pray in the name of Him who was servant of all. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

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

The second assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., May 16, 1975.

To the Senate:

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

JAMES O. EASTLAND,
President pro tempore.

Mr. STONE 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, May 15, 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.

EXECUTIVE SESSION

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

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

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

LEGAL SERVICES CORPORATION

The second assistant legislative clerk proceeded to read sundry nominations in the Legal Services Corporation.

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

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

NOMINATIONS IN THE LEGAL SERVICES CORPORATION RETURNED TO EXECUTIVE CALENDAR

Mr. MANSFIELD subsequently said: Mr. President, I ask unanimous consent that the nominations in the Legal Services Corporation be returned to the Executive Calendar.

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

U.S. AIR FORCE

The second assistant legislative clerk read the nomination of Gen. Lucius D. Clay, Jr., to be general.

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

U.S. ARMY

The second assistant legislative clerk proceeded to read sundry nominations in the U.S. Army.

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

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

U.S. NAVY

The second assistant legislative clerk proceeded to read sundry nominations in the U.S. Navy.

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

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

NOMINATIONS PLACED ON THE SECRETARY'S DESK—AIR FORCE, NAVY, AND MARINE CORPS

The second assistant legislative clerk proceeded to read sundry nominations in the Air Force, Navy, and Marine Corps which had been placed on the Secretary's desk.

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

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be notified.

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

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to, and the Senate resumed the consideration of legislative business.

CONSIDERATION OF CERTAIN MEASURES ON THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate turn to the consideration of Calendar Nos. 128, 130, and 131.

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

INDIAN HEALTH CARE IMPROVEMENT ACT

The Senate proceeded to consider the bill (S. 522) to implement the Federal responsibility for the care and education of the Indian people by improving the services and facilities of Federal Indian health programs and encouraging maximum participation of Indians in such programs, and for other purposes, which had been reported from the Committee on Interior and Insular Affairs with an amendment to strike all after the enacting clause and insert:

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

That this Act may be cited as the "Indian Health Care Improvement Act".

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FINDINGS

SEC. 2. The Congress finds that—

(a) Federal health services to maintain and improve the health of the Indians are consonant with and required by the Federal Government's historical and unique legal relationship with, and resulting responsibility to, the American Indian people.

(b) A major national goal of the United States is to provide the quantity and quality of health services which will permit the health status of Indians to be raised to the highest possible level and to encourage the maximum participation of Indians in the planning and management of those services.

(c) Federal health services to Indians have resulted in a reduction in the prevalence and incidence of preventable illnesses among, and unnecessary and premature deaths of, Indians.

(d) Despite such services, the unmet health needs of the American Indian people are severe and the health status of the Indians is far below that of the general population of the United States. For example, for Indians compared to all Americans in 1971, the tuberculosis death rate was over four and one-half times greater, the influenza and pneumonia death rate over one and one-half times greater, and the infant death rate approximately 20 per centum greater.

(e) All other Federal services and programs in fulfillment of the Federal responsibility to Indians are jeopardized by the low health status of the American Indian people.

(f) Further improvement in Indian health is imperiled by—

(1) inadequate, outdated, inefficient, and under-manned facilities. For example, only twenty-four of fifty-one Indian Health Service hospitals are accredited by the Joint Commission on Accreditation of Hospitals: only thirty-one meet national fire and safety codes; and fifty-two locations with Indian populations have been identified as requiring either new or replacement health centers and stations, or clinics remodeled for improved or additional service;

(2) shortage of personnel. For example, about one-half of the Service hospitals, four-fifths of the Service hospital outpatient clinics, and one-half of the Service health clinics meet only 80 per centum of staffing standards for their respective services;

(3) insufficient services in such areas as laboratory, hospital inpatient and outpatient, eye care and mental health services, and services available through contracts with private physicians, clinics, and agencies. For example, about 90 per centum of the surgical operations needed for otitis media have not been performed, over 57 per centum of required dental services remain to be provided, and about 98 per centum of hearing aid requirements are unmet;

(4) related support factors. For example, over seven hundred housing units are needed for staff at remote Service facilities;

(5) lack of access of Indians to health services due to remote residences, undeveloped or underdeveloped communication and transportation systems, and difficult, sometimes severe, climatic conditions; and

(6) lack of safe water and sanitary waste disposal services. For example, over thirty-seven thousand four hundred existing and forty-eight thousand nine hundred and sixty planned replacement and renovated Indian housing units need new or upgraded water and sanitation facilities.

(g) The Indian people's growth of confidence in Federal Indian health services is revealed by their increasingly heavy use of such services. Progress toward the goal of better Indian health is dependent on this continued growth of confidence. Both such progress and such confidence are dependent on improved Federal Indian health services.

DECLARATION OF POLICY

SEC. 3. The Congress hereby declares that it is the policy of this Nation, in fulfillment of its special responsibilities and legal obligation to the American Indian people, to meet the national goal of providing the highest possible health status to Indians and to provide existing Indian health services with all resources necessary to effect that policy.

DEFINITIONS

SEC. 4. For purposes of this Act—

(a) "Secretary", unless otherwise designated, means the Secretary of Health, Education, and Welfare.

(b) "Service" means the Indian Health Service.

(c) "Indians" or "Indian", unless otherwise designated, means any person who is a member of an Indian tribe, as defined in subsection (d) hereof, except that, for the purpose of sections 102, 103, 104(b)(1)(i), and 201(c)(5), such terms shall mean any individual who (1), irrespective of whether he or she lives on or near a reservation, is a member of a tribe, band, or other organized group of Indians, including those tribes, bands, or groups terminated since 1940 and those recognized now or in the future by the State in which they reside, or who is a descendant, in the first or second degree, of any such member, or (2) is an Eskimo or Aleut or other Alaska Native, or (3) is considered by the Secretary of the Interior to be an Indian for any purpose, or (4) is determined to be an Indian under regulations promulgated by the Secretary.

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

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

(f) "Urban Indian" means any individual who resides in an urban center, as defined in subsection (g) hereof, and who meets one or more of the four criteria in subsection (c)(1) through (4) of this section.

(g) "Urban center" means any community which has a sufficient urban Indian population with unmet health needs to warrant assistance under title V, as determined by the Secretary.

(h) "Urban Indian organization" means a nonprofit corporate body situated in an urban center, composed of urban Indians, and providing for the maximum participation of all interested Indian groups and individuals, which body is capable of legally cooperating with other public and private entities for the purpose of performing the activities described in section 503(a).

TITLE I—INDIAN HEALTH MANPOWER

PURPOSE

SEC. 101. The purpose of this title is to augment the inadequate number of health professionals serving Indians and remove the multiple barriers to the entrance of health professionals into the Service and private practice among Indians.

HEALTH PROFESSIONS RECRUITMENT PROGRAM FOR INDIANS

SEC. 102. (a) The Secretary, acting through the Service, shall make grants to public or nonprofit private health or educational entities or Indian tribes or tribal organizations to assist such entities in meeting the costs of—

(1) identifying Indians with a potential for education or training in the health professions and encouraging and assisting them (A) to enroll in schools of medicine, osteopathy, dentistry, veterinary medicine, optometry, podiatry, pharmacy, public health, nursing, or allied health professions; or (B), if they are not qualified to enroll in any such school, to undertake such postsecondary education or training as may be required to qualify them for enrollment;

(2) publicizing existing sources of financial aid available to Indians enrolled in any school referred to in clause (1)(A) of this subsection or who are undertaking training necessary to qualify them to enroll in any such school; or

(3) establishing other programs which the Secretary determines will enhance and facilitate the enrollment of Indians, and the subsequent pursuit and completion by them of courses of study, in any school referred to in clause (1)(A) of this subsection.

(b)(1) No grant may be made under this section unless an application therefor has been submitted to, and approved by, the Secretary. Such application shall be in such form, submitted in such manner, and contain such information, as the Secretary shall by regulation prescribe.

(2) The amount of any grant under this section shall be determined by the Secretary. Payments pursuant to grants under this section may be made in advance or by way of reimbursement, and at such intervals and on such conditions, as the Secretary finds necessary.

(c) For the purpose of making payments pursuant to grants under this section, there are authorized to be appropriated $1,500,000 for fiscal year 1977, $2,500,000 for fiscal year 1978, $3,000,000 for fiscal year 1979, $4,000,000 for fiscal year 1980, $4,500,000 for fiscal year 1981, $5,000,000 for fiscal year 1982, and $4,500,000 for fiscal year 1983.

HEALTH PROFESSIONS PREPARATORY SCHOLARSHIP PROGRAM FOR INDIANS

SEC. 103. (a) The Secretary, acting through the Service, shall make scholarship grants to Indians who—

(1) have successfully completed their high school education or high school equivalency; and

(2) have demonstrated the capability to successfully complete courses of study in schools of medicine, osteopathy, dentistry, veterinary medicine, optometry, podiatry, pharmacy, public health, nursing, or allied health professions.

(b) Each scholarship grant, made under this section shall be for a period not to exceed two academic years, which years shall be the final two years of the preprofessional education of any grantee.

(c) Scholarship grants made under this section may cover costs of tuition, books, transportation, board, and other necessary related expenses.

(d) There are authorized to be appropriated for the purpose of this section: $2,000,000 for fiscal year 1977, $2,500,000 for fiscal year 1978, $3,000,000 for fiscal year 1979, $3,500,000 for fiscal year 1980, $4,000,000 for fiscal year 1981, $4,500,000 for fiscal year 1982, and $4,500,000 for fiscal year 1983.

HEALTH PROFESSIONS SCHOLARSHIP PROGRAM

SEC. 104. (a) The Secretary, acting through the Sedvice, shall make scholarship grants to individuals (i) who are enrolled in schools of medicine, osteopathy, dentistry, veterinary medicine, optometry, podiatry, pharmacy, public health, nursing, or allied health professions (including schools certified by the Secretary as capable of training individuals in Indian traditional medicine), and (ii) who agree to provide their professional services to Indians after the completion of their professional training.

(b)(1) The Secretary, acting through the Service, (i) shall accord priority for scholarship grants under this section to applicants who are Indians, and (ii) may determine distribution of scholarship grants on the basis of the relative needs of Indians for additional service in specifice health profesions.

(2) Each scholarship grant under this section shall (i) fully cover the costs of tuition, and (ii), when taken together with the financial resources of the grantee, fully cover the costs of books, transportation, board, and other necessary related expenses: *Provided,* That the amount of grant funds available annually to each grantee under clause (ii) shall not exceed $8,000, except where the scholarship grant is extended to cover the period between academic years pursuant to paragraph (3) of this subsection.

(3) Scholarship grants under this section shall be made with respect to academic years, except that any such grant may be extended and increased for the period between academic years if the grantee is engaged in clinical or other practical experience related to his or her course of study and if further grant assistance during such period is required by the grantee because of his or her financial need.

(c)(1) As a condition for any scholarship grants under this section, each grantee shall be obligated to provide professional service to Indians for a period of years equal to the number of years during which he or she receives such grants.

(2) For the purpose of clause (1) of this subsection, "professional service to Indians" shall mean employment in the Service or in private practice where, in the judgment of the Secretary in accordance with guidelines promulgated by him, such practice is situated in a physician or other health professional shortage area and addresses the health care needs of a substantial number of Indians. Periods of internship or residency, except residency served in a facility of the Service, shall not constitute fulfillment of this service obligation.

(3)(A) A service obligation of any individual pursuant to this section shall be canceled upon the death of such individual.

(B) The Secretary shall by regulation provide for the waiver or suspension of a service obligation of any individual whenever compliance by such individual is impossible or would involve extreme hardship to such individual and if enforcement of such obligation with respect to any individual would be against equity and good conscience.

(d) Individuals receiving scholarship grants under this section shall not be counted against any employment ceiling affecting the Service or the Department of Health, Education, and Welfare.

(e) There are authorized to be appropriated for the purpose of this section: $6,000,000 for fiscal year 1977, $7,500,000 for fiscal year 1978, $9,000,000 for fiscal year 1979, $12,500,000 for fiscal year 1980, $19,000,000 for fiscal year 1981, $26,000,000 for fiscal year 1982, $30,000,000 for fiscal year 1983, and, for each succeeding fiscal year, such sums as may be necessary to continue to make scholarship grants under this section to individuals who have received such grants prior to the end of fiscal year 1983 and who are eligible for such grants during each such succeeding fiscal year.

INDIAN HEALTH SERVICE EXTERN PROGRAMS

SEC. 195. (a) Any individual who receives a scholarship grant pursuant to section 104 shall be entitled to employment in the Service during any nonacademic period of the year. Periods of employment pursuant to this subsection shall not be counted in determining the fulfillment of the service obligation incurred as a condition of the scholarship grant.

(b) Any individual enrolled in a school of medicine, osteopathy, dentistry, veterinary medicine, optometry, podiatry, pharmacy, public health, nursing, or allied health professions (including schools certified by the Secretary as capable of training individuals in Indian traditional medicine) may be employed by the Service during any nonacademic period of the year. Any such employment shall not exceed one hundred and twenty days during any calendar year.

(c) Any employment pursuant to this section shall be made without regard to any competitive personnel system or agency personnel limitation and to a position which will enable the individual so employed to receive practical experience in the health profession in which he or she is engaged in study. Any individual so employed shall receive payment for his or her services comparable to the salary he or she would receive if he or she were employed in the competitive system. Any individual so employed shall not be counted against any employment ceiling affecting the Service or the Department of Health, Education, and Welfare.

(d) There are authorized to be appropriated for the purpose of this section: $800,000 for fiscal year 1977, $1,200,000 for fiscal year 1978, $1,600,000 for fiscal year 1979, $2,200,000 for fiscal year 1980, $2,800,000 for fiscal year 1981, $3,200,000 for fiscal year 1982, and $3,550,000 for fiscal year 1983.

EDUCATIONAL AND TRAINING PROGRAMS IN ENVIRONMENT HEALTH, HEALTH EDUCATION, AND NUTRITION

SEC. 106. (a) The Secretary, acting through the Service, shall make grants to individuals, nonprofit entities, appropriate public or private agencies, educational institutions, or Indian tribes and tribal organizations to enable the recipients of such grants to establish and carry out programs to train individuals so as to enable them to provide their services to Indians in the following areas:

(1) environmental health, including proper waste disposal, reduced pesticide inhalation, proper sanitation, and vector control;

(2) health education, including advising and training Indians with respect to personal hygiene, the essentials of first aid, the care of critically ill in the home and entitlements of Indians to, and the availability of, health care services and assistance; providing adequate health information to schools; and establishing health courses in secondary schools encouraging entry by Indians into health-related professions; and

(3) nutrition, including advising and training Indians with respect to child nutrition, availability of nutrition programs (such as hot school lunch programs), nutrition in prenatal care, and nutrition education for the total population, particularly for those found to have or to be susceptible to, diabetes, hypertension, and heart disease.

(b) Grants pursuant to this section shall be made in such manner and in such amounts and subject to such conditions as the Secretary shall by regulation prescribe.

(c) There are authorized to be appropriated to carry out the provisions of this section: $500,000 for fiscal year 1977, $600,000 for fiscal year 1978, $700,000 for fiscal year 1979, $800,000 for fiscal year 1980, $900,000 for fiscal year 1981, $900,000 for fiscal year 1982, and $600,000 for fiscal year 1983.

CONTINUING EDUCATION ALLOWANCES

SEC. 107. (a) In order to encourage physicians and other health professionals to join the Service and to provide their services in the rural and remote areas where a significant portion of the Indian people resides, the Secretary, acting through the Service, may provide allowances to health professionals employed in the Service to enable them for a period of time each year prescribed by regulation of the Secretary to take leave of their duty stations for professional consultation and refresher training courses.

(b) There are authorized to be appropriated for the purpose of this section: $100,000 for fiscal year 1977, $200,000 for fiscal year 1978, $250,000 for fiscal year 1979, $300,000 for fiscal year 1980, $350,000 for fiscal year 1981, $350,000 for fiscal year 1982, and $325,000 for fiscal year 1983.

TITLE II—HEALTH SERVICES

SEC. 201. (a) For the purpose of eliminating backlogs in Indian health care services and to supply known, unmet medical, surgical, dental, and other Indian health needs, the Secretary is authorized to expend $491,975,000 through the Service, over a seven-fiscal-year period in accordance with the schedule provided in subsection (c). Funds

appropriated pursuant to this section each fiscal year shall not be used to offset or limit the appropriations required by the Service to continue to serve the health needs of Indians during and subsequent to such seven-fiscal-year period, but shall be in addition to the level of appropriations provided to the Service in fiscal year 1976 required to continue the programs of the Service thereafter.

(b) The Secretary, acting through the Service, is authorized to employ persons to implement the provisions of this section during the seven-fiscal-year period in accordance with the schedule provided in subsection (c). Such positions authorized each fiscal year pursuant to this section shall not be considered as offsetting or limiting the personnel required by the Service to serve the health needs of Indians during and subsequent to such seven-fiscal-year period but shall be in addition to the positions authorized in the previous fiscal year and to the annual personnel levels required to continue the programs of the Service.

(c) The following amounts and positions are authorized, in accordance with the provisions of subsections (a) and (b), for the specific purposes noted:

(1) Patient care (direct and indirect): $4,000,000 and one hundred and fifty positions for fiscal year 1977, $10,000,000 and two hundred and twenty-five positions for fiscal year 1978, $18,000,000 and three hundred positions for fiscal year 1979, $26,500,000 and three hundred and twenty positions for fiscal year 1980, $36,000,000 and three hundred and sixty positions for fiscal year 1981, $46,000,000, and three hundred and seventy-five positions for fiscal year 1982, and $58,000,000 and four hundred and fifty positions for fiscal year 1983.

(2) Field health, excluding dental care (direct and indirect): $3,000,000 and ninety positions for fiscal year 1977, $6,000,000 and ninety positions for fiscal year 1978, $9,000,000 and ninety positions for fiscal year 1979, $13,000,000 and one hundred and twenty positions for fiscal year 1980, $18,000,000 and one hundred and fifty positions for fiscal year 1981, $23,000,000 and one hnudred and fifty positions for fiscal year 1982, and $28,500,000 and one hundred and sixty-five positions for fiscal year 1983.

(3) Dental care (direct and indirect): $800,000 and eighty positions for fiscal year 1977, $1,500,000 and seventy positions for fiscal year 1978, $2,000,000 and fifty positions for fiscal year 1979, $2,500,000 and fifty positions for fiscal year 1980, $2,900,000 and forty positions for fiscal year 1981, $3,200,000 and thirty positions for fiscal year 1982, and $3,500,000 and twenty-five positions for fiscal year 1983.

(4) Mental health: (A) Community mental health services: $900,000 and forty positions for fiscal year 1977, $1,700,000 and thirty positions for fiscal year 1978, $2,400,000 and thirty positions for fiscal year 1979, $3,000,000 and twenty-five positions for fiscal year 1980, $3,500,000 and twenty positions for fiscal year 1981, $3,800,000 and ten positions for fiscal year 1982, and $4,100,000 and fifteen positions for fiscal year 1983.

(B) Inpatient mental health services: $200,000 and fifteen positions for fiscal year 1977, $400,000 and fifteen positions for fiscal year 1978, $600,000 and fifteen positions for fiscal year 1979, $800,000 and fifteen positions for fiscal year 1980, $1,000,000 and fifteen positions for fiscal year 1981, $1,300,000 and twenty positions for fiscal year 1982, and $1,600,000 and twenty-five positions for fiscal year 1983.

(C) Model dormitory mental health services: $625,000 and fifty positions for fiscal year 1977, $1,250,000 and fifty positions for fiscal year 1978, $1,875,000 and fifty positions for fiscal year 1979, and $2,500,000 and fifty positions for fiscal year 1980.

(D) Therapeutic and residential treatment centers: $150,000 and ten positions for fiscal year 1977, $300,000 and ten positions for fiscal year 1978, $400,000 and five positions for fiscal year 1979, $500,000 and five positions for fiscal year 1980, $600,000 and ten positions for fiscal year 1981, $700,000 and five positions for fiscal year 1982, and $800,000 and five positions for fiscal year 1983.

(E) Training of traditional Indian practitioners in mental health: $75,000 for fiscal year 1977, $150,000 for fiscal year 1978, $200,000 for fiscal year 1979, $250,000 for fiscal year 1980, $300,000 for fiscal year 1981, $300,000 for fiscal year 1982, and $300,000 for fiscal year 1983.

(5) Treatment and control of alcoholism among Indians: $8,000,000 for fiscal year 1977, $10,500,000 for fiscal year 1978, $13,000,000 for fiscal year 1979, $15,000,000 for fiscal year 1980, $17,000,000 for fiscal year 1981, $18,500,000 for fiscal year 1982, and $20,000,000 for fiscal year 1983.

(6) Provision of health care personnel in primary and secondary Bureau of Indian Affairs schools: $600,000 and thirty-three positions for fiscal year 1977, $1,000,000 and twenty-two positions for fiscal year 1978, $1,300,000 and sixteen positions for fiscal year 1979, $1,700,000 and twenty-two positions for fiscal year 1980, $2,500,000 and forty-four positions for fiscal year 1981, $3,900,000 and seventy-six positions for fiscal year 1982, and $6,000,000 and one hundred and fifteen positions for fiscal year 1983.

(7) Maintenance and repair (direct and indirect): $3,000,000 and twenty positions for fiscal year 1977, $3,000,000 and twenty positions for fiscal year 1978, $4,000,000 and thirty positions for fiscal year 1979, $4,000,000 and thirty positions for fiscal year 1980, $4,000,000 and thirty positions for fiscal year 1981, $2,000,000 and fifteen positions for fiscal year 1982, and $1,000,000 and five positions for fiscal year 1983.

(d) The Secretary, acting through the Service, shall expend directly or by contract not less than 1 per centum of the funds appropriated under the authorizations in each of the clauses (1) through (5) of subsection (c) for research in each of the areas of Indian health care for which such funds are authorized to be appropriated.

TITLE III—HEALTH FACILITIES

CONSTRUCTION AND RENOVATION OF SERVICE FACILITIES

SEC. 301. (a) For the purpose of eliminating inadequate, outdated, and otherwise unsatisfactory Service hospitals, health centers, health stations, and other Service facilities, the Secretary, acting through the Service, is authorized to expend $528,637,000 over a seven-fiscal-year period in accordance with the following schedule:

(1) Hospitals: $123,880,000 for fiscal year 1977, $55,171,000 for fiscal year 1978, $24,703,000 for fiscal year 1979, $70,810,000 for fiscal year 1980, $45,652,000 for fiscal year 1981, $29,675,000 for fiscal year 1982, and $33,779,000 for fiscal year 1983.

(2) Health centers and health stations: $6,960,000 for fiscal year 1977, $6,226,000 for fiscal year 1978, $3,720,000 for fiscal year 1979, $4,440,000 for fiscal year 1980, $2,335,000 for fiscal year 1981, $1,760,000 for fiscal year 1982 and $2,360,000 for fiscal year 1983.

(3) Staff housing: $2, 484,000 for fiscal year 1977, $43,450,000 for fiscal year 1978, $8,231,000 for fiscal year 1979, $9,390,000 for fiscal year 1980, $20,140,000 for fiscal year 1981, $12,267,000 for fiscal year 1982, and $13,704,000 for fiscal year 1983.

(4) Health facilities for primary and secondary Bureau of Indian Affairs schools: $1,500,000 for fiscal year 1977, $1,000,000 for fiscal year 1978, $1,000,000 for fiscal year 1979, $1,000,000 for fiscal year 1980, $1,000,000 for fiscal year 1981, $1,000,000 for fiscal year 1982, and $1,000,000 for fiscal year 1983.

(b) The Secretary acting through the Service, is authorized to equip and staff such Service facilities at levels commensurate with their operation at optimum levels of effectiveness.

(c) Prior to the expenditure of, or the making of any firm commitment to expend, any funds authorized in subsection (a), the Secretary, acting through the Service, shall—

(1) consult with any Indian tribe to be significantly affected by any such expenditure for the purpose of determining and, wherever practicable, honoring tribal preferences concerning the size, location, type, and other characteristics of any facility on which such expenditure is to be made; and

(2) be assured that, wherever practicable, such facility, not later than five years after its construction or renovation, shall meet the standards of the Joint Commission on Accreditation of Hospitals.

CONSTRUCTION OF SAFE WATER AND SANITARY WASTE DISPOSAL FACILITIES

SEC. 302. (a) The Secretary is authorized to expend, pursuant to the Act of July 31, 1959 (73 Stat. 267), $378,000,000 within a seven-fiscal-year petriod following the enactment of this Act, in accordance with the schedule provided in subsection (b), to supply unmet needs for safe water and sanitary waste disposal facilities in existing and new Indian homes and communities.

(b) To effect the purpose of subsection (a), there are authorized to be appropriated: $60,000,000 for fiscal year 1977, $60,000,000 for fiscal year 1978, $60,000,000 for fiscal year 1979, $60,000,000 for fiscal year 1980, $60,000,000 for fiscal year 1981, $52,000,000 for fiscal year 1982, and $26,000,000 for fiscal year 1983.

(c) The Secretary is authorized and directed to develop a plan, together with the Secretaries of the Interior and of Housing and Urban Development and upon consultation with Indian tribes, to assure that the schedule provided for in subsection (b) will be met. Such plan shall be submitted to the Congress no later than ninety days from the date of enactment of this Act.

PREFERENCE TO INDIANS AND INDIAN FIRMS

SEC. 303. (a) The Secretary, acting through the Service, may utilize the negotiating authority of the Act of June 25, 1910 (36 Stat. 861), to give preference to any Indian or any enterprise, partnership, corporation, or other type of business organization owned and controlled by an Indian or Indians (hereinafter referred to as an "Indian firm") in the construction and renovation of Service facilities pursuant to section 301 and in the construction of safe water and sanitary waste disposal facilities pursuant to section 302. Such preference may be accorded by the Secretary unless he finds, pursuant to rules and regulations promulgated by him, that the project or function to be contracted for will not be satisfactory or such project or function cannot be properly completed or maintained under the proposed contract. The Secretary, in arriving at his finding, shall consider whether the Indian or Indian firm will be deficient with respect to (1) ownership and control by Indians, (2) equipment, (3) bookkeeping and accounting procedures, (4) substantive knowledge of the project or function to be contracted for, (5) adequately trained personnel, or (6) other necessary components of contract performance.

(b) For the purpose of implementing the provisions of this title, the Secretary shall assure that the rates of pay for personnel engaged in the construction or renovation of facilities constructed or renovated in

whole or in part by funds made available pursuant to this title are not less than the prevailing local wage rates for similar work as determined in accordance with the Act of March 3, 1921 (46 Stat. 1491), as amended.

TITLE IV—ACCESS TO HEALTH SERVICES

SERVICES PROVIDED TO MEDICARE ELIGIBLE INDIANS

SEC. 401. (a) Notwithstanding any other provision of law, for purpose of title XVIII of the Social Security Act, as amended, a Service facility (including a hospital or skilled nursing facility), whether operated by the Service or by any Indian tribe or tribal organization, shall hereby be deemed to be a facility eligible for reimbursement under said title XVIII: *Provided*, That the requirements of subsection (b) are met.

(b) Prior to the provision of any care or service for which reimbursement may be made, the Secretary shall certify that the facility meets the standards applicable to other hospitals and skilled nursing facilities eligible for reimbursement under title XVIII of the Social Security Act, as amended, or, in the case of any facility existing at the time of enactment of this Act, that the Service has provided an acceptable written plan for bringing the facility into full compliance with such standards within two years from the date of acceptance of the plan by the Secretary. The Service facilities shall not be required to be licensed by any State or locality in which they are located: *Provided, however*, That the Secretary shall include in his certifications appropriate assurances that such facilities will meet standards equivalent to licensure requirements.

(c) Any payments received for services provided to beneficiaries hereunder shall not be considered in determining appropriations for health care and services to Indians.

(d) Nothing herein authorizes the Secretary to provide services to an Indian beneficiary with coverage under title XVIII of the Social Security Act, as amended, in preference to an Indian beneficiary without such coverage.

SERVICES PROVIDED TO MEDICAID ELIGIBLE INDIANS

SEC. 402. (a) Notwithstanding any other provision of law, for the purpose of title XIX of the Social Security Act, as amended, a Service facility (including a hospital, skilled nursing facility, or intermediate care facility), whether operated by the Service or by an Indian tribe or tribal organization, shall hereby be deemed to be a facility eligible for reimbursement under said title XIX: *Provided*, That the requirements of subsection (c) are met.

(b) The Secretary is authorized to enter into agreements with the appropriate State agency for the purpose of reimbursing such agency for health care and services provided in Service facilities to Indians who are beneficiaries under title XIX of the Social Security Act, as amended.

(c) Prior to the provision of any care or service for which reimbursement may be made, the Secretary shall certify that the facility meets the standards applicable to other hospitals eligible for reimbursement under title XIX of the Social Security Act, as amended, or, in the case of any facility existing at the time of enactment of this Act, that the Service has provided an acceptable written plan for bringing the facility into full compliance with such standards within two years from the date of acceptance of the plan by the Secretary. The Service facilities shall not be required to be licensed by any State or locality in which they are located: *Provided, however*, That the Secretary shall include in his certifications appropriate assurances that such facilities will meet standards equivalent to licensure requirements.

(d) Any payments received for services provided recipients hereunder shall not be considered in determining appropriations for the provision of health care and services to Indians.

(e) Notwithstanding any other provision of law, with respect to amounts expended during any quarter as medical assistance under title XIX of the Social Security Act, as amended, for services which are included in the State plan and are received through a Service facility, whether operated by the Service or by an Indian tribe or tribal organization, to individuals who are (i) eligible under the plan of the State under said title XIX and (ii) eligible for comprehensive health services under the Service program, the Federal medical assistance percentage under said title XIX shall be increased to 100 per centum.

(f) Nothing in this section shall authorize the Secretary to provide services to an Indian beneficiary with coverage under title XIX of the Social Security Act, as amended, in preference to an Indian beneficiary without such coverage.

REPORT

SEC. 403. The Secretary shall include in his annual report required by subsection (a) of section 601 an accounting on the amount and use of funds made available to the Service pursuant to this title as a result of reimbursements through titles XVIII and XIX of the Social Security Act, as amended.

TITLE V—HEALTH SERVICES FOR URBAN INDIANS

PURPOSE

SEC. 501. The purpose of this title is to encourage establishment of programs in urban Indian areas to make health services more accessible to the urban Indian population.

CONTRACTS WITH URBAN INDIAN ORGANIZATIONS

SEC. 502. The Secretary, acting through the Service, shall enter into contracts with urban Indian organizations to assist such organizations to establish and administer, in the urban centers in which such organizations are situated, programs which meet the requirements set forth in sections 503 and 504.

CONTRACT ELIGIBILITY

SEC. 503. (a) The Secretary, acting through the Service, shall place such conditions as he deems necessary to effect the purpose of this title in any contract which he makes with any urban Indian organization pursuant to this title. Such conditions shall include, but are not limited to, requirements that the organization successfully undertake the following activities:

(1) determine the population of urban Indians which are or could be recipients of health referral or care services;

(2) identify all public and private health service resources within the urban center in which the organization is situated which are or may be available to urban Indians;

(3) assist such resources in providing service to such urban Indians;

(4) assist such urban Indians in becoming familiar with and utilizing such resources;

(5) provide basic health education to such urban Indians;

(6) establish and implement manpower training programs to accomplish the referral and education tasks set forth in clauses (3) through (5) of this subsection;

(7) identify gaps between unmet health needs of urban Indians and the resources available to meet such needs;

(8) make recommendations to the Secretary and Federal, State, local, and other resource agencies on methods of improving health service programs to meet the needs of urban Indians; and

(9) where necessary, provide or contract for health care services to urban Indians.

(b) The Secretary, acting through the Service, shall by regulation prescribe the criteria for selecting urban Indian organizations with which to contract pursuant to this title. Such criteria shall, among other factors, take into consideration:

(1) the extent of the unmet health care needs of urban Indians in the urban center involved;

(2) the size of the urban Indian population which is to receive assistance;

(3) the relative accessibility which such population has to health care services in such urban center;

(4) the extent, if any, to which the project would duplicate any previous or current public or private health services project funded by another source in such urban center;

(5) the appropriateness and likely effectiveness of a project assisted pursuant to this title in such urban center;

(6) the existence of an urban Indian organization capable of performing the activities set forth in subsection (a) and of entering into a contract with the Secretary pursuant to this title; and

(7) the extent of existing or likely future participation in such activities by appropriate health and health-related Federal, State, local, and other resource agencies.

OTHER CONTRACT REQUIREMENTS

SEC. 504. (a) Contracts with urban Indian organizations pursuant to this title shall be in accordance with all Federal contracting laws and regulations except that, in the discretion of the Secretary, such contracts may be negotiated without advertising and need not conform to the provisions of the Act of August 24, 1935 (48 Stat. 793), as amended.

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

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

(d) Contracts with urban Indian organizations and regulations adopted pursuant to this title shall include provisions to assure the fair and uniform provisions to urban Indians of services and assistance under such contracts by such organizations.

REPORTS AND RECORDS

SEC. 505. For each fiscal year during which an urban Indian organization receives or expends funds pursuant to a contract under this title, such organization shall submit to the Secretary a report including information gathered pursuant to section 503(a) (7) and (8), information on activities conducted by the organization pursuant to the contract, an accounting of the amounts and purposes for which Federal funds were expended, and such other information as the Secretary may request. The reports and records of the urban Indian organization with respect to such contract shall be subject to

audit by the Secretary and the Comptroller General of the United States.

AUTHORIZATIONS

SEC. 506. There are authorized to be appropriated for the purpose of this title: $5,000,000 for fiscal year 1977, $10,000,000 for fiscal year 1978, and $15,000,000 for fiscal year 1979.

REVIEW OF PROGRAM

SEC. 507. Within six months after the end of fiscal year 1978, the Secretary, acting through the Service and with the assistance of the urban Indian organizations which have entered into contracts pursuant to this title, shall review the program established under this title and submit to the Congress his or her assessment thereof and recommendations for any further legislative efforts he or she deems necessary to meet the purpose of this title.

TITLE VI—MISCELLANEOUS

REPORTS

SEC. 601. (a) The Secretary shall report annually to the President and the Congress on progress made in effecting the purposes of this Act. Within three months after the end of fiscal year 1979, the Secretary shall review expenditures and levels of authorizations under this Act and make recommendations to Congress concerning any increases or decreases in the authorizations for fiscal years 1981 through 1983 under this Act which he deems appropriate. Within three months after the end of fiscal year 1982, the Secretary shall review the programs established or assisted pursuant to this Act and shall submit to the Congress his assessment thereof and recommendations of additional programs or additional assistance necessary to, at a minimum, provide health services to Indians, and insure a health status for Indians, which are at a parity with the health services available to, and the health status of, the general population.

(b) There is hereby authorized to be appropriated to the Secretary $150,000 to support a one-year study by the National Indian Health Board of mental health problems, including alcoholism and related problems, among Indians. The study, together with any recommendations the Board may have for legislative or administrative actions to remedy such problems, shall be submitted to the Congress by the Secretary no later than thirty days after the study's completion.

REGULATIONS

SEC. 602. (a) (1) Within three months from the date of enactment of this Act, the Secretary shall, to the extent practicable, consult with national and regional Indian organizations to consider and formulate appropriate rules and regulations to implement the provisions of this Act.

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

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

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

LEASES WITH INDIAN TRIBES

SEC. 603. Notwithstanding any other provision of law, the Secretary is authorized, in carrying out the purposes of this Act, to enter into leases with Indian tribes for periods not in excess of twenty years.

AVAILABILITY OF FUNDS

SEC. 604. The funds appropriated pursuant to this Act shall remain available until expended.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the committee amendment in the nature of a substitute.

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

The ACTING PRESIDENT pro tempore. The question is on the engrossment and third reading of the bill.

The bill (S. 522) was ordered to be engrossed for a third reading, was read the third time, and passed.

THE PLIGHT OF POTATO GROWERS

The Senate proceeded to consider the resolution (S. Res. 122) expressing to the Secretary of Agriculture the sense of concern felt by the Senate for the present plight of potato growers across the country, which had been reported from the Committee on Agriculture and Forestry, with the preamble amended as follows:

On page 1, in the second "Whereas" clause, strike out "high quality protein" and insert "nutritious food".

In the fourth "Whereas" clause, after the word "is" insert "the imbalance of inadequacy of vitamins, minerals, and"; and after the word "protein" strike out the word "deficiency".

On page 2, in the third "Whereas" clause, strike out high quality" and insert vitamins, minerals, and plant".

In the fifth "Whereas" clause, strike out the word "protein" and insert the word "food.".

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

Mr. HATHAWAY. Mr. President, I rise in support of Senate Resolution 122 and I would like briefly to recount the problem which it addresses, and the reasonable solution to which I believe it proposes.

The problem, Mr. President, is simply an abundance of potatoes. Potato farmers across the country responded to the heavy demand and high prices of recent times by producing a harvest large enough to bring consumer prices down to levels not seen since the 1930's. Thus, many growers now find themselves with potatoes which can be sold only at a loss. The consumer's benefit from this situation will be short-lived unless potato prices rise, as the farmer, like any businessman, cannot for long afford to do business at a loss.

Accordingly, this resolution, directed to the Secretary of Agriculture, seeks to underscore the Senate's concern over the situation I have just described, and it urges the Secretary of Agriculture to take immediate action to distribute potato stocks pursuant to existing laws. Specifically, the Secretary has long been authorized to purchase agricultural commodities for domestic consumption under section 32 of the act of August 24, 1935 and section 416 of the Agricultural Act of 1949; and for foreign distribution under Public Law 480—the food-for-peace program.

I believe that the present supply of potatoes is primarily a useful blessing. For there are hungry people, at home and abroad, who would gratefully partake of some of these agricultural riches. And it is clear that these potatoes will do no one any good if allowed to remain in potato house bins across the country.

As the committee has so accurately noted in its report, potatoes are an important source of protein, calcium, phosphorus and vitamin C, among other minerals and vitamins.

Mr. President, what we have is a supply of potatoes which may be purchased at favorable prices to benefit both the people who will consume them and the farmers who grow them. It does not require high intelligence, nor a profound analysis of this situation, to conclude that the Secretary of Agriculture, under authority of long-standing statutes and without adverse effect upon the consumer, can in large measure remedy this temporary but troublesome situation.

I am confident that appropriate action by the Secretary of Agriculture—indeed, I applaud his recent but promising efforts in the use of potato granules in the food for peace program—will favorably alter the present situation and encourage the resumption of normal market forces which generally prove satisfactory to grower and consumer alike.

Mr. President, I urge swift passage of this resolution.

Mr. President, I ask unanimous consent to have printed in the RECORD a statement by the senior Senator from Maine (Mr. MUSKIE).

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

STATEMENT BY SENATOR MUSKIE

I join my colleague Senator Hathaway in urging Senate approval for S. Res. 122, which is designed to encourage use of potato stocks in our domestic and foreign food distribution programs. This resolution calls on the Secretary of Agriculture to take advantage of the existing abundance of potatoes by purchasing and distributing them at very favorable terms, in order to feed the needy at home and hungry people around the world.

Everyone familiar with the potato industry would agree that there is a substantial surplus of potato stocks today. And those familiar with the nutritional content of potatoes would agree that the potato compares favorably even with soybeans, acre for acre, in protein.

Potatoes have dropped to their lowest price levels in decades, and stocks on hand are dramatically higher this year. In Maine, for example, there were 13 million hundredweight on hand in April, compared to 9.3 million in April of 1974—an increase of 40 percent in one year. At the same time, prices have plunged from as much as $16 to $17 a barrel last year to $2.75 to $3.00 in the current week.

Mr. President, in many cases farmers in

my state are not even recouping their cost of production.

It makes good agricultural and business sense for the Department of Agriculture, therefore, to make significant purchases of potatoes at their present depressed price. It would represent a bargain for the government, and it would reduce the oversupply which is depressing the market.

And it makes good humanitarian sense to stretch our federal food dollar as far as it can go to assist the needy in the U.S. and the starving overseas. The recent World Food Conference has estimated that almost a half billion people suffer from malnutrition throughout the world. And there are many hardpressed Americans who cannot make their food budget go far enough. Finally, there are many schools participating in the School Lunch program that are presently experiencing severe financial problems brought on by the rise in food costs.

Potatoes would be an ideal source of protein at a reasonable price for all these uses.

The Secretary of Agriculture has agreed to test the use of potato granules in the Food for Peace Program, and I am hopeful that the test will demonstrate the worth of potatoes as a protein source.

The Resolution we approve today will be a further encouragement to use potatoes in federal commodity programs.

Mr. President, I urge passage of S. Res. 122.

Mr. McCLURE. Mr. President, I would like to express my appreciation to the chairman and members of the Committee on Agriculture and Forestry for their prompt action in reporting Senate Resolution 122 to the floor. I hope that their favorable action will be mirrored by the full Senate, and that the administration will see such action as a clear indication of our intent and our concern.

I hope it will also be clearly recognized that this resolution is not an attempt to "bail out" potato producers, although any relief to this hard-pressed industry will certainly be welcome. Clearly, many of us are concerned about the severe problems facing producers of several agricultural commodities, including potatoes. But we should also be concerned about the efficiency and effectiveness of our food aid programs both at home and abroad. We would like to make adequate quantities of good food available to those in need, and to do so as economically as possible, with a minimum of disruption of the market.

It just makes good sense, therefore—to farmers, to consumers, and to taxpayers—to use in our food assistance programs those high-food-value commodities that are available in abundance. Today, potatoes fill that bill perfectly. While stocks of some products often used in our aid programs are at an all-time low, and prices are relatively high, potato stocks are abundant and the price is low. Food products are not entirely interchangeable, and nutritive values and other factors must be considered. But the Government has an obligation to the taxpayers and aid recipients not unlike that of a homemaker to her family; an obligation to shop wisely—to provide the best meals possible with the least damage to the budget.

I was pleased by the administration's announcement of a test project using dehydrated potatoes mixed with nonfat dry milk in one of our aid programs.

The combination of the two products appears to have potential for use as a "whole meal" commodity—a single food which provides all essential nutrients. This has obvious advantages in simplicity of handling, preparation, and serving, and can be especially valuable in disaster relief or other difficult situations.

Hopefully, successes in this small test project will lead to much broader applications, and provide us with even greater flexibility in our aid programs. However, as pointed out in the resolution, potatoes are a perishable commodity. By proceeding too slowly, with only very small test projects, we may be missing the valuable opportunities provided by our present abundant potato stocks. At a time when so many people here and around the world are without enough to eat, we should not allow increasingly valuable foods to rot because of market imbalances or bureaucratic delays.

I therefore urge my colleagues to join affirmatively in this expression of concern to the administration.

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

The resolution was agreed to.

The preamble, as amended, was agreed to.

The resolution, with its preamble, is as follows:

S. RES. 122

Resolution expressing to the Secretary of Agriculture the sense of concern felt by the Senate for the present plight of potato growers across the country

Whereas the United States is suffering from a severe economic recession, with a high rate of unemployment; and

Whereas the poor and the unemployed in the United States need substantial additional quantities of nutritious food; and

Whereas the recent World Food Conference estimated that almost a half a billion people suffer from malnutrition in the world today; and

Whereas a basic cause of malnutrition is the imbalance or inadequacy of vitamins, minerals, and protein; and

Whereas it is the commitment of the United States, as expressed in various statutes, including the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480), to share our agricultural abundance with needy persons domestically and in other parts of the world; and

Whereas national stocks of potatoes are presently unusually abundant and purchases of potatoes could be effected now by the Department of Agriculture on extremely favorable terms, which would be beneficial both to the farmer and to the Government; and

Whereas American potatoes represent an important source of vitamins, minerals, and plant protein; and

Whereas potatoes are a perishable commodity; and

Whereas this valuable source of food should be distributed expeditiously to a hungry world: Now, therefore, be it

Resolved, That it is the sense of the Senate that the Secretary of Agriculture immediately take steps to distribute potato stocks in useful edible forms to needy persons at home and abroad under the domestic food assistance programs and the Public Law 480 program.

Mr. MANSFIELD. Mr. President, that concludes the call of the calendar up to this time.

The ACTING PRESIDENT pro tempore. Calendar No. 131 has yet to be acted upon.

Mr. MANSFIELD. I am not calling it up.

The ACTING PRESIDENT pro tempore. The Senator from North Carolina.

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

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

The 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.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Illinois, Mr. PERCY, is recognized for not to exceed 10 minutes.

SEIZURE OF THE "MAYAGUEZ"

Mr. PERCY. Mr. President, yesterday I was scheduled to be in the Chamber, but a conflict in the hearings that the Committee on Foreign Relations was conducting on the United Nations prevented my being here. Therefore, I wish to simply confirm on the floor comments I had previously made about the incident of the merchant marine ship that had been seized by the new Cambodian Government.

I think this is a very important first test of the war powers resolution. I would say, without any equivocation, that both the executive branch and the legislative branch passed the test. There was consultation between the executive branch and the legislative branch. I would say that we learned a great deal as a result of this experience. We probably learned how we could improve on the procedures that were adopted. But action was taken. There was no indecision about what we would do. The risks were carefully weighed. Certainly, discussions were held between members of the White House, the Security Council, the Joint Chiefs of Staff, and the leadership of the Congress. Taken into consideration was what would happen if we did nothing.

It is well recognized that this was a test by a new Communist government, and the interruption of passage of several other ships of other flags was a test also as to whether or not the acts of piracy on the high seas would be tolerated and permitted. Therefore, the action taken by the United States was not only taken in behalf of our own Nation and the right to have safe passage on the high seas, but a test for all nations as well.

The President did not act impulsively. His actions were measured. They were taken in consultation with the best ad-

vice that he could get. The risks were calculated, and the action that was taken has proven to be valuable.

I believe that the President certainly is to be commended for what he has done in this regard. As I indicated at the outset, as a result of this experience, I believe we have learned the value of consultation with Congress and procedures for such consultations in emergency situations in the future can be improved upon.

FEDERAL AGENCIES DEAF TO THE PLIGHT OF THE HEARING-IMPAIRED

Mr. PERCY. Mr. President, I should like to invite attention to the fact that Federal agencies appear deaf to the plight of the hearing-impaired.

I refer to this example because it is fraught with sufficient past history as to actions of regulatory agencies to enable us to conclude that the actions they have taken—or, really, not taken—in behalf of the public are woefully inadequate. It also bears on the fact that we critically need an Agency for Consumer Advocacy, an agency the legislation for which was overwhelmingly passed by the Senate yesterday afternoon, to argue on behalf of the consumer in situations such as this where so-called "watchdogs" of the public simply are not doing their job.

Mr. President, a year ago this month I urged that the Federal Government act forcefully and within its lawful authority to protect the hard-of-hearing of this Nation. On May 28, 1974, I wrote to the Food and Drug Administration and the Federal Trade Commission, asking that the two agencies move quickly to end incompetence and unethical behavior on the part of hearing-aid dealers, to rid the industry of acknowledged abuses, and to assure hearing-impaired persons in every region of the country and from every walk of life that they would be better served in the future.

Both agencies have conceded to me that there are serious abuses in the hearing-aid business, a fact which the industry itself now acknowledges. Yet each agency seems to have rivaled the other in doing as little as possible to address those abuses.

As is so often the case with Federal agencies which too frequently seem to just "study" a problem rather than solve it, neither the FDA nor the FTC has acted to curb these abuses. For some reason or other they have sat on their proverbial hands apparently preferring not to disrupt the status quo, nor to do anything more than they must to give the appearance of concern over the problem.

My requests of the two agencies were quite simple. I asked the FTC to establish a money-back guarantee over a trial period of at least 30 days, to require that dealers tell potential clients that aids will not reverse progressive hearing loss, and to help lower the price of an aid by "unbundling" the price of the instrument from the price of anticipated future services. I asked the FDA to require medical clearance by ear specialists before a dealer can sell an aid, to establish uniform competency standards for State dealer licensing boards to administer, and to act to improve the education and training of dealers.

For more than a year, the FTC has been sitting on a series of regulations which would do precisely as I have recommended. While the FTC has, in specific cases, brought challenges against certain corporate and advertising behavior by some hearing aid manufacturers, broad-based, industrywide trade regulations are ready for FTC action, but no one in authority has moved to implement them.

The FDA has had on the table since September 1974 a proposal to declare hearing aids prescription devices.

These regulations can be implemented by these two powerful agencies without any further legislation. They have the legal authority but for some unexplained reason have refused to act.

This bureaucratic paralysis is symptomatic of what is wrong with Federal regulatory agencies today. Despite a documented, identifiable need for action, too many of these so-called guardians of the public trust prefer to stand by and wait for the issue to disappear.

Mr. President, with more than 13½ million hearing-impaired people in this country, and with hearing loss the greatest physical disability of our Armed Services, this issue will not go away. These two agencies are failing in their public responsibility to protect the hearing handicapped. If they continue to refuse to act, within the next 45 days, I intend to introduce and push through legislation which will mandate such action within a time certain. It is ludicrous to prolong the obvious, when the industry itself now recognizes what should be done but is itself virtually powerless to enforce.

I am sorry to say that this governmental inertia extends even to evaluating current wrongs within the system. Last October, I asked FDA to evaluate the educational program provided by the National Hearing Aid Society to its members. That evaluation has been promised time and again. But today, nearly 8 months later, the FDA has still not conducted that evaluation. By way of comparison, it took the Veterans' Administration less than 2 months to complete its evaluation.

The unjustified delays of the FDA and the FTC came to border on the absurd last week when the hearing aid industry voluntarily announced important new steps to rectify some of the problems that have caused so much concern.

The hearing aid industry—the dealers and the manufacturers alike—announced a change in policy which will encourage dealers to do many of the things that I have asked for; namely, medical clearance for first-time hearing aid users, a 30-day trial purchase option, a more demanding dealer training program, and establishment of local complaint handling centers.

Ironically, the industry acted while the regulators vacillated.

I have praised the industry for the policy changes. But I must point out that the industry, acting by itself without Federal regulation to back it up, cannot enforce them. The National Hearing Aid Society represents only about 3,600 of the more than 5,700 dealers in the 38 States with dealer licensing laws. Since, unfortunately, my own State of Illinois, and New York, are among the States without licensing laws, there is no way of telling how many dealers there are in the United States, but the total probably exceeds 7,000. This means that only about half the dealers in the country are in the industry group.

Moreover, it remains to be seen whether NHAS will suspend any of its members for noncompliance with these new guidelines. We know, for example, that between 1970 and 1974, more than 120 dealers lost their State licenses, through the actions of State regulatory boards. Yet, in the same time period, NHAS found it was "not necessary" to suspend any of its members. Either all the revocations were against non-NHAS members, or the association does not regard State suspensions sufficiently serious as to warrant dismissal of a member.

Thus, it is essential that the FDA and FTC escape from their lethargy and help the industry help itself. The industry leadership has already embarrassed these two agencies by its forthright action of last week. It behooves these two "watchdogs" for the public interest to wake up to the events that have passed them by and to show that they can do more than simply bark in the night when the occasion moves them. At a minimum, they should proceed promptly to implement the reforms that have already been endorsed by the industry they regulate.

Finally, Mr. President, a year ago, Secretary Caspar Weinberger created an interdisciplinary hearing aid task force in the Department of Health, Education, and Welfare. That task force was created to identify the problems in the industry and come up with solutions. It is now a year later and we are still waiting the final report of that task force.

By its actions of last week, the hearing aid industry has effectively put the task force out of business. The industry acknowledged its most serious problems and has proposed some constructive remedies. Meanwhile, the task force still ponders over the problems.

In the interest of the 13½ million hearing-impaired citizens of this country, Secretary Weinberger should act immediately to require a final report forthwith, and then disband the task force and direct FDA Commissioner Schmidt to declare hearing aids prescription devices. Further delay by the Secretary can only be interpreted as a disservice to those who suffer hearing loss, and to the industry leadership that is attempting to serve them.

FEDERAL RAILROAD SAFETY AUTHORIZATION ACT OF 1975

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 131, which was temporarily laid aside.

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

The legislative clerk read as follows:

A bill (S. 1462) to amend the Federal Railroad Safety Act of 1970 and the Hazardous Materials Transportation Act to authorize additional appropriations, and for other purposes.

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

There being no objection, the Senate proceeded to consider the bill.

The bill (S. 1462) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

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 "Federal Railroad Safety Authorization Act of 1975".

SEC. 2. (a) Section 212 of the Federal Railroad Safety Act of 1970 (45 U.S.C. 441) is amended to read as follows:

"SEC. 212. AUTHORIZATION FOR APPROPRIATIONS.

"(a) There are authorized to be appropriated to carry out the provisions of this title not to exceed $35,000,000 for the fiscal year ending June 30, 1976 and $9,000,000 for the fiscal year transition period from July 1, 1976 through September 30, 1976.

"(b) Except as otherwise provided in subsection (c) of this section, amounts appropriated under subsection (a) of this section shall be available for expenditure as follows:

"(1) Not to exceed $18,000,000 for the fiscal year ending June 30, 1976 and $4,500,000 for such fiscal year transition period for the Office of Safety, including salaries and expenses for up to five hundred safety inspectors and up to one hundred and ten clerical personnel.

"(2) Not to exceed $3,500,000 for the fiscal year ending June 30, 1976 and $900,000 for such fiscal year transition period to carry out the provisions of section 206(d) of this title.

"(3) Not to exceed $3,500,000 for the fiscal year ending June 30, 1976 and $900,000 for such fiscal year transition period for the Federal Railroad Administration, for salaries and expenses not otherwise provided for.

"(4) Not to exceed $10,000,000 for the fiscal year ending June 30, 1976 and $2,700,000 for such fiscal year transition period for conducting research and development activities under this title.

"(c) The aggregate of the amounts obligated and expended for research and development under this title in the fiscal year ending June 30, 1976, and such fiscal year transition period, shall not exceed the aggregate of the amounts expended for rail inspection and for the investigation and enforcement of railroad safety rules, regulations, orders, and standards under this title in the same fiscal year.".

SEC. 3. Section 115 of the Hazardous Materials Transportation Act (49 U.S.C. 1812) is amended to read as follows:

"AUTHORIZATION FOR APPROPRIATIONS

"SEC. 115. There are authorized to be appropriated to carry out the provisions of this title not to exceed $7,000,000 for the fiscal year ending June 30, 1976, and $2,000,000 for the fiscal year transition period from July 1, 1976, through September 30, 1976.".

ROUTINE MORNING BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there be a period for the conduct of morning business, not to exceed 15 minutes, with statements therein limited to 3 minutes each.

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. Marks, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore (Mr. STONE) laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees; and a message withdrawing the nomination of John L. Peterson, of Illinois, to be Administrator of the National Fire Prevention and Control Administration, which was submitted to the Senate on April 14, 1975.

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

COMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

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

PROPOSED AMENDMENT OF STRIPPER WELL LEASE EXEMPTION REGULATION

A letter from the Administrator of the Federal Energy Administration transmitting, pursuant to law, a copy of a proposed amendment of stripper well lease exemption regulation with accompanying papers; to the Committee on Interior and Insular Affairs.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

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

H.R. 4221. An act to amend the Higher Education Act of 1965, as amended, relative to the reallocation of work-study funds, and for other purposes (Rept. No. 94-141).

By Mr. RANDOLPH, from the Committee on Labor and Public Welfare, without amendment:

S. Con. Res. 11. A concurrent resolution to express as a national policy that all citizens have the right to live and work in a barrier-free environment (Rept. No. 94-142).

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. WEICKER:

S. 1757. A bill to amend the Civil Rights Act of 1964 to make it an unlawful employment practice to discriminate against individuals who are physically handicapped because of such handicap. Referred to the Committee on Labor and Public Welfare.

By Mr. RANDOLPH (for himself, Mr. ROBERT C. BYRD, and Mr. SYMINGTON):

S. 1758. A bill to authorize the President of the United States to present in the name of Congress a Medal of Honor to Brig. Gen. Charles E. Yeager. Referred to the Committee on Armed Services.

By Mr. EAGLETON:

S. 1759. A bill to amend the provisions of title XVIII of the Social Security Act which relate to the definition of "spell of illness". Referred to the Committee on Finance.

By Mr. METCALF:

S. 1760. A bill to amend the Internal Revenue Code of 1954 to provide for public financing of Federal primary and general elections. Referred to the Committee on Finance.

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

S. 1761. A bill to provide foreign assistance to Cyprus. Referred to the Committee on Foreign Relaitons.

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

S.J. Res. 85. A joint resolution authorizing and requesting the President to issue a proclamation designating September 14, 1975, as "National Saint Elizabeth Ann Seton Day." Referred to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. WEICKER:

S. 1757. A bill to amend the Civil Rights Act of 1964 to make it an unlawful employment practice to discriminate against individuals who are physically handicapped because of such handicap. Referred to the Committee on Labor and Public Welfare.

Mr. WEICKER. Mr. President, today I am introducing legislation to make it an unlawful employment practice to discriminate against any individual who is physically handicapped. Specifically, this bill would amend title VII of the Civil Rights Act of 1964 to protect the physically handicapped from job discrimination.

Mr. President, by adopting the Civil Rights Act of 1964, the Congress put itself on record against discrimination against minority groups. This action brought our laws into line with our beliefs, specifically the Declaration of Independence. Yet, for all the minority groups covered by that legislation, there was one unfortunate omission. America's physically handicapped deserve better than to be discriminated against on account of their handicaps, whether they be handicaps from birth, casualty in war, or whatever.

America abounds with living proof that those who suffer physical handicaps are not life's doomed. They are people equipped to make enormous contributions to themselves, their communities, their Nation. What this bill seeks to insure is that their path to contribution is not blocked, that they, like other minorities, have as their partisan the law of this Nation.

Mr. President, I would like to note the fact that the 1974 National Convention of Disabled American Veterans passed a resolution strongly supporting legislation of this sort.

Furthermore, I am proud that Connecticut's General Assembly passed a resolution urging Congress to adopt legislation of the kind I am introducing today. This State legislative action, first of its kind in the country, maintains Connecticut's leadership role in the treatment of the handicapped and disabled.

By Mr. RANDOLPH (for himself, Mr. ROBERT C. BYRD, and Mr. SYMINGTON):

S. 1758. A bill to authorize the President of the United States to present in the name of Congress a Medal of Honor to Brig. Gen. Charles E. Yeager. Referred to the Committee on Armed Services.

Mr. RANDOLPH. Early in March, one of the notable figures in aviation history retired as Director of Aerospace Safety for the Air Force. Brig. Gen. Charles Elwood Yeager hung up his Air Force blues for the last time without fanfare, typical of the dedicated duty he has performed for more than 33 years as a service pilot.

Today, I introduce legislation commending one of the most singular heroic feats in the history of flying. The bill would authorize the President of the United States to present in the name of Congress a Medal of Honor to Charles E. Yeager.

On October 14, 1947, the then Capt. Charles E. Yeager, an Air Force test pilot, flew a small experimental rocket-powered aircraft, the Bell XS-1, through the sound barrier. He became the first man in history to deliberately fly faster than the speed of sound. His historic flight, following many months of tests and evaluation of the unknown, opened a new era in world aviation. Today, supersonic speeds are commonplace, but on that crucial date in October of 1947, there were many scientific authorities who remained convinced that man could never hope to achieve or survive supersonic speeds.

Mr. President, the purpose of this legislation is to make an exception to sections 8741 and 8744 of title 10, United States Code, by authorizing the award of the Medal of Honor to Brig. Gen. Charles E. Yeager. There is ample precedent for enacting legislation for a noncombat Medal of Honor during peacetime. Among past recipients have been such distinguished figures as Comdr. Richard E. Byrd, Jr. and Capt. Charles A. Lindbergh.

Each of these men crossed unchartered boundaries to explore a new frontier, and in so doing, provided new knowledge that enabled others to follow, and expanded the limits of man's world of new opportunities.

When I contemplate the heroic exploits of those brave men and others who have searched the heavens, I recall those stirring words of a pilot-poet:

". . . Up, up the long, delirious burning blue
I've topped the wind-swept heights with easy grace
Where never lark, or even eagle flew.
And, while with silent, lifting mind I've trod
The high untrespassed sanctity of space,
Put out my hand, and touched the face of God."

I hope that my colleagues will join with me in supporting this measure to provide a deserved and timely tribute to a world-famous American who has demonstrated over the past four decades an outstanding devotion to his country. On July 9, 1974, I was joined by my fellow West Virginian, Senator ROBERT BYRD, in introducing similar legislation. A detailed account of General Yeager's flying career has been placed in the CONGRESSIONAL RECORD, 22061, by Representative KEN HECHLER of West Virginia, in whose district this outstanding airman was born. Those who review this record will be impressed with the scope of achievements in his background.

I ask unanimous consent that the legislation I am introducing be printed in the RECORD, together with a recent editorial entitled, "Yeager's Air Force Career Leaves Lasting Monuments," which appeared in the Huntington, (W. Va.) Advertiser.

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

S. 1758

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding the provisions of sections 8741 and 8744 of title 10, United States Code, the President of the United States may present in the name of Congress, a Medal of Honor to Brigadier General Charles E. Yeager, United States Air Force, for displaying heroic courage and skill as a pilot, at the risk of his life, by his flight of the XS-1 research airplane on October 14, 1947, at a speed faster than the speed of sound, demonstrating that manned aircraft could be safely flown through the theretofore thought deadly transonic zone or "sound barrier" and opening the door to a more rapid space exploration program.

[From the Huntington Advertiser, Mar. 6, 1975]

YEAGER'S AIR FORCE CAREER LEAVES LASTING MONUMENTS

In what easily could be considered the most unpublicized retirement ceremony in military history, Charles Elwood Yeager once again became a civilian last week. When he hung up his Air Force blues for the last time, he had spent 33 years and five months of his 52 years in that service.

It would be the understatement of all time to say that "Chuck" Yeager got more mileage out of a high school diploma than any man ever obtained.

Fresh out of Hamlin High, he enlisted in 1941 at the age of 18 in what was then known as the Army Air Corps. He was accepted for pilot training under the "flying sergeant" program the next year and got his appointment as a flight officer when he won his wings in March 1943 at Luke Field, Ariz.

When he retired, he was a brigadier general and director of aerospace safety for the Air Force, with world-wide supervisory responsibilities.

Between enlistment and retirement. Yeager was awarded virtually every high honor this nation can bestow in the field of aviation. He won both the MacKay and Collier Trophies in 1948, the latter presented to him by President Harry S. Truman. In 1954 he was voted the Harmon International Trophy and the presentation was made by President Dwight D. Eisenhower.

Credited with 13 "kills" of enemy aircraft in World War II. Yeager remained in aviation after peace came, and for nine years he ranked as America's No. 1 test pilot. He made world history Oct. 14, 1947, when he flew an aircraft faster than the speed of sound, first man ever to do so. In 1973 he was inducted into the Aviation Hall of Fame in Dayton, Ohio, the youngest man ever enshrined in that noble institution.

Although he mingled with and knew some of the nation's great figures, he never lost the friendly personality and infectious smile he perfected as a youngster in neighboring Lincoln County.

He was familiar with most of the large cities in the world, but never lost his love for small towns. As if to prove that, he and his wife Glennis now reside in Cedar Ridge, Calif. Neither Cedar Ridge nor Hamlin are listed among towns with populations of 2,500 or more.

Charles Elwood Yeager may be retired, but the contributions he made to aviation will be recognized and appreciated so long as men and planes continue to ply the "wild, blue yonder."

By Mr. EAGLETON:

S. 1759. A bill to amend the provisions of title XVIII of the Social Security Act which relate to the definition of "spell of illness." Referred to the Committee on Finance.

MEDICARE SPELL OF ILLNESS

Mr. EAGLETON. Mr. President, I am reintroducing today my proposal to enable elderly persons residing in nursing homes to break a medicare "spell of illness" or benefit period and renew their eligibility for hospital insurance benefits.

This proposal was first introduced in July 1973. In November 1973, it was accepted by the Senate as an amendment to H.R. 3153, the Social Security Amendments of 1973, but that bill died at the end of the 93d Congress when the House of Representatives declined to meet in conference with the Senate. Its enactment remains a matter of considerable importance to many elderly persons who reside in nursing homes.

Under the part A hospital insurance program, limited hospital, extended care, and home health benefits are available during a single "spell of illness." When those benefits are exhausted, no further benefits are available until there is a new benefit period. The "spell of illness" concept springs from the basic intent of medicare to provide protection against health care costs associated with relatively short-term acute illnesses.

Under current law, a benefit period is ended with the close of the first period of 60 consecutive days on each of which the individual "is neither an inpatient of a hospital nor an inpatient of a skilled nursing facility."

The result of the law is that a person who resides in a skilled nursing facility, even though he or she is receiving a level of care lower than skilled nursing, is unable to break a benefit period.

The situation was summarized very succinctly in a letter to me of April 20, 1972, from then Commissioner of Social Security Ball:

Once a person has used up his benefit days, he cannot begin a new benefit period until

he has not been an inpatient of any hospital or any institution that is primarily engaged in providing skilled nursing care for 60 consecutive days—whether or not the institution is participating in the Medicare program and regardless of the level of care he is receiving.

As we all know, many elderly people must spend their last years in a nursing home, not because they require skilled nursing care, but simply because they are no longer able to care for themselves in their own homes. Yet if the nursing home in which they reside is in part a skilled nursing facility, they are denied the medicare benefits available to persons fortunate enough to be able to remain in their homes.

When this situation came to the attention of the Congress in 1967, it was thought that the provision of 60 lifetime reserve hospital benefit days would solve the problem. However, in my judgment this has not proved to be an adequate and equitable solution.

First, even those lifetime reserve days may be exhausted. When that occurs, a person confined to a nursing home for the remainder of his days will have no further hospital insurance benefits under medicare.

Second, the copayment for lifetime reserve days is now $46 per day—a considerable burden on many elderly people.

It is my understanding that the law is written as it is because there is no concern that if a benefit period could be broken in the case of a nursing home resident by a 60-day period during which he or she was certified as receiving a level of care lower than skilled nursing care, the result might be an artificial shifting of patients back and forth between levels of care for the purpose of qualifying them for additional medicare benefits.

Whether or not this would occur, I believe the answer is not to deny all nursing home residents the opportunity to renew their eligibility for hospital insurance benefits but to devise an adequate test for determining whether a person is actually receiving long-term intermediate or personal care as opposed to skilled nursing care.

Therefore, my bill provides that a person residing in a skilled nursing facility may end a spell of illness with the close of the first period of 180 consecutive days on each of which he was receiving neither skilled nursing care nor rehabilitation services and the nursing home was not receiving payment for skilled nursing services provided him under the State's medicaid program.

With the enactment of my proposal, persons who require long-term nursing home care will be guaranteed the same benefits that are available to other medicare beneficiaries.

By Mr. METCALF:

S. 1760. A bill to amend the Internal Revenue Code of 1954 to provide for public financing of Federal primary and general elections. Referred to the Committee on Finance.

Mr. METCALF. Mr. President, the bill that I am introducing for appropriate reference today will establish an equitable procedure whereby all candidates for Federal elective office—including those seeking their parties' congressional and Presidential nomination in primaries—may receive financial assistance for their campaigns from the Treasury.

Clearly, we have come to a broad consensus in this country on the necessity of using tax revenues to defray, at least in part, the costs of election campaigns. The principle is firmly established in the tax checkoff, which together with the tax incentives provided in the 1971 campaign act reforms are intended to encourage more of our citizens to participate in the electoral process through smaller contributions and, ultimately, to reduce the disproportionate influence of the wealthy few.

Clearly, public acceptance of the tax checkoff approach is increasing steadily. Last year, according to Internal Revenue Service statistics, slightly over 1 in 10 persons filing Federal tax returns earmarked a $1 or $2 contribution. At present almost one in every four is taking this opportunity to participate in the Presidential election campaign fund.

I am delighted that the tax checkoff is being utilized by a growing number of our citizens. I am convinced that this voluntary approach should be retained, as it not only broadens the base of financial support for Federal election campaigns, but also increases individual participation in the electoral process.

Unfortunately, the formula we have established for distributing the money contributed by taxpayers in this manner is both constitutionally and practically deficient in many respects. In my judgment, present law fails to provide a satisfactory answer to what are perhaps the most critical questions of public funding: Who should be entitled to receive financial support, how much, and under what conditions, and from whom?

Mr. President, I submit that the best answers to these questions are also the simplest. We should let the citizen decide. That is precisely what my bill will do.

Briefly stated, my objections to the existing formula for disbursing these funds are as follows:

First, the availability of financial support is limited to Presidential primary and general election campaigns. It is true, of course, that greater sums usually are needed in Presidential campaigns. But it is equally true—and more to the point—that the availability of funds for House and Senate campaigns is far less in proportion to the need than it is in Presidential campaigns.

Moreover, because of the larger number and greater diversity of Presidential campaign funding sources, candidates for this office need less protection against influence by any single special interest group than do those running for House and Senate seats. Nothing in the Federal Election Campaign Amendments of 1974 will alleviate this problem, including the ceilings we placed on individual contributions. For while these ceilings may well be low enough to insulate a Presidential candidate from undue influence, they are still very generous when viewed as a proportion of the total that may be spent by congressional candidates. Unfortunately, Congress rejected partial funding for the campaigns of Senators and Representatives through the $1 and $2 contributions from the checkoff, leaving intact at least the appearance that well-heeled contributors can continue to exert disproportionate influence on holders of these offices.

Second, the formula inhibits political activity by some of our citizens discriminating against third parties, minor parties, and independent candidates. Candidates with substantial support in less than 20 States, parties which have neither nominating conventions nor primaries, independent candidates not nominated by conventions—all are placed at a disadvantage in competing for an opportunity to get their message across, to be elected to Federal office, and to influence the direction of public policy in this country.

I believe that all citizens have an equal right to political initiative and political action. By establishing "officially" supported parties, by providing full Government funding for the Presidential candidates of two "major" parties and lesser amounts for others who may qualify on the basis of votes received in the preceding election, by introducing a new element of inflexibility into our political system, the formula diminishes the rights of the individual which our laws regulating parties and political activity have traditionally sought to protect.

Third, there is no provision for the individual taxpayer to decide which party or candidate is to receive his or her contribution from the checkoff. The taxpayer simply marks the appropriate box—and Government does the rest. Certainly, in a democracy some citizens will always find themselves in a position of financing policies and governmental activities they feel are unnecessary or unwise. Thus, it can be argued, there is no particular reason why the individual should not provide financing for parties and candidates with whom they thoroughly disagree.

With all due respect, Mr. President, there is very little respect due this argument. There is in fact every reason to avoid direct Federal intervention in the relationship between the individual citizen and his choice of campaign recipients. Making financial contributions to candidates and parties is a critically important form of political action, carrying with it a sense of participation and involvement which is no less significant than the act of voting itself. While many of us find fund raising personally painful, the act of asking for contributions—the competition between the parties and candidates—is similarly important. For Government to enter this arena, to decide by an arbitrary formula who is to receive support and how much, is to remove the citizen a long step farther from those who must represent him and from a meaningful commitment to the kind of sustained political activity that our representative democracy requires.

With all of their potential for abuses, the sometimes absurd hoopla that accompanies them and occasionally their singularly unedifying approach to the

issues, our freely contested elections lie at the heart of the American system.

Our laws with respect to the political and electoral processes should not tell people what to do. Such laws should be neutral in every possible sense and should only establish basic ground rules under which people may exercise their individual choices. The people—not the Government—must call the tune for the campaigns which are, as someone once said, the "dance of democracy."

Mr. President, as Senators know, various provisions of the Federal Election Campaign Act are presently being challenged in the courts. Included are sections dealing with public financing and, prior to its decision to remand, I asked leave of the Court of Appeals of the District of Columbia Circuit to file a brief amicus curiae and to participate in oral argument on the merits of this action, *Buckley et al.* v. *Valeo, et al.* (D.C.A. 75-1061). I stated my reasons for doing so in correspondence with Mr. David J. Anderson, the Government's attorney, and I ask unanimous consent that my letter to him of March 26, 1975, be printed in the RECORD.

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

COMMITTEE ON INTERIOR AND INSULAR AFFAIRS,
Washington, D.C., March 26, 1975.

Re *Buckley et al.* v. *Valeo, et al.* (D.C.A. No. 75-1061).

Mr. DAVID J. ANDERSON,
Attorney at Law, U.S. Department of Justice, Washington, D.C.

DEAR MR. ANDERSON: Today I have filed a motion (a copy of which is enclosed) with the Court of Appeals for the District of Columbia Circuit asking leave of the Court to file a brief amicus curiae and participate in oral argument on the merits in the action of *Buckley et al.* v. *Valeo, et al.* (D.C.A. 75-1061).

I have for a considerable period of time been an advocate of public financing for elections and believe enactment of procedures that are consistent with our Constitutional form of government could considerably eliminate reliance of candidates on large private campaign contributions and significantly improve presentation to the electorate of opposing viewpoints. In the 90th Congress, First Session, I introduced a voucher plan designed to achieve such objectives. Since the 90th Congress, the legislative branch has enacted a number of election campaign reform proposals, culminating last year in the enactment of the Federal Election Campaign Act Amendments of 1974, Public Law 93-443, 88 Stat. 1263. Unfortunately neither this new law nor any other proposal adopted by the legislative branch included the essential components of the voucher plan which I and many of my colleagues have advocated.

While campaign reform laws are crucial to restore confidence and integrity in our political system, I am concerned that the Congress and the country may have overreacted to the massive abuse of public trust evidenced in the 1972 Presidential election. Upon reflection, I am especially concerned that certain provisions of the new law may have overstepped the First and Fifth Amendment freedoms guaranteed by the Constitution, particularly with respect to the application of the new law to minority parties and independent candidates.

Concurrently, however, I am also in agreement with defendants' position regarding the crucial need for public financing procedures for elections to be enacted. I am concerned that should the judicial branch overturn the public financing section of the new law, which as I stated previously may be necessary to uphold certain Constitutional guarantees, irreparable damage may result with respect to the prospects of enacting alternative public financing proposals in the Congress. Accordingly, I am of the opinion that the judicial branch must be cognizant of a number of considerations and alternatives that otherwise may not be developed by the parties of this action and therefore have asked leave of the Court of Appeals to file an amicus curiae brief and to participate in oral argument on the merits.

I believe that the outcome of this action will have an extremely important and lasting impact on the future political processes of this country and look forward to working with you as this litigation progresses.

Very truly yours,

LEE METCALF.

Mr. METCALF. Subsequently, after remand, I requested and was granted leave by the U.S. district court to file a brief amicus curiae and participate in oral arguments on this action.

Mr. President, all of us are acutely aware of the need to restore integrity and public confidence in governmental institutions and elected public officials.

We must find appropriate ways to reduce the reliance of candidates on large, private campaign contributions. We must find alternative sources of campaign funds, for simply cutting back sharply on the amount of money available is not the answer. Indeed, a good case can be made for the proposition that American election campaigns are underfunded. Herbert Alexander, one of the leading students of political financing, makes this point in a series of comparisons:

First, in relation to other democratic countries, prevoter political expenditures in the United States are relatively low.

Second, the amount of money that is spent on political campaign—about $400 million on all levels in 1972—is miniscule compared to the sums that are spent advertising such products as cigarettes, detergents, soft drinks, and the like.

Third, the amount spent on electing candidates for Federal office is less than one-tenth of 1 percent of the sum that elected officials allocate every year in the Federal budget.

In any event, whatever the prospects for continuing increases in the amount of money required for this critically important form of civic education, we must find procedures, consistent with our constitutional form of Government, that will assure us of a source of untainted—but by no means disinterested—money for payment of necessary campaign expenses.

I believe that the best method of encouraging smaller contributions from more of our citizens is the voluntary checkoff, properly employed.

I believe the checkoff combined with the voucher system, as suggested in a bill I first introduced in 1967, will accomplish the objectives we have sought in the campaign funding reform effort that culminated in the 1974 FECA amendments, without any of the undesirable side effects of the present law.

Such a system, relatively simple to administer, will let the citizen do the deciding and the giving. The plan I have submitted requires no disbursement formula. It creates no legal obstacles to the full and free exercise of political initiative and political action on the part of any of our citizens. It meets all of the objections raised against the present law, except the one against using tax money at all, while retaining the innovative, eminently sensible and demonstrably workable tax checkoff device. It provides for contributions not only to Presidential candidates but to congressional candidates and party organizations as well.

Mr. President, I recognize the questions raised by entitling party orgainzations to receive and expend funds from vouchers transferred to them by taxpayers. There are those who argue that permitting the parties to redeem such vouchers will result in unnecessary competition between the parties and individual candidates. Others believe, however, that the state of party organizations in this country today makes it imperative that we do not tip the balance against them in the competition for funding. I am not wedded to the approach contained in my bill. But I am persuaded that the principle of party funding should be considered in this context, and have therefore included it to stimulate further discussion at this time.

Under my bill, the system would operate as follows:

All taxpayers who checked the appropriate box on their income tax forms would receive political campaign contribution vouchers from the Treasury. A box designated for "congressional elections" would appear on the tax forms every year; a separate "Presidential election" checkoff box would appear only in the 2 years preceding the Presidential election year.

This means that prior to each non-Presidential election year, each taxpayer would have been sent two vouchers designated for use in congressional races, one of which would have been received in time for use in the primaries if the taxpayers so desired. Otherwise he or she would be permitted to use both vouchers in the general election.

Prior to each Presidential election year, in addition to the congressional vouchers, the taxpayer would have been sent two vouchers designated for use in the Presidential race. Again, one of these would have been received in time for use in the primaries but would remain available for use in the general election if the taxpayer so desired.

To avoid abuses, however, these vouchers could not be carried over from election to election; they would become invalid after the date of the general election; they would become invalid after the date of the general election every 2 years.

Each voucher would be redeemable for $1 when presented to the Treasury Department, pursuant to regulations issued by the Federal Elections Commission, by qualified candidates, political committees and parties. The vouchers would have no value for anyone else, or for

any taxpayer who neglected or decided not to use them.

The Congress would appropriate sufficient funds to cover the number of vouchers requested annually and the amounts not redeemed by the end of each biennial campaign would revert to the Treasury.

Mr. President, this system would be virtually automatic in its operation. It would do no violence to existing or future political institutions or practices. It would not favor any candidate, political committee or party at the expense of any other.

It would benefit the entire political process, not only from the infusion of much needed and untainted money, but also from the stimulus to grassroots political activity and wider participation in political financing.

It would not protect or enhance the two "major" political parties, but it would permit diverse ideas to compete for attention and eventually join the mainstream of American political thought and action. And it would leave political choices and judgments to the good commonsense and creative intelligence of the American people.

I urge my colleagues and others interested in fair and responsible funding for Federal election campaigns to consider this system as an alternative to the disbursement formula in present law and I ask unanimous consent that the bill be printed in the RECORD.

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

S. 1760

Be it enacted by the Senate and House of Representatives of the United States of American in Congress assembled, That this Act may be cited as the "Federal Elections Campaign Financing Act".

SEC. 2. FEDERAL ELECTION CAMPAIGN FINANCING.

Subtitle H of the Internal Revenue Code of 1954 (relating to financing of presidential election campaigns) is amended to read as follows:

"Subtitle H—Financing of Federal Election Campaigns

"Chapter 95. Federal Election Campaigns.

Chapter 95—FEDERAL ELECTION CAMPAIGNS

"Sec. 9001. Short title.
"Sec. 9002. Definitions.
"Sec. 9003. Contribution vouchers.
"Sec. 9004. Redemption of contribution vouchers.
"Sec. 9005. Examinations and audits; repayments.
"Sec. 9006. Reports to Congress; regulations.
"Sec. 9007. Criminal penalties.

"SEC. 9001. SHORT TITLE.

"This chapter may be cited as the 'Federal Election Campaigns Financing Act'.

"SEC. 9002. DEFINITIONS.

"For purposes of this chapter—

"(1) The term 'authorized political committee' means a political committee which is authorized in writing by a qualified congressional candidate or qualified presidential candidate to incur qualified campaign expenses to further the nomination for election or election of such candidate. The authorization shall be addressed to the treasurer of such political committee and a copy of the authorization shall be filed by such candidate with the Commission. Any withdrawal of any authorization shall also be in writing and shall be addressed and filed in the same manner as the authorization.

"(2) The term 'Commission' means the Federal Election Commission established under section 310(a)(1) of the Federal Election Campaign Act of 1971.

"(3) The term 'election' means an election, including a runoff election, a nominating convention, or a caucus (or an election held by a political party for the purpose of electing delegates to such a convention or caucus) held by a political party for the purpose of nominating a candidate for election to be President, Senator, or Representative, and any regularly scheduled or special election held for the purpose of electing a candidate to such offices.

"(4) The term 'eligible taxable year' means a taxable year which ends during the two calendar years which immediately precede a calendar year in which a regular Presidential general election takes place.

"(5) The term 'political party' means—

"(A) an association, committee, or organization which is registered under the provisions of section 303 of the Federal Election Campaign Act of 1971 and has, within the 2-year period which ends on the date of such registration, nominated a qualified congressional candidate or a qualified presidential candidate whose name has appeared on the ballot in a Federal general election as the candidate of such association, committee, or organization, or

"(B) an association, committee, or organization which files with the Commission a petition which states the intent of such association, committee, or organization to nominate a qualified congressional candidate or a qualified presidential candidate as the candidate of such association, committee, or organization in a Federal general election in one or more States and which includes the signatures of more than 5,000 individuals who are eligible to vote in Federal general elections.

"(6) The term 'qualified campaign expenses' means—

"(A) with respect to congressional election campaign contribution vouchers, except as provided in subparagraph (C), expenditures (as defined in section 591(f) of title 18) made in connection with the election campaign of a qualified congressional candidate,

"(B) with respect to presidential election campaign contribution vouchers, except as provided in subparagraph (C), expenditures (as defined in section 591(f) of title 18) made in connection with the election campaign of a qualified presidential candidate, and

"(C) with respect to congressional campaign contribution vouchers and presidential election campaign contribution vouchers transferred to a political party, expenditures (as defined in section 591(f) of title 18) made in connection with an election campaign of a qualified congressional candidate or of a qualified presidential candidate.

"(7) The term 'qualified congressional candidate' means an individual who seeks nomination for election or election to be a Senator or a Representative and who takes the action necessary under the law of a State to qualify himself for nomination for election or election.

"(8) The term 'qualified presidential candidate' means an individual who seeks nomination for election or election to be President and takes the action necessary under the law of a State to qualify himself for nomination for election or election.

"(9) The term 'Representative' means a Representative, the Resident Commissioner from the Commonwealth of Puerto Rico, and the Delegates from the District of Columbia, Guam, and the Virgin Islands.

"(10) The term 'tax liability' means the amount of the tax imposed under chapter 1 on the taxpayer for the taxable year reduced by the sum of the credits allowed to such taxpayer under sections 33, 37, 38, 40, 41, 42, and 44.

"SEC. 9003. CONTRIBUTION VOUCHERS.

"(a) IN GENERAL.—

"(1) Congressional election campaign contribution vouchers.—Each individual, other than a nonresident alien, whose income tax liability for the taxable year is more than $1 ($2 in the case of married individuals filing a joint return of tax under the provisions of section 6013) may elect to receive one congressional election campaign contribution voucher for that taxable year.

"(2) Presidential election campaign contribution vouchers.—Each individual, other than a nonresident alien, whose income tax liability for an eligible taxable year is more than $1 ($2 in the case of married individuals filing a joint return of tax under section 6013) may elect to receive one presidential election campaign contribution voucher for such eligible taxable year.

"(b) ISSUANCE OF CONTRIBUTION VOUCHERS.—Upon receiving an election for a taxable year under the provisions of subsection (a), the Secretary or his delegate shall promptly issue one congressional election campaign contribution voucher or one presidential election campaign contribution voucher, or both, to the taxpayer who made such election.

"(c) PERIOD OF VALIDITY.—

"(1) CONGRESSIONAL ELECTION CAMPAIGN CONTRIBUTION VOUCHERS.—A congressional election campaign contribution voucher issued under subsection (b) shall be valid for purposes of redemption under the provisions of section 9004 during the period which begins on the day on which the Secretary or his delegate issues such contribution voucher and ends on November 30 of the first calendar year in which a regular Congressional general election takes place after such date of issue.

"(2) PRESIDENTIAL ELECTION CAMPAIGN CONTRIBUTION VOUCHERS.—A presidential election campaign contribution voucher issued under subsection (b) shall be valid for purposes of redemption under the provisions of section 9004 during the period which begins on the day on which the Secretary or his delegate issues such contribution voucher and ends on November 30 of the first calendar year in which a regular Presidential general election takes place after such date of issue.

"(d) TRANSFER OF CONTRIBUTION VOUCHERS.—

"(1) CONGRESSIONAL ELECTION CAMPAIGN CONTRIBUTION VOUCHERS.—Each individual who receives a congressional election campaign contribution voucher under the provisions of subsection (b) may transfer such contribution voucher to any qualified congressional candidate or to any authorized political committee of such candidate for use in connection with his election campaign, or to any political party for use in connection with any election campaign.

"(2) PRESIDENTIAL ELECTION CAMPAIGN CONTRIBUTION VOUCHERS.—Each individual who has received a presidential election campaign contribution voucher under the provisions of subsection (b) may transfer such contribution voucher to any qualified presidential candidate or any authorized political committee of such candidate for use in connection with his election campaign, or to any political party for use in connection with any election campaign.

"(3) TRANSFER NOT AN EXPENDITURE OR CONTRIBUTION.—For purposes of sections 608 (a) and (b) of title 18, transfer of a contribution voucher by an individual under this subsection shall not be considered to be an expenditure or a contribution by such individual.

"SEC. 9004. REDEMPTION OF CONTRIBUTION VOUCHERS.

"(a) IN GENERAL.—Each qualified congressional candidate, qualified presidential candidate, authorized political committee, or political party which receives a contribution voucher from a taxpayer under the provisions of section 9003 may present such contribution voucher for redemption at the time, place, and in the manner prescribed by the Commission, after consulting the Secretary or his delegate, in regulations. Such presentation may be made by a transfer agent who is authorized by the candidate or the chairman of the political party in writing. Such authorization shall be filed with the Commission and Secretary or his delegate.

"(b) PAYMENT.—After determining to its satisfaction that a contribution voucher presented to it by a candidate, committee, or party under subsection (a) has been transferred by a taxpayer to such candidate, committee, or party under section 9003 (d) and that such contribution voucher is valid under section 9003 (c), the Commission shall immediately certify to the Secretary or his delegate that it has received such voucher. Upon receipt of such a certification, the Secretary or his delegate shall pay to such candidate, committee, or party $1 for each contribution voucher so certified.

"(c) LIMITATIONS.—The total amount of payments which a candidate and his authorized committees or which a political party may receive under subsection (a) may not exceed the expenditure limitation applicable to such candidate and his authorized political committees or to such political party under section 608 (c) or (f) of title 18, as applicable.

"(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary or his delegate such sums as are necessary to carry out the provisions of this chapter.

"SEC. 9005. EXAMINATIONS AND AUDITS; REPAYMENTS.

"(a) EXAMINATIONS AND AUDITS.—After each Federal general election, the Commission shall conduct a thorough examination and audit of the qualified campaign expenses of every candidate and his authorized committees and of every political party which received payments under section 9004.

"(b) REPAYMENTS.—

"(1) EXCESS PAYMENTS.—If the Commission determines that any portion of the payments made to a candidate and his authorized political committees or to a political party under section 9004 is in excess of the aggregate amount of payments to such candidate or political party is allowed under section 9004(c), it shall notify the candidate or political party, and the candidate or political party shall pay to the Secretary or his delegate an amount equal to the amount of excess payments.

"(2) UNLAWFULLY USED PAYMENTS.—If the Commission determines that any amount of any payment made to a candidate and his authorized political committees or to a political party under section 9004 was used for any purpose other than—

"(A) to defray qualified campaign expenses incurred by such candidate and committees or by such party, or

"(B) to repay loans the proceeds of which were used, or otherwise to restore funds (other than contributions to defray qualified campaign expenses which were received and expended) which were used to defray qualified campaign expenses,

it shall notify such candidate or such party of the amounts so used, and the candidate or party shall pay to the Secretary of the Treasury an amount equal to such amount.

"(c) DEPOSIT OF REPAYMENTS.—All payments received by the Secretary or his delegate under subsection (b) shall be covered into the General Fund of the Treasury as miscellaneous receipts.

"SEC. 9006. REPORTS TO CONGRESS; REGULATIONS.

"(a) REPORTS.—The Commission shall, as soon as practicable after the end of each calendar year in which there is a Federal general election, submit a full report to the Senate and House of Representatives setting forth—

"(1) the qualified campaign expenses (shown in such detail as the Commission determines necessary) incurred by the qualified candidates and their authorized committees and by political parties in connection with such election,

"(2) the amounts paid by it under section 9004 to each eligible candidate and his authorized committees and to each political party, and

"(3) the amount of payments, if any, required from candidates or political parties under section 9005(b), and the reasons for each payment required.

"(b) REGULATIONS, ETC.—The Commission is authorized to prescribe regulations, to conduct examinations and audits (in addition to the examinations and audits required by section 9005(a)), to conduct investigations, and to require the keeping and submission of any books, records, and information which it determines to be necessary to carry out its responsibilities under this chapter.

"SEC. 9007. CRIMINAL PENALTIES.

"(a) PURCHASE OR SALE OF CONTRIBUTION VOUCHERS.—No person may sell, offer to sell, purchase, or offer to purchase a congressional election campaign contribution voucher or a presidential election campaign contribution voucher issued under section 9003. Violation of the provisions of this subsection is punishable by a fine not to exceed $25,000, imprisonment for not more than 1 year, or both.

"(b) UNLAWFUL USE OF PAYMENTS.—

"(1) IN GENERAL.—No person who receives any payment under section 9004, or to whom any portion of such payment is transferred, may knowingly and willfully use, or authorize the use of, such payment or such portion for any purpose other than—

"(A) to defray qualified campaign expenses, or

"(B) to repay loans the proceeds of which were used, or otherwise to restore funds (other than contributions to defray qualified campaign expenses which were received and expended) which were used, to defray qualified campaign expenses.

"(2) PENALTY.—Violation of the provisions of paragraph (1) is punishable by a fine not to exceed $25,000, imprisonment for not more than 1 year, or both.

"(c) FALSE STATEMENTS, ETC.—

"(1) IN GENERAL.—No person may knowingly and willfully—

"(A) furnish any false, fictitious, or fraudulent evidence, books, or information to the Commission under this chapter, or include in any evidence, books, or information so furnished any misrepresentation of a material fact, or falsify or conceal any evidence, books, or information relevant to an examination and audit by the Commission under this chapter, or

"(B) fail to furnish the Commission any records, books, or information requested by it for purposes of this chapter.

"(2) PENALTY.—Violation of the provisions of paragraph (1) is punishable by a fine not to exceed $25,000, imprisonment for not more than 1 year, or both.

"(d) FAILURE TO MAKE REPAYMENTS.—

"(1) IN GENERAL.—Violation of the provisions of section 9005(b) is punishable by a fine not to exceed $25,000, imprisonment for not more than 1 year, or both.

"(2) ADDITIONAL PENALTY.—In addition to any penalty provided under paragraph (1), any person who fails to make a repayment under section 9005(b) shall pay to the Secretary of the Treasury or his delegate for deposit in the General Fund of the Treasury an amount equal to 125 percent of the amount which is not repaid.

"(e) KICKBACKS AND ILLEGAL PAYMENTS.—

"(1) IN GENERAL.—No person may knowingly and willfully give or accept any kickback or illegal payment in connection with any qualified campaign expense of a candidate, or his authorized committees, or of a political party if such person receives payments under section 9004.

"(2) PENALTY.—Violation of the provisions of paragraph (1) is punishable by a fine not to exceed $25,000, imprisonment for not more that 1 year, or both.

"(3) ADDITIONAL PENALTY.—In addition to the penalty provided under paragraph (2), any person who accepts any kickback or illegal payment in connection with any qualified campaign expense of a candidate, or his authorized committees, or of a political party shall pay to the Secretary or his delegate for deposit in the General Fund of the Treasury an amount equal to 125 percent of the kickback or payment received."

SEC. 3. EFFECTIVE DATE AND TECHNICAL AMENDMENTS.

(a) EFFECTIVE DATE.—The amendments made by this section apply with respect to taxable years beginning after December 31, 1974.

(b) TECHNICAL AMENDMENTS.—

(1) Section 6096 of the Internal Revenue Code of 1954 (relating to designation of payments to Presidential Election Campaign Fund) is repealed.

(2) Section 403 of the Federal Election Campaign Act Amendments of 1974 is repealed.

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

S. 1761. A bill to provide foreign assistance to Cyprus. Referred to the Committee on Foreign Relations.

Mr. MATHIAS. Mr. President, as we approach a new fiscal year and as the parties to the Cyprus dispute continue negotiations toward a settlement, I believe it would be helpful and appropriate for the United States to give a new, tangible expression of America's concern for the people of Cyprus which will continue toward the establishment of a peaceful, prosperous Cyprus.

I am, therefore, proposing the appropriation of $25 million for humanitarian aid to the people of Cyprus during the next fiscal year, and I have introduced a bill to authorize such an appropriation on behalf of the Senator from Massachusetts (Mr. BROOKE) and myself.

While we focus on our vital security interests which require that we maintain the integrity of NATO, we must not lose sight of the human dimension of the Cyprus problem and of the need for food, shelter, and economic development which can ease the burden of the refugees. In the south alone, some 140,000 displaced persons remain in need of assistance in one form or another. The relief effort has been efficiently and effectively run by the Cypriot authorities, working in conjunction with the International Committee of the Red Cross and the U.N. High Commission for Refugees which, at U.N. Secretary General Waldheim's re-

quest, has coordinated international contributions to the Cyprus relief effort. Further contributions will, however, be required from the international community.

The United States has to date provided a total of $14.1 million to the Cyprus relief effort—$10.9 million through the U.N. High Commission for Refugees and $3.2 million through the International Red Cross. I also understand that the remaining portion of the $25 million authorized will be obligated shortly. Therefore, further relief will be necessary.

I understand that the Department of State and the Agency for International Development are now in the final stages of preparing a program for fiscal year 1976 for assistance to Cyprus and will support, in principle, the proposal we have offered. As now envisioned, this program will go beyond meeting immediate relief needs and will include assistance to improved housing and living conditions of displaced persons, and food-for-work and other projects designed to provide employment and make displaced persons more self-sufficient. The United Nations Development Program, for example, is completing a feasibility study for the reforestation of 89,000 acres of forest destroyed by fires during the conflict of last summer, and this is another area in which we might be able to assist. We expect plans for this and other work relief activities to become more fully developed by early fiscal year 1976.

I therefore urge support for additional generous assistance for Cyprus.

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

S.J. Res. 85. A joint resolution authorizing and requesting the President to issue a proclamation designating September 14, 1975, as "National Saint Elizabeth Ann Seton Day." Referred to the Committee on the Judiciary.

NATIONAL ELIZABETH ANN SETON DAY

Mr. MATHIAS. Mr. President, on September 14 of this year, Blessed Mother Elizabeth Ann Bailey Seton, will be canonized in Rome as the first American born Catholic saint. Blessed Mother Seton founded the first American Community of the Sisters of Charity in 1808 and the first parochial school in the United States. Her remains are enshrined in the chapel of the St. Joseph's Provincial House in Emmitsburg, Md.

The interest in Mother Seton's canonization began formally 30 years ago when her cause for sainthood was introduced to the Sacred Congregation. A native of New York, she was widowed at an early age and converted to Catholicism. She was subsequently invited by the director of St. Mary's College in Baltimore to establish a girls' school. Mother Seton died of tuberculosis January 4, 1821. Her life and her works of charity are well known and it is only fitting that the crowning jewel of canonization be placed on her name.

The resolution I am introducing today would designate September 14, 1975, as "National Saint Elizabeth Ann Seton Day," in honor of her canonization. Catholics in America and abroad will celebrate this day with thanks and hope that the ideals of Blessed Elizabeth Seton will be carried on in religious as well as lay societies. The Archdiocese of Washington, in its 1975 Archbishop's Appeal for charitable departments and agencies' support, has named Blessed Seton as its model for its appeal effort. I hope that we in Congress may add our voice of praise to those persons of good will everywhere for this ultimate recognition of Blessed Mother Elizabeth Seton's devotion to God and her fellow human beings.

ADDITIONAL COSPONSORS OF BILLS

S. 123

At the request of Mr. INOUYE, the Senator from Utah (Mr. MOSS) was added as a cosponsor of S. 123, a bill to amendment title XVIII of the Social Security Act.

S. 835

At the request of Mr. MCCLURE, the Senator from Arkansas (Mr. BUMPERS) was added as a cosponsor of S. 835, a bill to provide for a share of gross timber receipts from national forests to States for schools and roads.

S. 1268

At the request of Mr. METCALF, the Senator from Maryland (Mr. MATHIAS) was added as a cosponsor of S. 1268, a bill to establish congressional policy direction for the administration and management of the National Wildlife Refuge System; to establish the "National Wildlife Refuge Service"; to provide authority for study, review, and establishment of additional units of the National Wildlife Refuge System.

S. 1293

At the request of Mr. METCALF, the Senator from Maryland (Mr. MATHIAS) was added as a cosponsor of S. 1293, a bill to establish the Charles M. Russell National Wildlife Range; the Charles Sheldon National Wildlife Range; and the Kofa National Wildlife Refuge as part of the National Wildlife Refuge System, and for other purposes.

S. 1652

At the request of Mr. STONE, the Senator from Pennsylvania (Mr. HUGH SCOTT) and the Senator from Minnesota (Mr. HUMPHREY) were added as cosponsors of S. 1652, a bill to amend the Internal Revenue Code of 1954 to provide that no interest is payable on income tax deficiencies in the case of returns prepared by the Internal Revenue Service until the expiration of 30 days after notice to the taxpayer of such deficiency.

S. 1654

At the request of Mr. HUMPHREY, the Senator from Massachusetts (Mr. KENNEDY) was added as a cosponsor of S. 1654, a bill to amend the Agricultural Trade Development and Assistance Act of 1954.

SENATE JOINT RESOLUTION 73

At the request of Mr. HUGH SCOTT, the Senator from New Mexico (Mr. DOMENICI) was added as a cosponsor of Senate Joint Resolution 73, "My America Week."

SENATE JOINT RESOLUTION 78

At the request of Mr. FANNIN, the Senator from New Mexico (Mr. DOMENICI) was added as a cosponsor of Senate Joint Resolution 78, to designate "National Patriotism Week."

SENATE CONCURRENT RESOLUTION 11

At the request of Mr. RANDOLPH, the Senator from New Mexico (Mr. DOMENICI) was added as a cosponsor of Senate Concurrent Resolution 11, expressing as a national policy that all citizens have the right to live and work in a barrier-free environment.

SENATE RESOLUTION 159—SUBMISSION OF A RESOLUTION TO CHANGE THE NAME OF THE COMMITTEE ON FOREIGN RELATIONS

(Referred to the Committee on Rules and Administration.)

Mr. HUMPHREY submitted the following resolution:

S. RES. 159

Resolved, That (a) paragraph 6(a) of rule XVI of the Standing Rules of the Senate is amended by striking out "Committee on Foreign Relations" and inserting in lieu thereof "Committee on International Relations".

(b)(1) Paragraph 1(i) of rule XXV of the Standing Rules of the Senate is amended by striking out "Committee on Foreign Relations" and inserting in lieu thereof "Committee on International Relations".

(2) Paragraph 2 of such rule is amended by striking out "Foreign Relations" and inserting in lieu thereof "International Relations".

(c) Paragraph 6(e) of rule XXV of the Standing Rules of the Senate is amended by striking out "Committee on Foreign Relations" and inserting in lieu thereof "Committee on International Relations".

SEC. 2. Reference in any law or regulation of the United States to the Committee on Foreign Relations of the Senate shall be deemed to be a reference to the Committee on International Relations of the Senate.

ON CHANGING THE NAME OF THE COMMITTEE ON FOREIGN RELATIONS TO THE COMMITTEE ON INTERNATIONAL RELATIONS

Mr. HUMPHREY. Mr. President, I have been a long-time advocate of congressional reform. Today, in the spirit of such reform and in the spirit of modernity, I submit legislation to change the name of the Committee on Foreign Relations to the Committee on International Relations.

I am sure that some people will say that such a change is merely cosmetic, but I believe that it would be highly symbolic and an appropriate recognition by the Congress of the changing nature of America's role in the world.

The fact is that there is not much very foreign about America's global relations. We have learned that our world is increasingly interdependent. America's financial, cultural, commercial, political and security arrangements are intertwined with the destiny of other nations. We can no longer afford the splendid isolation of former days. Our future lies in the success of numerous international

endeavors, ranging from NATO to participation in international financial institutions and to the United Nations. Deeign policy. Whether it is in the field of lations with individual nations, institutional interdependence will increasingly become the foundation of American foreign policy. Whether it is in the field of international energy research, nuclear disarmament or environmental control, this country has a great stake in fostering a greater degree of global interdependence.

The words "Foreign Relations Committee" have unfortunately become a linguistic anachronism. They date from the time when the New World was, indeed, another world. The United States can no longer view the world scene from the Olympian heights where Washington must have stood when he warned us in his farewell address against "foreign entanglements."

Our universities and colleges now teach "international relations"—not "foreign relations."

It would be appropriate on the occasion of our Bicentennial for the Foreign Relations Committee to recognize that it exists as a functioning institution in the last quarter of the 20th century by changing its name. I am sure there will be those who say that we must stick with tradition. But tradition in this case means being old fashioned.

Actually, on the basis of tradition there is ample justification. After all, Senator Bayard and Congressman Henry Clay were two of the five members of the Peace Committee which negotiated the Treaty of Ghant. Senators Vandenberg and Connolly attended the original United Nations Conference in San Francisco in 1945. Since then, it has become customary for two members of the Foreign Relations Committee to represent the United States at the United Nations General Assembly. Senators have often been appointed as delegates to international conferences and have engaged in international parliamentary contacts. An essential part of our committee's work is conferring with officials of other lands, both here and abroad. And it is through the Committee on Foreign Relations that such measures so international in scope as the Peace Corps, the Alliance for Progress, and the Limited Test Ban Treaty have passed.

It is not surprising that the House of Representatives has just passed legislation like that which I propose today. And in addition to changing the name of their committee, House Members added the word "International" to 7 of the committee's 10 subcommittee titles.

Mr. President, the Senate of the United States needs an international outlook. It needs a Committee on International Relations. It needs to be part of the policy process carried out by the executive branch, which means so much to the prosperity and security of our Nation. I hope that the measure I introduce today will receive the strong bipartisan support of Senators who believe as I do that congressional reform should be encouraged and accomplished so that the Congress can retain what is best from its past and secure for the future institutions and processes ready for a changing America.

AMENDMENTS SUBMITTED FOR PRINTING

AUTHORIZATION OF APPROPRIATIONS FOR THE ADMINISTRATION OF FOREIGN AFFAIRS—S. 1517

AMENDMENT NO. 481

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

Mr. HUMPHREY. Mr. President, the People's Republic of China has become one of the fastest growing markets for U.S. farm commodities. Yet, I am surprised that the United States still has not established an agricultural attaché post in this country.

While 80 percent of United States-China trade is agricultural, we have assigned three commercial officers to our mission in Peking and not a single agricultural officer. In view of the present and potential importance of the People's Republic of China to the American farmer, U.S. business, and our Federal Government, I think that steps should be taken to address the agricultural and market intelligence and sales promotion needs that can be provided by our foreign agricultural attachés.

In this regard, I am submitting an amendment to S. 1517, which would add, as a part of the State Department authorization bill, a statement of the sense of the Congress that an agricultural attaché should be established in the People's Republic of China.

ADDITIONAL COSPONSOR OF AN AMENDMENT

AMENDMENT NO. 24

At the request of Mr. WILLIAMS, the Senator from California (Mr. CRANSTON) was added as a cosponsor of amendment No. 24, intended to be proposed to the bill (S. 425) the Foreign Investment Act of 1975.

NOTICE OF HEARINGS

Mr. CRANSTON. Mr. President, the Subcommittee on Health and Hospitals, which I am privileged to chair, of the Committee on Veterans' Affairs will hold hearings on May 22 and May 23 on S. 1711, the proposed Veterans' Administration Physician Pay Comparability Act of 1975, and related legislation. This bill provides special pay and other improvements designed to enhance the recruits and retention of physicians, dentists, nursing personnel, and other health care personnel in the Department of Medicine and Surgery of the Veterans' Administration.

The hearings will begin at 9:30 each morning and will be held in room 4200 of the Dirksen Senate Office Building.

The committee looks forward to hearing testimony from Dr. John Chase, Chief Medical Director of the Veterans' Administration Department of Medicine and Surgery, as the leadoff witness. We will also be receiving testimony from other officials in the Veterans' Administration hospital system, the special medical advisory group of the Department of Medicine and Surgery, the National Committee of Concerned VA Physicians, veterans organizations, the Association of American Medical Colleges, the American Nurses Association, the American Federation of Government Employees, and other interested groups.

In an effort to increase the number of physicians in the Armed Forces and the U.S. Public Health Service, Congress last year enacted legislation—Public Law 93-274—to authorize the payment of cash bonuses to physicians who agreed to serve in the military or the PHS. Bonus payments of up to $13,500 a year for 4 years were authorized under such agreements. Physicians in these services can now earn as much as $55,594 a year, and the average salary is over $37,000.

Physicians in the VA health care system were not included under that legislation. The salary of a VA physician cannot exceed $36,000 due to the statutory ceiling on Federal salaries. The average VA physician's salary is $31,000, substantially less than his or her peers in the two other major Federal health services or in private medical practice. Because of this lack of physician pay comparability, in the last year literally hundreds of VA physicians have left the VA for other, more lucrative jobs, and the exodus has reached the point where the continued high quality of VA health care is threatened.

S. 1711 would give the VA the same authority to pay special bonuses to VA physicians as the military and Public Health Service were given last year.

Anyone who desires to submit information regarding these subjects or a written statement for inclusion in the hearing record should contact Larry White at 224-1331 or 224-9887 as soon as possible.

NOTICE OF HEARING

Mr. BURDICK. Mr. President, as chairman of the Judiciary Committee's Subcommittee on National Penitentiaries, I wish to announce that hearings for consideration of S. 1243, legislation providing for the relocation of certain District of Columbia correctional facilities, have been scheduled at 10 a.m. on June 17 and 24, 1975, in room 6202 of the Dirksen Office Building.

The legislation sets a January 1, 1978, deadline for the District of Columbia to construct penal facilities within its own boundaries capable of housing the inmate population which is now located in the Lorton Penal Institutions in the Lorton-Occoquan area of Fairfax County, Va. If the District has not complied by that date, the Attorney General may select a site within the District for the construction of such facilities or may

take other steps to transfer the inmate population from the Lorton facility. The legislation also provides that any new construction would be financed by the proceeds from the sale of the land and buildings at the present Lorton site, as well as any moneys already appropriated by Congress for renovations or improvements at Lorton.

Any person who wishes to testify or submit a statement for inclusion in the record should communicate as soon as possible with the Subcommittee on National Penitentiaries, room A-404 Senate Annex, telephone 224-5461.

NOTICE OF HEARINGS ON OPERATING EXPERIENCES UNDER THE STATE AND LOCAL FISCAL ASSISTANCE ACT OF 1972

Mr. HATHAWAY. Mr. President, I wish to announce that the Subcommittee on Revenue Sharing will hold hearings on operating experiences under the Federal revenue sharing program.

The hearings will be held on May 21 and 22, 1975, at 10 a.m., in room 2221, Dirksen Senate Office Building. On May 21 the subcommittee will receive testimony from the following witnesses:

The Honorable Neil Goldschmidt, mayor of Portland, Oreg.

The Honorable John Poelker, mayor of St. Louis, Mo.

The Honorable Charles Joseph, mayor of Benton Harbor, Mich.

The Honorable Woodrow W. Dumas, mayor of Baton Rouge, La.

The Honorable Moon Landrieu, mayor of New Orleans, La.

On May 22 the subcommittee will receive testimony from Mr. George Rienke, county executive, Dane County, Wis., and several additional witnesses, to be announced.

Each of the witnesses is requested to incorporate in his testimony and furnish for the record written responses to the following questions:

First. What were the principal uses of your general revenue sharing entitlements from 1973 to 1975?

Second. In what ways did your Government decide how these funds should be allocated? What kind of citizen participation did you experience in setting priorities? Does this in any way differ from your normal experience?

Third. How would you compare your experience with general revenue sharing to other major Federal aid programs in which you participate? How would you compare these programs in terms of—

(a) method of expending funds;

(b) accounting and auditing standards;

(c) reporting requirements;

(d) certainty of funding;

(e) use requirements—latitude in decision-making; and

(f) public awareness of funding and utilization.

Fourth. Since the availability of general revenue sharing, what impact have these funds had on the level and composition of your revenues and expenditures?

Fifth. What, if any, legislative modifications are needed based on your experiences?

Sixth. Please provide in tabular form a summary of the general revenue sharing entitlements you have received and expenditures you have made since enactment of this program—in terms of your entire operating budget.

Further hearings are contemplated so that additional testimony will be received by the subcommittee.

Legislative Reorganization Act. The Legislative Reorganization Act of 1946, as amended, requires all witnesses appearing before the committees of Congress—

To file in advance written statements of their proposed testimony, and to limit their oral presentations to brief summaries of their argument.

Witnesses scheduled to testify must comply with the following rules:

(1) A copy of the statement must be filed by the close of business two days before the day the witness is scheduled to testify.

(2) All witnesses must include with their written statement a *summary of the principal points included in the statement.*

(3) The written statements must be typed on letter-size paper (not legal size) and at least *75 copies* must be submitted by the close of business the day before the witness is scheduled to testify.

(4) *Witnesses are not to read their written statements* to the Subcommittee, but are to confine their ten-minute oral presentations to a summary of the points included in the statement.

(5) Not more than ten minutes will be allowed for oral presentation.

Written statements. Persons who desire to present their views to the subcommittee are urged to prepare a written statement for submission and inclusion in the printed record of the hearings. These written statements should be submitted to Michael Stern, Staff Director, Committee on Finance, room 2227, Dirksen Senate Office Building on or before June 6, 1975.

ADDITIONAL STATEMENTS

FORD'S VETO STANDS UP

Mr. FANNIN. Mr. President, if the United States is to recover economic stability, Congress is going to have to start showing more responsibility in the passage of legislation. At least a half dozen important bills passed by the Senate this year would serve to increase inflation, curtail energy production or cause other effects detrimental to economic recovery.

The farm bill was one such piece of legislation, and I am encouraged that the House of Representatives upheld President Ford's veto. The Congress seem determined to fight the President rather than to work with him. This is indeed unfortunate in this time of crisis.

Mr. President, the Arizona Republic yesterday carried an editorial commenting on the veto of the farm bill and the need for a veto of the strip mining legislation. I ask unanimous consent to have the editorial printed in the RECORD.

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

FORD'S VETO STANDS UP

The U.S. House of Representatives, in one of its rare bursts of fiscal responsibility, Tuesday upheld President Ford's veto on the one-year emergency farm bill.

Although the Democrats have two-thirds majorities in both houses, they were 40 votes short of getting the magical number to override the veto. The House action kills the bill without a Senate vote.

President Ford opposed the passage because he said it would add at least $1.8 billion to the 1976 budget, which already calls for a $60 billion deficit. The bill would have increased the target prices and interest rates on wheat loans by 51 percent, on corn by 63 percent and on cotton loans by about 18 percent. Dairy product price supports would have been mandated at 80 percent of parity.

The inflationary effects of the farm bill would have boosted prices as well as increased the budgetary deficit. That's why Ford vetoed it, and that's why the House upheld the veto.

Tuesday's precedent undoubtedly will encourage President Ford to veto the strip mining law, now awaiting presidential action. The new bill is much like the one Ford vetoed last year.

Surface Mining Control and Reclamation Act of 1975 sets minimum standards that states must observe in legislating strip mining control programs. It requires strip miners to return mined land to its original contours and establishes a per-ton tax on mined minerals to be used for the rehabilitation of "orphan" lands already stripped.

The measure will boost the cost of producing coal at the very time that Congress is urging everyone to cut down on energy usage. It will affect public utility rates, a large part of which is based on the cost of coal. The strip mining bill should be vetoed, and if enough people speak out loudly enough the veto will be upheld.

WORLDWIDE SUGAR SITUATION

Mr. INOUYE. Mr. President, I would like to express my continuing concern with the world situation as regards sugar. With the termination of the 40-year-old Sugar Act on December 21, 1974, we have all seen great fluctuation in the price of sugar worldwide. Since the United States produces only 55 percent of the sugar it consumes, and since world production has fallen below world consumption in the past 4 years, I would like to stress the importance of legislation protecting the Nation's supplies of sugar and assuring a stable price. It is well known that the State of Hawaii plays an important role in the production of this basic consumer product. I am, therefore, pleased to submit evidence of support to the adoption of a new Sugar Act, in the form of House Concurrent Resolution 60, passed on February 18, 1975 in both the house and senate of the eighth legislature of the State of Hawaii. This is one more example of the importance of legislation to the sugar producers in the United States. The significance of legislation to the consuming public has also been amply demonstrated in the marketplace this past year.

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

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

HOUSE CONCURRENT RESOLUTION, REQUESTING THE HAWAII STATE CONGRESSIONAL DELEGATION TO SUPPORT THE PASSAGE OF A SUGAR ACT.

Whereas, the United States Sugar Act of 1948, as amended in 1971, expired on December 31, 1974; and

Whereas, partly because of the failure of the United States Congress to renew the Sugar Act, sugar prices in the United States were affected by wide price fluctuations in the world sugar market; and

Whereas, while foreign sugar producers who had quotas under the United States Sugar Act had consistently fulfilled their commitments to deliver raw sugar to the U.S. market because of the stability the Sugar Act provided, such producers, in the absence of the Sugar Act, no longer felt obligated to supply sugar to the United States market; and

Whereas, one result was that raw sugar which ordinarily would have been delivered to the U.S. refiners found other markets, thereby reducing the available supply of sugar to American consumers; and

Whereas, adoption by the Congress of a Sugar Act would help to stabilize supplies of raw sugar to the United States market, in turn stabilizing both prices to the consumer and returns to the producer; and

Whereas, such stability would encourage investment in the further development of the sugar industry in Hawaii, which contributed $740 million to the State's economy in 1974; now, therefore,

Be it resolved by the House of Representatives of the Eighth Legislature of the State of Hawaii, Regular Session of 1975, the Senate concurring, that the Hawaii State congressional delegation be urged to lend their full suport to the introduction and passage of a Sugar Act; and

Be it further resolved that certified copies of this Concurrent Resolution be transmitted to each member of Hawaii's delegation to the United States Congress.

STATE-AUTHORIZED BINGO

Mr. DOLE. Mr. President, in last fall's general election, more than 70 percent of the voters in my State of Kansas marked their ballots to indicate that they favored the legalized conduct of bingo games by certain organizations. Accordingly, this past April 1, a new State law took effect to authorize licensing and operation of such activities.

ADVERTISING PROHIBITED

Unfortunately, approved applicants quickly learned that they faced considerable frustration in their efforts to publicize the time and location of scheduled bingo events. That is, the Postal Service made it clear that existing Federal law prohibited sending through the mail any publication which contained advertising or information relative to a "lottery" enterprise—unless it so happened that the State itself was the sponsor.

Bingo, being a game of chance, falls within the definition of "lottery," and thus cannot be mentioned in any printed materials delivered by mail—whether it be letters, newspapers, or circulars. The only exception to this restriction would again be in the case of a bingo operation actually conducted by a State.

OLD FEDERAL LAW

Even that change from previous law was not initiated until the end of the last Congress when S. 544—the bill dealing with legal lotteries—was enacted. Up to then, there had been a general prohibition in the Federal Criminal Code against transporting, mailing, or broadcasting any information concerning lotteries, regardless of their legality under State law.

That prescription had originated during the era when lotteries and similar games of chance, including bingo, were uniformly banned as an invitation to corruption. Although in 1963, State-run sweepstakes and related projects began reappearing—concurrent with changes in their own respective statutes—the Federal law in the area remained unchanged until Public Law 93-583 was enacted on January 2, 1975.

1974 HOUSE PROPOSAL

In its initial deliberation on the concept incorporated in that new law, the Subcommittee on Claims and Governmental Relations of the House Judiciary Committee last October reported a bill, H.R. 6668, which sought to eliminate the outdated and conflicting standards by exempting not only "a lottery conducted by a State acting under the authority of State law," but also "a lottery authorized and licensed in accordance with State law." Unfortunately, the latter provision was stricken in the full committee, so that the final bill was limited to "State-conducted lotteries" only.

The primary reason for that deletion was an expression of opposition from the Justice Department—based on the fear that undesirable elements might benefit if licensed, thereby leading to criminal involvement in gambling. In other words, the Attorney General was reluctant to endorse any proposal without some guarantee that appropriate discretion would be exercised relative to the private profit motive.

KANSAS APPROACH

While I can appreciate that concern, I also believe State legislatures and State revenue directors deserve some credit for being able to pass and administer a law in keeping with the best interests of their respective jurisdictions. In Kansas, for example, bingo operations may be conducted only by bona fide nonprofit religious, charitable, fraternal, educational and veterans' organizations—and even those are closely regulated, licensed and taxed by the State.

Because of the recognized desirability of providing adequate safeguards on the financial scope of these activities, the games are further limited as to per-card charges, per-game prizes, and per-diem combined value of awards. Moreover, no individual person may profit from his participation in the management or operation of a bingo event, and strict recordkeeping requirements are imposed.

EQUAL TREATMENT

Given this judicious approach which my State has taken to the legalization of bingo, then, it is my belief that they should be entitled to the same privilege and rights extended to other States which conduct their own lotteries. That is, regardless of the merits of the practice of playing bingo itself—and, certainly, there are many who oppose it—the people of Kansas and other States in similar situations deserve equal application of the law.

It is in such a spirit that I introduced on Monday of this week a bill, S. 1718, to permit State-authorized and State-licensed bingo games to be advertised on a par with State-conducted lotteries elsewhere. In other words, information regarding the time and place of these activities could—with enactment of my bill—be sent freely through the mails without violating any Federal law or regulation.

MEET JUSTICE OBJECTIONS

I am hopeful that action on this proposal will be facilitated by a Justice Department statement on nonopposition to the measure, which opinion I have requested. I have submitted that approval of S. 1718 by the Attorney General would not be inconsistent with previous stands in that the language is narrowly drafted to affect only the game of bingo, and then only where such operations are licensed.

Current information supplied by the Library of Congress on this indicates that, besides Kansas, only the States of Colorado, Illinois, Iowa, Maine, Michigan, Montana, New Jersey, Washington, and Wisconsin—a total of 10—might now qualify for the exemption I am seeking. I have extracted the relevant portions of the statutes from those jurisdictions and will be presenting them both to the Department of Justice and to the Senate Judiciary Committee for their examination and review.

QUESTIONS OF CONSISTENCY

Mr. President, the introduction of my bill to allow bingo advertising was prompted in part by some very perplexing questions which were directed to me by bewildered constituents wondering why it was all right to start playing bingo, but against the law to tell anyone about it. They also expressed some concern over the possible inconsistency, if not discrimination, in the fact that they are forbidden to utilize the most convenient media forums available to publicize their nonprofit organization-sponsored fund-raising events, while in other areas of the country newspapers and broadcasters routinely include paid announcements regarding paramutual betting events or even full-scale casino operations.

There may be a first amendment problem implicit in all this, and perhaps some "States' rights" and "equal protection" arguments as well. The point is, we should endeavor to be reasonable in the enforcement of our Federal laws where the States have striven to be responsible in the construction of theirs; if we are, then we will not as a practical matter find ourselves in the business of frustrating public policy.

I would hope that a majority of my colleagues would agree with me on this important "grass roots" issue, and support the clarification which I am proposing. To assist them in making that determination, Mr. President, I ask unanimous consent that the text of S. 1718, along with the Kansas bingo law, be printed in the RECORD.

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

S. 1718

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) chapter 61 of title 18, United States Code, is amended by adding at the end thereof the following new section:

"§ 1308. STATE AUTHORIZED BINGO

"(a) The provisions of sections 1301, 1302, and 1303 of this title shall not apply to an advertisement, list of prizes, or other information concerning a bingo game conducted or operated within any State, if such game is conducted or operated under authority of, and licensed in accordance with, the laws of that State, and if such advertisement, list, or information is contained in a newspaper of general circulation published in that State.

"(b) For purposes of this section, the term—

"(1) 'bingo' means a game in which each participant receives one or more cards each of which is marked off into twenty-five squares arranged in five horizontal rows of five squares each and five vertical rows of five squares each, with each square being designated by number, letter, or combination of numbers and letters, and the center square designated with the word 'free' with no two cards being identical, with the players covering squares as the operator of such game announces a number, letter, or combination of numbers and letters appearing on an object selected by chance, either manually or mechanically from a receptacle in which have been placed objects bearing numbers, letters, or combinations of numbers and letters corresponding to the system used for designating the squares, with the winner of each game being the player or players first properly covering a predetermined and announced pattern of squares upon the card being used by such player or players.

"(2) 'State' means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or any territory or possession of the United States.".

(b) The section analysis of chapter 61 is amended by adding at the end thereof the following new item:

"1308. State authorized bingo."

SEC. 2. Section 3005(d)(1) of title 39, United States Code, is amended by inserting immediately after "State law," the following: "or concerning any bingo game conducted or operated within such State if such game is conducted or operated under authority of, and licensed in accordance with, the laws of that State,".

KANSAS BINGO LAW

(An act providing for the regulation, licensing and taxation of the operation or conduct of games of bingo by bona fide nonprofit religious, charitable, fraternal, educational and veterans' organizations).

Be it enacted by the Legislature of the State of Kansas:

Section 1. As used in this act the words and phrases herein defined shall have the following meaning unless the context otherwise requires:

(*a*) "Bingo" means a game in which each participant must pay a charge and a prize or prizes are awarded to the winner or winners in which each participant receives one or more cards each of which is marked off into twenty-five (25) squares arranged in five (5) horizontal rows of five (5) squares each each and five (5) vertical rows of five (5) squares each, with each square being designated by number, letter or combination of numbers and letters, and the center square designated with the word "free" with no two (2) cards being identical, with the players covering squares as the operator of such game announces a number, letter or combination of numbers and letters appearing on an object selected by chance, either manually or mechanically from a receptacle in which have been placed objects bearing numbers, letters or combinations of numbers and letters corresponding to the system used for designating the squares, with the winner of each game being the player or players first properly covering a predetermined and announced pattern of squares upon the card being used by such player or players.

(*b*) "Religious organization" means any organization, church, body of communicants, or group, gathered in common membership for mutual support and edification in piety, worship, and religious observances, or a society of individuals united for religious purposes at a definite place.

(*c*) "Charitable organization" means any organization which is operated for the relief of poverty, distress, or other condition of public concern within this state.

(*d*) "Fraternal organization" means any organization within this state which exists for the common benefit, brotherhood, or other interests of its members and is authorized by its written constitution, charter, articles of incorporation or bylaws to engage in a fraternal, civic or service purpose within this state.

(*e*) "Educational organization" means any public or private elementary or secondary school or institution of higher education.

(*f*) "Veterans' organization" means any organization within this state or any branch, lodge, or chapter of a national or state organization within this state, the membership of which consists exclusively of individuals who qualify for membership because they were or are members of the armed services or forces of the United States.

(*g*) "Nonprofit organization" means any organization which is exempt from taxation under paragraphs (4), (5), (6), (7) and (8) of subsection (*c*) of section 501 of the internal revenue code of 1954, as amended.

Sec. 2. The power to regulate, license and tax the operation or conduct of games of "bingo" by bona fide nonprofit religious, charitable, fraternal, educational and veterans' organizations is hereby vested exclusively in the state and shall be exercised as provided in this act.

Sec. 3. Any bona fide nonprofit religious, charitable, fraternal, educational or veterans' organization desiring to operate or conduct games of "bingo" within the state of Kansas may make application for a license thereunder in the manner herein provided. Application for licenses required under the provisions of this act shall be made to the secretary of revenue upon forms prepared by the attorney general and shall contain:

(a) The name and address of the organization;

(b) the particular place or location for which a license is desired; and

(c) a sworn statement verifying that such organization is a bona fide nonprofit religious, charitable, fraternal, educational or veterans' organization authorized to operate within the state of Kansas signed by the presiding officer and secretary of the organization. Such application shall be accompanied by a fee of twenty-five dollars ($25). Each license issued prior to July 1, 1975, shall expire at midnight on June 30, 1976, and each license issued after such date shall expire at midnight on June 30 following its date of issuance. A licensee may hold only one license and that license is valid for only one location: *Provided,* That any licensee may operate or conduct games of bingo on not to exceed five (5) days in any one year at locations other than that specified in the license. Licenses issued under the provisions of this act shall not be transferred or assignable. No organization which denies its membership to persons for the reason of their race, color, or physical handicap, shall be granted or allowed to retain a license issued under the authority of this act. Except for nonprofit adult care homes licensed under the laws of the state of Kansas, no license shall be issued to any organization under the provisions of this act which has not been in existence continuously for a period of five years immediately preceding the date of making application for a license and in the case of fraternal and veterans' organizations which have not had during such entire five-year period a dues-paying membership in Kansas engaged in carrying out its objects. Such five-year requirement shall not apply to a local organization which is affiliated with and chartered by a national organization which meets this five-year requirement. The licensee shall display the license in a prominent place in the vicinity of the area where it is to conduct 'bingo."

Sec. 4. For the purpose of providing revenue which may be used by the counties and cities in the enforcement of the provisions of this act, from and after the effective date of this act, for the privilege of operating or conducting games of "bingo" under the authority of this act, there is hereby levied and there shall be collected and paid by each licensee a tax at the rate of two percent (2%) upon the gross receipts received by the licensee from charges for participation in such games and any admission fees or charges in connection therewith. The tax imposed by this section shall be in addition to the license fee imposed under section 3 of this act.

Sec. 5. On or before May 15, 1975, and on dates thereafter, prescribed by the director of taxation, every organization operating or conducting a game of "bingo" shall make a return to the director of taxation upon forms prescribed by the director stating the name and address of the organization, the amount of the gross receipts received from charges for admission or participation in such game during the preceding reporting period, and such other information as the director may deem necessary. The organization making the return shall, at the time of making such return, pay to the director of taxation the amount of the enforcement tax then due under section 4 of this act. The director may extend the time for making returns and payment of such taxes for a period not exceeding sixty (60) days under rules and regulations adopted under the provisions of this act.

Sec. 6. Games of "bingo" operated or conducted by organizations licensed under the provisions of this act shall be operated or conducted subject to the following restrictions:

(a) The entire gross receipts received by any such organization from the operation or conduct of games of "bingo," except that portion utilized for the payment of the cost of prizes and license fees and taxes imposed under the provisions of this act, shall be used exclusively for the lawful purposes of the organization permitted to conduct that game;

(b) No person except a bona fide member of the sponsoring organization may participate in the management or operation of the game;

(c) No person may receive any remuneration or profit for participating in the management or operation of the game;

(d) The aggregate value of all prizes including the retail value of all merchandise awarded by any such organization in any single day to winners of games of "bingo" shall not exceed one thousand seven hundred fifty dollars ($1,750);

(e) The total number of games operated or conducted by any such organization in any one day shall not exceed twenty-five (25) and not more than five (5) of such games shall be jackpot or special games;

(f) The prize awarded in any one regular game shall not exceed fifty dollars ($50) cash or its equivalent and such prize in any one jackpot or special game shall not ex-

ceed five hundred dollars ($500) cash or its equivalent.

(g) The charge made for a single card to play in games other than jackpot or special games shall not exceed one dollar ($1) and such card shall be valid for all regular games conducted or operated by the licensee on such day; the charge made for a single card to play in any single jackpot or special game shall not exceed one dollar ($1);

(h) Games of "bingo" shall not be operated or conducted by any such licensee upon more than two calendar days in any one week;

(i) All licenses issued under the provisions of this act shall be issued in the name of the organization licensed;

(j) Each licensee shall keep a record of all "bingo" games operated or conducted by it for a period of three years following the date the game is operated or conducted;

(k) No person under the age of eighteen (18) years shall participate in the operation or conduct of any game of "bingo" operated or conducted by any organization licensed under the provisions of this act;

Sec. 7. The secretary of revenue, after a hearing on the record and with reasonable notice to the licensee and an opportunity to appear and defend, shall revoke any license issued under the provisions of this act for any one of the following reasons:

(a) If a licensee has fraudulently obtained the license by giving false information in the application therefor;

(b) If the licensee has violated any of the provisions of this act or any rules and regulations of the secretary of revenue for the administration or enforcement of this act;

(c) If the licensee has become ineligible to obtain a license under this act.

Within twenty (20) days after the order of the secretary of revenue revoking any license, the licensee may appeal to the district court of the county in the manner provided by K.S.A. 1974 Supp. 60-2101 et seq., except that any appeal taken from an order revoking any such license shall not suspend the order of revocation during the pendency of any such appeal. In case of the revocation of the license of any licensee, no new license shall be issued to such organization, or any person acting for or on its behalf, for a period of six (6) months thereafter.

Sec. 8. The administration of this act shall be vested in the secretary of revenue who shall have power to adopt and enforce rules and regulations to properly administer and enforce the provisions of this act. The secretary may appoint or employ any necessary employees for the proper enforcement of this act.

Sec. 9. Illegal bingo operation is the operation or conduct of games of bingo without a license or in violation of the provisions of this act or rules and regulations adopted pursuant thereto.

Illegal bingo operation is a class B misdemeanor.

Sec. 10. All amounts received by or for the secretary of revenue from license fees pursuant to section 3 of this act shall be remitted to the state treasurer and the state treasurer shall deposit all of such funds in the state treasury and shall credit the same to the state general fund. All amounts received by or for the secretary of revenue from the enforcement tax pursuant to section 4 of this act shall be returned to the counties and cities in which the licensed premises are located at a time or times fixed by the secretary but not less than once in each year. If the licensed premises is located within the corporate limits of a city, all taxes collected therefrom shall be remitted to the city treasurer of such city and credited to the city general fund. If the licensed premises is located within the unincorporated area of any county, all taxes collected therefrom shall be remitted to the county treasurer of such county and credited to the county general fund.

Sec. 11. This act shall take effect and be in force from and after April 1, 1975, and its publication in the official state paper.

HOBOKEN—AN URBAN SUCCESS STORY

Mr. WILLIAMS. Mr. President, when we hear about cities today we usually hear about blight and decay—about crime and alienation. In Congress, we have been searching for ways to halt the deterioration of urban housing and to reverse the feelings of estrangement and isolation of our city dwellers.

Urban living is one of the greatest challenges we face as a society. It is fraught with complexities and difficulties but its rewards can be tremendous.

This morning's New York Times gives recognition to a city which is meeting this challenge, and meeting it with success. Hoboken, N.J., is literally minutes away from downtown Manhattan. It is a city of about 45,000 people which is located in the middle of the most urbanized area of the Nation. It has faced many of the same problems that have confronted the hundreds of other metropolises that range along our east coast.

But, Hoboken is different. Instead of having its downtown residents flee to the suburbs, Hoboken is experiencing an influx of suburbanites and of disenchanted residents of Manhattan. Instead of allowing its housing to deteriorate, Hoboken's mayor, Steve Cappiello and its Model Cities director, Michael Coleman, have actively and successfully encouraged rehabilitation.

Hoboken's success in preserving and improving its homes and buildings stems in large part from its creative use of Federal community development and housing programs. Century-old brownstones have been rehabilitated; an old factory has been converted into an apartment building and clumps of tenements have been gutted and renovated to provide low-rent housing.

Those of us who have fought long and hard for our Federal housing programs can indeed take great pride in what Hoboken has accomplished.

For beyond rebuilding housing, Hoboken has rebuilt the spirit of community which once prevailed throughout America. As Betty Fitzenrider, a psychiatric social worker commented to the Times, "group therapy is impossible here because everybody knows everybody else."

Mr. President, I hope that Hoboken can serve as an example and inspiration to us in our work and to other urban communities. Therefore, I ask unanimous consent that the New York Times article be printed in the RECORD.

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

HOBOKEN—SOMEHOW, BOTH PRIVATE AND FRIENDLY

(By Nadine Brozan)

HOBOKEN, N.J.—"The wonderful thing about this city is how perfectly ordinary it is. It's not spectacularly ordinary, it's simply a functioning community," Rita Christopher, a recent emigre from Manhattan's East Side, said as she waited for guests in her century-old brownstone here.

"You can live a relaxed life, be civil to your neighbors and live, inasmuch as one's personality allows, at peace with the world," she went on. "That's what we all imagine our lives will be, and it's the hardest thing in the world to find."

Stroll around this mile-square city of 45,000 inhabitants and, if you ignore the dazzling view of Manhattan across the Hudson, you might indeed think this is an ordinary place.

AN OPEN PRIVACY

The banks, clothing stores, fishing tackle shop, the poultry dealer, where you choose your live chicken, and the five supermarkets appear quiet, even at midday. Posters for a recent election hang in almost every window, and Bingo schedules are prominent on church bulletin boards.

But only by superficial standards is Hoboken ordinary. It is urban with a small-town personality, an old seaport that lost its industry but not its hybrid character, a blue-collar town that lures professionals from Manhattan.

Hoboken, nearly everyone agrees, respects privacy, and privacy here means that everybody knows who's visiting whom, but nobody talks about it. Doris Di Zefalo and her neighbor, for instance, got together to put up a tall fence separating their property. "Now we stretch on our toes to talk over it," said Mrs. Di Zefalo, an artist who bought her house two years ago.

Much of Hoboken's rejuvenation is credited to massive private development, aided and guaranteed by the Federal Government, mainly through Model Cities, and to an unusual approach to housing: City officials believe in saving housing before it is beyond salvation.

As a result, clumps of tenements have been gutted and combined into modern low-rent apartment complexes, townhouses have been restored and innovations, such as the conversion of an old factory into an apartment building, implemented. Rents run in the area of $135 to $200 for a three-bedroom apartment. A house can be bought for roughly $25,000 to $45,000.

An additional incentive—a home improvement loan plan that gives home owners 3 per cent loans with minimum restrictions—has attracted several dozen outsiders, city dwellers who found cooperatives there too expensive and suburban families in flight from the car pool-swimming pool ethos.

They are the ones who sound most like crusaders, with their constant talk of proximity to the city, safety, sense of community and friendliness.

"Group therapy is impossible here because everybody knows everybody else," commented Betty Fitzenrider, a psychiatric social worker.

While many newcomers are from Manhattan, Michael Flanagan, a computer systems salesman who builds harpsichords in his spare time, moved from Park Slope in Brooklyn, itself an enclave of brownstones renovated by Manhattan refugees.

"After 20 years in Park Slope, I knew six people. After two years here, the number of friends I have is phenomenal," he said. "The feeling is that we all have the same problems, so the least we can do is be sociable."

LIFE-STYLE IS ACCEPTED

A bachelor, Mr. Flanagan bought his house the same weekend two years ago as did a close friend, Nikki Counselman, who is divorced.

Their single status and the fact that they have had a long-standing relationship were readily accepted, despite the community's family orientation.

"What they don't understand is, "What is a nice lady like me doing working," said Mrs. Counselman, an actress and television com-

mercial model, who is an astonishingly youthful looking grandmother. "You do have to fit in to some extent, but it's much easier here—as long as you go by the book. If I were a single woman with a different date every night, that wouldn't go."

The Hudson County community, minutes away from Manhattan by train or bus is a melting pot in which nobody has melted into homogeneity. The earliest settlers, the Dutch and Germans, worried when they saw the Irish moving in. The Irish worried when the Italians moved in. The Italians worried when the Puerto Ricans arrived, and everybody worried when the folks from the city and suburbs came.

Now they live together, along with other ethnic groups, in relative tranquility, with references to the Puerto Ricans (who make up about 45 per cent of the population) as "them" and occasional complaints about bilingual programs in the schools the only apparent signs of prejudice.

With 17 square blocks, Hoboken is too small for ethnic ghettos. If people do not always break bread together, they do say hello to strangers, combine forces in community groups and tenants' committees and share such activities as the Y.M.C.A.'s Sunday family swim.

The home improvement loan program has enabled people such as Vincent Tarantino, a resident of 32 years, to maintain an extended family tradition that is especially strong among the Italian population.

Proudly showing off the construction work he is doing himself in an eight-unit building, Mr. Tarantino explained that he and his wife would occupy one apartment, two daughters and their families, two others.

While the older generation stays put because its roots sink too deep to be transplanted and the newcomers are lured by space and neighborhood spirit, the young people, who 10 to 20 years ago would have climbed up—and out—to suburbia, are remaining in greater numbers, too.

"My husband wanted to move to Brooklyn, but I just couldn't picture myself living anywhere else," said Sharon Florio, 26. "My mother lives a block away, my friends and family are all here." Her 11-month-old son is cared for by her sister's mother-in-law, while Mrs. Florio works as administrative officer for the Project Rehab relocation office.

Leo Genese, a 42-year-old schoolteacher, recalled that when he was growing up, "There was a stigma attached to this town . . . the thing to do was to get through college, get your ticket punched and get out."

"We thought of moving to the suburbs because we have three children, but we both really wanted to stay," Mr. Genese said. "We live in a functional house, we have no big mortgage, no lawn to mow. Whatever our children miss here, they see in the city."

"And I don't have to drive the children (Alice 3d, 14, Leo, 3d 11, and William, 7, who are fifth-generation Hobokenites); they can walk anywhere," his wife, Alice, interjected.

OLD AND NEW

In many ways, the Geneses bridge old and new breed of activist, running the "Y" camp for underprivileged children and campaigning for school improvement. But, in the manner of a town that reveres family relationships, they stay close to parents and other relatives.

The impact of the city dweller is the subject of frequent debate in all quarters, but there is no question that the fears their presence first aroused were unfounded.

"My group, the World War II people, felt this was an intrusion," said Mayor Steve Capiello, a former police sergeant. "They were afraid of the left-of-center liberal style, but the fact is that the Manhattan people really came here to accept our style, shop in our ethnic shops and eat in our ethnic restaurants."

Despite contentions that newcomers have so far had little influence, they have been in the forefront of such movements as Citizens for Better Education, which last year won a seat on the Board of Education (there is general discontent about the public schools), and in the battles of the Hoboken Environment Committee.

In fact, when the newcomers are not busy working on their renovations—or discussing them—they are at a constant round of meetings.

"The kids' favorite game is playing, 'Mommy's going to a meeting,'" said Doris DiZefalo, who expects her second child soon.

For all their meetings, the newcomers emphatically do not want to alter the small-town character of Hoboken: That is, after all, what drew them here. As one resident put it: "We don't want to change them, we want to assimilate into them, we are literally begging, 'Let us melt in.'"

TOWARD A FULL EMPLOYMENT ECONOMY

Mr. BROOKE. Mr. President, the availability of a job for every person willing and able to work is the highest priority for our Nation. Next Tuesday, May 20, 1975, an important forum is being held by the Congressional Black Caucus and the Joint Center for Political Studies to begin a significant step in moving the Nation toward implementation of a full employment economy. The forum, title "Toward Full Employment: A Viable Economic Goal," will be held in the Rayburn House Office Building, rooms 338–340 beginning at 9 a.m. All Members of the Senate and the House have been invited to attend the forum. Participants will include Vice President NELSON ROCKEFELLER, Speaker of the House CARL ALBERT, Mayor Coleman Young of Detroit, Clarence Mitchell of the NAACP, and Patrick Murphy of the Police Foundation.

Two recent New York Times editorials bring into focus the full employment issue which the Congressional Black Caucus forum will consider. I ask unanimous consent that they be printed in the RECORD.

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

HOW MANY JOBLESS—HOW MANY JOBS

It is a measure of the bankruptcy of economic thought that most economists, of all schools and political persuasions, believe the United States must resign itself to an unemployment rate of at least 6 percent for the rest of this decade.

When President Kennedy made 4 per cent joblessness his target in the nation's pullout from the recession of 1960–61, he was at pains to stress that this was an interim goal and not to be viewed as an acceptable yardstick of normal employment. The popular wisdom among economists now is that the potential price in renewed inflation is too high to make even 4 per cent realistically attainable.

That is not a supportable "trade-off," to use the chilling term so glibly employed in current calculations. The reality is that the underpinnings of the calculations themselves are dubious in a period when none of the orthodoxies, whether those of Adam Smith or of John Maynard Keynes, offers much of a guide on how to balance price stability and full employment.

Even the notion that substantial levels of unemployment operate over the long haul as a significant brake on inflation is open to question in light of the rigidities of cost-of-living escalators and other wage boosters and the speed with which the over-all price index can be pushed by a single external development such as the oil cartel's quadrupling of fuel costs.

Moreover, the price of unemployment is high in terms other than the frustrations of the jobless and the loss to society of tens of billions of dollars in output. Unemployment insurance programs are being made more generous in both the amount and duration of benefits, with food stamps and welfare as supplemental cushions and mortgage and medical protection under consideration as well.

Public service employment is mushrooming under pressure of the current emergency, and there will be strong pressure for permanent programs to provide government-financed work as a matter of right for those who will remain idle after the gross national product turns upward. The House Subcommittee on Equal Opportunities is studying a bill by Representatives Augustus Hawkins of California and Henry Reuss of Wisconsin, with 85 co-sponsors, that calls for a comprehensive—and expensive—national program to cut unemployment to 3 per cent within eighteen months.

The program, with an initial budget estimated at $15-billion, would become the foundation for submission by the President each year of a "Full Employment and National Purposes Budget" that would guarantee jobs and define national priorities in such fields as conservation and development of national resources, health care, housing, mass transit, promotion of competitive private enterprise and the elimination of poverty.

Unquestionably a program formulated with such ambitious goals would vastly increase present rates of Federal outlay, quite possibly beyond the country's capacity; but it is worth remembering that the basic principle of the bill aims at putting into practice a policy that was adopted in theory by the Congress a quarter century ago. Any appraisal of its potential cost has to take into account that unemployment programs now under way are expected to cost in the neighborhood of $49 billion. That is money going out of taxpayers' pockets, as against taxes that would be coming in if the jobless were back on regular payrolls.

A 6 per cent standard for full employment would be a prescription for social unrest and permanent government deficits. The nation cannot accept the defeatist conclusion that one worker out of every sixteen must be permanently shut out of the labor market. There is no stability for either people or prices in such a design.

A PROPOSAL FOR A U.S. DOMESTIC FOOD POLICY

Mr. HUMPHREY. Mr. President, I invite the attention of this body to a statement by the U.S. Catholic Conference on a food policy for this country.

This statement points out the need for a comprehensive approach which considers the domestic hunger and nutrition problems in this country and the importance of school lunch, school breakfast, food stamp and elderly feeding programs.

The statement also points out the major role which the United States plays in international agriculture. I quote:

Recent food shortages have made us acutely aware that U.S. food and agricultural prices have a massive impact on the availability, quality and prices of food not only in this

country but throughout the world. Because food is a unique resource, necessary to life itself, our great capacity to produce carries with it awesome responsibilities. Our food policy must not be governed by profit considerations alone, but by the needs of hungry people.

The suggested policy also points out the importance of full production and an adequate return to our farmers. I, too, have maintained that it makes no sense to cut back on production at a time when world food reserves are at their lowest in over a quarter of a century.

We, as the statement indicates, should not ask farmers to assume all the responsibility for the risks involved in full production without adequate protection.

The conclusion rightly points out that hunger is often the result of persistent poverty, and food programs only supplement inadequate income. We need to emphasize jobs and adequate wages so that the basic food problems can be eradicated. I commend the Catholic Conference on taking this position. It provides a useful framework for our consideration of a variety of programs.

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

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

STATEMENT ON FEEDING THE HUNGRY TOWARD A U.S. DOMESTIC POLICY; U.S. CATHOLIC CONFERENCE, APRIL 16, 1975

The Department of Social Development and World Peace of the United States Catholic Conference takes the occasion of "Food Day," April 17, 1975, to urge Catholics to deepen their understanding of the food crisis and commit themselves to continued reflection and action to feed the hungry both here and abroad. The Church has a particular responsibility with regard to the food crisis since Jesus identified himself with the poor and hungry. We recognize with the 1974 Synod of Bishops the "right to eat" as a fundamental right which flows from the basic and inalienable right to life itself. It is for this reason that we look upon feeding the hungry as a requirement of justice.

Last November the Catholic Bishops of the United States adopted a pastoral plan of action on the world food crisis. The response to the Bishop's program has been widespread and significant. Many dioceses parishes, and other organizations instituted educational programs and raised funds for international humanitarian relief efforts.

The USCC has engaged in a sustained effort to influence public policy on food issues. Working with the National Catholic Rural Life Conference, Catholic Relief Services and the National Conference of Catholic Charities, the USCC has testified before Congress on food and agricultural policy, and the Food for Peace Program. The USCC has also opposed efforts to increase the price of food stamps, and has supported increased funding for food and nutrition development in our foreign assistance programs.

The grave international consequences of food shortages must be a continuing concern of the American people. However, we must not neglect the very serious food and nutrition needs in our country. The United States has a responsibility in both domestic and international areas. These responsibilities should not be seen in conflict with each other, but viewed as different aspects of the same problem.

The development of a comprehensive food policy is an urgent priority for the nation. Our government is currently considering various food issues. It will be necessary to weigh the competing interests of consumers, producers, and middlemen in the food distribution system. Farmers seek reasonable prices for their products; food processors, retailers and distributors are concerned about adequate return on their investment; consumers worry about rising food costs. Lower income consumers have a particular concern about the future of food stamps and other federal nutrition programs. In addition, policymakers need to evaluate the interests and unique responsibilities of the United States vis-a-vis world markets and international needs.

In the midst of these competing interests, our food policy should work toward full production, equitable distribution and price stability. At a time when world food shortages means starvation for millions, a U.S. agricultural policy of full production is absolutely essential. At the same time, U.S. food policy should not force low and middle income consumers and independent farmers to bear an unfair burden.

In view of these considerations, we shall address three areas of immediate concern: U.S. food needs and nutrition programs, ownership and control of resources, and full production and target prices.

1. U.S. FOOD NEEDS AND NUTRITION PROGRAMS

Many people in the United States continue to suffer from hunger and serious malnutrition. Rapid inflation in food prices, high levels of unemployment and a deep recession have meant a significant increase in hunger in America. While the problem is less severe in the United States than in other countries, it is no less harsh for those who endure it.

Hunger and malnutrition in this country are essentially the result of economic factors. Nutritional studies indicate that malnutrition rises as income declines and that the worst hunger is among the very poor. The consequences of malnutrition are very serious, especially for young children. It reduces productivity, motivation and educational performance, lowers resistance to disease, inhibits growth and development, and can even result in a shorter life-span.

There are over 37 million poor people in the United States. Many people lack adequate nutrition because they lack employment and income that would enable them to buy sufficient food. Their situation has worsened as the economy has declined. Public assistance and social programs have not kept pace with inflation. Jobs have become almost impossible to find as unemployment approaches nine percent. In addition, many elderly persons living on fixed incomes are also victims of serious malnutrition. Middle and working class families are victims of similar economic pressures. Caught in the web of inflation, recession, and high taxes, many of them have lost ground in their battle to provide their families an adequate diet.

In the last decade, the federal government has expanded programs aimed at providing an adequate diet for all Americans. Expenditures on domestic food programs have risen to an estimated $5.8 billion in the present fiscal year.

Recently it has been proposed that existing child nutrition programs be eliminated and a block grant approach be substituted which would cut $600-700 million from nutrition assistance. The USCC opposes reductions in domestic food aid. We urge Congress to resist attempts to eliminate these nutrition programs or reduce funding for food assistance. Instead, these programs should be reformed to eliminate inequities and administrative problems that may prevent eligible persons from participating. They must be expanded to meet increasingly serious needs during this time of economic decline.

A. Families

The food stamp program is the basic form of federal nutrition assistance for American families. This program now serves more than 18 million people, although studies indicate that it reaches less than half of those who may be eligible.

The food stamp program must be maintained and improved. We strongly oppose any increase in the price of food stamps. We support the recent action of Congress to prevent the proposed food stamp price increases and commend the President for his decision to accept that action. Appropriate steps should be taken to guarantee that the benefits of the program go to those who are actually in need. In addition, modifications are required to speed up the certification process and improve the outreach effort to involve other qualified families while guaranteeing that eligibility requirements are enforced.

B. School children

The federal government now provides nutritional assistance to nearly 25 million children through the National School Lunch Program. The program has both nutritional and educational value and should be extended and improved. Specifically, we support efforts to include the children of unemployed parents in the free lunch program and include orphanages and day-care centers in the subsidy program. We also support proposals to provide additional subsidies to cover increased costs in school lunch programs resulting from inflation.

The School Breakfast Program serves an adequate breakfast to almost two million children every school day. A nutritional breakfast has obvious educational and health benefits for low-income children who would otherwise go to school hungry. The level of the present program does not begin to meet the overall need. Additional funding and permanent status for the breakfast program are required.

Another undertaking that merits continued support is the special milk program. Many schools, especially those without hot lunch programs, benefit from this successful effort to provide milk to school children at reduced prices.

Many Catholic school students participate in these three programs. The Congress should be commended for recognizing the nutritional needs of non-public school children. We urge all qualified Catholic schools to provide these services for their students.

C. Mothers and young children

Infants, young children and expectant or nursing mothers have special nutritional needs. Food assistance at these stages can have major impact on the elimination of birth defects, mental retardation, and malnutrition in newborn children. The Women, Infants, and Children Program (WIC) is designed to provide high protein diet supplements to low-income women, infants, and young children. We strongly support the continued existence and expansion of this unique and important program.

D. Older Americans

The nutritional problems of the elderly living alone and on fixed income are especially tragic. They often lack the financial resources or physical health necessary to provide an adequate diet. The Older Americans Act provides funds for community feeding programs for the elderly through communal dining rooms and meals-on-wheels programs along with a range of supportive services. Unfortunately, many of our senior citizens with nutritional problems are not reached by this program. In addition to its food benefits, a fully implemented program would diminish our society's reliance on institutional care for the elderly. We endorse the program and efforts to expand its

availability. It is an important effort to meet the needs of our senior citizens.

E. Nutrition education

An essential element of a national policy against hunger and malnourishment is nutrition education. Consumers need opportunities to improve their knowledge regarding foods and eating habits and to better understand the relationship between health and nutrition. Schools and other institutions should be encouraged to provide broader programs in practical nutrition education.

II. OWNERSHIP AND CONTROL OF RESOURCES

Recent food shortages have made us acutely aware that U.S. food and agricultural policies have a massive impact on the availability, quality and prices of food not only in this country but throughout the world. Because food is a unique resource, necessary to life itself, our great capacity to produce it carries with it awesome responsibilities. Our food policy must not be governed by profit considerations alone, but by the needs of hungry people.

A disturbing phenomenon in the United States is the increasing concentration occurring in the food production system. We have experienced a rapid decline in the number of farms in the U.S. over the last two decades and a substantial migration of families from rural areas to already overcrowded urban centers. The high cost of land, technology and credit make it virtually impossible for young people to go into agricultural production on their own. Government policies have often fostered the promotion of capital intensive, corporate controlled agriculture. Our federal and local tax structures create incentives for wealthy non-farm investors in agriculture, but do little for the competent full-time farmer. We support an agricultural system based upon widespread ownership of resources and the means of production. Legislation is needed now to inhibit further encroachment upon agriculture by non-farm corporations and to insure that our land is kept in the hands of those who work it.

We are also concerned about the diminishing level of competition in the food processing and distribution system. In some sectors of the food industry fewer companies are controlling more and more of the market. This trend toward increasing concentration of control can lead to excessive profit and even higher prices for consumers. We urge a comprehensive study of non-competitive forces in the food industry and appropriate anti-trust action to eliminate monopolistic practices.

Decisions about the use of land and resources are often made without rational planning or sufficient concern for the environmental and human costs of those decisions. Suburban sprawl, surface mining, industrial development and other demands on the land are diverting over one million acres from agricultural use each year with potentially serious consequences for future food production. A more integrated and rational process for land use planning is necessary. With regard to agricultural land, the primary objective of land use legislation should be the conservation of such land for its unique food producing value and protection of a dispersed pattern of ownership.

III. FULL PRODUCTION AND TARGET PRICES

In light of present food needs, farmers must be encouraged to produce to full capacity. To cut back on production in the face of unmet world needs would be morally and ethically untenable. Neither is it acceptable, however, to ask farmers to assume total financial responsibility for the risks involved in full production without some protection. Widely fluctuating prices for farm products means at least uncertainty, and perhaps disaster, for small farmers. A system of equitable target prices should be established and reviewed at regular intervals to assure farmers a fair return on their investment and labor. Price supports can be set at levels that will not result in excessively high food prices for consumers, yet provide adequate protection for producers.

At the same time, we support the establishment of reserves of essential commodities to maintain price stability and to safeguard against future world food shortages. These reserves must be federally regulated in a manner that does not jeopardize a just return for farmers.

CONCLUSIONS

The debate over American food policy must be seen in a larger context. Hunger and malnutrition flow from basic failures in our society's social and economic structures. Hunger is often the result of persistent poverty, and food programs only supplement inadequate income. They cannot substitute for economic resources, jobs, decent wages, equal opportunity or the power to change economic and political institutions. These programs are not a solution to poverty, racial discrimination, inequitable taxation, or the isolation of the elderly. Fundamentally, our nation must provide jobs for those who are able to work and a minimal income to those who cannot. The U.S. Catholic Conference has consistently supported programs that would guarantee an adequate income for all Americans. We renew that call today.

At this point, however, Church institutions, parishes, and individual church members must seek out and help those in our midst who lack food. For as Pope Paul has said, it is not enough to point to injustice and human need. "Such words will lack real weight unless they are accompanied for each individual by a livelier awareness of personal responsibility and effective action."

At the same time, the Church must also participate in a rigorous and competent analysis of structures and systems that result in poverty and hunger. We must become advocates of change so that structures are adapted to meet the serious needs of those who now go hungry. In his Apostolic Letter, *A Call to Action,* Pope Paul says Christian organizations "have to express in their own way and rising above their particular nature, the concrete demands of Christian faith for a just, and consequently, necessary, transformation of society."

The hungry of the world have voiced their cries of anguish. We must respond to them not only with words of hope, but with actions that will mobilize the energies, talents, and resources of the Catholic community to assist people not only around the world but in this nation as well.

SENATOR MOSS ADDRESSES THE LEWIS RESEARCH CENTER CONFERENCE

Mr. GLENN. Mr. President, NASA's Lewis Research Center, in Cleveland, Ohio, was founded in 1941 to fill a gap that existed in this country in the research and development of aircraft engines. The center made substantial contributions to our massive aircraft development during World War II and since that time has been in the forefront of all propulsion developments from jet engines to rockets.

In recent years the scientists at Lewis have turned their attention back to jet engines in an effort to make them quieter and more efficient. A more efficient engine is, of course, a key element in the development of a more fuel efficient aircraft. Such a development should be one of our highest priority goals for the next decade in the face of higher prices and dwindling supplies of oil.

Each year the Lewis Center sponsors a conference of the Nation's leading experts to consider a topic of current interest. This year's conference, held May 12 and 13, was on the subject of aircraft propulsion and was attended by more than 500 experts.

FRANK E. MOSS, distinguished chairman of the Senate Committee on Aeronautical and Space Sciences, is one of the foremost proponents of the need to develop more fuel efficient aircraft. Specifically, Senator Moss urges that we aim for new aircraft which are 50 percent more fuel efficient by the late 1980's. That's a tough goal, but one which is attainable and which I fully support.

Mr. President, Senator Moss addressed the Lewis Conference on May 13 on the urgent importance of developing more fuel efficient aircraft. I ask unanimous consent that this excellent speech be printed in the RECORD.

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

CHALLENGE TO AVIATION—HATCHING A LEANER PTEROSAUR

(By Senator FRANK E. MOSS)

Scientists recently discovered, in Texas naturally, the fossilized remains of the world's largest flying creature—a reptile called the pterosaur. Its wingspan was over 50 feet, greater than most fighter planes. The problem was, this jumbo buzzard dined on dead dinosaurs, which gradually became a rather scarce aviation fuel, even in prehistoric Texas. Soon thereafter, the pterosaur declined.

Ladies and gentlemen, I'm concerned that history may repeat itself. Texas and the world around fear that the day is coming when oil may go the way of the dinosaur—an ironic historical twist. How can we continue feeding our twentieth century pterosaurs? Perhaps the answer is to hatch a new generation of them, a leaner, more fuel efficient version.

Four months ago I wrote Dr. Fletcher, the Administrator of NASA, asking him if NASA could establish, in collaboration with industry, a technology demonstration goal to make possible a much more fuel-efficient generation of commercial aircraft. NASA's response has been most encouraging. In recent testimony before the Senate Committee on Aeronautical and Space Sciences, NASA officials expressed their preliminary assessment: if a fuel efficiency program is pursued successfully, commercial aircraft produced in the late 1980's could be designed to use 50% less fuel than the present fleet.

Some observers have said that the most dramatic reductions in aviation fuel consumption are achievable without modifying the basic aircraft design at all. They point to our very inefficient use of commercial aircraft.

It is true that if passenger load factors were to reach only 70% fuel savings would be 25% better than pre-oil crisis days. And the installation of high density seating in our transports could further boost the overall efficiency.

Current CAB regulation prohibits air fare competition between the airlines, but competition still exists in the form of route scheduling wars and accommodations contests—wider seats, newer movies, shorter skirts.

Under this regulation we get quick reliable service from the airlines but we pay for it through lower load factors and higher fares. Recent events in Washington, such as National Airlines' proposal for a variety of fares for a given trip, suggest that load factors may rise dramatically in the next decade because of regulatory changes.

However, two considerations undercut, I think, the value of this approach:

1. The prospect of regulatory change is uncertain and speculative; and mainly,

2. It doesn't lead to better aircraft.

If we put our effort into developing more fuel efficient aircraft, we accomplish several goals:

1. We save fuel;

2. We cut the operations costs of the airlines;

3. We create jobs and stimulate the aerospace industry;

4. We get a more attractive product for export and domestic use, and, by the way, export of aircraft is the backbone of our hope for a favorable balance of payments.

One other point to note—you may have asked yourself what is NASA doing getting into energy conservation?

Isn't that ERDA's responsibility?

The answer is that NASA and industry have always been involved in the search for fuel efficiency. Every decrease in aircraft weight, decrease in drag or improvement in engine efficiency is a step in the right direction. The airplane is such an interdependent system that no agency *but* NASA is equipped to tinker with it.

So what kind of improvements does NASA foresee when they set this remarkable goal of a 50% improvement?

First, NASA engineers tell me that the use of the supercritical wing alone will result in a 10–15% overall economy improvement. The interesting thing about the supercritical wing is that the rising cost of fuel has changed its attraction altogether.

Originally it was seen as a means of achieving supercritical cruise speeds, that is, cruise speeds closer to the sound barrier.

But now rising fuel costs make higher speeds less appealing. Yet, an ancillary benefit of the supercritical wing is that the wing is fatter than conventional ones by about 50%. Because it's *fatter*, it can be made *lighter*. Unfortunately, this same concept does not apply to people.

But being lighter the wing can be lengthened to increase the wingspan. And as every aeronautical engineer knows, for reasons not altogether clear to most Senators, a bigger wingspan improves the aircraft efficiency and fuel economy.

To me the supercritical wing is a perfect example of the productivity of research. Research showed us how to change the wing shape into a simpler, lighter, and cheaper configuration that yields 10–15% more fuel economy. It's the closest thing I know of to getting something for nothing but some R&D dollars.

The second innovation that NASA will apply to the fuel stretching generation of aircraft is the winglet. I'm told that this is just a small vertical plate added to the wing tip. Apparently, engineers have sought the right shape and size of the winglet for many years, believing that drag could be reduced. None ever worked. But at last, researchers have discovered just the right combination. Tests of current versions show a 5% increase in aircraft fuel economy for very little additional weight to the aircraft and we think the winglet can be retrofitted to current aircraft. So they too will save money. It makes you wonder if aeronautics isn't more magic than science. After all, the alchemist of the Middle Ages and the aeronautical engineer seek the same end—to convert commonplace metal into gold. In the case of the winglet, we'll use aluminum to make black gold.

The third candidate for the next generation of aircraft are advanced composite materials which are twice as strong yet lighter than conventional materials. As you know, these consist of fibers of graphite, boron or nylon embedded in plastic-like material.

This technological breakthrough gives a double barreled energy benefit. First, the weight savings will lead to an estimated 10–15% overall fuel savings. And second, manufacturing a pound of composite material requires only 15% of the energy required to manufacture a pound of aluminum and less than 2½% of the energy needed to produce a pound of titanium, So with composite materials we save energy as we make them and as we use them.

NASA says that the obstacle right now is the lack of flight experience with this material and its cost. But the cost is dropping fast as more composites are produced. To gain flight experience with composites, many transports in service today are fitted with selected parts made of composites in order to evaluate them. From what I've seen, the move from metal to composites in aircraft will be as significant as was the jump from fabric to metal.

Another advancement will come in propulsion systems in the next generation of aircraft. I would have expected that we have already pushed jet engines to their limits considering that today's transports get three times the fuel economy of the 1958 jets. After all, current automobiles get worse mileage than those of 1958. Yet another 5–10% improvement is expected to come from reduced clearances, better seals and other black magic.

And NASA claims that we have on the horizon more advanced engines with the "preheated combustor inlet air concept" which may lower fuel consumption by another 10–20% over current turbofans.

One last innovation that may find its way into our next fuel-sipping generation of aircraft is what NASA calls "active controls" or "fly by wire" systems.

I must confess that "fly by wire" left me cold for a while. Even if it is quadruply redundant, I'd feel a lot safer with good old-fashioned link rods and hinges between the pilot's hands and the rudder and elevator. However, an engineer pointed out to me that the control surfaces on the 747—which I think is a pretty safe airplane—are moved hydraulically because a man doesn't have the strength to move them with muscle. I've decided that perhaps "fly by wire" is no worse than "fly by hose".

One thing for sure, fly by wire is here to stay.

An Air Force General recently told me that the F–16 and probably every Air Force fighter from now on will be fly by wire. But, he said, the biggest payoffs from this system are in store for transports, not fighters.

Fly by wire lets you build smaller and lighter airplane tails and even to relax the requirements on where the center of gravity is—so more cargo can be carried. The plane flies more smoothly, too. So there's less weight, less drag and more payload. NASA claims that the direct benefits alone of fly by wire and active control systems will give 5% better fuel economy.

Now if we rub our NASA crystal ball a little harder we can see even further into the future of aviation—beyond the 1980's. Sometime ahead engineers may discover a long-sought "cure" for the aeronautical equivalent of the common cold—that is, turbulent airflow, which saps the fuel efficiency of aircraft. If the airflow over the wings, fuselage and tail can be kept smooth (the engineers call it "laminar"), then fuel economy will jump by 20–40%. That's a bigger gain than that promised by any other single innovation.

In the 1960's such laminar airflow was achieved on an experimental aircraft by sucking air through thousands of holes on the wing. It worked for a while, but I'm told the holes eventually clogged up with dust.

There are many other schemes to achieve this laminar airflow, but so far none work. Considering the imagination of these NASA engineers, I fully expect that one day we'll get this whopping improvement in fuel economy through laminar flow control.

Another vision of the future includes gigantic flying wings carrying payloads up to 6 times that of the 747. The idea is to store the cargo inside the wing so that the load is distributed evenly instead of being concentrated in a fuselage. This way the wing can be made lighter. Of course the wing would have to be about 10 feet thick, but then that's not so tough—even Howard Hughes' plywood Spruce Goose had an 11 foot thick wing.

Finally, decades from now we probably will have other fuels for aircraft besides petroleum. Of particular interest is hydrogen, because pound for pound it has 3 times the energy of petroleum. Assuming storage problems can be worked out, hydrogen looks like an excellent aviation fuel.

Getting that much hydrogen may look difficult now but, who knows, by then we may have a total hydrogen economy. I do believe that hydrogen will play an increasingly important role in our economy. First, to power the space shuttle; later, as an energy storage medium that powers fuel cells as energy is required. Eventually, deuterium, a form of hydrogen, will be the fuel for fusion plants. Hydrogen itself might be transported as natural gas is today and used as a substitute for petroleum in airplanes and ground transportation.

But enough of worrying about our descendants' problems. Besides these far off visions of aviation, I've given you a glimpse of what NASA thinks we can actually put into the commercial aircraft built in 1985 to conserve fuel—perhaps 50% less fuel. Of course, this is just a goal; I don't know if we'll reach it or not but two things are certain—first, the generation of commercial aircraft built in 1985 or so will be significantly more fuel efficient than what we have today, and second, if we don't give NASA the money it needs for aircraft fuel efficiency research now, we'll be giving it to the Arabs as petrodollars later on.

NASA can stimulate new jobs for Americans, encourage design of better aircraft for U.S. export and cause a significant reduction in our dependence on oil imports from the Arabs. I'd say that's a bargain! I'd say I would pay NASA even more than they can save us in oil imports just to keep those dollars in our pockets and out of a sheik's moneybelt.

But there is one condition on my support of this aircraft fuel efficiency effort. I'm wholeheartedly behind it, except that I would never want to see it become the bargaining chip for lowering safety standards or for serious degradation in our aircraft environmental goals.

In the past in the commercial aircraft industry, safety has never taken a back seat to aircraft performance. I see no reason to mar that record now. I consider the environmental standards to be in the same category as safety. This may look like we're putting the aircraft manufacturers in the middle of a tug of war, but in reality everyone is pulling them in the same direction—toward a more desirable and saleable aircraft.

Finally I want to mention a segment of aviation that has long been overlooked. General aviation aircraft flew 80 million passengers last year—it is a fundamental transportation mode in many parts of our country. And one-third of the light planes produced in the U.S. are exported, so general aviation aircraft are also an important part of our technological exports.

Because of its wide-spread use and export, I believe the light plane should be included in the fuel efficiency program.

I was much disturbed last month by a NASA official's statement that the basic technology present in the light plane has not changed since the late 1940's. In other words, we're just beginning on the learning curve in general aviation.

The general aviation manufacturers are of

course much smaller in size than the air transport manufacturers and so their research budgets are far smaller as well. For this reason, I believe NASA can be of even greater assistance to general aviation in improving fuel economy as well as with other problems. Already, Piper Aircraft Company, working with NASA in a NASA-funded project, has put the supercritical wing on one of its light planes for tests. Engineers estimate that they will get a 10% saving in fuel and in addition a smoother ride and safer climb capability.

Another big problem for general aviation is meeting the tough 1979 EPA emissions standards for aircraft piston engines. You may have heard that NASA has been experimenting with the injection at the carburetor of very small amounts of hydrogen with the gasoline in automobile engines. The hydrogen is obtained by bleeding a little gasoline off and catalytically cracking it in a small device attached to the engine. Not only are the emissions reduced, but fuel economy is improved as well—mainly because the engine can be run much leaner than normal. This system looked so good on automobiles that NASA has begun experimentation with light aircraft engines. Researchers found that not only are the aircraft engine emissions drastically reduced, but because of the leaner fuel mixture, fuel economy may be 20% greater at cruise power settings. So it appears that environmental pollution controls and fuel economy don't have to be mutually exclusive on light planes at least.

Now I want to point out here that these two examples of NASA contributions to general aviation—the supercritical wing and hydrogen injection—were *adapted* from NASA efforts in other areas. Let's face it, it's hand-me-down technology. That's great if it works, but I'd like to see NASA treat general aviation, not as an afterthought, but rather as commercial aviation's twin. I'm not suggesting that the research funding for each should be equal but I do think that it's time general aviation received some primary attention.

In closing, I just want to lay to rest some fears that I may have caused in the audience here. You see the chief argument surrounding the pterosaur today is whether it flapped its wings or merely glided—in other words whether it had a propulsion system. When NASA and industry hatch the next generation, a more fuel efficient generation of pterosaurs, I can assure you that they will have propulsion systems, whether or not the prehistoric version did. Up to now increases in propulsion efficiency have been far and away the chief reason for improvements in aircraft efficiency; I hope that you will continue to lead the effort to hatch a leaner pterosaur.

BLACK EMPLOYMENT

Mr. WILLIAMS. Mr. President, the last few weeks have seen a new series of optimistic projections by various economic spokesmen for the administration who would have us believe that the current recession is ending and that things are looking up just around the corner. I have heard these projections before, Mr. President, and I feel no better about them now than I did when our current economic decline was just starting and again administration spokesmen were saying that things were not really going to get that bad.

We now know that things did get that bad and worse. The latest unemployment figures show just how bad. With a national unemployment rate of 8.9 percent, representing 8,176,000 million workers out of work, I hope that maybe the administration is correct this time and that things are not going to get any worse. Unemployment is now higher than any time since the Depression era of the 1930's, and I am not confident that the Nation can withstand a summer of continued rising unemployment and high prices on most essential goods and products.

One area of this overall unemployment picture which I think sometimes goes unnoticed, Mr. President, is the fact that there are certain segments of our population which have been much harder hit by this current economic recession than others. One area where I think there has not been enough attention paid is in the area of the unemployment rate among the Nation's black workers. This segment of our working population had just recently begun making significant gains in employment, bolstered by strengthened Federal laws making fair and equal opportunity in employment a matter of major national concern. However, during this current economic decline, these same workers have been disproportionately affected by sustaining a much higher unemployment rate than their white counterparts. This fact is graphically illustrated when we note that the unemployment rate among white workers has recently reached a level which is just slightly higher than the lowest black unemployment rate during anytime in the last decade.

This tragedy and its effect on the social and economic development of our minority population cannot be adequately shown by statistics alone, but an examination of the facts of unemployment levels in our minority communities coast to coast—reflects in a small way the level of frustration and desperation that is present. These facts must be made the focus of public attention.

In this regard, Mr. President, I recently received a special report sent to me by Mr. Ronald H. Brown, director of the National Urban League. This report, which has been prepared by the research staff of that organization, carefully and thoroughly presents the true picture of black unemployment, and as such is an important document for our continuing efforts to provide the necessary relief to stem the tide of unemployment in our Nation. So that all Members of the Senate will have an opportunity to read these disturbing findings, I ask unanimous consent that portions of the National Urban League's study be printed in the RECORD.

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

[Rept. No. 1, March 1975, published by the National Urban League]

QUARTERLY ECONOMIC REPORT ON THE BLACK WORKER

RECORD UNEMPLOYMENT

During the fourth quarter of 1974, an additional 72,000 black workers became unemployed, bring the total number to 1.1 million—the highest officially recorded number of jobless blacks in any quarter since 1954—when the Bureau of Labor Statistics began to record unemployment by race.

At the same time, the black unemployment rate rose to 10.9 during the October-December quarter of 1974, the highest official rate of unemployment reached by blacks nationally in any quarter in the last 10 years and the highest fourth quarter rate since the 1961 recession, when it was 10.8. Thus, at the close of 1974, the unemployment rate for black workers continued to be twice that of white workers (5.5).

In addition to those without jobs, the number of black workers who wanted to work full-time, but could only get part-time jobs, increased by 75,000 over the year, bringing the total number well over half million toward the end of 1974.

HIDDEN UNEMPLOYMENT

Although these official jobless rates for blacks are already at record levels, they still understate the actual extent of unemployment throughout the country. For the official definition of "unemployed" excludes such "hidden unemployed" as discouraged workers (i.e., those who want a job now but are no longer actively seeking) and the part-time workers who want full-time jobs. In order to derive a more reliable estimate of the extent of unemployment, the National Urban League developed a Hidden Unemployment Index, that incorporates both groups. According to the NUL Hidden Unemployment Index, the actual unemployment rate for blacks during the fourth quarter of 1974 was 21.0, just about double the official rates. Thus, a minimum of one out of every five black workers was unemployed at the close of 1974—and this figure was much higher in urban poverty areas.

HARD HIT GROUPS

Among those hardest hit by the sharp rise in unemployment during the last quarter of 1974 were black workers in poverty sections of urban areas, where half of the metropolitan area unemployed black workers live. During the last three months of 1974, the unemployment rate for blacks in these poverty areas soared to 14.3 from a rate of 10.5 a year ago.

The already deplorable employment situation of black teenagers worsened. Well over one-third (36 percent) of the black teenagers in the labor force were without jobs during the last quarter of 1974.

But the overwhelming majority (70 percent) of the black unemployed are adults. And among the adult workers, black women had the highest jobless rate (9.6). Black adult men had the second highest rate (7.7) and white women were next with (5.5), while white adult men had the lowest unemployment rate (3.9). Even black married men, usually considered one of the most stable segments of the labor force, had a higher unemployment rate (5.0) than all adult white men (3.9). (Table 1)

LONG-TERM UNEMPLOYMENT

Not only were more black workers without jobs in the last quarter of 1974, but more black workers were unemployed for longer periods of time. Between the third and fourth quarters of 1974, the number of black workers out of work for three months or more increased by 76,000, while the number who had been unemployed for half a year or more increased by 25,000. (Table 2)

JOB LAYOFFS ON THE RISE

During the last three months of 1974, the number of unemployed black workers laid off the job increased by 148,000—bringing the total number of black job losers to half a million. Thus, the proportion of all unemployed blacks who were laid off jumped from 32 percent in the previous quarter to 43 percent.

Most of this increase in job losers occurred among adult black men. Two-thirds (69 percent) of the unemployed adult black men during the fourth quarter of 1974 had been laid off their jobs, compared to 38 percent of the adult black women, 20 percent of the teenage black males and 15 percent of the teenage black females. Thus, disproportion-

ate numbers of black male breadwinners were laid off their jobs toward the close of 1974. (Table 3)

INELIGIBLES FOR JOBLESS BENEFITS HIGH

Contrary to the popular misconception that most unemployed workers receive unemployment insurance (UI), only persons who have been laid off their jobs can qualify.

But most unemployed workers, whether black or white, had not been laid off their jobs. They were either entering the labor force for the first time (such as young people and students), reentering the labor force (such as housewives returning to the paid labor force) or had quit their jobs. Although the number of these other types of unemployed workers declined during the fourth quarter, they still made up the majority (57 percent) of all unemployed black workers—but could not receive jobless benefits. Thus, at the close of 1974, 2.6 million unemployed white workers and 640,000 unemployed black workers were forced to depend on the generosity of relatives and friends or seek public assistance because they were denied benefits supposedly available to most of the unemployed. It is imperative that, at this time of deepening recession, jobless benefits be expanded to cover more of the currently ineligible groups of unemployed workers.

PRIVATE INDUSTRIES WITH HIGH JOBLESS RATES

Although the media has understandably focused on the high jobless rates in the construction and auto industries, blacks have their highest unemployment rate (16.9) in food processing. And larger numbers of black workers are unemployed in the food processing industry with 41,000 jobless blacks than in the auto industry with 30,000 jobless blacks. Even larger numbers of blacks are unemployed in the construction industry—86,000—and the unemployment rate is also very severe (16.6).

Among white workers, unemployment in the apparel industry with a rate for these workers of 9.8 outranks the automobile industry with a white rate of 7.5 in severity. And the 110,000 unemployed white workers in the apparel industry exceed the 76,000 unemployed white workers in the auto industry.

The apparel industry is also a high unemployment rate industry for blacks with a rate of 13.6 and food processing has an unemployment rate of 7.2 for its white workers. Thus, the food processing and apparel industries across the nation have been affected by the current recession and inflation to a much greater extent than is widely publicized.

The steepest rise in unemployment rates has occurred in the automobile industry. One year ago during the onset of the energy crisis, the black unemployment rate in this industry was 3.8 while today it is 15.6. In the same period of time, the white rate has risen from 1.9 to 7.5. Other private industries with high jobless rates for black workers during the last quarter of 1974 were: retail trade (11.3), personal services (10.8), textiles (10.7) and wholesale trade (10.0).

UNEMPLOYMENT AMONG GOVERNMENT WORKERS

Although blacks make up only 15 percent of all government workers, they comprise about one-third of all unemployed government workers. While the unemployment rate for white government workers remained at about two percent between the third and fourth quarters of 1974, the jobless rate for all black government workers rose from 5.3 to 6.7.

But black government workers at the local level have been the hardest hit of all government workers. While the unemployment rate for white local government workers remained unchanged at 1.7 between the last two quarters of 1974, the unemployment rate for black local government workers shot up from 7.1 to 11.2—more than six times the jobless rate for whites.

Moreover, although blacks comprise only 12 percent of all local government workers in the labor force, they made up half (47 percent) of all local government workers who were unemployed during the fourth quarter of 1974—up from 38 percent during the third quarter of 1974.

Black unemployment at the federal and state levels, however, was not as acute as it was at the local level. Black federal workers had a jobless rate 5.6—about double the 2.6 jobless rate for white federal workers. And the black unemployment rate was lowest at the state level—2.6 for all black state government workers, about equal to the jobless rate for white state government workers.

POLICY IMPLICATIONS

The employment situation of the black worker is critical and unemployment figures for the early part of 1975 indicate that the situation is continuing to deteriorate. Already indications are that it may very well be as severe as it was during the depression of the 30's. Ira Reid, research director of the National Urban League at that time, based on a survey of cities across the nation, estimated that 750,000 black workers were out of work at the end of 1931 and that one and a half million blacks were out of work at the end of 1932. Even using the limited official definition of unemployment, black unemployed workers have already exceeded the million mark.

Many policy implications stem from our analysis of the data. Black workers are being disproportionately laid off their jobs by local governments at a time when Congress has passed legislation expanding the number of public jobs at the local level. If, as we have found, almost half of the workers who had previously been employed in local government are now out of work, certainly they should get their fair share of the new public employment jobs when they are handed out. Based also on the proportion of blacks among the long-term unemployed, they also deserve special consideration when these slots are filled. Yet it is already evident that many of these new public service jobs are not going to the long-term unemployed, blacks and other disadvantaged groups. Thus, they will once again be denied equal employment opportunities unless affirmative action commitments are enforced in both the public and private sectors.

Even more serious, perhaps, are those who will not be helped at all by the remedies presently proposed. We are speaking of the unemployed, and this affects blacks particularly, who have virtually no job experience or who have been out of the labor market for a time and who are now again trying to find work. They make up almost half of the black unemployed and yet they are not eligible for the benefits under the unemployment insurance program nor are they eligible for the newly created jobs. Yet these are the workers least likely to have any cushion to fall back on. Particularly youth who have never worked, are losing the valuable years of experience needed for progress in the world of work.

NOTES

(a) The numbers of unemployed and rates of unemployment generally used in this report are from the official numbers and rates provided by the Bureau of Labor Statistics (BLS) in the U.S. Department of Labor. According to this definition, only those people are considered unemployed who did not work during the survey week and who actively searched for work within the four week period preceding the survey and who were available for work (except for temporary illness) during that week. Those workers, ready and willing to work, who had become discouraged by their inability to find a job or who lacked the means to look, are not included. These numbers, therefore, underestimate the true extent of unemployment.

(b) In the NUL *Hidden Unemployment Index* we seek to correct this deficiency. Based on a formula developed by the Joint Economic Committee of the United States Congress, we take into consideration both the "discouraged workers" and those who work part-time for economic reasons. For the number of "discouraged workers" we refer to those persons not in the labor force who indicated that they "want a job now." Official data in a 1970 survey of low income areas show that of those black workers not in the labor force who indicate some desire for a job, only about two fifths say they want a job now. The figure for "discouraged workers" is added to both the official labor force number and to the number of officially unemployed. Forty-six percent of the part-time for "economic" reasons are included to represent the amount of employment lost by them. The part-time workers are already considered in the official labor force figures and are, therefore, added only to the figures for the unemployed. The new rate of index is obtained by dividing the new total for the unemployed by the new total for the civilian labor force.

(c) In addition to recording the actual data, BLS adjusts its statistics to eliminate fluctuations due to seasonal factors. Because we are interested in examining trends in the actual number of unemployed people, regardless of the reasons for their unemployment, and because the seasonally adjusted data are subject to repeated revisions, it is our policy to use the original, unrevised statistics. Therefore, numbers and rates used throughout this report, for example, will reflect the unrevised, actual figures for the unemployed, not those which have been imputed to conform to seasonal factors established by past experience. The unadjusted figures may be lower or higher than the seasonally adjusted numbers or rates which are generally quoted by the media.

(d) Since employment and unemployment statistics on blacks, distinguished from other nonwhites, are not generally available from BLS for purposes of analysis, data in this report, unless otherwise indicated, are for blacks and other races (American Indians, Japanese, Chinese, Filipinos, Koreans, etc.). Usually data include Spanish-Americans in the statistics for whites.

TABLE I.—UNEMPLOYMENT TRENDS OF BLACK AND WHITE WORKERS BY SEX AND AGE STATUS FOR SELECTED QUARTERS

[PERCENT UNEMPLOYED]

Types of workers	Quarters		
	4th 1973	3d 1974	4th 1974
Total	4.4	5.5	6.1
Black	7.9	10.0	10.9
White	4.0	5.0	5.5
Adult men:			
Black	4.9	6.2	7.7
White	2.5	3.1	3.9
Married men:			
Black	3.4	3.9	5.0
White	1.9	2.1	3.0
Adult women:			
Black	7.7	8.6	9.6
White	4.0	5.4	5.5
Teenage males:			
Black	25.7	30.5	34.3
White	12.8	12.4	15.2
Teenage females:			
Black	30.5	33.8	38.0
White	12.5	14.7	14.9
Unemployed numbers (in thousands)			
Total	3,958.0	5,115.0	5,611.0
Black	806.0	1,051.0	1,123.0
White	3,152.0	4,063.0	4,487.0
Percent Black	20.4	20.6	20.0

Source: U.S. Department of Labor, Bureau of Labor Statistics.

TABLE 2.—LONG TERM UNEMPLOYED AS PERCENT OF TOTAL UNEMPLOYED FOR BLACK AND WHITE WORKERS BY SEX AND AGE STATUS FOR SELECTED QUARTERS

[Percent unemployed]

Duration of unemployment	Quarters 4th 1973	3d 1974	4th 1974
15 weeks or more:			
Total	17.0	16.2	17.8
Black	21.1	15.9	22.0
White	15.9	16.3	16.8
Adult men:			
Black	31.4	20.6	24.9
White	20.6	24.2	20.2
Adult women:			
Black	18.2	15.0	19.2
White	15.8	15.6	16.8
Teenage males:			
Black	15.3	15.2	22.9
White	10.6	7.8	11.5
Teenage females:			
Black	12.6	9.6	20.8
White	10.1	7.6	11.3
27 weeks or more:			
Total	7.4	7.4	7.1
Black	8.9	7.5	9.3
White	7.0	7.4	6.5
Adult men:			
Black	14.0	12.6	13.8
White	10.5	12.9	9.5
Adult women:			
Black	9.3	6.9	7.1
White	6.4	6.2	6.2
Teenage males:			
Black	2.7	4.8	6.3
White	3.2	2.6	2.0
Teenage females:			
Black	3.0	2.5	6.0
White	3.6	2.1	2.9

Source: U.S. Department of Labor, Bureau of Labor Statistics

TABLE 3.—TYPE OF UNEMPLOYED WORKERS BY RACE, SEX AND AGE STATUS, 4TH QUARTER 1974

[Numbers in thousands]

	Black	White
Adult men (number)	399	1,779
Total percent	100	100
Job losers	69	69
Job leavers	9	13
Re-entrants	19	16
New entrants	3	3
Adult women (number)	410	1,564
Total percent	100	100
Job losers	38	41
Job leavers	14	18
Re-entrants	38	37
New entrants	10	4
Teenage males (number)	169	612
Total percent	100	100
Job losers	20	29
Job leavers	6	15
Re-entrants	37	29
New entrants	37	27
Teenage female (number)	144	532
Total percent	100	100
Job losers	15	14
Job leavers	5	15
Re-entrants	35	27
New entrants	46	44

Source: U.S. Department of Labor, Bureau of Labor Statistics.

JUVENILE DELINQUENCY—NEW FUNDING

Mr. MATHIAS. Mr. President, it is with great pleasure and a sense of anticipation that I view passage by the Senate of provisions in the supplemental appropriations bill for the implementation of the Juvenile Justice and Delinquency Prevention Act of 1974. As a member of both the Subcommittee To Investigate Juvenile Delinquency and the Appropriations Committee, I have shared with a number of my colleagues a strong commitment to shepherding this important and innovative legislation through enactment and funding. There is an urgent need for a strong Federal program such as proposed by this act to combat juvenile crime. I am hopeful that the commitment which has been demonstrated by both the House and the Senate in allocating funds for this program signals the coming of a more optimistic tomorrow for our efforts in preventing the tragic waste of the juvenile crime of yesterday and today.

The failure of our current methods for dealing with the youthful offender has been amply demonstrated. And we receive daily reminders that far from being deterred from crime, our young people are increasingly becoming involved in violent crime. During recent hearings in the Subcommittee To Investigate Juvenile Delinquency, witness after witness detailed the unprecedented degree of violence and vandalism within our school systems. Unemployment has impacted most upon the young whose psyches are often not yet ready to cope with the harsh realities of recession. We are now confronted with an expanding number of youthful offenders each year in addition to the three out of four youngsters who have already been subjected to our present juvenile justice procedures and who have returned to crime. Our present system of processing youthful offenders through the criminal justice system toward incarceration is neither efficient nor successful. It lacks social interest and it has failed.

The Juvenile Justice and Delinquency Prevention Act affords the opportunity to refocus our efforts in this area. It stresses the necessity of prevention if we are to succeed. In addition, the bill emphasizes the importance of providing community-based alternatives to traditional detention and correctional facilities used for the confinement of juveniles. In order to turn our ideas into reality, an investment is necessary—an investment that has the potential for saving untold numbers of tax dollars in the future. The House of Representatives has authorized $15 million to the Juvenile Delinquency Act and an additional $10 million of previously appropriated funds to be used by the Law Enforcement Assistance Administration under the special emphasis program. The Senate has designated that $25 million be appropriated for the act and an additional $10 million for the special emphasis program. Both chambers have included provision for extending the deadline beyond the current fiscal year for the granting of this money. This is an important provision because of the late date at which we are approving these funds.

Mr. President, I urge my colleagues on the House-Senate conference to retain the maximum funding for this important program. It has been said that when what was once an idea in the mind of one man occurs to another man, it signals the key to an era. I am confident that we now have the key to an era of increased juvenile productivity and decreased juvenile delinquency in our hand. It remains only for us to open the door.

CORRECTION: THE CAMBODIAN SHIP INCIDENT

Mr. McGOVERN. Mr. President, in a roundup of congressional reaction to the administration's handling of the Cambodian ship incident, I was quoted in today's Washington Post as saying the President's action was "precipitous" but "It worked and I'm glad he did it."

The Post has apparently transposed some other Senator's statement to me.

I have never at any time approved the handling of this matter. I said consistently to every reporter who asked my opinion that I regarded the action as ill-advised in that the President took a military course without first giving diplomacy a chance to work.

Needless to say, I am gratified that the crew has been recovered, but the action was not in keeping with the maturity of a great nation. It is always easy to take military action, and sometimes it may be necessary. In this case, however, I find no evidence that our officials first seriously gave diplomacy a chance to succeed. And I strongly suspect that we do not yet know all the facts that were needed to explain the course the President carried out.

Having referred to the inaccurate quote in the Washington Post news roundup, I want to praise the Post for its editorial of today which concludes with these words:

We have no objection to the Ford administration's milking this incident for its political value: that's normal politics. But the substance of most of these and other supportive comments adds up to a measure of jingoistic claptrap beyond all reason. It is nothing short of alarming that one rather small incident in which the greatest power in the world used force against a country describing itself as "small, poor and needy"—an isolated and friendless country at that—could be such a tonic to official Washington. That anyone could find the Mayaguez affair a valid or meaningful guide to the requirements of post-Vietnam foreign policy at other times and places defies common sense. Responsible people ought not to be magnifying this affair and casting it as a useful precedent for whatever ails America in the wake of Vietnam. They ought to be pointing out that every other problem of policy is harder and more delicate and not open to the kind of quick military fix which, fortunately, worked in this case.

The United States has not suddenly reinstated itself as a full-fledged four-star operative world power capable of commanding the respect and confidence of big and little powers alike. It has only enjoyed a brief interlude of high, and happily successful, adventure before returning, as it must, to the real world.

I was also impressed by the thoughtful statement of the Senator from Wisconsin (Mr. NELSON) in the Senate yesterday. I ask unanimous consent that Senator NELSON's statement be printed again in the RECORD and unanimous consent that the full text of the Post editorial also be printed in the RECORD.

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

[From the CONGRESSIONAL RECORD, May 15, 1975]

ON CAMBODIAN AREA MILITARY ACTION

Mr. NELSON. Mr. President, there is no doubt about the popularity of the President's

decision to recapture the *Mayaguez* by force. Reaction around the Congress is near unanimous. I have no doubt the public response is the same. Hardly even a muted voice of doubt has been raised. After all our honor and dignity were at stake.

Nevertheless the real question still remains: Was our Government's action the right one? Did it serve the best interests of the Nation? I think not. Neither congressional nor public popularity is a reliable test of the soundness of important policy decisions. This is especially so in emotional and emergency situations.

What vital national interest was at stake to justify such a precipitate and violent response? Was our ship in contested waters? Was it justifiable to land our Marines in Thailand without that government's consent? Did we need to sacrifice any of the lives of our soldiers, endanger the ship's crew and bomb a Cambodian airport in order to settle this dispute? The answer, I think, is no. We did not even bother to give the negotiating process a fair trial.

Of course it is an offensive challenge to any sovereign nation for its ships to be intercepted on the high seas. Nonetheless it is not a novel event. It happens from time to time in all parts of the world. It occurs with great regularity off the coasts of South America where fishing boats are intercepted and hauled into port from as far as 150 miles into international waters.

Ironically, news reports state that our Government received a Cambodian statement offering return of the ship but the military action was already under way.

These incidents are matters for negotiations not force. The test of the strength and maturity of a superpower is better measured by its restraint in minor incidents such as this rather than a demonstration of the power the world already knows we have at our command.

Thus I dissent from the conventional wisdom that tells us we must prove our virility and maintain our credibility by responding with violence wherever and whenever we may be challenged, however minor the insult.

[From the Washington Post, May 16, 1975]

THE RETRIEVAL OF THE MAYAGUEZ

Two kinds of satisfaction are being taken from the retrieval of the Mayaguez by American marines and from the return of the merchant ship's 40 crew members by their Cambodian captors. The first kind is, of course, relief that the men and their ship got out safely. Those 40 men were in danger throughout their ordeal, and no one could be sure that they would survive either their capture by the Cambodians on Monday, or their confinement if it had continued, or the American effort to rescue them. It was a bold decision President Ford took to go after them. Given the results, it was also on balance a successful one, despite the military casualties. And given the silence the Cambodians had apparently maintained until then, he may have had very little choice. By the time the Cambodians announced they were willing to return the ship and also (the context of the announcement makes clear) the crew, military action had already begun and it would have been extremely difficult if not impossible to halt it.

There will be time enough to scan the record of the diplomatic initiatives attempted beforehand by the administration and to see what if any substance there may be to the Cambodian claim that the Mayaguez was merely the latest of a series of "provocative" foreign ships to sail through its territorial waters. For now we can all be grateful that the ship and its crew are back on the undisputed high seas.

The second kind of satisfaction being taken from the Mayaguez affair is, however, of an entirely different sort. We refer to the positively manic glee with which the incident has been seized on by the administration and its supporters as proof that the international position of the United States, not to speak of its self-esteem, has been somehow magically restored after the collapse of this country's 30-year effort to contain the advance of insurgency in Indochina.

Listen to Vice President Nelson Rockefeller: "I'm very proud to be an American today." And Secretary of Defense James Schlesinger: ". . . a firm and measured response to the high-handed and crude use of force. To countenance such an act would mean the weakening of international order and civilized communications." And Sen. Barry Goldwater (R-Ariz.): if Mr. Ford had not sent in troops, "every little half-assed nation is going to take shots at us." HEW Secretary Caspar Weinberger: "I'm glad to have something to be proud of again." Sen. John Tower (R-Tex.): "In the eyes of the world this enhances confidence in the United States to react and react expeditiously." Sen. Carl Curtis (R-Neb.): "The courageous and decisive action by President Ford will do more for the cause of liberty around the world than all of the diplomatic meetings and conferences that have been held in the last few years and will be held in the next five years." Rep. Carroll Hubbard (D-Ky.): "Had we shown some fortitude such as this during the past 10 years, we could have easily won the war in Vietnam and avoided the embarrassment of the Pueblo hijacking."

We have no objection to the Ford administration's milking this incident for its political value: that's normal politics. But the substance of most of these and other supportive comments adds up to a measure of jingoistic claptrap beyond all reason. It is nothing short of alarming that one rather small incident in which the greatest power in the world used force against a country describing itself as "small, poor and needy"—an isolated and friendless country at that—could be such a tonic to official Washington. That anyone could find the Mayaguez affair a valid or meaningful guide to the requirements of post-Vietnam foreign policy at other times and places defies common sense. Responsible people ought not to be magnifying this affair and casting it as a useful precedent for whatever ails America in the wake of Vietnam. They ought to be pointing out that every other problem of policy is harder and more delicate and not open to the kind of quick military fix which, fortunately, worked in this case.

The United States has not suddenly reinstated itself as a full-fledged four-star operative world power capable of commanding the respect and confidence of big and little powers alike. It has only enjoyed a brief interlude of high, and happily successful, adventure before returning, as it must, to the real world.

S. 1756—COMMUNICABLE DISEASE AND OTHER CONTROL PROGRAMS

Mr. JAVITS. Mr. President, I have joined in the introduction with Senator SCHWEIKER, on the request of the administration, of S. 1756, a bill to extend appropriation authorizations for communicable disease and other control programs.

I am pleased that the administration recognized through this legislation the need for a continued Federal effort respecting these programs. However, I cannot support certain provisions in the bill. For example, I am opposed to the administration's recommendation for a reduction in the authorization levels. Efforts to prevent and combat communicable disease reflects the strengths of a health-care system. Moreover, it is the weak, the disenfranchised, and the powerless that are most susceptible to these diseases. We cannot permit our immunization levels to drop so all of us are at risk and all of us are vulnerable. We now have the means to control polio, tetanus, diphtheria, measles, rubella, and mumps. These are communicable diseases which recognize no State boundary and are issues of national concern. We must continue to protect the less fortunate citizens of our country and avoid any further epidemic outbreaks of these highly contagious diseases.

Also, I am opposed to the provisions in the bill which consolidate venereal disease with the other disease and control programs and also repeal the venereal disease research and State formula grant authorities. There is an urgent need to continue the national commitment established in existing law based on a bill I introduced a little more than 3 years ago. We have reached a new chapter in the saga of VD prevention and control and we must continue our support levels both for proven and theorized control activities.

During 1974, the most recent year for which data is available, and the second year of authority under this act, several new and interesting phenomena occurred relative to control activities and incidence trends that have been perceived as positive by VD control personnel. At the same time it is essential that we maintain the highest level of research support into the prevention of venereal disease. Only recently new breakthroughs have been found and we dare not now cut back on our level of support.

Further, I am opposed to the repeal, in the administration bill, of lead-based poisoning grants at the local level.

I am concerned by the administration's failure to stimulate a commitment to the establishment of a national strategy with regard to education for health promotion and preventive medicine. Our killers today are accidents, heart disease, respiratory diseases, and lung cancer. If we are to control these epidemics, we must set forth a new strategy. One which assists us to understand the nature and causes of self-imposed risks, adds to our knowledge of illness, educate patients and consumers about health maintenance and prevention, and improves the physical and social environment. That is the purpose of health education legislation which Senator KENNEDY and I introduced as separate bills.

I believe we must explore new directional emphasis with regard to health education. We cannot sit back and rely upon the past.

CAPITAL AREA HEALTH CONSORTIUM

Mr. RIBICOFF. Mr. President, health care costs in America are rapidly rising. Most Americans find it increasingly difficult to pay for hospital care unless they are fortunate enough to have good private health insurance policies.

More must be done by all segments of the health care industry to control costs.

I am pleased that a number of Con-

necticut hospitals are leading the way in efforts to hold down costs.

Eight hospitals in the Hartford area have joined together in the Capital Area Health Consortium in an effort to reduce hospital costs while improving health care through regional cooperation.

By sharing of facilities, centralizing purchases, and avoiding duplication of efforts, the consortium is doing on a voluntary basis just what I believe is necessary to do to improve our health care system. I fully support and applaud the consortium's work.

In the late 1960's, my Subcommittee on Government Operations looked into the problems of coordination of health care delivery and reached the same conclusion that the consortium has reached—that cooperative efforts at the local level can improve health care delivery and cut costs.

Recently, Business Week magazine described the efforts of the consortium. I ask unanimous consent that this article be printed in the RECORD.

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

PERFORMING MAJOR SURGERY ON HOSPITAL COSTS

(The plan of eight Hartford hospitals to join together could be a national model.)

"I think that we are the cutting edge of something very important," says John M. Danielson, executive director of the Capital Area Health Consortium (CAHC).

Danielson is talking about a year-old organization of eight Hartford-area hospitals that aims to reduce hospital costs while improving health care through regional cooperation. If its early successes prove out, the beneficiaries will range far beyond the 1.5-million persons in the CAHC service area. They will include U.S. patients, U.S. health care providers, and the thousands of U.S. employers who have grimly paid soaring employee health insurance premiums as average daily hospital bills rose from $61.38 in 1968 to an estimated $132 in 1974. With federal fiat and economic necessity both pushing hospitals toward some form of regional organization, the CAHC could become a national model.

Certainly the hospital industry understands its importance.

"Consortiums such as this can help to avoid duplication, which adds to the cost of patient care," says John Alexander McMahon, president of the American Hospital Assn. Specifically, McMahon notes, regional planning will ensure that no new construction is undertaken without proof of need; it will encourage the community to examine its resources in order to eliminate idle capacity, either by closing superfluous units or using them for other purposes, and it will develop better management techniques for both personnel and money.

SHARING FACILITIES

The Hartford instrument for achieving these aims consists of eight highly diversified hospitals: public and private, general and specialized, Catholic and Jewish, big and small. Incorporated as a consortium last May, the eight have begun to plan jointly, share facilities, centralize purchases, and—utter anathema to the medical establishment—permit their doctors to treat their patients in any CAHC hospital with available beds.

Not even the Detroit Medical Center Corp., the country's other major regional hospital consortium (with a long headstart on CAHC and a track record of $60-million in new construction averted through joint use of existing facilities) has taken this momentous step. Rare anywhere and unique for so varied a group of hospitals, the granting of "secondary" appointments to doctors with "primary" appointments elsewhere means that each hospital relinquishes its traditional right to certify every doctor who will practice within its walls.

It also means, says Danielson, that all 3,000 beds in the eight hospitals are available to all 2,000 doctors in the consortium. In addition to preventing delays in treating patients, this arrangement lowers overhead costs of formerly underrutilized hospitals and avoids the need to build expensive additions to formerly overcrowded ones. As good medicine and good business practice, it typifies what the CAHC is all about.

Other innovations include:

A heart surgery team that operates at both Hartford Hospital and St. Francis Hospital, the two local units with heart surgery facilities. "We considered consolidating heart surgery in one hospital, but that would have required expansion of whichever one we chose," says Danielson. "So we decided to keep both facilities and move the team between the two."

A single nurses' aide training program using the facilities of all eight hospitals, at lower administrative cost and with greater student exposure to a variety of nursing situations than in the eight nurses'-aide training programs that had preceded it.

Closed-circuit TV that enable university medical students, for instance, to watch specialists make their rounds at Newington Children's Hospital from their pediatrics classroom at the University of Connecticut Health Center Hospital in Farmington. Ultimately the TV link will be used for both teaching and medical consultations.

Joint use of an EMI, Ltd., brain scanner, a $390,000 neurological testing device now on order.

All this is just a beginning, say CAHC's board members, eight doctors, eight administrators, and eight hospital trustees. Once the consortium is operating full blast, its potential economies in just one area—group purchasing—may be measured by a study conducted last year by Professor Dean S. Ammer of Northeastern University. "Competent purchasing and inventory control [using group purchasing] can reduce aggregate hospital charges by at least $1-billion a year," Professor Ammer found. That is 9% of the current $11-billion total.

At present, hospitals buy only $200-million, or 2%, of their annual needs through group purchases.

EDUCATING

To Danielson, the CAHC's greatest potential for cost savings lies in the less obvious area of preventive medicine. "You can save nickels and dimes by combining laundries, but you save hundreds of thousands of dollars by keeping people out of that high-cost hospital system," he says, a conviction backed by Leslie P. Hemry, president of the Health Insurance Assn. of America. Hemry cites "overutilization" as a major hospital industry cost.

Danielson envisions an extensive educational system (using lectures, printed material, cassettes, and films in English and Spanish), usable in classroom situations, hospital treatment, follow-up therapy, ambulatory care, visiting nurse services, and chronic care facilities. A pilot program in patient education is already under way with funding from Connecticut Blue Cross, Inc. It seeks to teach patients and their families how to avoid recurrence of conditions requiring hospitalization—strokes, diabetic crises, and the like.

Also on the CAHC's agenda are an inventory of each hospital's facilities, creation of a formula to measure the health and health care resources of the community as a whole, establishment of a management program for hospital chiefs of staff and department chairmen, development of a training workshop for nurse clinicians in cancer, expansion of an outpatient program for alcoholism treatment, affiliation (now under way) of the area's single holdout hospital, the Veterans Administration Hospital at Newington.

In Danielson's view, no great psychological change must occur to enable physicians to forsake old-style medical practice for the CAHC's hospital-oriented, consortium model. The development of complex modern medicine wiped out old-style practice years ago, he believes.

"Doctors can't take care of their patients anymore by going around from house to house with a little black bag," he says. "It would take a truck and three busloads of technicians. So the responsibility for organizing primary medical care and the delivery system rests institutionally, with the hospital." In this situation, Danielson says, participation in a hospital consortium becomes the physician's best method of influencing the planning of health care generally.

PREMIUMS

With or without doctor support, regional health care planning clearly lies ahead. Last January President Ford signed a National Planning & Resources Development Act that requires each state to create regional Health Systems Agencies to superintend planning (and justify its plans to Washington) or forfeit its share of the $1-billion in federal funds available for health facilities.

The planning act followed hard on the 1972 amendments to the Social Security Law that authorize a one-third reduction in federal matching payments for long-term institutional care under medicare and medicaid to states that fail to control cost and quality and mandate the creation of Professional Standards Review Organizations, composed of doctors, to exercise this control. National health insurance—inevitable in the opinion of most health care experts—must also logically require regional planning and controls.

Moreover, the private sector has begun to exert pressures of its own. Total health insurance and disability benefits paid to the "healthy" segment of the population, persons under 65, rose more than 120% between 1968 and 1974, and insurance executives know that there is a realistic limit to how high insurance premiums can go. It is no coincidence that the CAHC appeared in the insurance capital of the U.S. Hartford-area companies, which write more than a quarter of the nation's private commercial health insurance and man the boards of local hospitals, worked hard to bring it to pass.

"This kind of a regional approach has the potential to accomplish in the private sector many of the goals sought, but still unrealized, in federal planning proposals." says Robert D. Kilpatrick, a senior vice-president at Connecticut General Insurance Corp.

Adds AHA's McMahon: By dropping their historic insistence on certifying doctors individually, the CAHC hospitals have "demonstrated what private, public, and voluntary hospitals can do to set up a model for national health insurance."

Indeed, Aetna Life & Casualty may use the CAHC in an experiment approximating one form of national health insurance. Aetna will confirm only that the plan is under consideration. But specialists involved with the program say that the experiment would involve use of a health card that Aetna employees would use as a guarantee of payment when entering any CAHC hospital. Aetna would pay the hospital, then bill the employee for costs not covered by insurance.

JUDGING THE JUDICIARIES

Mr. MATHIAS. Mr. President, Peter Schuck is known to many of us, because of his role with Consumers Union. He

was also director of the Nader Congress Project Study on the Judiciary Committees of the Senate and House of Representatives, on both of which I have been privileged to serve. The study has now been published and has been reviewed in the Washington Post by Prof. Arthur S. Miller, a consultant to the Subcommittee on Separation of Powers of the Judiciary Committee.

As ranking minority member of that subcommittee, I am pleased to call attention to this study of the Judiciary Committees. Much that is contained therein is highly informative, especially for those of us who have spent a great deal of time working with the committees. I also believe that the Miller review bears reading and so I ask unanimous consent that it be printed in the RECORD.

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

JUDGING THE JUDICIARIES

(Reviewed by Arthur S. Miller)

The reviewer is a professor of law at George Washington University and a consultant to the Senate's Subcommittee on Separation of Powers. His forthcoming book is "The Modern Corporate State."

Writing in 1885, 18 years after the trial of Andrew Johnson, Woodrow Wilson asserted that "the predominant and controlling force, the center and source of all motive and all regulative power [in American government] is Congress . . . The Legislature is the aggressive spirit." He soon changed his mind, maintaining in 1908 that "the President is at liberty, both in law and conscience to be as big a man as he can." Since then, a succession of chief executives have made the office the most powerful in the world.

The question today is whether history will repeat itself. Will Congress again be "the predominant and controlling force"? Did Watergate reverse the tide of power running toward 1600 Pennsylvania Ave.? Although the evidence is just beginning to accumulate, the answer seems to be clear: Despite much huffing and puffing on the Hill, the center of governmental power will continue to lie at the other end of the Avenue.

Certainly there is little in "The Judiciary Committees" to lead one to think otherwise. True, most of the research for the book was conducted in 1972, so it is not a post-Watergate analysis.

The book is the first of several volumes to be published by Ralph Nader's Congress Project. Nader believes that Congress "is the heart of our democracy" and that the Judiciary Committees are its "lifeblood." Peter Schuck, a lawyer who directed the study and wrote much of it, asserts that the obscurity that enveils Congress "is profoundly dispiriting to the democratic enterprise."

There is little in this book to validate either statement. Lacking is any analysis in depth—or, for that matter, any organizing principle. The two committees and their work are described, but in a way that adds little that is new for any knowledgeable student.

What emerges, however, is a combination of congressional ineptitude and a willingness to cooperate with the executive—mainly, the Department of Justice. There is little question, as the study concludes, that the committees "are seriously deficient in a number of respects." But is it enough merely to chronicle their manifold inadequacies, without probing into the basic reasons why?

Having described the committees and their activities, the book ends with recommendations for change. Most are both obvious and modest: The Senate committee should adopt formal rules and it should have a better way of considering judicial nominations; unnecessary subcommittees should be abolished and waste eliminated; more "oversight" of the executive branch should occur; there should be improved communications between the House and Senate; and jurisdiction over civil rights should be reorganized. The House committee should be "energized"; subcommittee chairmen should have more authority; more subcommittees should be created; the procedures for processing private bills should be "rationalized"; staff and budget should be expanded.

The list contains several more similar items. But it does not discuss how to get there from here. To mention but one problem, how is the power of Sen. James Eastland, chairman of the Senate committee, to be controlled by the membership."

Certainly, reform of the two judiciary committees, while necessary, is not going to take place unless a substantial majority in both houses wants to do so. The highly publicized reforms, this term in the House, that toppled Wilbur Mills and Wright Patman, are at best a small beginning to a major job. Much more is needed throughout Congress, if that body is ever again to perform its constitutional task of being the center of legislative power—in Wilson's words, "the aggressive spirit" in American government.

Five more volumes—on the revenue, commerce, environment, money and rules committees—are scheduled by the Nader Project. When published, perhaps the authors will then turn their talents to fundamental reforms of the national legislature itself. One that should be considered is whether a bicameral organization, in the scientific-technological age, is an anachronism upon which major surgery should be performed.

Is there any longer any reason to have two houses of Congress, which in final analysis wind up being 535 individualists each pursuing his or her own interests (and possibly those of his or her constituents)?

Congress is top-heavy with those having the vote, while far too limited in staff and resources to be more than a pygmy against the colossus that makes up the bureaucracy—that so-called executive branch. The time has come to think seriously of streamlining the entire institution. Failing that, the judiciary (and other) committees will continue to flo under with varying degrees of ineffectuality.

Congress, in short, resembles a great beached whale, with just enough energy to flip its tail back and forth. Now and then, as Richard Nixon found out, a flip of the tail can be lethal. But the legislative whale lacks sustained and consistent locomotive power. There is little in this book either by way of description or prescription, to make one think the condition will change. Nor is there anything in the recommended changes in committee practice that gets to the root of the problem.

EQUAL RIGHTS FOR ALL

Mr. HUMPHREY. Mr. President, the status of women—their rights and responsibilities—is an issue which is integrally involved with the most pressing problems of our day—food and population and peace. It is an issue which concerns not only women, but also men; which affects not only the present, but the future as well. We must have equal rights for all, or we have civil rights for none.

The United Nations designated 1975 as International Women's Year to stimulate world initiative and action to promote genuine equality between men and women; to integrate women into the total development effort; and to recognize the importance of women's contribution to peace.

I am particularly pleased that 118 men and women from the U.S. Congress who recognize the importance of our womanpower joined me on Wednesday in sponsoring the Joint Congressional Symposium on International Women's Year. The symposium served two major functions—to focus attention on those barriers in the United States to the full participation of women in the social, political, and economic life of our Nation, and to prepare recommendations for the U.S. delegation to the United Nations-sponsored International Women's Year Conference in Mexico in June.

Mr. President, I ask unanimous consent that the letter inviting cosponsorship of the Joint Congressional Symposium, and my keynote address, be printed in the RECORD.

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

WASHINGTON, D.C.,
April 18, 1975.

DEAR COLLEAGUE: The United Nations has designated 1975 as International Women's Year to stimulate world initiative and action to promote equality between men and women; integrate women into the total development effort; and recognize the importance of women's increasing contribution to the strengthening of world peace. On January 30, 1974, former President Nixon issued a proclamation calling upon the Congress and all the people of the United States to proceed with practical and constructive measures for the advancement of women during this special Year.

In cooperation with the United Nations and in response to the President, we are holding a Congressional Symposium on International Women's Year on May 14, 1975. This symposium will serve as a Congressional contribution to the national effort already under way to further improve the status of women and as a Congressional preparatory conference to the June International Women's Year Conference in Mexico City. The symposium will examine current federal legislation affecting women in the United States; draft recommendations to the 94th Congress for amendments or additions to such legislation; review the proposed International Women's Year World Plan of Action; and formulate resolutions to be presented by the U.S. Delegation at the June conference.

Because of the importance of International Women's Year, we feel Congress needs to make a concerted effort to examine critically the objectives, goals, and plans of the Year prior to U.S. participation in the United Nations conference. So that 1975 will be more than a year of hollow celebration, we urge you to join us in cosponsoring this important symposium. For further information, please call Julia Bloch (43921) or Aviva Futorian (56616).

Sincerely,

HUBERT HUMPHREY
CHARLES H. PERCY
ELIZABETH HOLTZMAN
MILLICENT FENWICK.

SUMMARY AGENDA: "EQUALITY, DEVELOPMENT, PEACE"

A Joint Congressional Symposium on International Women's Year and Federal Laws Affecting the Status of Women in the United States of America, May 14, 1975

The symposium will examine current federal legislation affecting women in the United States; draft recommendations to the 94th

Congress for amendments or additions to such legislation; review the proposed International Women's Year World Plan of Action; and formulate resolutions to be presented by the U.S. Delegation at the June conference. The symposium is organized around the theme of International Women's Year: Equality, Development, Peace.

MORNING SCHEDULE

Opening Session: Distinguished speakers from the Congress and the United Nations will set the tone of the symposium by addressing themselves to the historical changes in the status of women in the United States and the purpose of the United Nations International Women's Year Conference.

Panel I: "The Political Woman": Women, in increasing numbers and with increasing influence, are participating in the political world. To do so, women must contend with social, economic, and psychological constraints. An examination and understanding of these forces is essential before an equal partnership between men and women in the political world can be achieved.

Panel II: The Social Contract: While some people feel that existing federal laws and executive orders provide a sufficient legal base for overcoming traditional sex discrimination, many others feel that existing laws are not being adequately enforced or that additional legislation is needed. Panelists will address themselves to the interrelated subjects of health, education, and social service legislation and employment opportunities for women.

AFTERNOON SCHEDULE

Panel III: Women and Foreign Policy: As women participate more fully in all aspects of society domestically, it is inevitable that they will become an integral part of the international community. The panel discussion of "Women and Foreign Policy" will center on the unique contributions women are making toward the attainment of world peace.

Panel IV: World Plan of Action: The draft World Plan of Action presents guidelines for national action to ensure the total integration of women into societal development. The afternoon session will culminate in an examination of this plan and its relevance to women in the United States.

REMARKS BY SENATOR HUBERT H. HUMPHREY

I welcome you to this Joint Congressional Symposium on International Women's Year. Senator Percy, Congresswomen Holtzman and Fenwick, the additional 115 Congressional sponsors of the symposium and I are delighted that all of you have joined us today.

The status of women—their rights and responsibilities—is no sectarian issue. It is an issue integrally involved with the most pressing problems of our day—food and population and peace It is an issue which concerns not only women, but men; which affects not only the present, but also the future.

Unfortunately, many men in positions of responsibility and authority are concerned with making today's bread, not tomorrow's opportunities; interested in profit, not preservation; present-minded, not future-oriented. We need the leadership of both men and women who are *future minded;* who care about the well-being of future generations.

For far too long, the institutions of power—government, industry, and the military—have been under the sole stewardship of men. It now is time that we allow women to take their share of responsibility for the successes and failures of the future.

When the United Nations General Assembly declared 1975 as International Women's Year, it singled out three goals for the year. They are:

To promote equality between men and women;

To insure the full integration of women in economic development;

And to recognize the importance of women's increasing contribution to the development of friendly relations and cooperation among states and to the strengthening of world peace.

These are admirable goals, but we have a long way to go in achieving them.

Despite the advances of the last 30 years, discrimination against women remains a fact of life. This is true not only in those few countries in which the laws sanction or even mandate a lower status for women, but also in the advanced countries such as our own in which the laws may declare an equal status for men and women, but the customs and traditions may dictate separate and not always equal treatment.

The discrimination under law by such countries as Ethiopia and Saudi Arabia, and the *de facto* discrimination in such advanced countries as the United States and the Soviet Union, not only are robbing the men and women of these societies of the opportunities for full expression of their aspirations—they also are denying humanity vital resources for solving the world's economic, social and political problems.

I fought the Civil Rights battle 15 years in the Congress to a successful legislative conclusion. But I know that battle is far from over.

It continues in the fight to implement that legislation and other legislation aimed at assuring equal opportunity for all. It continues in the struggle of women to achieve full equality with men—equal pay for equal work, equal access to the professions, equal access to financial credit, removal of the artificial barriers that have barred those women who so desire a full participation in the intellectual, economic and political life of our nation.

There can be no civil rights in his country without acknowledging the rights of the largest minority of them all—women!

The final ratification of the Equal Rights Amendment, which I co-sponsored, is a necessary prerequisite to the establishment of a fully integrated society where talent and ability are the only criteria for opportunity and advancement. Passage of adequate child care legislation also is vital to assuring men and women the fullest opportunities so that they may compete in the marketplace and provide for their children's welfare. This legislation is critical for those who must work, just to keep their families above the poverty line.

But changing laws or assuring their implementation is not enough. The more serious barriers to equality lie in the attitudes and stereotypes many people continue to hold on the relative roles of the sexes.

The idea that woman's sole function is to create a family is obsolete. But there are still many people who categoricaly assert that "woman's place is in the home." It is a mistake to assume that caring for a family and home should be tasks limited to women, or that the undertaking of them should automatically prohibit women—or men—from other pursuits or professions.

Circumstances create traditions, and circumstances change traditions. The circumstances which created the traditional role of women have changed. The needs of society have changed, and the traditions and mores of society will need to change with them.

I see the future as a time of new energy, new direction, better values, and better adjusted men and women.

I look forward to the day when there are no distinctions between men and women's work, when male secretaries are as common as female secretaries, when female bosses are as common as male bosses, when more of our university professors are women, when women participate in such crucial discussions as the SALT negotiations and MBFR negotiations on an equal footing with men.

There are no rational reasons why none of these events has yet occurred; it's just many people in many positions still think in traditional terms about man's work and woman's work. Hopefully, during IWY we will be able to focus enough attention on the lost opportunities for humanity resulting from these attitudes.

The poorest people in the world are not those who lack money, but those who have no *options*. Both men and women are suffering now, because men and women have not been given the option of living up to their true potentials.

It is time to put a stop to the cultural and educational practices which rigidly mold women from their earliest years to seek and expect second rate wages and positions of employment with no opportunity of advancement, while molding men to fit into equally rigid, although different, roles. It's time we took full advantage of the vast talents of over half our population.

We ought to have a new motto: "If it's good for women, it's good for the country!"

We are particularly fortunate in the United States that IWY falls in 1975, one year before the 200th anniversary of our national independence. With proper action during IWY, our bicentennial can be a celebration of a genuine commitment to the equal opportunities, equal rights under the law, and equal freedom for *all* our people enshrined in our nation's Declaration of Independence and Bill of Rights.

SOME PROBLEMS OF ENERGY SUPPLIERS TODAY

Mr. BROCK. Mr. President, one of the most pressing issues facing the Nation and the world today is that of energy. My State of Tennessee over the years has been fortunate to have the Tennessee Valley Authority to serve it. However, the TVA faces difficulties as well as other utilities. Aubrey Wagner, the Chairman of the TVA Board, delivered a speech on April 16, 1975, outlining very well some of the problems of energy today. I ask unanimous consent that Mr. Wagner's speech be printed in the RECORD.

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

REMARKS BY AUBREY J. WAGNER, CHAIRMAN, TENNESSEE VALLEY AUTHORITY, BEFORE TENNESSEE VALLEY PUBLIC POWER ASSOCIATION ANNUAL MEETING, GULF SHORES, ALA.

These are troubled times for anyone in the electric power business. All across the Nation consumers are indignant about the increases in their electric bills. The prices of other commodities they buy have risen too, but somehow or other their sense of frustration and resentment against the problems of inflation in general are vented on their electric utility. You know this better than I, for I am sure that in spite of the great numbers of complaints that come to my desk, even more come to yours.

Unfortunately, the energy problem, crisis, shortage, or whatever you want to call it, seems to me to fit in the same category as Mark Twain's comment about the weather, "Everyone talks about it, but no one does anything about it." One reason nothing gets done is that the talk—the complaints—are not directed at the basic source of the problem. For the most part, as you well know, the power supplier is not the real source of the increased rates. We have become the whipping boy because we must pass on costs that

we cannot avoid, that we cannot absorb, and over which we have no control. If electric rates are ever to stabilize at reasonable levels—and I certainly agree that they must—consumers simply must know where the real trouble lies. Then their complaints can begin to have telling effect.

You and we in the Tennessee Valley were established to serve consumers' interests. We are their representatives. I think it is up to us to tell them where the problem is.

The TVA electric system including your operations, has often been described as a yardstick of power costs. If this is so, we should be able to look at the record here in the Tennessee Valley and diagnose the problem. The diagnosis is rather simple. Power rates are going up because coal costs are going up. The culprit is not your local distribution system. Nor is it TVA. The culprit is coal.

Coal is by far the largest single item in the cost of producing electricity in our system. Last year it accounted for nearly 70 percent of TVA's production costs at our steam plants (including depreciation). Even including the output from our hydro plants, coal accounted for nearly 60 percent of system production costs. Obviously, then, any change in the price of coal drastically affects TVA's costs and consequently the rates we must charge to "stay in the black."

The total costs of the TVA power system this fiscal year are running about $300 million above last year's costs—and three-fourths of that increase is in fuel and related costs. The other one-fourth is divided among the cost of money, depreciation, labor, and other expense. So even though we keep looking for savings in other areas, there is no way these savings can have more than a small effect in offsetting this enormous fuel cost increase.

Even with all we have said on the subject, I don't believe that most consumers really understand just how much the cost of power plant fuel has increased, or its direct effect on their electric bills.

In 1970 the average cost of coal burned in TVA power plants was $4.73 a ton. Last fiscal year it was $8.61. But by February of this year it had skyrocketed to $15.41 a ton. That represented an 80 percent jump in just one year's time, and an increase of more than 220 percent since 1970.

That is not the end of it. Our average fuel expense did not rise as fast as the market price of coal, because we have continued to recieve much of our coal supply at relatively favorable prices under contracts awarded before last year's big jump in coal prices. But as these contracts run out and must be replaced or renegotiated, more and more of our coal supply reflects the present high market prices.

At the height of the coal supply squeeze last summer and fall, TVA had to pay as much as $35 a ton to get coal, and others reportedly paid even $55 or more. Since December the market has eased a bit (perhaps temporarily) and we have been able to buy coal to rebuild our stockpiles at a delivered cost generally between $20 and $25 a ton. That is only half as much as the peak prices some power systems paid for coal last year, but it is still well above the overall average fuel cost level that is covered by present power rates. So even if coal prices stabilize at their present levels, this will continue to have a heavy added impact on electric rates.

There is no way that we—or any utility—can swallow these burgeoning costs. We must have the coal to carry our loads. As you know, coal is currently a seller's market. As a nation we are consuming more than is being produced and this situation apparently will continue at least through 1976. It will probably get even more restrictive as power plants and others are forced to turn to coal instead of gas and oil. Under such circumstances, there is no real competition. We and other utilities ultimately must pay what the coal producers ask or the lights will go out. Faced with that choice we end up paying what is asked.

If the honest cost of producing coal justified these high prices, then perhaps there would be nothing to do but accept them. But I do not believe they do. Since 1970, the consumer's price index has gone up about 35 percent. During that same period, the prices paid for power plant coal have increased about 300 to 400 percent. The cost of producing coal may have increased faster than consumer items generally, but certainly not 12 times as fast!

Coal production costs vary widely from mine to mine. By our estimates, in the region which provides our coal, production costs may range in most cases from about $7 to $17 per ton, including a 20 percent return on the investment. The variance depends of course upon the thickness of the seam, whether deep or surface mined, and the difficulty of the mining conditions and reclamation requirements.

As you can see, that suggests pretty clearly that when prices were at their peak in last year's coal supply squeeze, some suppliers were able to rake off excess profits of up to $15 or $20 a ton. Since that time prices have dropped back somewhat, but there is no assurance that the same kind of squeeze between the demand for coal and the available supply will not occur again. In fact there are several reasons to be concerned that it will happen again—the pressure to utilize more coal in place of oil, the continuing high cost of fuel oil, and the possible effects of the various restrictions that are being placed on the mining and burning of coal.

What does all this mean to the consumer? It is the average cost of coal burned in our power plants that forces the rates upward, and this average fuel expense has not yet caught up with market prices for coal. But it certainly has been moving swiftly in that direction, with that jump in the past year from less than $9 a ton to more than $15 a ton. And it will go higher. If coal prices should stabilize at around $25 a ton, as some have suggested, that would amount to over a half billion dollars more per year—a half billion unjustifiable dollars of excess profits that you and we have to collect from householders, businessmen, and industries all over the Tennessee Valley, and turn into the hands of a relatively few coal producers.

We are forced to stand as buffers between those who are pocketing these millions and the hard pressed consumers who must dig up the dollars. And we are taking unshirted hell for it while the real culprits, sheltered from criticism, rake in the windfall profits. It seems to me it is time for us to make it clear to consumers where their dollars are going and where their efforts and energies aimed at controlling electric rates should really be directed.

In addition to the effect of coal prices, the public must also understand the impact of environmental protection programs on the rate base. At the present time the price tag for environmental protection is tolerable. But if the Nation does not assess the total energy-environment picture and establish sound priorities, sound standards, and reasonable programs of implementation, the impact on electric rates could become intolerable in the years ahead.

In the past decade there has been a strong surge of interest in natural resources and the environment. This surge was overdue, but some of the actions taken or proposed in an effort to correct past mistakes have been hastily- and ill-conceived. Some are illusory or even negative in their results. In the 1974 annual report of *Resources for the Future*, Marion Clawson reminds us: "The resource-environmental problems present many of life's inescapable choices: ends, goals, and desires are unlimited, but means to achieve them are not." All of us share the desire for clean air and clean water, but we do not have unlimited means to fulfill this desire.

It is our job to help the consuming public understand this relationship between clean air and water, on the one hand, and the cost of achieving them, on the other.

There must be a demonstration that the benefits are worth the costs. And since the costs will ultimately be borne by the consumer it is the consumer who should be satisfied that he is willing to spend his dollars for the benefits he will receive. It is important, too, to recognize that once the decision is made to install pollution controls, the equipment is bought and its construction proceeds. The die is cast. It may be several years before operation begins and the costs start to appear in the consumer's electric bill. But they will surely be there once the equipment is installed. They will be substantial. And it will be too late to change our minds—to decide they are not worth the cost. Once the investment is made, it must be paid for—and the only source of funds is the consumer.

Unfortunately, most consumers have not yet faced up to the connection between clean air and clean water and the cost of providing them. A recent survey by one of our major television networks reportedly showed that some 80 percent of the people polled would not want air or water quality standards relaxed even in the face of an energy shortage. Yet nationwide protests against current rate increases are intense—rate increases that will have to be much, much greater if present pressures for some controls are not relaxed.

We have said many times that the air and water must be kept clean, that land disturbed by strip mining must be reclaimed, but we have also said many times that balance must be struck between goals and means. As you know, expenditures in TVA's pollution control program are estimated at nearly $255 million for the fiscal year beginning July 1, which is $74 million higher than for the current fiscal year. This is a lot of money. It is evidence of our commitment to a healthy environment. But we are also committed to the consumers' interests. And we are not willing to spend their money for controls whose need is not clear nor whose effective workability has not been reasonably established.

Some of you will recall that three years ago in New Orleans, I addressed this group on the subject, "Power, Environment, and Your Pocketbook." I pointed out that proposed environmental controls facing us at that time could add from $400 to $800 million each year to the region's electric bills. I have not updated these figures, but I suspect that new calculations today would put the cost estimate on the high side of that range. And these costs are coming on top of electric bills that already create real hardships for some users of electricity.

Obviously we need to do a better job of getting across this message—not that the goal of environmental protection can be abandoned, but that in making decisions among alternative ways of meeting that goal, the impact on the consumer and the economy cannot be ignored.

Higher electric rates have created many suggestions on what can be done to hold down rates. Most of them do not get at the real problem. The majority who complain, of course, simply want the rates held at the low levels of the past. If we were to follow that course in the face of increasing coal costs, interest costs, and environmental costs we would soon be unable to pay our bills. We would be in violation of the TVA Act, in vio-

lation of the covenants with bondholders, and ultimately we would be unable to continue to operate. Our consumers might have lower rates for a few weeks or months, but the end result would be total failure of the power system.

Another proposal that crops up from time to time is that our rates should be subject to review by a regulatory commission other than the TVA Board. It seems to me the simplest answer to this suggestion is that rates in other sections of the Nation are regulated by such commissions, yet they are higher rates than in the TVA region, and in most cases their recent increases have been greater than ours.

The system for setting rates provided for by the Congress in the TVA Act and used here in the Tennessee Valley has (except for the hydro-blessed Pacific Northwest) produced the Nation's lowest rates. And it has maintained financial integrity of the power system at a time when many regulated utilities have been forced into the gravest of financial straits. It thus fulfills the basic purposes of ratemaking: protection of the consumer and maintaining financial soundness of the supplier. The TVA Board is required by law both to sell electricity at the lowest possible rates and to operate in the black. We also have broader responsibilities for the economic development of the region and low-cost electricity is a powerful tool for that task. No other rate-setting body in the Nation operates under such strict controls.

Within this region, troubled by rate increases, we hear occasional suggestions that maybe it is time to return the electric power business to private control. Strangely enough, outside the region where rate increases are even more severe, the reverse suggestion is made more frequently—that it is time in those areas to replace private electric utility operations with public ownership. As a matter of fact, the current increases have nothing to do with public vs private ownership of the utility system. Private owners using coal face the same problems that we do. Those who use oil for fuel face an even more aggravated situation; their fuel costs are twice as high as ours. This is one situation where the consumers of privately- and publicly-owned utilities have a common problem. Electric rates are up because fuel costs are up; the consumers' quarrel should be with fuel suppliers, not with their electric utility.

We have examined other suggestions such as inverted rates, higher rates for industry to subsidize residential consumers, and a variety of other proposals. We have examined them all—and we will continue to look at alternatives and suggestions—but I believe you are familiar with the pitfalls most of them present. Therefore, I will not go into them in detail.

We need to urge the public to look at the record—yours and ours. I am confident that any one who takes the time to do so will find that jointly we are doing one of the best jobs in the United States in serving the users of electricity at the lowest feasible rates. The system works! And it works well.

One reason it works is that electricity is understood and used in the TVA area as part of a total integrated resource development program carried out for the well-being of the people of this region and the Nation.

Our problems today is that our consumers, as well as those elsewhere, are saying they can't stand the rate of increase in electric bills, and there is merit in their complaints. But we must somehow make them understand that rising prices of electricity can be brought under control only as coal prices can be brought under control. Profits in coal production are exorbitant. If they are returned to reasonable levels, the price of electricity can come down. (And, incidentally, in my judgment, a very large step toward controlling inflation will have been taken.) Neither TVA nor any utility can accomplish this by itself. If coal producers do not voluntarily reduce profits to reasonable amounts, action at the national level, probably by the Congress, will be required. If consumers really want to stop the increase in their electric bills, their attention must be directed at coal. And for the years ahead, they must also take a closer look at their desire for environmental cleanup and decide where they want to strike the balance between benefits and costs—decide how much they want to spend for cleaner air and cleaner water.

We must help the consuming public to define and understand these issues. Widespread, cooperative action across the Valley is not something new. Through the years TVA has worked in partnership with the local power systems, with farmers, businessmen, industrialists, workers, and many others in cooperative programs to renew the region.

Way back in 1936 the TVA Board said, "The planning of the Valley's future must be the democratic labor of many agencies and individuals, and final success is as much a matter of general initiative as of general consent." Thirty-nine years later the region needs to again ignite that democratic initiative—ignite it to fight unreasonable coal prices, so that our future will continue to include reasonable electric rates as a force to help make this great region an even better place to live.

CRUELTY IN CAMBODIA

Mr. MORGAN. Mr. President, the most reliable news reports coming out of Cambodia disclose the most ruthless kind of inhumane treatment to the Cambodian people by the victorious Communists. While no estimates can be given of the deaths and suffering of these people, we can safely assume that when millions are driven from their homes and from sickbeds in the hospitals to the countryside and told to return to the soil without any advance preparation, that more human suffering and deaths will occur than if executions had been carried out with the machine guns of the Communists.

For months and months prior to this terrible tragedy, I heard and read where many of my fellow Americans plead for the United States to withdraw its aid from these brave souls who were attempting to defend the right to live and work as they chose. If only we would cut off the aid we were told, the suffering and killing would stop. These people who were making such accusations have been painfully silent about the cruelty now being imposed on these people.

Surely some day we will learn from history that no Communist takeover has ever been successfully accomplished without the eventual elimination of those who strive for and are willing to fight for the freedom to live as they please and work as they please and to speak as they please. I hope that school children in the future will never forget the agony now being endured by these people.

On May 15, 1975, an editorial entitled "Cruelty in Cambodia," appeared in the Wall Street Journal. I ask unanimous consent that the entire editorial be printed in the RECORD and thus preserved for future study.

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

CRUELTY IN CAMBODIA

Millions of Cambodians have been driven into the countryside to grub for food or die, and their fate is not likely to be reported by UN observers, Amnesty International or prying journalists. One can only imagine the suffering and degradation, but clearly the new rulers of Cambodia have invented a new brand of cruelty.

The extraordinary spectacle provokes a jumble of reactions, the simplest of which is that it has not been idle fear that in recent months has moved refugees to flight. The experience in Phnom Penh shows again what can happen when a new revolutionary government seizes power. We can give thanks that nothing comparable has yet happened in Saigon, but should note that there was no assurance that it would not.

There is, for that matter, no assurance even yet. When the Communists took over North Vietnam in 1954, they spent a year or two consolidating their hold. Only then did the bloodbath start, and some 50,000 were executed. The excuse was a "land reform" campaign, though the late Bernard Fall reported that the typical holding of the "landowner" class was less than two acres. Hanoi has since admitted to excesses in this incident, which gives some hope that it may be less brutal this time around. But the fact remains that no Communist government has ever been consolidated without some similar purge.

Already, the Cambodian experience is a crisis for those Americans who have built their moral and intellectual universe on opposition to American policy in Indochina. One starts to read half-hearted apologetics. We are told that since there is no reliable news, we cannot be sure that people are dying. At least the new Cambodians are serious men we read. We are told that the forced exodus makes sense seen through the eyes of the Khmer Rouge—as if we should look at the burning of Jews through the eyes of the Nazi.

What a different standard the same people apply to similar sins when committed by a non-Communist dictatorship. Indeed, it is especially instructive to compare Cambodia with, say, Chile. Shortly after the Khmer Rouge drove its population into the countryside, the Chilean junta announced the reinstatement of habeas corpus. This may prove to be a mere announcement not put into actual practice, but when will even the announcement be forthcoming in Cambodia?

At the very least, you do have reports on repression in Chile from UN observers, Amnesty International and prying journalists. Surely, this altogether healthy pressure in itself makes no small difference in terms of alleviating human suffering. But it is a symbol of something broader; so long as a nation is tied to the West there is pressure toward and at least a chance of evolution toward Western ideals of freedom. When the Khmer Rouge replaces Lon Nol, or the North Vietnamese replace Mr. Thieu, that chance is closed forever.

Beyond that, since the end of World War II the Communists have had a monopoly on that special kind of cruelty that comes from millennial ambition. Since taking power, for example, the Chilean junta has seemed to try to redeem the exaggerations initially directed at it by maintaining its own Gulag Archipelago, though an amateurish one compared with the original. But the junta certainly has done nothing comparable to the extermination of the Kulaks, the systematic land-reform killings in China or North Vietnam or the Cambodian march to nowhere.

The hallmark of this kind of cruelty is that it is not directed at specific enemies, real or imagined, but at whole classes and whole populations. It bespeaks not mundane greed for power, but the terrible self-righteousness that derives from a "sense of mission." The mission may be "liberty, equality, fraternity"; someone has summed up the message of the French Revolution as, "Be my brother or I will kill you." More recently, the mission has been building a new Soviet man, or seeking a new purity in a new agrarian Khmer society. History's worst cruelties have always resulted from the ambition to build a new society, in truth, the ambition to change the nature of man.

It is precisely this millennial ambition, and the "strength of character" that derives from it, that makes revolutionary movements so attractive to Western liberals. The liberals' current disillusionment over Cambodia is after all nothing new. Of all the great British Whigs, only Burke saw immediately the essential murderousness that distinguished the French Revolution from the American one. And we must remember that Lincoln Steffens, the ancestor of all investigative journalists, returned from Soviet Russia proclaiming that he had seen the future and it works. So on through the "land reformers" in China, Cuba and now Cambodia.

It is too much to hope, we suppose, that eventually the lesson will sink in. It is after all no easy lesson that cruelties like we now see in Cambodia result from lofty purpose, from the attempt to impose large and glowing abstractions on tiny and recalcitrant man. It is an even harder lesson that freedom means reign not only for man's lofty side but for his worldly one, and that anyone seriously interested in the quest for freedom will have to abandon the quest for human perfection.

HOME CANNING—SHORTAGES OF JARS AND LIDS

Mr. MATHIAS. Mr. President, in an effort to combat the rising cost of food over the past few years, Americans have increasingly turned to home gardening. In 1974, there were approximately 6 million new home gardens; projections for this growing season are that an additional 6 million gardens are being sown. This, among other factors, has precipitated a severe shortage in canning jars and lids for the coming harvest.

My own State of Maryland has been particularly hard-hit by this shortage—primarily in the western part of the State. I have been contacted by large numbers of my constituents, both long-time gardeners and novices, who are concerned and confused by this situation. In an effort to better understand the conditions which might have led to this shortage so that remedial action could be taken before the canning season began, I first contacted the Federal Trade Commission on January 10, 1975. On January 21, the Commission provided me with an outline of the basic factors responsible for the low availability of canning supplies. On February 3, 1975, I once again contacted the FTC requesting that a full staff inquiry be conducted and that a report detailing the reasons for the shortage and the prognosis for relief be prepared.

The Commission has responded to my additional inquiry. I ask unanimous consent that their letter to me be printed in the RECORD.

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

FEDERAL TRADE COMMISSION,
Washington, D.C., April 21, 1975.

Hon. CHARLES McC. MATHIAS, Jr.,
U.S. Senate, Washington, D.C.

DEAR SENATOR MATHIAS: This reply is in response to your letter of February 3, 1975, which concerned the recent shortage of canning supplies. You inquire as to some of the matters set forth in our January 21, 1975, letter to you which outlined the basic factors contributing to this shortage.

As to the raw materials shortages, our reports show increased demand internationally for tin plate and domestically for soda ash. Further, two major synthetic soda ash plants had to be closed due to environmental restrictions. In the 1974 season, therefore, canning equipment manufacturers were experiencing acute raw materials shortages. The situation for the 1975 season may be somewhat alleviated due to efforts that we understand have been made by Mrs. Virginia Knauer's Office of Consumer Affairs to persuade raw materials suppliers to direct a greater part of their materials to canning equipment manufacturers. These manufacturers currently report no materials shortage but do appear to be experiencing insufficient productive capacity due to the fact that they were unable to plan for major expansion. We understand that the capacity that is operating is being used to its fullest extent—24 hours a day, seven days a week, when conditions permit.

A historical perspective may help put the present shortage into a more meaningful context. Before inflation encouraged many families to grow their own produce for current and future consumption, the canning equipment industry appears to have been in sharp decline. One indication of this decline is the decrease in quantity of lids shipped from 14 million gross in 1955 to 8 million in 1973. Also, shipments for 1973 were 30.4 percent below those of 1972. Still another indication is presented by the report of the Glass Container Manufacturers Institute, *Glass Containers 1973/1974*, which shows that the number of lids shipped per hundred wide mouth jars shipped went from 27.5 in 1960 to 13.47 in 1973.

The declining canning equipment industry was suddenly confronted with a precipitously increased demand in the 1974 canning season. Inflation was largely responsible for a reported six million new home gardens in 1974; an estimated addition of another six million is forecast for 1975. This combination of a declining industry and unanticipated demand increase of themselves seem, on the basis of our present analyses, to account for the severe shortage of canning equipment for the 1974 season.

In addition, national inflationary pressures and energy problems acted to intensify the severity of the shortage. Our information shows that commercial food preserving companies simultaneously were experiencing shortages of metal and plastic containers and therefore the prices of those packaging forms increased. Both as a means of economizing and as a means of insuring an adequate container supply, commercial producers began to substitute relatively less expensive and more readily available glass containers. Thus, the already significant inadequacy of the container supply for home canning purposes was compounded by the diversion of these goods and their raw materials to the competing commercial food production sector.

As above mentioned, manufactures of home canning equipment report that raw materials shortages appear to have abated. Data collected by the Office of Consumer Affairs indicates that the three major manufacturers fo home canning supplies, Ball, Kerr, and Bernardin (which produces only lids and caps) have increased production by an overall of about thirty percent from last year's record production and that two new major entries into the market have been made by Anchor-Hocking and Owens-Illinois. Also, several smaller firms have entered the market.

Therefore, it is anticipated that the total supply situation will have eased somewhat. Our monitoring suggests that manufacturers' planned production of the complete jar-lid assembly is for over four hundred million units but that projected demand for these assemblies is for only three hundred million units. Our forecasts for the supply of separate replacement lids is less optimistic but, at this stage, necessarily uncertain. Production of 1.6 billion lids is estimated for the 1975 season and demand forecasts range from .95 billion to 2.85 billion.

You specifically inquire whether the industry structure could be contributing to the canning equipment shortage. On the basis of our present information we do not believe that structural factors are contributing significantly to the shortage. As set forth above, the industry, if anything, is becoming increasingly competitively structured because the entry of new firms has been encouraged by recently high return on investment. Indeed, this entry seems to offer a "real life" illustration of the competitive prototype. Although we have received complaints and allegations of withholding of goods, our monitoring indicates that, to the contrary, inventories have been at record lows since the 1974 canning season. Also, as is usual during periods of short supply of important commodities, we have received numerous reports concerning so-called black markets in the distribution of canning equipment. However, the federal antitrust and trade regulation laws administered by this agency offer relief from black market practices only when antitrust illegality has been demonstrated.

The information collected by this agency as highlighted and summarized herein indicates that the current shortage of canning equipment is the predictable result of temporary and unanticipated economic phenomena and not related to antitrust violations which would warrant a major investigative and enforcement effort by this agency. Our monitoring of the canning supply market is continuing but there is no present plan to publish a formal study. Of course, we shall be pleased to keep you informed of any major agency activities in this area.

For the present, may we restate our interest in receiving from you any information that would indicate a restraint of trade, exercise of monopoly power, or other antitrust illegality. Also, please be assured that I am always available to answer any further questions you may have.

Very truly yours,
HARRY A. GARFIELD II,
Assistant Director for Evaluation,
Bureau of Competition.

HOUSING TAX CREDITS

Mr. RIBICOFF. Mr. President, many people from Connecticut have written to me for information concerning the new tax credit which Congress enacted to stimulate the housing industry and encourage the purchase of new housing.

I ask unanimous consent that the following series of questions and answers, prepared by the Internal Revenue Service, be printed in the RECORD.

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

HOUSING CREDIT QUESTIONS AND ANSWERS

Q. I live in an apartment and am buying a residence for the first time. My new residence will qualify for the housing credit. How do I compute the credit?

A. You are entitled to a credit equal to 5 percent of the adjusted basis (generally your cost of acquisition) of your new principal residence up to a maximum credit of $2,000.

Q. Can the credit be greater than my tax liability?

A. No, the credit cannot exceed your tax liability for the year in which the credit is taken and cannot be carried back or carried over to a subsequent year.

Q. I have purchased a condominium for $40,000 (including closing costs) and received a new car with a fair market value of $3,000 as a "bonus" for purchasing the condominium. How much of a credit am I entitled to?

A. Assuming the residence otherwise qualifies, you are entitled to a credit of $1,850 based on an adjusted basis of $37,000 since the cost of the residence must be reduced by the fair market value of the car you received. You cannot claim this credit, however, to the extent it exceeds your tax liability.

Q. I have just sold for $40,000 an old residence that cost me $25,000 and am reinvesting the proceeds in a new principal residence qualifying for the credit for a total cost (including closing costs) of $50,000. Does the sale of my old residence affect the amount of the credit I am entitled to?

A. Yes. If the gain on the sale of your old residence was unrecognized as gain under the law, the cost of your new residence is reduced in determining the adjusted basis on which the credit is calculated. Therefore, the adjusted basis is $35,000 ($50,000 minus the unrecognized gain of $15,000) and the credit allowed is $1,750.

Q. My wife and I are purchasing a house that qualifies for the housing credit. We are taking title as tenants by the entirety. What is the maximum credit we can claim?

A. If you file a joint return you are entitled to a credit on your joint return equal to 5 percent of the adjusted basis of your new principal residence up to a maximum credit of $2,000. If you file separately each of you may take one-half of the credit on your separate return up to a maximum credit of $1,000.

Q. My sister and I are purchasing as joint tenants, with right of survivorship, a house which otherwise qualifies, and are making unequal contributions. What is the maximum credit we can claim?

A. You are entitled to a combined credit equal to 5 percent of the adjusted basis of your new principal residence for you and your sister up to $2,000. That amount is allocated between the two of you in proportion to your ownership interests. Since you are joint tenants, with right of survivorship, you are each entitled to one-half of the combined credit.

Q. I have just purchased a completely renovated townhouse; does it qualify?

A. No, townhouses and condominiums or cooperative apartments can qualify, but they must be new. A renovated building does not qualify as a new principal residence regardless of the extent of the renovation.

Q. Can a houseboat qualify as a new principal residence?

A. Yes, provided it is, in fact, used as your new principal residence.

Q. I am purchasing stock as a tenant-shareholder in a cooperative housing development; can such a residence qualify for the credit?

A. Yes, the credit can apply to a tenant-shareholder in a cooperative housing project provided he uses as his principal residence the house or apartment he is entitled as a shareholder to occupy.

Q. I plan to purchase a townhouse and rent it out; does it qualify?

A. No, the property purchased must be your new principal residence (generally the place where you live most of the year).

Q. I have been living in a house for the last two months as a renter and plan to buy the house under a written option in my original lease agreement. The house was new when I moved in. Can the house qualify?

A. Yes, the house can qualify. It would not qualify if you were not the original occupant.

Q. Who can I purchase from? Are there any limitations?

A. You cannot claim the credit for a purchase from your spouse, ancestors or lineal descendants or from a related corporation, partnership or trust.

Q. Do only existing residences qualify for the credit?

A. Yes, only residences on which construction was begun before March 26, 1975.

Q. What is the test for determining when construction has commenced?

A. For this purpose, construction is considered to commence when actual physical work of a significant amount has occurred on the building site of the residence.

Q. Do substantial improvements such as roads, sidewalks, sewers, and utilities constitute commencement of construction?

A. No, such improvements are not considered to consitute actual physical work of a significant amount on the building site of the residence. On the other hand, digging of the footings, excavation of the building site for the foundation or similar work constitutes commencement of construction.

Q. What do you mean by "similar work"?

A. Similar work includes driving pilings for the foundation and pouring of the floor slabs. It does not include work relating to preparation of the land, such as clearing and grading, regardless of the expense involved.

Q. By what date must I acquire and occupy the new principal residence?

A. The residence must be acquired and occupied after March 12, 1975, and before January 1, 1977. Unless you build it yourself you must have entered into a binding contract for its purchase before January 1, 1976.

Q. I have a binding contract for the purchase of a house otherwise qualifying for the credit that was entered into prior to March 13, 1975. Can I receive the credit?

A. Yes, if you acquire and occupy the house as your principal residence before January 1, 1977. You have not acquired the house until legal title is conveyed to you at settlement, or you have possession of it pursuant to a binding purchase contract under which you make periodic payments until you become entitled under the contract to demand conveyance of title.

Q. I have heard that I cannot claim the housing credit unless I have a certificate from the seller. Please explain.

A. You are correct. Unless you build your own house, you must attach to your return, with new IRS Form 5045 on which the credit is computed, a certification by the seller that the purchase price is the lowest price at which the residence was ever offered for sale.

Q. What do you mean by an offer to sell?

A. An offer to sell is limited to a listing, a written private offer or an offer by means of advertisement to sell a specified residence at a specified purchase price.

Q. With regard to an offer to sell, what do you mean by an advertisement?

A. An advertisement includes an offer to sell published by billboards, flyers, brochures, price lists, mailings, newspapers, periodicals, radio or television.

Q. In many housing developments purchasers are offered a choice of model homes. Under these circumstances how do you determine whether a specified residence has been offered for sale at a specified purchase price?

A. In the case of a housing development, an offer to sell a specified residence at a specified purchase price includes an offer to sell a house of substantially the same design or model as that purchased by the taxpayer at a specified base price on the same lot as that on which the taxpayer's new principal residence was constructed. It does not include an offer to sell the same model home on a different lot.

Q. I have added landscaping, garages, and dishwashers to houses I have previously offered for sale. Can I increase the price to cover the cost of these items and still have the houses qualify?

A. Yes, you may increase your lowest previous price by the fair market value of these items on the date of execution of the purchase contract. However, if these items were not a part of the residence on the date of execution of the purchase contract, you must give the purchaser the option as to whether to include these items.

Q. I lowered the price of homes I sold to "$30,000 for November only." Will such offer be treated as a prior offer in determining the lowest price?

A. Yes.

Q. I have not raised my selling price but previously I paid the mortgage points. Now the purchaser is paying the points. Is the residence sold at the lowest price?

A. No, since both the purchaser's actual costs and your net proceeds have increased, a residence sold under such terms would not qualify.

Q. Will a different price quoted that merely reflects what I must pay to obtain financing for a buyer wanting to make a minimal down payment as opposed to a buyer putting down a substantial amount disqualify the unit?

A. No, provided that the price otherwise qualifies as the lowest price.

Q. Will a different price that merely reflects inflation and my costs in holding a residence in inventory since the prior offer disqualify the unit?

A. Yes, that is an increase in purchase price.

Q. If I am constructing my own residence do I still qualify for the credit?

A. Yes, provided that construction commenced prior to March 26, 1975. In the case of self-construction, however, only the portion of the basis of the property allocable to construction after March 12, 1975, and before January 1, 1977, is taken into consideration in determining the amount of the credit allowable.

Q. If I sell my house after receiving the credit must I pay back the credit?

A. Not necessarily. If you sell the residence within 36 months after acquisition (after occupancy in the case of self-construction) you are liable for recapture of the credit in the year in which the replacement period terminates unless you reinvest all the proceeds (*i.e.*, the adjusted sales price of your old residence) in another new principal residence within 18 months after the sale (or commence construction of a new principal residence within 18 months and occupy the residence within 2 years). If, however, less than the adjusted sales price of your old residence is reinvested then there will be a partial recapture of the credit.

Q. If the certification falsely states that construction commenced before March 26, 1975, can I still qualify for the credit?

A. No, in such a case the residence does not qualify and no credit can be allowed.

Q. If the certification is false as to the lowest price ever offered for sale can I still receive the credit?

A. Yes, provided the residence otherwise qualifies and you did not participate in the false certification or know that it was false.

Q. I am a seller of new residences. I pur-

chased a number of them in a bulk sale. Since the total price I paid was allocated to the individual houses, am I bound by these allocated prices in determining the lowest price at which such residences were ever offered for sale?

A. No, a seller is not bound by prices at which residences were previously offered as part of a bulk sale.

Q. I have purchased a number of new residences at a foreclosure sale (or received deeds in lieu of foreclosure with respect to such residences). Prior to the foreclosure sale each of these residences had been offered for sale by the foreclosure seller at specified prices. Am I bound by the prices I paid or by the offers made by the foreclosure seller?

A. You are not bound by prices paid to the foreclosure seller since these prices do not represent voluntary offers. With regard to offers made by the foreclosure seller if the foreclosure seller and foreclosure purchaser are unrelated parties (for this purpose business entities will not be considered as related unless 50 percent or more of the stock is owned by the same or related shareholders with ownership to be determined by applying the attribution rules of section 318), the foreclosure purchaser must request and try to obtain from the foreclosure seller a certificate specifying the date of commencement of construction and the lowest price at which each of the foreclosed residences was offered for sale by such seller. Upon subsequent sale of a particular residence by the foreclosure purchaser, he must certify that the price is the lowest price the particular residence was ever offered for sale based on the certification of the foreclosure seller, a copy of which must be attached to the certification of the foreclosure purchaser. If the foreclosure seller refuses to so certify, the foreclosure purchaser must make a reasonable effort to determine the date construction commenced and the lowest price at which the residences were ever offered for sale by the foreclosure seller and certify based on this effort. For this purpose, reasonable effort includes the effort to locate and examine advertising and listings published or used by the foreclosure seller.

Q. If the certification of the foreclosure seller is false, is he liable for the civil penalties and criminal fines and/or imprisonment prescribed by the Act? Is the foreclosure purchaser?

A. The foreclosure seller is not liable because no certification is required of him by the Act. The foreclosure purchaser is liable upon his subsequent certification based on the certification of the foreclosure seller only if he knew it was false.

S. 1753—NATIONAL HEALTH SERVICE CORPS

Mr. JAVITS. Mr. President, I have joined in the introduction with Senator SCHWEIKER, on the request of the administration, of S. 1753, a bill to extend the National Health Service Corps.

I am pleased that the administration has chosen to recognize the importance of a continuing Federal effort respecting this vital program. However, I believe that a substantially greater commitment than the $18 million authorized in the administration bill is necessary.

Such limited authorizations will not allow us to make impact upon the critical problem of geographic maldistribution of physicians throughout this Nation.

The interfact of the National Health Service Corps with institutional support and student assistance within the framework of health professions education bills is critical to any legislative deliberations on health manpower legislation. Thus, I am confident the administration's bill will have the earnest consideration of the Labor and Public Welfare Committee as it deals with such broader health manpower issues.

I believe it is appropriate at this point to express my deep concern with the regulations respecting assignment of National Health Service Corps personnel.

The administration's regulations have effectively precluded National Health Service Corps personnel providing health care to our inner cities. Although deeply sympathetic to our rural needs, I believe it is essential that National Health Service Corps personnel be made available to all Americans in need of health care including our inner cities. I intend to work for an amendment which achieves that goal, also deal with any question on the existing regulations.

ANNOUNCEMENT OF POSITION ON CONCURRENT BUDGET RESOLUTION CONFERENCE REPORT

Mr. MORGAN. Mr. President, it had previously been understood that a rollcall vote on the first concurrent budget resolution would take place at 12:30 on Wednesday, May 14. I have a very keen interest in the bill and, like many other Members of this body, planned to be present for the debate and certainly for the vote. But because of the understanding as to the time of the vote, on Wednesday morning we went about other business of the Senate and attended committee meetings.

Unfortunately, the Senator from Maine (Mr. MUSKIE) felt constrained because of coordinating consideration of the bill with the House to move for earlier consideration of the conference report. Consequently, there was no roll call vote and many of us who had intended to be present for consideration of the conference report were denied that opportunity.

Frankly, I have very serious reservations about some of the report, including the fact that the deficit simply is too high. In addition, the report places the Members of the Senate in the position of either having to deny Federal employees pay raises or else, according to an analysis made by the Armed Services Committee, eliminate some 700,000 to 800,000 military and civilian jobs. This is an unconscionable position and I would like for the RECORD to reflect that had the rollcall vote been taken and at the time agreed upon, I would have been present and would have voted not to approve the conference report unless this situation could be resolved.

STUDY ON INTERNATIONAL BEHAVIOR

Mr. BROCK. Mr. President, Dr. R. J. Rummel of the University of Hawaii, has completed a study on international behavior. Columnist J. F. Terhorst noted that study in a recent column, and I ask unanimous consent that his article be printed in the RECORD.

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

INTERNATIONAL RELATIONS ANALYZED BY STUDY

(By J. F. Terhorst)

"A federally-financed computer analysis of international behavior provides an unusual and highly ironic dimension to the Democratic Congress's determination to quickly terminate U.S. support for South Vietnam and Cambodia.

"Its grim conclusion: to abdicate power is to abdicate the right to maintain peace.

"Although the new study is the work of a highly respected behavioral scientist, Dr. R. J. Rummel, of the University of Hawaii, it is certain to fuel fresh controversy between the hawks and the doves on America's role in global affairs.

"A hint of what's coming was implicit in Defense Secretary Schlesinger's criticism of congressional cutbacks on Vietnam aid this year and last. The 'illusion of American impotence' that churned domestic political waters a few years ago now has been supplanted by a dangerous foreign 'perception of American impotence' that Schlesinger finds ominous for U.S. interests.

"Nations that cooperate, that trade a lot, that have much communication and contact, have as much conflict as nations that ignore each other. In other words, transactions and cooperation do not necessarily lead to peace. What then, is related to peace? Power. Throughout our empirical studies, power—and only power—was found to be tied into a nation's conflicts with others.'

"As Rummel sees it, detente based on cooperation and trade will not produce peace among the superpowers. But he says the computer analysis strongly supports the other Kissinger element in detente—sufficient military might to deter aggression and resist diplomatic pressures.

"But power must not be pursued on a parity basis. Historically, according to the Rummel report published by the Honolulu Star-Bulletin, 'it is not equality in power that reduces hostility and conflict. Rather, it is power dominance or submission. Peace is purchased by making yourself stronger than your adversary . . . or by dismantling power and submitting to one's enemies.'

"According to the Rummel study, a historically false concept of how to insure peace is reflected by the steady erosion of American influence in Indochina and elsewhere in relation to the rising power of the Soviet Union and the People's Republic of China.

"For 12 years, Rummel and his colleagues have been analyzing international relations through computers, covering millions of separate bits of data on hundreds of different activities such as exports, migration, tourism, alliances, treaties, United Nations voting, threats, military movement, diplomatic protests, military clashes and wars over a period of many years. While the study covered all nations, the scholars focused particularly on the behavior of the United States, the Soviet Union, and China.

"Consistently, according to Rummel, conflicts between nations and ordinary transactions between nations were found to be statistically independent of each other.

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, 199 years ago a document which put dread in the hearts of all tyrants was conceived and written on these shores. This declaration proclaimed that "all men are created equal, that they are endowed by their Creator with certain unalienable rights."

Such was the Declaration of Independ-

ence on which this country was founded. But our forefathers soon learned that words were not enough. It is never sufficient merely to talk about equality and rights. For no matter how eloquent our speech, we must back up our words with action.

Having declared their belief in human equality and fundamental rights, our Founding Fathers backed up their words with deeds. The spirit of the Declaration of Independence was translated into law in our Constitution.

Now it falls to us, the Senate of the United States, to renew the commitment made by our forefathers. It remains for us to renew our Nation's longstanding faith in the rights of all men.

I urge speedy ratification of the United Nations Convention on the Prevention and Punishment of Genocide.

KING HUSSEIN ADDRESS AT THE CITADEL

Mr. THURMOND. Mr. President, the city of Charleston, S.C., was recently honored by a visit from King Hussein of Jordan, who delivered the commencement address at the Citadel on May 6. His candor and eloquence made a deep impression on all who were fortunate enough to hear him, from the Corps of Cadets to local and State officials. King Hussein is obviously a good friend of the United States, and he obviously desires a rapid and amicable settlement of the current problems in the Middle East. Some of his statements in Charleston need elaboration; others are subject to dispute. However, I can only praise the consistent fairness and reasonableness with which they were expressed. I ask unanimous consent that the text of his speech be printed in the RECORD, along with an editorial that subsequently appeared in the State newspaper.

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

ADDRESS BY KING HUSSEIN, THE CITADEL, CHARLESTON, S.C., MAY 6, 1975

Mr. President, members of the faculty, the Corps of Cadets, and distinguished guests.

As a former Cadet and an alumnus of Sandhurst, I was especially pleased to be invited here to The Citadel, and doubly appreciate the honor you have bestowed upon me. I am not really an academic type and I feel hesitant sometimes about accepting a degree. But among you, I feel right at home.

I recognize that the System of The Citadel which begins at the "Gate"—from "Knob" status to distinguished graduate—imposes certain restrictions, restrictions that may on rare occasions be broken. With vivid memories of my own days as a cadet, I shall now, Mr. President, invoking the traditional privilege as a Chief of State, ask that amnesty be granted those cadets undergoing confinement or tours of penalty.

By the nature of my position, I have had to become, you might say, something of a military strategist and a political scientist. So, although I have not had the benefit of instruction from your distinguished faculty, I might be able to pass some of your courses, maybe even enough to earn a degree. I'm happy, however, not to be put to the test.

Today I am indeed proud to become an alumnus of The Citadel.

While I was a cadet at Sandhurst, I was involved in an episode which I still vividly recall.

After a night in London, I returned to the college to find fire trucks just leaving the campus, having been summoned by a prankish fire alarm.

The next morning at an early parade, the college commander demanded that the officer cadet who rang the alarm should step forward. When no one volunteered, the entire college was confined to barracks until the guilty party confessed.

This seemed a bit unfair to those of us who had not been in the college when the alarm rang, and especially to me because I had the opportunity to try out a new racing car at the Goodwood track that very day.

After brooding on this for some time, I asked permission to see the college commander. When I was permitted into his presence, I saluted sharply and blurted out, "I did it, sir."

"You did what?" he asked.

"I rang the fire alarm, sir."

He paused for a moment, and then said, "How could you? You were on leave in London."

"That's true, sir. So were many others."

He smiled slightly, and then said, "I see your point, Hussein."

Within an hour, I was something of a hero to all those who were released from confinement to barracks because they hadn't been in the college when the alarm rang. I'm sure, General Seignious, that you would have agreed with the commander's decision not to inflict mass punishment.

I did try out that car, by the way, but never did race it. The garage, under orders I suspect from the Jordan Embassy, never tuned it up sharply enough for Goodwood racing. Probably just as well.

The duty to set right an obvious wrong is an obligation we all recognize, whether it be in a military school, or in relations between nations. It is at the heart of the concept of Justice.

It is also, Mr. President, at the heart of the Great Issue I wish to discuss today—War or Peace in the Middle East.

There are few problems on the planet Earth more demanding of the collective wisdom of mankind than a just settlement of the difficulties that have arisen between the Arab Nation and Israel. Although the Arabs comprise many States, they do form one Nation, in that they share the same language, religion, tradition, culture, history and geographic area. It is in this sense that I use the term.

The drama of this conflict between the Arab Nation and Israel, with it attendant human suffering, has unfolded in a grim 30-year tragedy. We have witnessed Act I—the founding of Israel; and Act II—the Wars, 1956, 1967, 1973. Today we are observing the formulation of Act III—the ultimate conclusion. Shall it be peace, the peace we all desire—or a violent catastrophe, possibly involving the entire world in armed struggle and suffering?

How did the problems and misunderstanding of the first two acts occur? And what can we all do to insure the Third Act will not enlarge and perpetuate the tragedy? My views are those of one who has been both an observer and a participant in this human experience for the past 23 years and whose country has been in the forefront of the conflict from its beginning. It is against this background that I would like to assess the events and developments of the recent past, consider their impact, and develop some conclusions.

As you know, the state of Israel came into being in 1948 after the British decided to give up their Palestine mandate, and the United Nations passed a resolution partitioning Palestine. Between November 1947, when the UN vote was taken, and May 1948, when the mandate ended, there was fierce terrorist activity, and the first Arab-Israeli war was fought thereafter. The result was that when the truce was signed nearly 800,000 Palestinians were driven from their homes or had fled because they could not live under Israeli rule.

For nearly 20 years, most of the displaced Palestinians lived in refugee camps in Jordan, Syria, Lebanon, and the Gaza Strip. There were frequent incursions over the border by Palestinians and fierce reprisals by the Israelis. Bitterness and hatred grew stronger with every passing year. Cease fire agreements were made and broken, while both the Arabs and the Israelis kept building up their military strength.

In June, 1967, the "Six Day War" erupted between Israel and three Arab states—Egypt, Syria, and Jordan. At its conclusion, the military capability of the three Arab states was utterly destroyed, and Israeli forces were occupying territory in all three countries—the Sinai Peninsula of Egypt, the Golan Heights of Syria, and the West Bank of Jordan, including the old city of Jerusalem.

In November of that year, the Security Council of the United Nations unanimously adopted a resolution—No. 242—designed to form the basis of a solution. Its preamble stated a basic principle written into the charter of the United Nations—that no nation may acquire the territory of another nation by force. It then proceeded to outline the conditions that were to be accepted by both sides. They included: Arab recognition of Israel; an end to belligerency; the right of Israel and the Arab states to live within recognized borders; the freedom of passage through the Suez Canal; a just solution of the Palestine problem; and the withdrawal of Israel forces from the Arab territory they had captured and were still occupying.

The terms were accepted in principle by all. But then began the challenge of implementing the peace.

That was in 1967—eight years ago. What has happened since then?

The United Nations has repeatedly confirmed the terms of the resolution, and repeatedly sent conciliatory missions to the area. Nearly every major nation has offered to mediate, and the problem has been on the agenda of half a dozen summit meetings. Unfortunately, all of them failed. There was no progress on any point, and Israel continued to occupy Arab territory.

Then occurred the October War in 1973, which in 30 days, in terms of military equipment, was the most costly war ever fought.

After a cease fire had been arranged, there began a series of diplomatic interventions by the United Nations and the great powers. The United States and Russia sponsored a conference at Geneva that quickly adjourned. Once again, nothing seemed to be working.

Then in mid-1974 began one of the more remarkable events in diplomatic history—the "shuttle" diplomacy of your Secretary of State, Dr. Henry Kissinger. He did succeed in arranging a separation of forces in the Sinai Peninsula, and the Golan Heights. But when he returned recently to seek a further separation of Egyptian and Israeli forces, he found their positions had become irreconcilable, and departed for home, a greatly disappointed man. That he did not succeed has been called by some a failure.

If there was a failure it was not Dr. Kissinger's. No man has worked more tirelessly, more valiantly, with gerater patience or greater dedication, than your Secretary of State in trying to resolve the issues which divide the area. He must be commended for his efforts and be urged to continue them and, indeed, under President Ford's leadership, to redouble them.

The failure of the negotiations reflected a failure by Israel to jettison an already discredited policy—a failure by Israel to re-examine and reject its notion that security derives from holding the territory of its neighbors. In fact, it is Israel's continued embrace of the notion that prevents it from realizing its security goals.

What I have said so far has dealt with history. What of the future?

As a true friend of the United States—and happy to be accepted as one—I believe I can contribute helpful and somewhat different points of view on the Middle East problem. These are views which I have expressed to your President, the Secretary of State and members of the Senate and the House. I think it was particularly opportune to have exchanged views with your leaders at a time when they were conducting a serious reassessment of United States policy for the Middle East, and to learn that our respective views are not very far apart.

Although the area has been an unending battlefield, a scene of intermediate chaos and tragedy and is now in yet another state of crisis, I am convinced the prospect of peace in the Middle East still exists and in some respect may be closer than it has ever been before. Significant changes have taken place which give new hope.

Perhaps the greatest single new hope for peace stems from the historic change in the Arab position. And I have asked your leaders to recognize this in their reassessment. In the years before, and immediately after the 1967 War, we were in no mood for anything but retribution. We refused to recognize the existence of Israel, much less negotiate with her. Since then there has been time for reflection and growth in the Arab world. Greater strength has produced greater confidence. Heightened responsibility has brought a broader maturity. With enlightened new leadership in Egypt and Syria we have reassessed our policy. Realistic and constructive new attitudes and measures have been adopted. As a result, starting with our cautious acceptance of the 1967 UN Resolution, today we in Jordan, as well as in Egypt and Syria, are ready, even eager, to make peace. We accept the conditions for peace that have been laid down—recognition of Israel, nonbelligerency, Israels' right to exist within recognized borders, and our willingness to make and support a final peace.

All of these we accept on condition that Israel withdraw from all Arab territory and recognize the legitimate rights of the Palestinians in their homeland. It is as simple as that.

There have been other important recent changes in the Arab world. They do not affect our attitude toward seeking peace with Israel, but they increase the urgency of something being done about it. Although the Middle East has always been a key area in international military and political strategy, it has now become a major center of economic power. Because of this the stakes are immeasurably higher in this crisis than before, and the urgency for solution has never been greater.

For most of the 20th century, and until very recently, the Arab Nation was generally ignored by the International Community. We had little voice or influence in the affairs of the world. The remarkable change which occurred within the past five years has now placed us prominently on the world stage. The Arab Nation has become the principal source of supply for the world's energy needs. Its energy resources have provided it with financial means rivaling the great industrial nations. Its rate of economic and industrial growth exceeds that of the other areas of the world. Future projections are even more impressive.

The old political order is being replaced by a new economic order of world importance. Peace is essential if the opportunity to share this prosperity is to be realized.

These changes which have occurred in the Arab world are truly of historic proportions and they will require equally historic decisions. Unfortunately, the decision most vital to everyone involved is not one which the Arab Nation can make. It is a decision for Israel. The decision, at long last, to return all territories she occupied by force and make peace. Despite the changes within the Arab world since the 1967 war, Israel has not budged from the territory she took then or the policies she has followed since that war. You have an expression in this country, "to bite the bullet" and that is what Israel must now do—"bite the bullet," and withdraw from Arab territory. That, I know, will be a major decision for Israel to make. Israel has demonstrated it can wage war, yet security eludes her. It may take more courage on the part of her leaders to make peace than to provoke war. Courage is the test of leadership. Withdrawal is the key to both peace and the real security Israel's leaders claim they so ardently desire.

Israel claims that her overwhelming concern is fear for her security. On analysis this is difficult to reconcile with reality at this point in history. If I may paraphrase a quotation from one of your former Presidents, in my opinion, the only thing Israel really has to fear is fear itself. She unfortunately appears to have confused fears of the past—in other times and other places—with her security for the future. Old Jerusalem is not the Germany of World War II and Palestinian refugees are not the Nazis of Hitler. Prior to 1948, Arabs and Jews lived side by side in harmony as friends and neighbors for centuries. Perhaps, the fact that many of the founders of Israel and many of its present leaders and citizens were persecuted in Europe by Europeans, and are alien to the Middle East and its people, explains in part the attitudes of Israelis and their supporters. But European persecution in the past cannot justify the denial of rights to other peoples in 1975. Today, right now, there are thousands of families, men, women, and children, in my Kingdom who were born and raised in the holy city of Jerusalem, but are barred from returning to the holy city. Yet, refugees to Israel from Poland, East Germany, the Soviet Union and other corners of the world live there and claim it as their exclusive home. Is it not reasonable that we find this difficult to accept?

I have suggested that Israel is confusing her problems of security today with haunting fears from the past when she should be exploring the promises of the future. More concretely, her concept of military security has become antiquated—a fact this audience should appreciate. To contend, in this modern military age of sophisticated weapons and supersonic speeds, that long-term security can be measured in territorial miles may be a good propaganda ploy—or, as some have suggested, a guise for permanent expansion—but it has no military validity. Traveling under this false badge of security, Israel now occupies ten times the territory she was originally given. I am sure the United States, private citizens as well as government, did not intend that the billions of dollars which have been poured into Israel, out of compassion, would be used to conquer and occupy new lands. Yet that is what has happened. The United States bears a special responsibility in this regard for you are Israel's major ally and her most important benefactor. If a condition for peace is withdrawal, should not a condition for assistance be the same?

You must help Israel realize that she will only have true security when her neighbors are willing to live in peace with her. That is what the Arab States are offering her now. An offer, despite her protestations of peace, which Israel refuses to accept. It is a dangerous and disturbing situation. For if, as we have recently observed, Israel would not bring herself to relinquish a few miles in the Sinai, despite Egyptian concessions and your strong urgings, how can we expect her to withdraw from the rest of the lands? Eight years ago I said, Israel could have territory or she could have peace, but she could not have both. I can only add that if she continues to persist in her present occupation policy she could end up with neither.

Nations have been at a crossroads many times in their history and as often as not have chosen the wrong road. The Middle East is littered with lost opportunities for peace. The crossroad we now face is an important one because the stakes have become so high that to choose that wrong road this time could be catastrophic. And there is no assurance that if we miss this opportunity there will be another. Time could not be more critical. The area is too volatile, the alternatives too limited and the pressures too great and uncontrollable to permit the present condition of "no war—no peace" to survive for long.

As has been so often the case in this century, the role of the United States once again is crucial. I am grateful you are reassessing your policy in the Middle East. I think it is vitally important that your Congress and the President join together in the policy to be followed for it is essential to your greatness and your credibility that you speak to the world with one voice on matters of basic policy.

I would hope that yours is not the only other reassessment. The Arab States have reassessed their policy. It is now time for Israel, as well, to reassess her policy. In fact, it is crucial to the problem—and it is the response Israel gives that will determine the answer to our question—War or Peace in the Middle East?

May God guide us all in our efforts to insure that it is Peace.

[From the Columbia (S.C.) State May 8, 1975]

HUSSEIN SAYS PEACE DEPENDS ON ISRAEL

CHARLESTON.—Jordan's King Hussein was addressing The Citadel's Corps of Cadets here Tuesday, but his "war or peace" message was aimed at other audiences—the leaders of Israel and the people of the United States.

There was an appealing simplicity to his proposal that Israel accept the conditions of peace which the Arab nations offer at this admittedly cruel phase in Mideast history. And there was a bid for international approval in his recitation of the United Nations peace recommendations of bygone years—recommendations which the Arabs cite today as a basis for peace.

The king's own words are meaningful:

"We in Jordan, as well as in Egypt and Syria, are ready, even eager, to make peace. We accept the conditions for peace that have been laid down—recognition of Israel, non-belligerency, Israel's right to exist within recognized borders, and our willingness to make and support a final peace.

"All of these we accept on condition that Israel withdraw from all Arab territory and recognize the legitimate rights of the Palestinians in their homeland. It is as simple as that."

But it may not be quite so simple to prevail upon Israel to give up the lands seized in the "Six-Day War" of 1967 and retained since then in the interests of national security. Nor will it be simple to determine just what are "the legitimate rights" of the Palestinians—especially since the Palestine Liberation Organization has gained what almost amounts to governmental status itself.

Yet there is significance in King Hussein's inclusion of Syria and Egypt in his references

to Jordan and to "the Arab nation." If his relatively conciliatory message does indeed reflect a consensus among the Arab states, that in itself is a hopeful sign. It is all the more hopeful because it comes from Hussein himself—a recognized moderate throughout the recent Mideast turbulence.

A thread—almost a threat—of finality was embraced in The Citadel address, however, and herein lies much of the speech's thrust at America. Referring to the United States' "special responsibility" as Israel's major ally and chief benefactor, Hussein said:

"You must help Israel realize that she will only have true security when her neighbors are willing to live in peace with her. That is what the Arab states are offering her now. . . . Eight years ago I said Israel could have territory or she could have peace, but she could not have both. I can only add that if she continues to persist in her present occupation policy she could end up with neither."

This line of talk, obviously, will not be pleasing to Israel or the friends of Israel. Yet it must be given full weight and consideration, for it reflects a somewhat altered mood on the part of the Arabs. On the one hand, there is a willingness to make overtures toward peace. But there also is a new sense of confidence stemming from the Arabs' improved military performance in 1973 and—even more to the point—the massive economic muscle which the Arab nations have come to feel in the last two years.

The big decision affecting the Mideast seems now to rest with Israel. It is a tough decision. And it may, as King Hussein suggested, "take more courage on the part of her (Israel's) leaders to make peace than to provoke war."

STATEMENT BY THE AFL-CIO EXECUTIVE COUNCIL ON "PUTTING AMERICA BACK TO WORK"

Mr. WILLIAMS. Mr. President, when we adopted the Congressional Budget Act of 1974, we did so in response to the long-standing and well-documented need to provide the Congress with the vehicle for budgetary planning, review, and coordination that it must have in order to effectively plan this Nation's economic future.

However, the initial optimism which I shared with many of my colleagues that we would be able to use the procedures under the Congressional Budget Act to establish effective economic programs for national recovery, has been shaken by the very narrow and restrictive position which is reflected by Senate Concurrent Resolution 32, which we adopted on May 1.

One of the most positive elements of the Congressional Budget Act is that it provided the Congress with the means to respond positively to the expressed needs of the American people by giving it budgetary control over the human and social needs of our citizens. Yet this overdue attention to national issues has been sidetracked again and caught up in the all too familiar struggle to maintain the national budget deficit at what the administration considers to be the "rock bottom" acceptable level.

But while the administration attempts to juggle a budget which has been grossly mismanaged and distorted during the past decade as a result of an overextended and inappropriate foreign aid policy and exorbitant defense allocations, it finds itself reluctant and unwilling to deal decisively with domestic needs. When a recession strikes under these conditions, and the Government hesitates in fear of risking a larger deficit, the countercyclical potential of massive assistance programs soon recedes and loses its initial impact.

Recent study and analysis done by the Committee on Labor and Public Welfare to determine the minimal budgetary requirements for setting these countercyclical programs in motion show that, to slow down and reserve the economic forces which are destroying labor market stability and productivity, the President and the Congress must take bold and decisive steps in the fiscal area. The effects of inflation and unemployment can be countered with comprehensive legislation to stimulate and rebuild consumer confidence and to inject new lifeblood into the sluggish and inert economy.

In my own State of New Jersey, 325,745 individuals drew unemployment benefits in the month of March; of that number, 94,956 were receiving their benefits as a result of the special and supplemental benefit programs which were enacted late in the last Congress. These people have been spared the humiliation of seeking welfare. Yet, because of the reluctance of Congress to see its responsibility for major economic commitment, they must now face the prospect that their benefits will not last as long as the current recession prevents them from finding gainful employment.

I have only noted the crisis in 1 State out of 50. Nationwide, there are 6.3 million workers receiving unemployment assistance from the State and Federal Governments. Of these, over 731,000 persons are receiving benefits under the emergency supplemental programs. Yet at the most crucial point in the recession, when the Congress has the means at hand to stabilize the employment situation and rebuild economic growth, it has drawn back and has failed to act positively. This reluctance has the potential for stranding hundreds of thousands of American workers without jobs or incomes, and to make them dependent upon public assistance programs without in turn, having any opportunity to contribute to the society.

And let us not fool ourselves. These necessary support programs which will be needed if the current economic crisis does not quickly correct itself, are going to cost us all a lot of money. And these programs do not return anything to the economy to stimulate it to growth.

In this regard, Mr. President, I ask unanimous consent that a statement which was recently issued by the executive council of the AFL-CIO, aptly entitled, "Putting America Back To Work," be printed in the RECORD at the end of my remarks. None can speak more forthrightly and knowledgeably on the concerns and needs of the American workers than their chosen labor union leaders. I hope that each of my colleagues who has chosen to support the administration's self-defeating fiscal limitations will note this statement of positive and constructive criticism of the American working men and women and respond to the urgency of their needs.

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

PUTTING AMERICA BACK TO WORK

(Statement by the AFL-CIO executive council)

The AFL-CIO is appalled at the actions taken by the Senate and House last week on the first budget resolutions. Like the President, the Congress is focusing on the dollar deficit and ignoring the real cause of this deficit. Like the President, the Congress is ignoring the human needs of millions of Americans desperately seeking help.

Neither the President nor the Congress recognize these two fundamental economic facts of life:

During periods of severe economic recession and depression federal revenue drops drastically. A deficit can be avoided either by providing the stimulus necessary to revitalize the economy or by slashing vital human programs.

For every 1% drop in unemployment, the Treasury gains $16 billion in tax revenues and reduced social costs. When Richard Nixon became President, unemployment was below 4%. If joblessness was at the same rate today, America would be enjoying a budget surplus.

Both the President and the Congress ignore these facts. The President has set as his goal a $60 billion deficit total, no matter how unemployment spirals upward. The Congress refuses to challenge the President.

The President's insistence on an arbitrary budget deficit ceiling of $60 billion indicates that he lacks essential faith in America's economy.

We in the trade union movement have absolute confidence in the ability of this nation's economy to recover from this current economic emergency, but *only* if it is given the opportunity to grow and expand. This will require a much larger federal deficit to create jobs and get Americans back to work.

The President's projected federal deficit of $60 billion, as a percentage of today's gross national product, is far too low for this recessionary period. In fact, this country supported a much higher deficit at a time when its economy was smaller and its gross national product much less.

The publicly held federal debt was nearly 103% of the gross national product in 1947, after the end of World War II. By 1957, the debt was down to 51% of the nation's total production of goods and services. It fell to 47% in 1960 and, in the year ended June 30, 1974, the debt was down to less than 26% of the gross national product.

The nation can—and must—revive the economy again. The Congress must ignore the President's goal and use facts, not myths, to determine what the economy needs to achieve full employment. If they don't there will be no recovery and unemployment will remain intolerably high.

The Congressional budget process was created to establish national priorities. The action taken in the Senate and House last week demonstrates that priorities have been replaced by politics.

Both the Senate and House budget resolutions are totally inadequate. In terms of funding, they either reject or underfinance essential programs, such as: Accelerated public works, public service employment, aid to the cities, housing, railbed repair, and health insurance for the unemployed.

In the Senate, five Senators—Mondale, Humphrey, Williams, Javits and Schweiker—offered an amendment that would have pro-

vided $9 million to finance these programs. While the amendment did not go far enough, it was strongly supported by the AFL–CIO as critical to economic recovery. Only 29 Senators voted to put America back to work—for that was the issue.

In the House, the political appeal of a reduced deficit almost led to the elimination of the inadequate job-creating funds recommended by the Budget Committee.

Congress must stop ignoring the need to restore the nation to a full employment economy. Its members must be told, again and again, that putting America back to work and restoring a healthy economy must be their main goal.

The budget committees are mandated to bring forth reconcilation resolutions in September. But September may be too late. Therefore, the AFL–CIO will continue to call upon the budget committees to face their real responsibilities and report supplementary resolutions well before the summer recess.

In the meantime we will continue our fight in the Congress for early, affirmative action on the job-creating measures: Accelerated public works, public service employment, housing, railbed restoration, aid to the cities and health insurance for the unemployed. We will also intensify our efforts for tax justice, statutory lowering of interest rates and legislation to stop the export of American jobs.

TABLE 4.—UNEMPLOYMENT RATES OF WORKERS FOR SELECTED QUARTERS BY INDUSTRY AND RACE

Industry	Quarters			
	4th, 1969	4th, 1973	3d, 1974	4th, 1974
BLACK WORKERS				
Construction	6.2	10.3	13.6	16.6
Manufacturing	5.0	6.5	8.6	11.5
Durable goods	5.0	5.8	7.7	11.2
Primary Metals	1.7	2.3	3.0	8.7
Automobiles	3.9	3.8	12.4	15.6
Nondurable goods	5.0	7.3	9.8	11.9
Food	4.8	8.7	13.1	16.9
Textiles	4.9	3.4	12.7	10.7
Apparel	7.0	10.4	11.7	13.6
Transportation	3.9	3.0	4.4	4.5
Trade	6.5	8.8	10.9	11.1
Wholesale	7.4	3.5	12.2	10.0
Retail	6.3	9.8	10.7	11.3
Finance	2.4	4.8	4.4	5.5
Private household service	4.0	5.7	5.7	7.3
Miscellaneous service	5.1	6.7	7.6	7.8
Business, repair	4.5	9.9	7.4	9.1
Personal service	7.3	6.2	6.7	10.8
Professional service	4.2	6.0	7.0	6.4
Public administration	3.8	5.3	5.3	6.7
Total Federal	3.8	4.6	4.8	5.6
Postal Service	3.1	3.1	2.0	5.3
Other Federal	4.3	5.3	5.9	5.7
State	3.6	7.0	3.0	2.6
Local	4.0	6.8	7.1	11.2
WHITE WORKERS				
Construction	4.3	6.1	6.1	9.6
Manufacturing	3.2	3.6	4.7	6.3
Durable goods	3.0	3.3	4.3	6.1
Primary metals	2.1	3.4	2.9	5.1
Automobiles	2.5	1.9	6.5	7.5
Nondurable goods	3.5	4.0	5.4	6.7
Food	4.3	4.5	6.2	7.2
Textiles	4.4	3.8	5.8	8.8
Apparel	6.0	6.0	9.6	9.8
Transportation	2.0	2.6	2.7	2.9
Trade	3.0	4.2	5.3	5.6
Wholesale	2.2	2.9	3.4	3.8
Retail	3.2	4.5	5.7	6.1
Finance	1.9	2.7	2.8	3.2
Private household service	2.3	3.6	4.5	3.2
Miscellaneous service	2.0	2.9	4.2	3.6
Business, repair	3.0	4.3	5.4	4.9
Personal service	3.3	4.7	5.0	5.1
Professional service	1.3	2.0	3.6	2.7
Public administration	1.9	2.1	1.8	2.3
Total Federal	2.0	2.3	2.0	2.6
Postal Service	.9	.6	1.1	2.2
Other Federal	2.5	3.1	2.4	2.8
State	1.3	2.2	1.6	2.7
Local	1.9	1.7	1.7	1.7

Source: U.S. Department of Labor, Bureau of Labor Statistics.

TABLE 5.—NUMBER OF UNEMPLOYED WORKERS FOR SELECTED QUARTERS BY INDUSTRY AND RACE

[Numbers in thousands]

Industry	Quarters			
	4th 1969	4th 1973	3d 1974	4th 1974
BLACK WORKERS				
Total Unemployed (number)	451	671	819	940
Construction	32	56	70	86
Manufacturing	116	165	224	294
Durable goods	68	83	112	161
Primary metals	3	4	6	19
Automobiles	6	8	27	30
Nondurable goods	48	81	111	133
Food	12	29	30	41
Textiles	6	6	24	18
Apparel	13	22	26	28
Transportation	21	20	30	30
Trade	76	127	167	176
Wholesale	15	8	29	24
Retail	62	118	137	151
Finance	6	17	17	21
Private household service	32	34	30	38
Miscellaneous service	121	188	221	224
Business, rapair	10	28	22	27
Personal service	32	24	25	41
Professional service	68	121	148	135
Public administration	22	38	38	47
Total Federal	14	21	20	23
Postal Service	4	5	2	7
Other Federal	10	16	18	16
State	1	6	2	2
Local	6	10	15	21
WHITE WORKERS				
Total unemployed (number)	1,926	2,762	3,494	3,994
Construction	196	326	349	518
Manufacturing	631	703	933	1,233
Durable goods	355	384	510	720
Primary metals	22	39	34	63
Automobiles	26	20	68	76
Nondurable goods	276	318	422	513
Food	67	76	101	115
Textiles	38	31	45	66
Apparel	75	74	115	111
Transportation	99	129	143	152
Trade	424	702	896	966
Wholesale	54	92	109	117
Retail	370	609	787	849
Finance	67	115	130	141
Private household service	27	38	44	28
Miscellaneous service	334	563	816	737
Business, repair	67	109	144	128
Personal service	70	99	112	112
Professional service	149	279	486	397
Public administration	74	80	76	95
Total Federal	41	43	40	51
Postal Service	5	3	6	12
Other Federal	35	39	33	39
State	7	15	10	19
Local	25	22	25	24

Source: U.S. Department of Labor, Bureau of Labor Statistics.

UNCLE SAM: NO MORE MR. NICE GUY

Mr. BROCK. Mr. President, certainly one of four experts on our Nation's defense is retired Adm. Elmo R. Zumwalt, the former Chief of Naval Operations. He recently wrote an article entitled "Uncle Sam: No More Mr. Nice Guy." I ask unanimous consent that this informative article be printed in the RECORD.

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

UNCLE SAM: NO MORE MR. NICE GUY

(By Elmo R. Zumwalt, Jr.)

WASHINGTON.—Wherever one looks the rate of change on the international scene has achieved dizzying proportions, often with ominous overtones for United States interests. What is frequently overlooked, however, is that American behavior may be one of the greatest precipitators of this growing instability.

Debate over the fiscal 1976 defense budget has highlighted the fact that we are at a point where fundamental changes may occur which could undercut the assumptions underlying the foreign and national security policies we have followed since World War II.

The combination of increasing Soviet military power and declining U.S. force levels has put us at the crossover point where Soviet superiority in military capabilities may become reality.

This affects the Soviet view of opportunities and of relative risks in pursuing them. It equally affects the will of our national leadership and the American public in facing down Soviet irresponsibility (as in October, 1973). And it clearly affects the Third World's sense of the way things are going, hence their political alignments and willingness to cooperate with us.

Whatever we may think about the political value of military power, it is clear that the Soviets value it highly for its utility in advancing their goal of expanding power and influence. For this reason the Soviet Union can be expected to continue increasing its military investment at the annual three to five per cent rate of recent years.

While détente, with adequate American strength, can be a positive phenomenon, we cannot overlook the fact that the euphoric representations of détent which have characterized the rhetoric of some senior U.S. officials in recent years have allowed the Soviet Union to continue shifting the military balance without unduly alarming the West.

It is sobering to recall that we have no experience in dealing with the Russians under conditions of clear-cut Soviet military superiority.

There is a real possibility that the Soviet's growing margin of military capability will lead them to believe they have politico-military options formerly denied. Their aggressive promotion of the opportunity to change the strategic face of Europe by bringing Portugal into the Soviet orbit suggests a boldness that would have been unthinkable in the days when the United States was more stalwart in defending its essential interests.

Quantities of Soviet money, advice and K.G.B. subversion suffuse Portuguese politics while the U.S. looks on, its own ability to act paralyzed by confusing debates about the proper role of intelligence agencies in safeguarding its vital interests.

At the same time, the Soviet Union must be delighted with events in Vietnam, where its own aid and advice have helped carry the day, while statutory restrictions on U.S. ability to enforce the Paris accords encouraged their massive violation by the North. Congress's signal that further air could not be relied on contributed to a collapse of morale in the South, while casting a shadow on U.S. dependability as an ally.

What we must avoid is a situation where changes adverse to U.S. interests become irreversible. We are fast approaching such a point. Our demonstrated lack of national will, our mindless acts to destroy the cohesion of carefully built alliances, and the steady erosion of American credibility have given impetus to an unraveling of the sinews of that world order which we had come to take for granted.

The U.S. is now perceived as a declining power and, more importantly, as a state unwilling to use that power which it disposes to protect its key interests. In the eyes of the Third World, this U.S. behavior is seen as eroding one of the fundamental props of a

stable international environment, and changing the basic assumptions on which their own behavior has been predicated.

The result is a trend toward a situation in which predatory drives may receive new emphasis, international agreements lose their efficacy, and irresponsibility can become the norm. The risks are high in such a world. Conflict having the potential to draw in the superpowers becomes more common; access to resources and markets on which our economy depends is less certain; and miscalculation can rapidly lead to the sort of calamity which we have fully avoided since World War II.

The financial burdens of maintaining a foreign policy of intelligent international involvement, supported by an adequate defense capability, are relatively small. Six per cent of the G.N.P., properly allocated, can cover the essentials. The political economic and—potentially—human costs of failing to do so are large.

Interdependence remains an inexorable fact of international life; and U.S. interests require that it act responsibly to employ its political, economic, and military power in ways which foster stability in relations among nations. We must develop a new national consensus in support of such policy.

The starting point must be a return to frankness in dealing with the American public. Overblown characterizations of détente must give way to honest representations of the risks entailed in Soviet military superiority. It is time for the President and his Secretary of State to speak candidly on the limitations on policy that flow from our deteriorating power.

It is time for members of Congress to demonstrate the political courage to vote for the President's defense and foreign aid budgets, and to face their constituencies with an explanation of why they must so vote. The American people have never failed to respond in times of emergency when they have understood the issues.

THE PLIGHT OF UKRAINIAN WOMEN

Mr. WILLIAMS. Mr. President, with the designation of 1975 as International Women's Year, we accord special recognition to the vital contributions of women to the betterment of humanity. This year is also a time to note the significant strides that women have made toward securing their basic political and civil rights. In many areas of the world, and in many areas of concern, the barriers to equality for women have come crashing down as women have struck out in new directions to assume new roles and to enjoy new freedoms.

Yet the struggle for women's rights in many countries is an integral part of a larger struggle to secure basic rights for all. In these battles for freedom, women play key roles. Today, in the Soviet Union, a courageous group of Ukrainian women have demanded that the Soviet Union fulfill its obligation to its people to honor the rights and guarantees set forth in its own constitution. For raising their voices against tyranny, these women have been forced to suffer the injustices that tyrannies reserve for those who would dare challenge their authority. Among those we acknowledge this year are Nina Strokata-Karavanska, microbiologist; Stefania Shabatura, artist; Iryna Stasiv-Kalynetz, writer and college professor; Lyuba Serednyak, student; and Iryna Senyk, poetess and writer. These individuals must endure the hardship and terror of Soviet labor camps and uranium mines, as well as the pain the mental anguish of exile in Siberia.

But the injustices they suffer will not break their spirit nor weaken their determination to achieve their goal. It is imperative that the efforts of these women not go unnoticed or forgotten, but serve as an example to all who love freedom and cherish the blessings of democracy.

THE SUPERINTENDENT'S DILEMMA

Mr. McCLURE. Mr. President, during the last few years, it has been fashionable to talk about "alienation." Liberals have described Government as unresponsive. Such comments are usually followed by knowing suggestions as to what our Government could be doing for us, but is not. We are told the answers lie in future growth of the bureaucracy, more Government regulations and increased spending. No wonder there is talk about alienation.

Government is certainly unresponsive to anything that could legitimately be described as human need. But this does not take the form of insufficient activity. In fact, Government intervention in the life of the citizen is so pervasive that good men like Mr. Willie Nelson of Idaho Falls, are beginning to wonder how they can continue to do the jobs they are paid to do.

He expressed his concern in the form of a poem which Ronald Reagan thought enough of to read over his radio program recently. I would like to share Mr. Nelson's lament with my colleagues at this time. I ask unanimous consent to have the poem printed in the RECORD.

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

THE SUPERINTENDENT'S DILEMMA

(By Willis Nelson)

Sometimes I sit and ponder long
About my work and life,
And wonder why in school nowdays
There's so much stress and strife.

And then I realize the job
Is not like yesterdays—
I'm simply flunky now for guys
With the "innovation" craze.

There's Federal projects, grants and gifts,
And piece-meal funding, too.
It leaves no time to teach the kids
And things that I should do.
I try to walk the tightrope
Betwixt the courts of law
And not get tangled up with rights
Of Junior, Pa and Ma.

Some will tell you this will work,
And others say it won't;
Truth is, you'll get h—— if you do,
And twice h—— if you don't.

Operations in the schools
Must pass the acid test
Of OSHA, HEW and C.L.U.
And all the pesky rest.

There's Civil Rights and Human Rights,
And Women's Rights galore;
I wonder what uncertainties
The future holds in store?

Boys and girls dress alike,
You can't tell one from t'other.
If you should need to know the sex
You'd have to ask its mother.

In clothes and jobs and hair and such,
You can't discriminate.
It makes you wonder how a boy
Knows just which one to date.

The high court judges see no "diff"
Between a her and him.
Methinks their years are catching up—
Their sight has grown too dim.

Give me the good old-fashioned days
When gals were gals—not men.
For all that femininity
I kinda get a yen.

The liberals say, "Don't frustrate the child
With disciplined control.
Just let him loose to do his thing
And play his chosen role."

But he'll waste time and life and limb
And ruin others' lot,
And think he's having lots of fun
On drugs and "grass" and "pot".

His right to freedom, speech and work
He'll take or leave at will,
And little care for public folks
Who have to pay the bill.

The federal "help" I get from Unc(le)—
I just can't stand much more.
With tax, red tape and interest rates,
I'm getting too dang poor.

If you should try the federal way
Of deficits and debt,
You'd find an I.R.S. man
A looking down your neck.

I'm somewhat like the school Supt.
Who tried without success
To stem the tide of "Fed" control,
And all that meddling mess.

They'd told him how to cook the lunch,
And how to run the school,
And threatened to withhold his funds
If he should break the rule.

He finally threw his hands up
And said, "I'm sick and tired
Of all this ruckus, do's and don'ts—
I'll quit before I'm fired."

And so he got a Hud house
With litle rent to pay,
And lived on welfare's "easy street"
The Socialistic way.

The moral of this story is:
If you can't buck the tide
Crawl on the craft of "easy life"
And take a leisure ride.

When the public folks have had enough
Of all this liberal rot,
They'll start to call a spade a spade
And things will really "pop".

CRITICAL HEALTH ISSUES

Mr. SCHWEIKER. Mr. President, the Pennsylvania State Advisory Council on Comprehensive Health Planning has been conducting a series of public hearings throughout the Commonwealth on critical health issues. At one of its hearings in western Pennsylvania a regional board member of the National Council of Senior Citizens, Mr. Robert Baron, presented a statement which outlines

some of his views and recommendations. Among the issues he discussed are: Emphasis and expansion of preventive care programs for older people; expanded nutrition programs and meals on wheels efforts; improvement and expansion of transportation to get the handicapped to health services; and the question of comprehensive health care benefits without deductibles and coinsurance.

I believe Mr. Baron's statement makes a useful contribution to the national debate on critical health issues, and I think the Congress should consider some of his recommendations in the forthcoming debate on national health insurance.

I ask unanimous consent that his statement be printed in the RECORD.

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

TESTIMONY OF ROBERT W. BARON

I welcome and appreciate this opportunity to outline some views and recommendations at these Public Hearings on Critical Health Issues.

My name is Robert Baron. I have been privileged to work with the Committee on Older and Retired Workers of the United Steelworkers of America. For the past 20 years, I have been active in the field of aging, working with prospective retirees at the local and district level, and as a Regional Board Member of the National Council of Senior Citizens.

Years ago, when life was simpler, it was easier to get health care. There were more doctors to treat ordinary illnesses, although fewer ways to treat the diseases we had.

In the 1930's, there was at least one family doctor for every 700 people. Today, because so many physicians have been specializing, we have one family doctor for every 2,000 people. This means we have a lot less of a chance of finding doctors just for family illness. We may be able to get open heart surgery, yet have to sit outside a doctor's office for hours on end.

Recently, my wife and I took one of our children to the doctor's office for treatment, arriving at 5:30 p.m. and leaving at 11:45 p.m. Emergency room waits at hospitals usually last upwards to 5 hours and more. It is not uncommon to wait 6 to 8 weeks and longer to get a doctor's appointment.

Ten years ago, full hospital care for an average person was $37 per day. Now it is $114, an increase of 200% since 1964. In 1966, the Medicare deductible was $40, now it is $92.

The cost of living has been going up, but not as much as the 145% in hospital and medical costs in the past ten years.

Our whole health insurance program is geared essentially to putting a person in a hospital when he's sick rather than treating the illness in the doctor's office or in the home. We have thousands of physicians who are practicing alone and not making wise use of assistants.

More doctors should be encouraged to go into group practice. This would result in savings that could be passed on to the patient. Hospitals should operate on a 7-day week basis instead of the present 5-day week. This creates numerous inefficiencies and costly delays in getting people in and out of the hospital.

Whose fault is it when a routine test or procedure is performed on Thursday, to find out on Tuesday of the following week the results of the test. Imagine the effect on the patient waiting nervous days and nights for some news on the results.

Patients want to be treated as a whole person, not as an assembly of separate organs, tissues and bones. Specialization of physicians makes it more difficult for patients to achieve their desire to be treated as a whole person than when the old-style general practitioner treated patients for almost all of their ills.

Most consumers feel lost in medical care maze. The difficulties in obtaining primary care have resulted in too many patients having to make their own diagnosis and referring themselves to a specialist. This should not be. A major medical care problem today is the shortage of primary care physicians. Less than 50 percent of physicians are family practitioners, internist or pediatricians. Yet primary physicians take care of 90% of the medical care problems patients may have.

There are too many specialists and not enough primary care physicians. Access to quality health care should be a right of all citizens, regardless of race, color, creed or or income status.

Consumers want comprehensive health care benefits without deductibles and coinsurance. Some 40 national organizations representing labor, including The United Steelworkers and National Council of Senior Citizens, farmers and consumers are convinced that only a National Health Security Bill meets these precepts.

At this point, I would like to list some ideas, suggestions, and questions which I hope will provoke some thought in developing a statewide comprehensive health plan to meet the health needs of Pennsylvania Citizens.

Non-profit group HMO's, such as the Allegheny County Group Health Plan, should be strongly supported and encouraged to expand and given financial assistance.

Consumers should have freedom of choice, including chiropractic services. Patients want to avoid high out-of-pocket costs for uncovered services when illness strikes. More emphasis and expansion of preventive care programs for older people should be considered, such as blood pressure, diabetes, and heart testing at Senior Citizens' centers.

Routine physicals at least every 6 months should be a part of any insurance plan with no extra cost to the consumer.

More medical students should be encouraged to practice in geriatrics.

Nutrition Programs and Meals-on-Wheels Programs should be expanded.

There should be a system of intermediate care facilities in our communities (Neighborhood clinics).

Our system of transportation to get the handicapped to health services needs improved and expanded.

Homemaker and social care services should be developed to help care for chronically ill and the homebound.

A Family Practice Plan being developed by McKeesport Hospital should be considered by other hospitals, and Health Maintenance Organizations.

Too many of our students, including the most brilliant, are barred from medical schools. Medical Service Academies similar to West Point and Annapolis, should be established to produce physicians and others to take care of the Nation's health needs.

A hospital is a public resource and should be treated as such.

There are very few, if any, consumer representatives on area hospital Boards of Trustees. It should be mandatory that some representation come from consumers, labor or senior citizen organizations.

M.D.'s should spend more time with their patients.

There is a lack of communication between patient and doctor.

Pharmacies should advertise prices of prescription drugs. M.D.'s should write out prescription plainly, and understandable, so that patients know what they are taking and avail themselves of the best price.

The doctor should prescribe by generic name whenever possible.

The Law should be amended by the state legislature which would lawfully permit a pharmacist to substitute the generic equivalent for a trade name medicine.

To cite an example, *Resperpine*, the *generic name* for treatment of high blood pressure, cost the druggist $2.50 per thousand, and are sold to the consumer for $1.29 for 100 pills, 25 mgs. strength. However, if prescribed by the *brand name, Serpasil*, the price charged is usually up to $7.50 and higher for 100 pills 25 mgs. strength.

Legislation should be enacted to provide stiff penalties, including fine and jail sentence for deliberate over charges under Medicare and other insurance plans.

In closing, I want to thank you for this opportunity. I am hopeful for the future that out of these hearings will come a better system to care for the health needs of the people regardless of race, creed, color, or income status.

If there are any questions, I would be glad to respond.

APPOINTMENT OF CHARLES M. COOKE, JR., AS SPECIAL ASSISTANT TO THE SECRETARY FOR STUDENT ASSISTANCE

Mr. PELL. Mr. President, today, the Secretary of the Department of Health, Education and Welfare, Caspar W. Weinberger, announced the appointment of Charles M. Cooke, Jr., as Special Assistant to the Secretary for Student Assistance.

Mr. Cooke's immediate job will be to bring some organization and unified direction to HEW's study of the guaranteed student loan program, and he will have the more general responsibility of advising the Secretary on all matters relating to student assistance.

The Secretary, in selecting Mr. Cooke for this position, has, I believe, made a very wise choice. Mr. Cooke has served as Deputy Assistant Secretary for Legislation—Education—for the past 2 years. During that time, I have worked closely with him and know him to be a man of honor and competence. This is a well-deserved promotion, and I warmly congratulate Mr. Cooke on receiving it.

I ask unanimous consent that a press release and two memorandums on this appointment be printed in the RECORD.

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

[News release from the U.S. Department of Health, Education, and Welfare]

CHARLES M. COOKE, JR., APPOINTED AS SPECIAL ASSISTANT FOR STUDENT ASSISTANCE

HEW Secretary Caspar W. Weinberger today selected Charles M. Cooke, Jr., 43, as his Special Assistant for Student Assistance.

Secretary Weinberger said that problems in the area of HEW's student assistance programs generated the need for an assistant "to work with and report directly to him on all facets of the student aid programs administered by the Department and the Office of Education.

"Mr. Cooke is expected, of course, to carry

out his responsibilities in full and timely consultation with the Commissioner of Education," said the Secretary.

Citing instances of students being defrauded by institutions, irregularity by institutions with regard to their handling of Federal student assistance programs and students defaulting on their loan repayments, the Secretary charged Mr. Cooke "to focus his activities initially on possible fraud, program irregularities and potential emerging problems in student financial assistance."

In a related statement Commissioner of Education Terrel H. Bell said, "The Secretary and I have confidence in Charlie's ability and judgment and know he will contribute greatly to our efforts to attain more effective administration of student assistance programs."

Since August, 1973, Mr. Cooke has served as Deputy Assistant Secretary for Legislation (Education). In that capacity he has been responsible for the development of the Department's legislative programs in the education area.

He was instrumental in the negotiations during 1973 and 1974 which culminated in the Education Amendments of 1974, signed by President Ford in August, 1974.

From 1960 through 1965, Mr. Cooke was a member of the Department of History at the U.S. Air Force Academy in Colorado Springs, Colorado, where he became Associate Professor of History.

In 1966 he served in the Plans and Policy Section of the Military Assistance Command in Vietnam. From 1967 through 1969, Mr. Cooke served as Assistant for Vietnam, East Asia and Pacific Region, Office of the Assistant Secretary of Defense, International Security Affairs.

In May, 1969, he resigned his Air Force Commission as a Major and accepted an appointment as Special Advisor on Vietnamese Affairs to the Under Secretary of State where he served until August 1970.

In August, 1970, he was named Director of HEW's Office of Special Concerns. In that post, he was responsible for informing minority groups and other special interest groups of Departmental programs and policies affecting them. He was instrumental in initiating a Department-wide Upward Mobility program for minorities and women, and in 1972 was awarded the First Annual HEW Award for Equal Opportunity Achievement.

He is a 1953 graduate of the U.S. Naval Academy and earned his Master of Arts degree in Chinese History from the University of Washington in 1960. During his military service, he was awarded the Legion of Merit, the Bronze Star, two Air Force Commendations, and the Staff Officers Medal, 1st Class, from the Republic of Vietnam.

Mr. Cooke, his wife and five children reside in Alexandria, Virginia.

[Memorandum from the Department of Health, Education, and Welfare]

APPOINTMENT OF CHARLES M. COOKE, JR., AS SPECIAL ASSISTANT TO THE SECRETARY FOR STUDENT ASSISTANCE

The Secretary and I have asked Charlie Cooke to accept the newly created post of Special Assistant to the Secretary for Student Assistance. I am pleased to announce that he has accepted.

Attached is a copy of the Secretary's charge to Mr. Cooke, describing his duties and responsibilities. As you can see, he is being given a broad mandate related to all areas of student financial assistance. Initially, he will focus his efforts in the area of possible irregularities and potential problems. The Secretary and I have asked that he pay particular attention to the Guaranteed Student Loan Program. In the performance of his responsibilities, it will be necessary for him to work in concert with many of us in OE.

I will appreciate it if each of you, and your respective staffs, will cooperate fully with him in the exercise of your own responsibilities. I will expect you not only to respond to his requests for assistance and information, but also to keep him informed of all important matters and developments. Since he will be advising the Secretary and the Commissioner on Departmental policy and OE program implementation, it will be important that he be kept currently and fully apprised in these areas. As we move ahead in a number of sensitive areas, please be sure to clear all public statements through him so that we will have adequate coordination of Departmental policy.

I have confidence in Charlie's ability and judgment and know he will contribute greatly to our efforts to attain more effective administration of student assistance programs.

Memorandum from the Secretary of Health, Education, and Welfare

APPOINTMENT AS SPECIAL ASSISTANT FOR STUDENT ASSISTANCE

I am pleased to appoint you as Special Assistant to the Secretary for Student Financial Assistance. In this capacity, you will be working with and reporting directly to me on all facets of the student aid programs administered by the Department and the Office of Education. You are, of course, expected to carry out your responsibilities in full consultation with the Commissioner of Education. As you know, I am presently particularly concerned with the Guaranteed Student Loan Program, but my charge to you is intended to encompass such other programs or issues as, in your judgment or mine, require my attention. Initially, you are requested to focus your activities toward possible fraud, program irregularities and potential emerging problems in student financial assistance.

As Special Assistant, you will be expected to coordinate all matters which appear to require my attention. This includes making sure that policy matters are resolved and that I and the Commissioner have adequate advice on programmatic decisions and that such decisions are implemented in a timely fashion. You should coordinate your work with the appropriate Assistant Secretaries, and other pertinent staff offices. I will also expect you to make sure that there is consultation and coordination, as appropriate, with other Federal agencies, including the Department of Justice, the Department of the Treasury, the Veteran's Administration, the General Accounting Office, the Office of Management and Budget, and the Federal Trade Commission, in the development and implementation of student financial aid programs. You will also be expected to exercise your considerable skills in maintaining effective liaison and communication with the Members and the staff of the Congress, with State agencies and with appropriate private agencies and associations.

In the performance of your responsibilities, you should give particular consideration to making sure that all Department officials and all other appropriate staff offices are properly informed of my policy determinations. In turn, you are authorized to call on any Department official, as necessary in your judgment or at my request, to provide information, reports, technical advice, or policy recommendations. I will hold you responsible for determining when, and in what manner, a matter should be brought to my attention and for making sure my instructions and determinations regarding student financial assistance programs are carried out. Consequently, I will expect you to take such actions, or call to my attention the need for such determinations, as might be necessary with respect to the utilization and assignment of personnel and other resources in order to meet these responsibilities. In carrying out these duties, you must be sensitive to the fact that the Commissioner of Education has the statutory responsibility for program administration. You should keep him informed and clear decisions with him that might affect the duties of OE staff.

Another important responsibility you will exercise is the coordination of all public statements on sensitive or potentially controversial matters regarding the programs covered by this charter.

I look forward to a close and effective working relationship with you and know that you will provide conscientious and able service to the Department and to the public interest.

CHICKEN BIG: FRANK PERDUE'S EMPIRE

Mr. MATHIAS. Mr. President, on the Eastern Shore of Maryland, the name Perdue is famous. The Perdue family has long been established on the Delmarva Peninsula, where farming and small business are the economic lifeblood of much of the area. In recent years, the Perdue name has become well known far beyond the Eastern Shore of Maryland. Frank Perdue, president of Perdue, Inc., is known as the tough man who makes a tender chicken. His company's product, highly respected for its quality, is familiar to anyone who has anything to do with the business of food—producers, sellers, and consumers. Potomac magazine, in the Washington Post edition of May 11, contained an article about Mr. Perdue. I ask unanimous consent that it be printed in the RECORD.

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

CHICKEN BIG—FRANK PERDUE'S EMPIRE: FROM THE BIRTH OF THE BROILER TO $150 MILLION A YEAR

(By Myra MacPherson)

This is the story of a Maryland farmer who colored his chickens yellow, then took himself and his chickens to Madison Avenue and became a show biz celebrity and millionaire in the process.

There he is on the Eastern Shore: Frank Perdue, the Chicken King. Up to his ears in chickens and money. Allow these facts to stagger into your chicken consciousness. Over 78 million chickens sold a year. Over 150 million dollars grossed a year.

Today, the privately owned Perdue Inc. is one of the world's largest integrated broiler producing companies. His media blitz—in butcher shops, grocery stores, subways and on TV—inundates parts of Northeast America. More Perdue chickens than any others are sold in New York, Boston, Philadelphia and Buffalo. His ads have not only given his chickens a respectable name, they have given Perdue, the principal star of those ads, relative fame. He walks into a chic New York pub and he's asked for autographs. Little old ladies pounce on him to trade chicken recipes. Businessmen pounce on him to trade chicken jokes. On TV, Perdue's high, nasal voice and folksy shrewdness make him totally believable when he says he's a Salisbury, Maryland, chicken farmer. His arrestingly homely face is an ad man's dream, but

no one would have thought as much a few years ago. His large nose dominates a sad-eyed, thin-lipped face; he is not unlike a country cousin of Jacques Cousteau or Charles Aznavour. His head is egg bald. There is an amazing resemblance to, yes, a chicken.

"I'm not a good looking man," says Perdue, with the finality of one who has made a few realistic forays to the mirror, but there is not a hint of self-deprecation or, at this now famous stage in his life, regret.

"I suppose I could get a nose job and a toupee and get myself ordinary—and no one would remember me. You forget Ronald Reagan easier than Charles de Gaulle."

In a huckster's world of sit-com style interviews with the "average" consumer and boring "tests" between competing brands, the Perdue ad copy is among the best and the most crafty and has won all of Manhattan's top ad awards. A poster-full of chicken legs on ice with Perdue name tags; "If you had legs like mine, you'd put your name on them too." Three chickens, with bibs on, sitting at an elegantly set dining table with soybean and other feeds on china plates. "My chickens eat better than you do. A chicken is what it eats. If you want to start eating as good as my chickens, take a tip from me . . ." (Pause). "Eat my chickens." "If your husband is a breast or leg man ask for my chicken parts." To guard against markets that mix his tagged chickens with other non-named chickens, Perdue cautions the consumer to beware of "unidentified frying objects."

These ads don't come cheap. Perdue spends in "the high hundreds of thousands" annually. But they pay off. He started hawking his brand name birds in 1968 but did not get into the act personally until 1971. In these past three years, sales have doubled. Perdue, in proving that fresh poultry can be peddled in a big way under a brand name and by turning himself into a personality, revolutionized the chicken marketing business. No one had previously gone beyond the fast-food, fast-sell of Minnie Pearl and "finger-lickin' good" Colonel Sanders. One New York survey showed that over 51 per cent of those interviewed recognized the Perdue brand (the nearest competitive brand registered 5 per cent). Not a few city folk wander through Salisbury, Md., on their way to Florida or other vacation lands, expecting to see Perdue feeding his flock, all 50 of 'em, by hand. The laugh, of course, is on them.

"I'VE SURVIVED"

The Delmarva (for Delaware, Maryland and Virginia) Peninsula is an emerald green these days and industry is the farthest thing from your mind traveling in the flat lands that most Washingtonians ignore on their way to the Eastern shore beaches of Rehoboth and Ocean City. Dust spurs up from a country road and the sky is filled with sun. Signs bespeak a cottage industry land: "Freddie's auto repair." "Ollie M. Dennis: plumbing and heating." And then suddenly and awesomely the chicken factory looms, like some hidden Nike base. It is one huge agriconglomerate. Smoke stacks send out the signal that soybean is being manufactured into feed. Cylindrical storage bins seem like skyscrapers in the quiet country side. They have the largest grain storage capacity on the East Coast—nine billion bushels. (Perdue buys up one third of all the soybeans and 15 per cent of all the corn grown in Delmarva to feed his chickens.) Low-slung hatcheries spread out in the distance. Headquarters are down the road. An hour's drive away is a modern automated processing plant in Accomac, Va., where more than 200,000 chickens a day find their way to chicken heaven. Another Salisbury plant processes nearly 100,000 daily.

At headquarters, the phone rings incessantly; the switchboard operator says over and over: perdue-perdue-perdue-perdue-perdue.

Enter Perdue. The face is unmistakable. But instead of a dour, somewhat wizened little old farmer of approximately 4-foot-11, as one could easily glean from telly, Perdue is a six-foot, slim, 165-pound, athletic, aggressive impatient business executive intent on creating and promoting the Perfect Chicken. He breathes chicken smarts.

Leaning back in his chair, Perdue talks to his ad man in New York. "We've got a really knotty goddamn problem on our hands. Someone's sabotaging the program—they took the signs out of the front window," said Perdue. Continuing with his concern about getting his chickens into a certain store, he wanted an ad aimed at outdoing a competitor. "This ad will appeal to everybody as now written. However, when I'm in a war, I concentrate on the enemy, not everybody. It just needs a change in copy. And I want it in the newspapers next week!"

Perdue wears well-tailored glen plaid slacks and a tan suede jacket from a Manhattan specialty shop. A topaz ring adorns a long, slender hand. He zips around Salisbury in a blue Mercedes Benz. He is as tan as his chickens are yellow. He jets to tennis spas in Martinique, Costa Rica and Jamaica for brief pick-me-ups to keep body, soul and tan together.

Which is the real Frank Perdue, the farmer or the urban business executive? The answer is both. And more. He is almost as complex as his competitive, cutthroat, and highly unpredictable business where more fortunes are lost than made. Such food industry biggies as General Mills, Ralston Purina and Quaker Oats have all dropped out of the $4 billion-a-year broiler market. But Perdue has never finished in the red. Though he is driven by a quest for perfection, part of his success is due to an abiding wariness and suspicion—and toughnes. "I'm the kind of guy, well, if you hook me out of a dollar. I'll spend a million to get you. I've survived in a tough goddamn business."

RUNNING SCARED

The chicken business, in one form or another, has been around for thousands of years. Legend has it that the first chicken man was Gomer, Noah's grandson. Riddle: Were chickens on the ark? Answer: Yes. Wellllllllll, who's to say they weren't? Where would Perdue have been without chickens? Where would we have been without chickens, for that matter? How would we have learned our ABCs? C is for chicks. Think of how overconfident we would have been without Chicken Little. Where would the redneck bars have been without their poster of the marching row of peace signs and the slogan, "footprints of the American chicken?" Generations of chicken would have grown up unable to taunt their enemies with "nyaaaa, you're chicken." Generations of Borscht Belt comedians wouldn't have been able to embellish the act with jokes about Jewish penicillin (chicken soup) or the punch line, "It's not all chopped liver." Bob Evans and his Ohio farm would have to do without the annual international Chicken Flying Meet—where owners place chickens on a 10-foot tall platform and encourage them to "fly" to them. And, above all, bless those silly little chicken hearts that put the Peninsula on the map, where would Delmarva be?

The chicken business as we know it today is surprisingly young. The chicken coop, a sight of rural Americana, has now been enshrined at the University of Delaware in Georgetown, Del. The sign says it's The First Commercial Broiler House in the United States. In 1923, Mrs. Wilmer Steele of Delmarva ordered 50 chicks but received 500 by mistake. Instead of keeping the birds until they were decrepit, exhausted layers she sold them for a profit while young and tender enough to eat. Voila! The birth of the broiler. Before the broiler became a reality, good chickens were a scarce commodity and Hoover Republicans really had a prosperity promise of some import when they sloganeered, "a chicken in every pot." (They, in fact, stole the phrase from Henry IV who, before the French Revolution, advocated a social order "Where every peasant should have his fowl in the pot.")

Then, Mrs. Steele and her Delmarva neighbors hit upon growing a mature chicken just for eating and for profit. As Delmarva went, so went the chicken farmers of the world. Steady advances in nutrition and chicken diets now make it possible to grow a healthy, fat-breasted chicken in just eight weeks.

Now, Franklin Parsons Perdue didn't just parachute into Salisbury yesterday, and that is one of the major strengths of his phenomenal success. Frank's father, Arthur, was around when the broiler was conceived. Driving down the road, the sun roof of the Mercedes whipped back for breeze and sunlight, Perdue points out his dad's first incubator building built in 1925. Nearby is the white frame house in which Perdue was born. Arthur, now 89, still has an office in the corporation and the undying devotion of Frank, his only child, who writes birthday cards that say, "You are truly the finest dad that anyone could have. I owe you so much."

Arthur Perdue, a Railway Express agent faced with a company move out of Delmarva in the '20s, retired instead, built his first chicken coop, acquired a flock of 200 white leghorns and started selling table eggs. During the Depression he mixed his own feed in a box with a shovel, saving a dollar a bag. "He is thifty almost to a fault," says Frank, who remembers his father cutting off the tops of his worn shoes to make leather hinges for the coops. "I learned everything from him.

I cleaned the coops and I dug the cesspools." There was a time, in Frank's late teens, where there had been one 4:30 a.m. chicken feeding too many and his fondest desire was to never see another chicken. He went to Salisbury State College but soon found out he had less interest in school than he did chickens and returned home to his father and a family flock of 2,000. Disaster struck when the layers became badly infected with a highly infectious chicken disease, leukosis. Losses ran high and the Perdues shifted to broiler production with a flock of 800 New Hampshire Reds, a hardier stock. World War II meant rocketing meat prices and the broiler boom was on. Before long the Perdues were hatching 40,000 chicks a week. Perdue hauled tons of feed bags by hand along with three or four helpers. In that kind of operation, "You don't have any room for a Harvard M.B.A. type," he says drily.

Perdue's innate suspicion of city slickers lingers. To him, no one is more city slick than the media, the same media, he himself, ironically, uses to such a honed degree. "I'm a farmer and I think like one," he says—although in the next sentence he uses a big city phrase, "I don't like schlocky work." He guardedly watches everything written down during an interview. Only after several hours did he allow a slight glimpse of the ugly duckling he once was. "I grew up shy. Painfully shy. I was terribly introverted. I was the country kid." Perdue attended one-room schools with six others until he went to Salisbury High School where he got B-minus grades. "I know how smart I am. I know a B-minus is not as good as an A." His confidence grew with success, but one thing Perdue never forgot is that it pays to run scared. "The prime ingredient of success is

fear. Now I've got to explain that. I'm talking about the kind of fear that made me thorough. You should have enough fear to always second-guess yourself."

Part of Frank's growth process was that his father let him make his own mistakes. "Mistakes? I've got a closet full of them. Most all my other business ventures were roaring failures. There was the night club business, that's a skeleton. And then I got into the oyster business. That's a skeleton." He got in on some Ocean City resort ventures, he recalled. Another skeleton.

Over lunch of fresh fish and wine, Perdue reveals a residual bitterness as he recalls the typical salesman who would drive up in a shiny car, ready to take a young farmer for all he had. "He has no callouses and you've got two handfuls." He remembers another time, when "a guy did a job on me. I was in my late 20s and this main was going to make me the whey distributor for the greater Delmarva area. He was dumping these big wooden barrels on the ground—300 pounds worth of whey. My father came up and asked me what I was up to. I promptly told him I was the sales director and so assigned to sell whey to all the poultry producers around. He asked me if I thought I was going to make me a lot of money. I said, 'yes, I think I will.' He never said anything." Perdue paused. "And I never sold one barrel. I had to sell that whey for one penny a pound less than I had bought it—and I had bought a lot of pounds. Nothing makes you more cognizant about how careful you've got to be. That's why I'm so suspicious. I'd paid the price."

Throughout the '50s and '60s, Perdue carefully and ploddingly charted a course for success. The mistakes grew fewer and fewer. The Perdues began in integrated business, capitalizing on those neighboring farmers who didn't want to or couldn't operate in the boom or bust market place. Instead, Perdue provided chickens and feed to growers. The Perdues became the only manufacturers of soybean feed in Maryland. Perdue, Inc., produces one-quarter of all the chickens in the Delmarva area. The largest employer in the area, he employs 2,500 workers.

A TOUGH MAN

Perdue is descended from French Huguenots (named Perdeaux) who landed on the Eastern shore some 200 years ago. Most of them elected to stay in the area and there are now some 57 Perdues in the Salisbury phone book. The Peninsula is a clannish community and in Salisbury, a town of 15,000, Frank Perdue is the undisputed chicken mogul, if not the mogul. There are mutterings of resentment from those who say Perdue's conglomerate drove lesser farmers out of business. His slogan, "It takes a Tough Man to Make a Tender Chicken," isn't just ad copy.

The disarming quality about Perdue is he is the first to admit it. "One of the hardest things is to fire people, but I don't hesitate. If chicken growers drop 10 per cent a year I don't hesitate to drop them. How can I drop a grower if I don't fire people who don't produce? A person who comes to work drunk, say, fires himself." Perdue works his employees hard, but he pays fairly well. The minimum wage on his assembly line is $2.86 per hour, good for the Delmarva area. A close competition, Bay Shore Foods, pays $2.80 per hour plus fringe benefits. (The Maryland minimum wage is still $1.65 per hour.)

The one thing that can drive others up the wall is Perdue's sense of perfection. He once drove the production people to distraction—and spent $100,000 on research—trying to invent a way to get about 8 body hairs per chicken wing off his product. "You know the upper part of the chicken wing? Well, I could see these god awful hairs sticking up, especially when they were barbecued. I felt there had to be a way. Well, when the chicken goes through the line, by the time its gets to the blow torch that singes off these hairs, the bird is wet. The hairs were lying down and the torch wasn't getting to them. So I told some of the men, 'You know when you wash your hands in the men's room and they have those hot air dryers? Well, design one that's got the engine of a 727 and we'll hit the wing with that, dry the hairs so they'll stand up and then blast 'em with the blow torch.'" It worked, although he says with a slight air of dissatisfaction, "Sometimes there are still one or two hairs left."

ACAPULCO GOLD

When Perdue went looking for a Madison Avenue advertising agency, he read books on advertising, interviewed 46 agencies and hounded his prospective agency with constant and probing questions to the point that Ed McCabe, copywriter at Scali, McCabe and Sloves, the agency that finally got the account, snapped "You know, you're a pain in the ass, and I'm not sure we want your account." Perdue responded, "I know I'm a pain in the ass, but once I get this all out of the way and settled in my mind, I won't bother you again." McCabe laughs. "That's not exactly true." But he speaks fondly of Perdue these days. "He's a dynamic super-executive. All driven people with a sense of goal and urgency are a pain in the ass. I prefer them. He's difficult, but so am I. He's still very much an introvert. He isn't a back slapper. But there is a great sense of straight forwardness about him.

When he lets his guard down—about every three hours or so—you'll discover about one and a half minutes of that quality, that really lovable quality, which is also him. That's what we try to capture in the ads. Most of what I have him saying is something I've heard him express in some form—it's more a 'reassembling' of Perdue," he says with excessive modesty. "One of the things that makes him so appealing in the advertising is he captures a lot of qualities a lot of women would like to have in their husbands. He has no bull----, and he's assertive and straightforward."

Perdue was very leery about going on film himself; the introvert who had never even tried out for a school play, the supermillionaire who still chokes up when he speaks to the local Kiwanis. When the agency persuaded him to try it, Perdue sat stiffly and selfconsciously on a blanket where he was supposed to munch a drumstick. The crew tried to sneak up on him so as not to make him nervous. Perdue recalls with one of his infrequent laughs,"They started the crew way back, about 100 feet, and then they advanced, like Indians stalking a buffalo." Take after take was flubbed by Perdue who had munched on cold-drumstick after cold drumstick. Finally someone handed him a warm piece, he bit into it and in surprise said, "that's really good." The ad lib stayed and that year the Copy Club of New York rated it best TV commercial under 60 seconds.

Perdue sounds like another ad slogan when he says, "But the WORST thing for a bad product is GOOD advertising. People expect more and feel ripped off."

That is why Perdue states over and over that his product is better. Perdue claims he spends an estimated $4 million in operating costs above what competitors find necessary for the same volume. The largest item is feed, second is advertising. Throughout a tour, Perdue brags not about himself but about his birds and the people he hired to make them so great—"Look at that, isn't that the most beautiful bird?" marvels this man who has seen them by the jillions.

Which gets us to those man-tan birds of his. The birds are yellower because they are fed feed that contains more xanthophil which turns them yellow. Marigold petals are high in xanthophil. His birds get marigold petals. They are his own special "Acapulco gold"—they come from Mexico. He emphasizes, "we do not" use chemicals to fatten up the birds. Perdue gets very angry when competitors say the color is just a cosmetic gimmick. "In order to keep that yellow cover we cannot over-scald, which toughens the bird, and we do not beat off that outer skin, which means the bird is less susceptible to deterioration. The gentler you handle a chicken the fresher and tenderer it will be—and if we don't handle it gently our yellow trademark will get knocked off."

One of Perdue's major Delmarva competitors takes a dim view of Perdue's hard sell. "Frank has an excellent product—but I don't think he does anything a damn bit different or has any better or worse product, than anyone else around here," says Ed Covell of Bay Shore Foods (they sell about half the number of chickens as Perdue). "Housewives in the Northeast just happen to prefer a yellow chicken and we in Delmarva all treat the chickens the same way in order to maintain that yellow color. But Frank, in order to justify his advertising campaign, has got to say these things in the hope that people will believe him."

MALE CHAUVINIST ROOSTER

A day's trip at Perdue, Inc., starts in an incubator room where row upon row of eggs is kept at 99½ degrees in 10-foot high incubator racks. After 18 days they roll out of there to the "hatcher" for three days. After the chicks are hatched, rubber-gloved workers put them on a conveyor belt where three people vaccinate them against disease. The tips of their beaks are also clipped so they will not peck each other for the rest of their short lives.

They are then moved to one of the 700 "mom and pop" farmers who grow them under contract for about eight weeks. These farmers are guaranteed from $185 to $110 per thousand chickens. At one such farm, a mass of chickens filled a coop about as long as a football field—row upon row—10,000 of them—flapping and clucking at visitors.

Meanwhile, back at the compound, a half dozen geneticists, veterinarians and nutritionists are at work. They use computers to determine the exact amount of amino acid in grain and a $25,000 machine to detect minute amounts of toxic residues in feed. Geneticists work to breed larger-breasted, meatier chickens. Workers and visitors have to wear overalls and boots and step in pans of disinfectant. Competitors' birds are inspected as are feeds from competitive suppliers. "We have two vets on our private staff. Most don't have any," says Perdue. "They rely on USDA teams." Perdue's ads say he rejects about 25 per cent of the birds that the USDA approves. They are cut up and sold to others under a, well, not a pseudonym. They just don't have the Perdue name.

Isolated two or three miles deep in a forest, protected from man and other beasts, whitewashed coops of the experimental breeder research farm are locked to the outside world of contamination. And, even, to Frank Perdue. He mutters and rings impatiently for someone to let him into the complex. "I've got no patience, no patience at all." This is not a fault, he feels. "Anyone worth his salt has a sense of urgency. Someone once said you could go through a revolving door ahead of me and I'd come out in front of you." When the man opens the door, Perdue mutters, "Couldn't you hear the bell?" He softens as the man ushers us into a room where we put on overalls and boots, then slog out to the coops. Here is the male

domain; the home of the M.C.R. (male chauvinist rooster). They have absolutely nothing to do but go around happily servicing the female. The ratio is anywhere from 7 to 1 to 10 to 1 with a rooster and his hens in separate coops. They were all, indeed, handsome birds, kept around for their special genetic excellence and serviceability.

The processing plant in Accomac, Va., is the end of the line for the birds. Perdue stayed out of the processing business until 1968, selling the birds at the Delmarva broiler auction instead. He wanted to make sure everything else was going smoothly and then, when he made the move, he visited plants in Italy, California, Scotland, Texas, you name it, to perfect the operation. The first batch he knew would find their way to a "bottomless and nameless pit" because they would not be up to his standards. He drove all night to sell even the second batch to a less choosy customer in an out-of-the-way part of Pennsylvania where he did not plan to do regular business.

But now, the plant operates with marked efficiency. "I've got $10 million bucks stuck in this plant," he says, pulling up to the Virginia gate. Nearby they are erecting "the last word" in rendering plants, he says. Perdue gets his overalls and boots and hard hat out of the Mercedes trunk. The production is almost finished for the day and so we rush through. Handsome, red brick, modern, no one would know that chickens, thousands of them, were inside; it looks like any other plant. And even inside, there are just so many birds, so many conveyor belts, so little smell, so much cleanliness, so much neatness, so much automation that one can easily forget that this is a slaughterhouse.

Fetched from their coops on a truck, the chickens are hung upside down on the assembly line by their feet. They pass quickly through a vat containing an electrically charged saline solution, which shocks them senseless, then they move directly under a sharp blade which automatically slits their throats. The broilers next go down a "bleed tunnel," losing most of their liquid in less than a minute. They pass through scalding water, which loosens up the feathers, then come through a tunnel of revolving, vibrating rubber fingers, which have replaced the chicken pluckers of old. By this time, there is a Fellini-esque quality to the operation as miles and miles of naked birds fly overhead attached by their feet in stirrup-like holders and are moved along "clothesline" fashion through each step in the process. Blow torches light up as chickens glide past and the hair is singed. The heads and the feet are chopped off and everything just keeps on moving. At an eviscerating counter, the innards are separated—the gizzards and giblets will find their way through other stages to the end where they are packed and put inside the thoroughly cleaned and inspected birds. There are the USDA inspectors and there are the Perdue inspectors. He makes a great deal of the thoroughness in one commercial: "If you're not satisfied you can always write me—the President of Perdue and I'll give you your money back. If you buy some government-approved chicken and you're not completely satisfied, who do you write? The President of the United States? What does he know about chickens?"

The water bill is enormous at Perdue, Inc. They use about 10 gallons per bird to keep the place flushed and sanitized. Then the birds are packed in wooden crates, in ice, placed in one of his fleet of 500 refrigerated vans and are on the road. From start to finish, from life to ice, the trip takes about one hour per bird.

GUARANTEEING A CHICKEN

His ice-packed freshness is something Perdue capitalizes on. He screams about his "prepackaged" competitors who claim that their chickens are "chilled" birds. "They are packed dry and allowed to be chilled down to 28-degrees. I don't care what fancy name you call 'em, they're frozen. How dumb do they think the consumer is? When I went to school, 32-degrees was freezing." That folks, is just about the same way the commercial goes.

But Ed Covell, of Bay Shore Foods, argues that pre-packed, deep-chilled chickens are better. "We have done them both ways—the ice pack and the deep chill. Because the deep chill is cooler, there is less bacteria and a longer shelf life." As for 28-degrees being frozen, Covell says, "that depends on what you're talking about. Water freezes at 32-degrees but some other substances don't. A chicken is not considered frozen until 26-degrees. Now, a chicken at 28-degrees is a little stiff but it's not frozen.

Still Perdue touts the ice pack method with such intensity that he ends up guaranteeing a chicken. Guarantee a chicken? Something that can go bad if it stays too long on the shelf? Or what if, God forbid, the refrigerator truck should get lost and the refrigeration conk out?

Is Perdue crazy? Just as crazy as the fox who stole into the hen house. Recently, Magruder's, of Chevy Chase, which had been wanting Perdue chickens for two years finally got them. So did Neam's in Georgetown. Perdue decided to get a distributor in the Washington area, although he knows it means trying to break into a market where Safeway and Giant have consistently stocked the pre-packs. "You thump them on the back and if they're hard, they've been frozen," he warns. And Magruder's meat manager, Harley Caldwell, says, "we feel his product almost has to be better because he wouldn't go out on a limb and identify with it or guarantee it." Psychology plays a big part, Caldwell feels. "I don't know if tastewise you'll see a difference once a piece of chicken has been fried, but the housewife will FEEL like it is better because she has a recourse if it isn't." Perdue says he gets about 75 complaints a week—out of a million and a half birds. His birds cost from 2 to 10 cents more a pound. "I feel a housewife is willing to pay 15 cents just not to have to smell it," he says. In refined form, that phrase will probably turn up in a commercial.

KNOWING LONELINESS

The future for Perdue is a question mark. He is now building another plant in North Carolina. He has so far resisted the constant pitches to get into franchise restaurants, to be bought by ITT and the like and become a subsidiary. "Corporations want to start up a plant in California and all, just continue the Perdue line all across the country. But who would have the control? And all I know is that I'd have to be the one working hard, advertising and opening new markets and new plants. I don't need that national exposure. I'm not running for office."

As it is, Perdue hardly has time for a private life. His four children are grown. Although his only son, now in college, may join the business, Perdue says, "I think he's probably had it up to here, with Frank Perdue." His wife, whom he met as a student at Salisbury State College, spends most of the winter in a Florida condominium. Perdue is busily furnishing his own condominium complete with sauna in Ocean City. His home in Salisbury is a split-level modern with early American furniture and chicken tiles in the powder room. "I have the taste of a country bumpkin," he says.

Perdue plays tennis when he has the time, but most of his weeks are spent traveling. He runs to New York, and Boston and Buffalo and Philadelphia. He still calls on the little grocer and he listens patiently as well as proudly when women talk to him about his precious chickens. A Salisbury friend, tennis promoter Bill Riordan, is himself just a little busy these days with the hottest tennis property around, Jim Connors. "Perdue's a very nice guy, an excellent Ping Pong player and a good tennis player. He's a very tough competitor and goes after tennis with a vengeance. Actually I see him more in places like London than I do Salisbury. I got him tickets to Wimbledon and he met Connors and Chrissie Evert and his eyes almost popped out. I think he likes that, the tennis life."

Riordan says he doubts that anyone in Salisbury really knows Frank Perdue. "He is cordial and charming, but he is a loner. To know success, you have to know loneliness."

Another friend, J. Wallace Messick, a retired roofing contractor and chairman of a small bank, has known Perdue since they were kids. "He's just got himself so wound up in that business he don't know how to stop. This is just street talk, mind you, not bank talk, but we figure Frank's worth $100 million."

Perdue admits, "I am a slave to my company to a great degree. It's all part of that damn dedication to the product." His infrequent relaxed moments reveal an amused and wry look at life. Talking of one evangelist, Perdue said: "He's got three messages—'I Love God,' I Hate Communists' and—'Send Money.' "

Perdue doesn't read fiction and he doesn't know who Sammy Glick is and he finds it hard to put into words why he himself has run so hard. He has read with fascination about the great tycoons—Henry Ford, John D. Rockefeller, Andrew Carnegie. "I really enjoyed the book on Carnegie when it was concerned with the excitement of industry. But when it got to the point where he was giving away money it got very dull." He smiled, "Both for him, I suspect, and for me."

He once said the most important thing in his life was his company and the second was to love and be loved. "But I can't express myself about my feelings except in notes, even to my father. It seems that what it take to be successful in business just destroys some of what is inside you. I guess earlier you could say that money played an important part in all of this drive. But now, I think it is just the desire to produce the very best. I have achieved what very few have an opportunity to and that is build a company. A really good company."

So saying, Frank Perdue, all consumed with being the Tiffany's of chicken sellers, got in his Mercedes and raced off through the Delmarva countryside, his chicken conglomerate looming large on the horizon.

SMALL BUSINESS WEEK

Mr. HATHAWAY. Mr. President, the week of May 18 has been designated as Small Business Week. During the week meetings, presentations and other affairs are planned for the small businessmen and women coming to Washington. I join my colleagues in welcoming them.

In our preoccupation with bigness too many of us have forgotten that small business is the mainstay of our economy

and an integral part of our business and social life. The 8½ million small firms in this country represent 97 percent of American business and furnish more than one-half of the jobs in the American economy and 43 percent of the gross national product.

In our present economic climate small business does not travel a smooth, straight road. It has been whipsawed by the winds of inflation, increased wage rates, big business competition, suffocating Government regulation, and an unnecessary portion of the Federal paperwork burden. But from the early beginnings of this country, when all business was small, the small businessman's position has been a tenuous one. It has been a survival of the fittest.

No more than half of small businesses survive more than 2 years and in an economic downturn, such as we are experiencing now, the failure rate among small businesses is greater than among large corporations because a small firm does not have the resources necessary to withstand adverse economic conditions for any lengthy period of time.

In the face of such facts one would wonder why an individual would want to start up a small firm. I think the answer may be found in the nature of the small businessman or woman. First of all they believe in the heritage of our American free enterprise system and desire to provide a product or fulfill a need that exists in the marketplace. They derive satisfaction from being a part of the total process which begins with an idea and ends with the introduction of a new product or process on the market. Because their organization is small they add the "human touch" and provide a more personalized service to their customer. Their organizational lines of decisions are more quickly executed than they would be through a cumbersome corporate structure. Being in close touch with their customers, they are quicker to react, to develop new products and processes and introduce innovations into American life.

Mr. President, the time has come for us to give effective recognition to this important segment of our economy. It was with this purpose in mind that my distinguished colleague, Senator BILL BROCK, and I joined in the introduction of Senate Resolution 104 which would grant legislative jurisdiction over the Small Business Administration to the Senate Small Business Committee. Senator BROCK and I have been joined by 38 other Members of the Senate in cosponsoring this resolution to provide that legislation pertaining to the Small Business Administration, which is exclusively concerned with small business, be considered by a Senate committee which bears the name "small business." The thousands of small businesses throughout the country need the help and encouragement of Congress and I can think of no more meaningful help we can offer than to give them an exclusive forum where their unique problems may be considered.

The House of Representatives has recognized this need by giving its Small Business Committee legislative jurisdiction over the Small Business Administration. I think it is important that the Senate now do likewise.

Small businesses have been aptly called "the vital majority." We can take pride in their initiative, imagination and, innovation. I salute them for their enormous contribution to our Nation's well-being. We are very much in their debt.

HOUSING THE FORGOTTEN

Mr. WILLIAMS. Mr. President, almost 9 months have now gone by since Congress passed the Housing and Community Development Act of 1974 which included the revitalization of the successful and popular section 202 housing program for the elderly and handicapped. At this late date we still do not have final regulations to implement that program. Last year in a supplemental appropriations bill Congress approved a borrowing level for the 202 program of $215 million for fiscal year 1975. These funds could produce an estimated 10,000 badly needed subsidized housing units.

The end of the 1975 fiscal year is less than 50 days away and not $1 dollar of that funding approval has been allocated. Even more alarming, initial soundings from HUD indicate clearly that they intend to allocate the 202 funds only for construction loans. Nonprofit sponsors will be required to obtain permanent—long-term—financing before loans will be made from the 202 money. To the vast majority of sponsors, this approach may well mean there is no program at all. Nonprofit sponsors usually lack the economic backing necessary to convince lending institutions to provide permanent financing. After fighting for years to win congressional approval to reinstate this program, this restrictive approach is greatly disheartening.

The shelter needs of our older Americans are not improving. In fact, they are growing worse. My Subcommittee on Housing for the Elderly continues to document these needs, and we intend to make sure that the 202 program will provide some relief.

In one of her recent columns, Sylvia Porter reviewed in excellent detail the present housing conditions facing many senior citizens. I would like to call the attention of my colleagues to her remarks because I believe they accurately reflect the "prisons of loneliness" which must be endured by too many elderly.

I ask unanimous consent to have her article printed in the RECORD.

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

THE FORGOTTEN

More than a quarter-century ago, the original 1949 Housing Act set as a national goal "a decent home and a suitable living environment for every American family." And despite conspicuous exceptions within minority groups and the 1973–75 housing crash, a decent home has indeed become reality for virtually every major segment of the U.S. population.

The one glaring exception: our elderly.

Nearly 12 per cent of our elderly live in housing officially classified as substandard, a proportion 50 per cent higher than that in the overall population. Among aged blacks, one in four lives in substandard housing (lacking adequate plumbing), about twice the proportion for whites.

For every elderly American living in a sunny retirement village or acceptable apartment building, at least three more live in squalor, unsafe buildings, back bedrooms in rooming houses, urban ghettos, outmoded or isolated houses in small towns or rural areas.

Even in cities trying hard to meet the housing needs of the elderly, the waiting period for decent shelters may be five to 10 years or more—forcing many simply to stop applying.

Mounting numbers are being trapped—between soaring homeownership and maintenance costs, property valuations' and property taxes on one side and the unavailability of less expensive, more appropriate types of housing on the other. Aged homeowners pay an average of 8 per cent of their income for real estate taxes alone, vs. 3.4 per cent for the typical city family of four, and the burden is heaviest on lowest income families.

Rents have been climbing everywhere, along with property taxes. The average older American now spends more than one-third of his income on housing against 23 per cent budgeted by younger families and for the poorest, the share is higher. More than two out of three older Americans with annual incomes below $3000—almost 1,500,000 households—pay 35 per cent or more of their incomes for rent alone. Many pay 60–80 per cent!

A first key problem is that because shelter is a fixed, untouchable expense, millions are now being compelled to cut their food consumption, to reduce or eliminate important medications, to give up trips to see friends, grandchildren, movies, certainly to forget new clothes.

A second little recognized problem for the elderly is built-in physical barriers to freedom and mobility within their own homes. Every year, hundreds of thousands aged 65 or over become disabled within their own homes because of injuries and tens of thousands die from accidents under their own roofs.

Such minor obstacles as steps put a majority of the nation's offices, other workplaces, public transportation and churches—as well as houses and apartments—"off limits" to countless numbers of elderly citizens. Housing which really satisfies the elderly's needs must be equipped with such features as special ramps for wheelchairs and walkers, railings, bathroom grab bars—and in community centers, community kitchens, dining rooms, emergency bells.

A third vital but drastically underplayed problem is that of loneliness and isolation. Nearly one in four elderly Americans lives alone and fully half of all widows and widowers live alone. Grandparents have been squeezed out of the family house by trends toward smaller houses and separation of generations. Grandparents are reluctant to be babysitters and their children are reluctant to be grandparent sitters.

For literally millions, their cramped, dilapidated houses and apartments have become prisons of loneliness. This chilling account of the isolation of so many of our elderly in our era was given in a report four years ago by the Senate Special Committee on Aging:

"More than one social worker has told us of visits to dwellings . . . (where) an elderly person had died, unnoticed by his neighbors, forgotten by his family. And many elderly couples or single persons . . . live almost entirely within their own walls, overwhelmed by illness, despair, or fear of crime."

I cringe with shame for my country and

for all of us who must bear responsibility for a cruel indifference which makes lowly mammals look "civilized" in comparison, as I report that this condemnation is at least as true in 1975 as it was then.

THE VIETNAM LESSON

Mr. CHURCH. Mr. President, it is my hope that, when our ears stop ringing from two decades of gunfire, we will be able to hear again the words of George Santayana in his celebrated admonition that those who will not learn from history are condemned to repeat it.

If the Congress, the American people, and, most of all, the administration will now embark upon studying the lesson of these sour years, then we can jointly win a reprieve from being sentenced to repeat past failures.

I am pleased to note, Mr. President, that the press is already beginning to spell out some aspects of that lesson. Last week three distinguished journalists—Frank Getlein in the Washington Star, Anthony Lewis in the New York Times, and Stephen Rosenfeld in the Washington Post—offered cogent appraisals of what went wrong, where we stand now and how we might avoid similar pitfalls in the future. Their words help us focus on the failed policy that must now be replaced. Consequently, I ask unanimous consent that these three columns be printed in the RECORD.

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

[From the Washington Post, May 9, 1975]

KISSINGER'S POSTWAR CONFUSION

(By Stephen S. Rosenfeld)

Inside Henry Kissinger the cold warrior is a sensible statesman struggling to get out. Indeed, one of the more important places in which post-Vietnam foreign policy is being debated is between the Secretary of State's ears.

The other morning on NBC, listeners could hear Kissinger tutoring the vintage cold-war line. "There is in almost every major event a domino effect," he said, listing three factors that produce it: 1) a change in the balance of forces, 2) "the perception of other countries," and 3) "the general psychological climate that is created in the world as to who is advancing and who is withdrawing." Lest anyone think there was anything arbitrary or casual in this analysis, he added, "This is inevitable."

Actually, it's not that at all. The balance of forces is real enough, if hard to measure. But "the perception of other countries" is a much more ethereal, volatile and manipulable thing, something to keep an eye on but not to steer one's course by. And as for "the general psychological climate in the world as to who is advancing and who is withdrawing," anyone who would let himself be intimidated by that sort of abstract Hegelian perception has been working too hard and needs a long rest.

"Who is advancing and who is withdrawing"; this is the fundamental idea of the cold war. It suggests that the occurrence of political and social change (revolution, if you will) in a given place is not a local phenomenon chiefly of interest to the people who live there, but an event of broader dimensions affecting others far from the scene. It means that such change must be recorded either in the column of Moscow and communism or in the column of Washington and democracy. One's loss is the other's gain.

It follows naturally that one or the other great power is virtually bound to try to influence events in the third places of the world. It follows too that since the stakes in any local event are so large, it is right and necessary to take the most strenuous possible steps to alter the local outcome.

This is, of course, exactly the style of thinking that brought us to Vietnam. It is deeply troubling to find Kissinger talking in such an unreconstructed way.

But fortunately, there is another voice to be heard. For no sooner had Henry Kissinger finished laying the ideological foundation for another Vietnam in his NBC interview than Henry Kissinger wiped it away in a burst of historical revisionism fit to make his bitterest critics weep for joy.

"The first decision whether to resist internal subversion must come from the countries concerned," he said. "We probably made a mistake in Vietnam to turn Vietnam into a test case for our policy and not for the Vietnamese policy back in 1962 and 1963 when we first got ourselves involved there."

Appropriately shellshocked, interviewer Barbara Walters asked, "Does that mean we should have realized that the trend was toward communism and said we still stay out?"

Kissinger came back almost as strong: "No, but we perhaps might have perceived it more in Vietnamese terms rather than as the outward thrust of a global conspiracy."

Shades of Lin Piao: If we had "perceived it more in Vietnamese terms," we could not conceivably have intervened. For although a few individual Americans may have cared, the United States as a nation had absolutely no reason to be concerned about which group of Vietnamese ruled Vietnam.

That Kissinger believes we should have "perceived it more in Vietnamese terms" means that he has indeed learned one of the essential lessons of Vietnam, namely that the United States should not automatically fear that social and political change elsewhere is a potential threat to its own legitimate national interests.

Such an idea definitely need not lead in the direction of neo-isolationism. It leads toward a greater respect for diversity among nations and a greater appreciation of the real and proper limits on American power. To distinguish the fate of America from the fate of Vietnam is not so much to lose interest in what happens in Vietnam as to try to work with whatever forces come to power there.

The confusion evident now in the mind and nervous system of Henry Kissinger is, in truth, characteristic of a great many Americans. But that merely adds intensity to the question of what is to be the mix of old anxiety and new sense in our post-Vietnam foreign policy.

Perhaps the most indicative place to look for an early, though not a conclusive, answer is Portugal. Kissinger has made some gestures of support and confidence to the moderates. But publicly and privately he had broadcast his view that the country is sliding leftward, that events there should not be seen just in Portuguese terms, and that the implications could be Mediterranean if not global, and vastly damaging to the United States.

Little wonder that some officials now mutter about invading, about concocting an Azores "independence" movement, and the like. So we shall see.

CONDEMNED TO REPEAT IT

(By Anthony Lewis)

WASHINGTON, May 7.—When John Hersey spent a week with President Ford and wrote his remarkable account of it in The New York Times Magazine, he found one central puzzle. How could a man so open in manner, so considerate in personal relations, seemingly lack a deeper social compassion and be so insensitive to the currents of change in the world?

The mystery was on display for us all at Mr. Ford's press conference last night. Here was a nice man, a man who could not be imagined making up an enemies list, but one with a sense of history and humanity so limited as to seem one-dimensional.

When he recognized Mary McGrory of The Washington Star, the President had a graceful personal word of congratulations for the Pulitzer Prize she had just so deservedly won. But then he gave her question an answer achingly devoid of understanding or sympathy.

It was a question about amnesty. With the end of our enterprise in Vietnam, Miss McGrory asked, with the President's call to avoid recrimination over failed policies, was it not time to wipe the slate clean for the men who had refused to fight that war?

Perhaps deliberately, Mr. Ford missed the real point of the question—the opportunity for healing at this moment by a new, generous gesture of universal amnesty. Instead, he gave a wooden answer about his expired program of limited amnesty—a program so hedged about with Catch-22's that it was ignored by most of the men concerned.

That unfeeling answer was in striking contrast to Mr. Ford's comment on a subject where he has staked out a policy position: Vietnamese refugees. He spoke with passion, and convincing effect, on the obligation to admit the refugees to this country. But if we feel a duty to the Vietnamese who got out—not all with the noblest motives—how is it possible to be so cold, so hard toward Americans who for various reasons resisted the war? Is there to be amnesty only for the officials whose policy brought disaster to the Vietnamese?

Strangest of all, and most disturbing, was the President's answer when asked what we had to learn from Vietnam.

"The lessons of the past in Vietnam have already been learned," Mr. Ford said—"learned by President. . . ."

Would it were so. But of course it is not. For the behavior of the President and his Administration on a crucial matter shows that they have not learned the most obvious lesson: the danger of secrecy in the use of executive power, the danger of lying.

"The U.S. has no bilateral written commitment to the Government of the Republic of Vietnam." Secretary of State Kissinger made that statement in writing on March 25, 1974. When Senator Henry Jackson said last month that in fact there were secret commitments, the Administration accused him of a politically motivated smear.

Now we know that there were secret promises. President Nixon wrote President Thieu giving his "absolute assurance" that, if Hanoi violated the Paris peace agreement, "we will respond with full force." Grotesquely, we know that from a Vietnamese source, not our own officials, who continue to keep the Nixon letters secret.

President Ford said the Nixon assurances did not differ from generalized public statements about the possibility of American reactions to truce violations. Mr. Kissinger said they were not "obligations." The White House press secretary, Ron Nessen, dismissed the issue as one of "semantics." He might as well have said "third-rate semantics."

When a foreign statesman gets an "absolute assurance" from an Amercian President in the future, should he dismiss it as semantics? Should he treat it as no "obligation" if Henry Kissinger is involved? When Congress is told that there are no secret agreements, should it understand that there may still be some "secret assurances"?

The issue is not semantics but simple truth. Senator Clifford Case, Republican of New Jersey, found the affair of the Nixon-Thieu letters so shaming that he said Mr. Ford simply could not have read them be-

fore stating that there were no "secret agreements" with Saigon.

The puzzle of Gerald Ford is not really complicated. He is a personally kind man but one of narrow, largely political experience in life—a limited man. But he should understand Santayana's warning that those who do not learn from history are condemned to repeat it. One large reason why so many Americans have stopped believing their Government is that successive Presidents have adopted as their own the lies and the secrets of the past on Vietnam. It is time for the lying to stop.

[From the Washington Star, May 9, 1975]

VIETNAM AGAIN AND AGAIN?

(By Frank Getlein)

Those who will not learn from history are condemned to repeat it, said George Santayana, shortly before he walked out of his Harvard classroom forever.

Santayana had learned enough from his own academic history to know he didn't want to go on repeating it for what turned out to be 40 more years of productive life. Few of us are so perspicacious.

After some disastrous experience, we say, Well it's over and I shall not think about it anymore. I'll think about the future.

And we are all but guaranteeing that the root causes of the disaster will remain undiscovered by us.

Undiscovered, they will be unquestioned, will continue to operate and will, often enough, bring on the same sort of catastrophe we think we have put behind us.

This process is precisely what President Ford was not merely wishing but practically ordaining when he denounced proposed congressional investigation of Vietnam.

If there was ever a phenomenon in American history that called for careful and thorough investigation by our national legislature, surely it is our long and futile war in Indochina.

This is true no matter how you interpret the war.

If you believe that the fate of the free world and of this nation rested on the survival of the various governments we established as our surrogates there, then that fate has been placed in grave peril by the defeat of the last of those surrogates.

If the official reasons for our presence, endorsed by six presidents, three of each political party, were correct, they have not ceased to be correct just because we have lost.

The country, however, was systematically lied to from beginning to end of the Vietnamese experience.

The country, therefore, will not believe one or any combination of high officials who comes before the country to speak what must inevitably sound like more of the same.

But the televised hearings of the Ervin and Rodino committees demonstrated that the country will believe its own Congress when that body presents itself as conducting a fair, honest and reasoned investigation of an important question.

Hence, if the premises of our war in Indochina were correct and if it is therefore a matter of national survival for the nation to be now, belatedly, rallied to its defense, no possible way exists for that rallying to succeed but for it to begin with an open congressional investigation.

All this applies with equal, perhaps greater force, if the opposite interpretation of the war in Vietnam is thought to be true: Namely that the whole thing was a monstrous mistake.

Make no mistake—the rest of this century is going to be filled with examples of former colonial countries seeking political and economic independence and many of the native independence movements are going to be led by native Communists with what help they can get from Moscow or Peking.

If we regard each of these as a direct threat to the survival of the United States to be countered with escalating degrees of military force, we are going to repeat Vietnam again and again.

The only way to avoid that suicidal repetition is for the nation to find out exactly what Vietnam was.

McGRAW-HILL TO FUND NEW ASTROPHYSICS OBSERVATORY

Mr. GOLDWATER. Mr. President, it gives me a great deal of pleasure today to announce that a new observatory to be used for the optical studies of celestial X-ray sources has been established in my home State of Arizona by a unique consortium of three major universities.

This observatory which is already operational will be used for basic research in astrophysics by astronomers from the University of Michigan, Dartmouth College, and the Massachusetts Institute of Technology.

The research work I have just mentioned will be funded by McGraw-Hill, Inc., whose president, Harold W. McGraw, Jr., made the initial announcement of the new study project.

He disclosed that the University of Michigan's 52-inch Cassegrain Coude telescope has been relocated near Kitt Peak, Ariz., and will be used in the collegiate project.

Mr. President, I think I should emphasize the fact that this group of collegiate experts will be engaged in studying "the most powerful sources of energy that exist anywhere in the universe." They will be observing how matter releases energy at incredibly high levels in the hope of discovering how those energy processes might be harnessed here on Earth.

Let me explain to the membership that this is a project in "pure research." It will be devoted primarily to studying the mysterious celestial sources of X-rays which 15 years ago were discovered to be bombarding the Earth's atmosphere.

The sources of these X-rays are believed to be what the scientists call "black holes," or collapsed stars and X-ray galaxies. If present scientific theory is proven correct the black holes will turn out to be islands of matter so dense that neither light nor any other wave can escape from their gravitational forces.

Mr. President, because of knowledge about these collapsed stars is still very fragmentary I ask unanimous consent to have printed in the RECORD the complete announcement by McGraw-Hill, Inc., about the new observatory.

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

MCGRAW-HILL TO FUND NEW ASTRO-PHYSICS OBSERVATORY

NEW YORK, May 5.—Establishment of the McGraw-Hill Observatory, to be used for basic research in astro-physics conducted by a unique consortium of three major universities, was announced here today. The new observatory, at Kitt Peak, Arizona, will be used for optical studies of celestial X-ray sources by astronomers from The University of Michigan, Dartmouth College, and the Massachusetts Institute of Technology.

The observatory has just become operational. It is situated near the Kitt Peak National Observatory, for optimal viewing conditions. It contains the University of Michigan's 52-inch Cassegrain Coude telescope, which was recently relocated from its former site near Ann Arbor.

In announcing the grant to fund the observatory, Harold W. McGraw, Jr., president of McGraw-Hill, Inc., noted that "McGraw-Hill is proud to participate in this important project along with members of the educational community. The Michigan-Dartmouth-MIT consortium combines the extraordinary talent and capabilities of three prestigious universities and we are pleased to be invited to play a catalyst role in this endeavor.

"McGraw-Hill is in business to serve the need for knowledge—and we are especially gratified to be in the position of supporting basic research which is so integral to the development of science.

"By definition no one can predict what will result from pure research. But this consortium will be studying the most powerful sources of energy that exist in the universe. By observing how matter releases energy at these incredibly high levels, they will be hoping to discover how those energy processes might be harnessed here on Earth.

"At a time when traditional sources of sponsorship for pure research are shrinking, we believe that corporate support for projects of this nature are extremely important. All of us have a stake in expanding the frontiers of knowledge."

The McGraw-Hill Observatory will be devoted primarily to studying the mysterious celestial sources of X-rays which 13 years ago were discovered to be bombarding the earth's atmosphere. Sources of these X-rays are believed to be "black holes," collapsed stars and X-ray galaxies. Black holes are theoretical islands of matter so dense that neither light nor any other waves escape from their powerful gravitational forces. Knowledge is still fragmentary about these collapsed stars, which scientists believe may hold clues to the beginnings and future of the universe.

Astronomers at The University of Michigan, Dartmouth College and the Massachusetts Institute of Technology have been conducting extensive optical research on sources of celestial X-rays, often in collaboration, over the past decade.

X-RAY SATELLITE

Optical sightings from the McGraw-Hill Observatory will be conducted in close conjunction with the Small Astronomy Satellite (SAS–C) being launched May 8 by NASA from the San Marco Launching Platform off the coast of Kenya, Africa. That satellite, the third in a series of small astronomy research vehicles put up by the NASA Goddard Space Flight Center in Greenbelt, Md., is carrying a special payload of research equipment designed and built largely at MIT to pinpoint with previously impossible precision the locations and activities of X-ray sources in the sky.

Because X-rays emitted from these sources are dispersed and filtered by the earth's atmosphere, special interest has been generated by the launch of SAS–C. It will be the first observatory fully equipped to monitor the X-rays in great detail and to delineate, with sophisticated direction-finding sensors, the positions from which each X-ray stream originates.

Data from the X-ray telescopes and spectrometers aboard SAS–C will be sent back to earth by radio, collected at the Goddard Space Center, analyzed with the aid of a high speed computer at MIT, and relayed immediately to consortium astronomers on duty at the McGraw-Hill Observatory and to other interested observers.

With precision mapping of the X-ray sources, consortium astronomers expect to aim their optical telescope accurately and to

obtain optical observations of greatly improved accuracy and detail. They expect also to observe the X-ray sources during periods of intense—but often, brief—activity. These observations, it was pointed out, are important in advancing knowledge of the life and death of celestial bodies and to the understanding of such extremely compact objects as "black holes." According to current theory, materials spiralling into a "black hole" become so hot just prior to being swallowed up that they emit X-rays, detectable from an earth-orbiting satellite.

THE CONSORTIUM

The University of Michigan-Dartmouth College—MIT Consortium was formally established early in 1975 with Prof. W. Albert Hiltner, chairman of the astronomy department at Michigan, serving as its first director. He was assisted in organizing the consortium by Prof. Forrest I. Boley of the department of physics and astronomy at Dartmouth College, and Prof. Hale Bradt of the department of physics at MIT. Dr. Bradt is also a co-investigator at MIT in the SAS-C project.

Relocation of the powerful University of Michigan telescope to the new observatory was made possible in large part by a grant of $100,000 from the Alfred P. Sloan Foundation, announced early in March.

The new location is 50 miles west of Tucson, Arizona, on the southwest ridge of Kitt Peak 6,300 feet above sea level. It provides steadier atmospheric conditions and permits the astronomers to get much clearer images. Dr. Hiltner said he expects that the telescope will be 10 times more efficient at Kitt Peak than it was at The University of Michigan.

According to Hiltner, the telescope will be used with technically advanced optical detection systems, such as computer-controlled digital spectrometers and photometers now under development at the three universities. These sophisticated instruments will analyze the light collected by the telescope.

Graduates and undergraduates from the three universities will have opportunities to participate in the research programs making use of the telescope. Because Kitt Peak National Observatory is a national center for optical astronomy, students who visit and work there will also be able to meet eminent astronomers from many other universities.

U.S. FOOD AND AGRICULTURAL POLICY

Mr. HUMPHREY. Mr. President, I wish to point out a policy statement prepared by the National Planning Association entitled, "U.S. Policy for the World Food Crisis—A Statement on Food and Agricultural Policy by the NPA Agriculture Committee."

The National Planning Association in 1974 published a very informative pamphlet entitled "Feast or Famine: The Uncertain World of Food and Agriculture and Its Policy Implications for the United States," by Prof. Willard Cochrane of the University of Minnesota.

This statement, although not as extensive as that earlier effort, also warrants careful review. It sketches out very briefly the changed picture regarding our agricultural economy of the last 3 years. It indicates some of the complicating factors such as rising demand for meat products in the developed countries, the sudden rise in energy costs, reduced water availabilities in some areas, a scarcity of new lands for agricultural development, a low priority for investment in agriculture in many underdeveloped countries and trade restrictions which affected the development process in poorer countries.

The article sketches out some of the possible developments over the next 10 years. The implication of these possible developments would indicate a great deal of uncertainty for our food and agricultural production in the coming years. This would argue for taking steps to create some increased stability and also further production in the face of tight supplies.

Two of the main recommendations of this paper are as follows:

We recommend that the United States take the lead in working for international cooperation toward maintaining grain reserves. But the United States should not delay action to build and manage adequate reserves of grain of its own while waiting for other countries to act.

The NPA Study also points out the need for improved target prices and loan levels as follows:

Because of the inherent riskiness in farming and the inflationary rise in prices of items farmers buy, we believe that commodity loan and target price-support levels should be raised appreciably above the levels in force at the beginning of 1975.

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

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

U.S. POLICY FOR THE WORLD FOOD CRISIS: A STATEMENT ON FOOD AND AGRICULTURAL POLICY BY THE NPA AGRICULTURE COMMITTEE

How should the United States adjust its food and agricultural policies in the light of the world food crisis of 1974 and 1975 and the likelihood of continuing food problems in years to come?

We believe that if the United States is to maintain and strengthen its moral and political leadership in the world, it cannot allow millions of people to starve in 1975. At the UN World Food Conference in Rome, November 1974, estimates were made that up to seven or eight million tons of grain in addition to the present flow of food aid from rich countries to poor would be required to combat famine in 1975.

We recommend that the U.S. government in consultation with governments of other countries continue and expand the famine relief program on a scale cosistent with the gravity of the situation. The U.S. government should acquire the supplies in the open market and do what is necessary to deliver the food aid to the point of need.[1]

U.S. commitments and plans to ship grain to South Asia and other areas to relieve starvation this spring and summer have been delayed by bureaucratic procedure and footdragging.[2] We urge maximum effort at once. Humanitarian purpose should take priority over the use of food aid for political or other purposes, especially at this time.

This emergency program of course would draw U.S. grain away from commercial markets, both domestic and export, and would limit accumulation of reserves during the emergency.

Although this program is short-term, in view of the government responsibility to U.S. citizens who pay the cost, we urge that certain long-term understandings be made clear with respect to continued food aid. (See the section "International Food Policy.")

A PROGRAM FOR THE FUTURE

The world supply of food varies unpredictably in total and region by region, as this committee has emphasized in policy statements in 1973 and 1974. We reaffirm our recommendations for domestic food and agriculture policies that take account of the world situation, including appropriate supply stabilization and reserve policies. We urge that food-agriculture planning and policy actions be taken in a context of flexibility and adaptability. We cannot foresee all developments even in the remaining years of this decade.

From Optimism to Pessimism. In looking to the future, it is advisable to look first at the recent past and the present situation. The prevailing view of the world food situation in the late 1960s was uncommonly optimistic. This was the period of the Green Revolution, aided by low energy prices and a run of good crop years around the world. Between 1966 and 1971, agricultural production increased more rapidly than population growth in both the developed and the less-developed parts of the world. The quantity of food per capita increased significantly. The future looked bright in 1971.

The picture changed quickly, however.

In 1972, growing conditions were unfavorable around the world, causing total agricultural production to fall 1 to 2 percent. World grain production dropped 3 percent and, on a per capita basis, grain production was 6 percent below that of 1971.

These decreases would not appear to be so large as to create serious food supply problems. But, given the severe inelasticity of the world demand for grain, they played havoc with international grain markets. In an effort to maintain per capita consumption of grains in the poor countries and to maintain livestock production in the rich countries, countries engaged in a wild scramble for scarce supplies of food and feed grains.

Net trade in all grains more than doubled between the marketing years of 1971–72 and 1972–73, stocks of grain held by the major exporting countries declined by almost one-half, and world grain prices doubled or tripled in one year.

For producers of grain in the surplus-producing countries, 1972–73 was an exciting and profitable marketing year. For consumers in the developed world, it was an anxious, frustrating year. For most people in the less-developed countries, it was a year of belt tightening, hunger and despair.

Growing conditions in most areas were good in 1973–74, and agricultural production rebounded. Production per capita increased about 3 percent. But one year of good crops is not sufficient to permit signi-

[1] For a variety of reasons—to get rid of farm surpluses, cold war politics, and at least a modicum of compassion—the United States has given away large quantities of food since World War II. But with increased problems of their own and a growing disenchantment with bilateral foreign aid of all kinds, there is a good chance that American tax payers might leave our agriculture holding the bag with the increased production for world feeding called for in this statement.—A. C. Hoffman

[2] This is out of date. The U.S. government recently announced a 2 million ton increase in food aid for the 1974–75 season. Mr. Boerma, Director General of FAO, recently said that the U.S. commitment brings food aid "within striking distance of the 10 million tons a year called for by the World Food Conference."—Robert K. Buck

ficant rebuilding of grain stocks, and the world grain markets remained tense.

Weather conditions for crops in major producing countries deteriorated again in 1974–75, and agricultural production failed to increase above the 1973–74 level. Consequently, output per capita declined. Grain production worldwide declined between 4 and 5 percent. The grain production shortfalls were concentrated in the United States, Canada, the Soviet Union, and South Asia. Prices, which had declined moderately in the winter and spring of 1974, moved up strongly once again in the summer.

Then, in late 1974 and early 1975, grain prices turned downward again. Demand fell off in importing countries hit by recession and high oil prices, and livestock feeding was curtailed in the United States, the results showing once again the unpredictability of grain prices.

Complicating Factors. Two bad crop years in the last three created a world food crisis. But we believe that more is involved in the current difficult world food situation than two bad crop years.

First, rising incomes over a period of years resulted in growing demand for meat in Japan, Europe and the Soviet Union. To meet the demand, these countries increased their imports of feed concentrates and tightened the international market for grain. Now, this long-term trend may be subsiding because of the worldwide recession.

Second, the sudden rise in the cost of energy has raised prices of nonfarm-produced inputs for agricultural producers everywhere, handicapping further expansion of output. The burden falls most heavily on less-developed countries, for example, India.

The Green Revolution calls for heavy application of nitrogen fertilizer for the new varieties of wheat and rice under irrigation. Not only does the fertilizer now cost more but, owing to the higher prices such countries as India must pay for imported petroleum, these countries are short of foreign exchange with which to buy fertilizer from outside sources. They likewise are handicapped in importing other nonfarm-produced inputs. And in some countries, output expansion is limited by an absolute shortage of agricultural resources.

Third, water for irrigation has become scarcer in certain areas.

Fourth, "new" lands for agricultural development are becoming scarcer—especially areas that lend themselves readily to exploitation by modern technologies.

Fifth, many of the undeveloped countries have failed to give high priority to investment in agriculture and related infrastructure for marketing, transportation, processing, research, technical assistance, equipment, and farm inputs.

Sixth, some of the poorer countries are held back in development by trade restrictions on their exports imposed by the industrialized nations, their potential customers.

The Next 10 Years. One view of the current critical food situation is that it came about almost entirely because of bad crop conditions in 1972 and 1974. The implication in this view is that once better weather returns, we can expect to return to the optimistic trends of the late 1960s. According to this appraisal, there are sufficient unused productive sources and sufficient flows of new technology and investment capital into agriculture to produce enough food to maintain lower and reasonably stable prices.

At the other extreme, some observers believe that millions will starve in the less-developed countries in the next 10 years as population continues to race forward at 2 to 3 percent per year while rates of increase in food production slow down or stagnate. Such trends would drive the price of food upward as both rich and poor countries struggled to secure food supplies required by their populations.

We find ourselves somewhere between these polarized views.

Grain supplies would be ample during the next 10 years—and prices of food would remain stable or decline in relation to prices of other goods and services—if various combinations of the following conditions should exist:

(1) a series of good crop years like those of the late 1960s, or better;

(2) technological breakthroughs in crop production, resulting in higher yields and a faster rise in total output;

(3) technological breakthroughs in energy production, increasing availability and lowering costs of fertilizer and power for farming;

(4) a substantial increase in investments in the agricultural sector and related infrastructure in less-developed countries, including adaptation of improved technology for small farms; or

(5) a worldwide economic downturn in the developed nations, reducing demand for imports of grain and other feed concentrates.

We find it doubtful, for reasons given in the previous section, that a sufficiently strong combination of the first four factors or a major economic downturn will occur to bring about a reduction in the relative prices of raw food products in the next 10 years. We believe a more likely prospect is that food prices, after an initial adjustment, will trend upward over the next decade.[3]

This judgment is based on the probability of some combination of the following factors.

(1) Energy prices will continue at their present high level, prices of nonfarm-produced inputs will remain high, and many less-developed countries will experience increased difficulty in importing needed amounts of such inputs.

(2) The demand of developed countries for grain and feed concentrates will continue to be substantial, although it will be affected by exchange and financing problems and probably will not grow as fast as in the past.

(3) Food production in the less-developed countries will continue to lag behind population growth, and pressure will intensify for more food aid.

(4) Weather conditions for crops, which were unusually favorable in the 1960s, will not be any better in the next 10 years and may be worse.

However tenuous our foresight may be about these future trends, we can be certain about one kind of development: the world in general and the United States in particular will be confronted with dramatic and unpredictable year-to-year gyrations in grain prices about any long-run trend that may emerge. This will result in sharp and also unpredictable fluctuations in meat and other food prices. This is certain for the following reasons:

(1) weather, hence crop growing conditions, will vary from year to year in an unpredictable manner;

(2) the world demand for grain is not very responsive to changes in prices;

(3) countries which suffer shortfalls in food production will turn to the United States, the largest exporter of grains. The United States is now fully integrated into the international market.

This short-run price instability in the grains (and, after a lag, in animal products) will be exacerbated in the immediate future by the low level of reserve grain stocks in the world.

The intensified food shortage which would result from a poor harvest in 1975 could not be eased or moderated by drawing on stocks since the stocks do not exist. This is the reason why delegates to the UN World Food Conference in Rome failed to take significant action for dealing with the current crisis—the prospect of hunger and starvation in 1975. The food conference recommended that a coherent international reserve stock program be established for the grains.

The NPA Agriculture Committee published in 1974 a pamphlet, *Feast or Famine: The Uncertain World of Food and Agriculture and Its Policy Implications for the United States*, by Professor Williard W. Cochrane of the University of Minnesota, a member of the committee. In an accompanying policy statement, the committee recommended the establishment of a grain reserve program in the United States for stabilizing markets. It said: "We recommend that the United States take the lead in working for international cooperation toward maintaining grain reserves. But the United States should not delay action to build and manage adequate reserves of grain of its own while waiting for other countries to act."*

We reaffirm this recommendation.

The United States, because of its preeminent position in the world grain trade, should furnish leadership toward establishing international cooperation in grain reserve stock programs. It is not doing so.

U.S. FOOD AND AGRICULTURAL POLICY FOR 1975

In the immediate situation, as we have said, we believe the United States should take the lead in establishing a famine relief program. It must also take into account foreign commercial trade in foodstuffs in setting production and price policies.

For 1975, in view of the possibility of continuing shortages of foodstuffs in another year, and knowing that the nation does not now have a food reserve, we favor increased production by U.S. farmers this year.

Because of the inherent riskiness in farming and the inflationary rise in prices of items farmers buy, we believe that commodity loan and target price-support levels should be raised appreciably above the levels in force at the beginning of 1975.

Prompt and decisive actions of this kind would provide assurances to farmers for stepping up grain production this year. Policies for later years would depend on the world food situation as it unfolds. Any extra land brought into grain production in 1975 could be returned to grass and other extensive uses in later years, and should be held in grain production only to the extent that this can be done without permanent injury to soil resources. It would be shortsighted to plow up hillsides and leave land unprotected that is better suited for more food-production in grass as a long-term use.

LONGER-RUN FOOD AND AGRICULTURAL POLICY

Because of the uncertainties we have described, even a long-run food and agricultural policy of the United States must be highly flexible. We must have the capacity to cope with either food surpluses or shortages in the short run and either rises or falls in the real price of food over the long run. An effective food and agricultural policy for the future cannot be written in stone.

We agree with the basic concepts of the present agricultural commodity legislation, with loan rates for commodities, target prices and deficiency payments. These rates and prices should be tailored to fit the uncer-

[3] Our guess is that the ratio of prices received by U.S. farmers to prices paid by them will not exceed the 1973 peak in the next 10 years.—George E. Brandow and Robert K. Buck

*Willard K. Cochrane, *Feast or Famine: The Uncertain World of Food and Agriculture and Its Policy Implications for the United States* (Washington, D.C.: National Planning Association, 1974), p. viii.

tainties of the world food and agriculture situation.[4]

The loan rates and target prices should be announced at the beginning of each crop year.[5] Loan rates should be based upon a recent three-year period of market prices, with annual adjustment according to changes in prices of inputs. Target prices should be based on the same factors plus any special policy requirements for output goals and income support.

It is especially important, under the agreed policy that the U.S. agricultural plant be integrated into the international market, for the international trade situation to be taken into account in setting loan rates.

Target prices should be set each year to yield a parity income for efficient-sized family farm operators. This might mean that target prices for most crop producers in the United States would be only moderately higher than loan rates in 1975.

We recommend that deficiency payments be limited in total amount for all crops to each producer and a continuation of the present level of payment under which a producer cannot receive more than $20,000 in one year in deficiency payments from all crops.[6] This means, in effect, that income protection above that afforded all producers through commodity loans and price stabilization would be provided for small to medium farmers but not for the largest producers.

In order to bring about greater stability of farm commodity prices, hence greater income stability for producers and consumers of food, we urge the U.S. government to join with leading food exporting and importing countries in a cooperative agreement for holding reserve stocks, country by country. This agreement should cover the grains most importantly and possibly certain other storable commodities. (We repeat, however, that the United States should not delay action on its own if international cooperation is not promptly achieved.)

This recommendation is consistent with that made by the World Food Conference to which the United States was a party.

The purpose of the international reserve stock program would be to even out the year-to-year flow of supplies onto the market and thereby stabilize prices within some target range. We suggest that the lower side of the range be related to recent past prices in international trading.

The international agreement should be constructed now, and the rules or conventions negotiated now, so that the stock accumulation process may begin whenever the grain supply situation begins to loosen and agricultural prices begin to slide.

INTERNATIONAL FOOD POLICY

In parallel with international action of a food reserve program, the United States should lead the way on a continuation of internationally financed food aid programs for the less-developed countries. These programs should be carefully designed and managed to avoid limiting incentives of recipient countries to develop their own food production capacities, as has been the case too often in the past.[7]

We recommend that food aid be extended to those countries which are willing to (1) give higher priority to agriculture (including related marketing and transportation services) in future economic development planning—in investment, research and education—especially efforts to increase productivity of small family farms; and (2) commit themselves to realistic long-run programs of population limitation.

We believe it is essential that food programs be backed up by long-term agricultural development programs in the less-developed countries and by national and international food reserve policies to meet and ward off future world food crises.

Solving the food problem in the long run will require large investments in land and other resource development in the less-developed countries—especially water for irrigation. It will require investment in fertilizer plants and other factories for other farm inputs. Most importantly, it will require expanded research in agricultural production, processing and marketing to create new technologies.

We believe the United States should allocate more resources for scientific research by government—but not necessarily in the same institutional and traditional distribution as at present. There could be a larger payoff in terms of world food supply, for example, by greater allocation to overseas research, for areas that are obviously now falling far below their possibilities in production.

More research on methods of utilizing less grain in livestock production is another impelling need.

A better division of labor between government and private industry research on farm production technology might be possible. We suggest a national study commission to consider the possibilities for more effective use of our agricultural research resources.

U.S. FOOD POLICY

A food and agriculture policy for the United States must always concern itself with the interests of the American food consumer. The American consumer has benefited handsomely from the productivity of U.S. agriculture—and from government programs to improve technology and stabilize prices. These programs should continue to take account of the interests of consumers.

Consumer food goals parallel the goals of farmers in many respects: abundant and reliable production; price stability; efficient, low-cost distribution and marketing; accurate nutritional information; and quality reliability in the sale of processed foods.

In addition, the nation's food and agriculture policy must consider, through education and other means, the nutritional welfare of all people, especially those who are unable to buy a good diet in the market.

If, as we expect, the fundamental trend of real raw farm commodity prices is upward in the next decade, it is imperative that the United States continue and refine its programs for domestic food distribution and nutritional improvement. These include the Food Stamp Program and direct distribution programs such as the School Lunch Program.[8] We recommend that these programs be expanded, especially if the present industrial recession and unemployment should be prolonged.

We endorse the current studies of retail food price spreads and recommend continued surveillance of the food marketing system to assure that antitrust laws are vigorously enforced in order that costs are kept to a minimum.

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[4] I abstained from debate on this section of the paper since my organization does not participate in policy determination on agricultural commodity legislation.—Kenneth D. Naden

[5] Target prices should give farmers income assurance and for this purpose should be set at moderate levels and projected three years ahead by tying them to change-in-production-cost escalators. The USDA could readily construct better escalators for individual commodities than the very unsatisfactory formula provided for 1976 and later in present law. Loan rates should be adjustable annually as export markets, stock positions, etc., require and probably should not be set by rigid formulas. Producers' acreage allotments should be modernized by shifting base periods to, say, 1974–75.—George B. Brandow and Robert K. Buck

[6] I believe that all farm support programs should be designed and operated in the total national interest, so as to provide this country and its citizens with the most absolute assurance that we will at all times have an abundant supply of food and fiber. To accomplish this, price support guarantees should assure that all efficient and prudent farmers, both large and small, can expect the opportunity to earn a fair return on their labor, management, capital resources, and off-farm inputs. Deficiency payments that are arbitrarily limited to $20,000, or to any specific figure, will ultimately defeat the purpose of assuring adequate productive capacity at all times, and will, in the public's eye, eventually relegate and denigrate farm programs to social programs of a welfare status that are designed to perpetuate the inefficient farmer (rather than benefit the consumer). Agriculture does not want this, and the country cannot afford it. Therefore, I oppose all proposals that would tend to place the stigma of social welfare for producers on public policies whose real purpose is to provide assurance to all the citizens of our country that they will at all times have an abundant supply of food and fiber at reasonable prices.—Edward F. Mauldin

[7] Barbara Ward's suggestion a few years ago that all nations give 1 percent (or more) of their GNP to International Food Aid should be revived and refined.—William H. Yaw

[8] See Food for the Hungry: Direct Distribution and Food Stamp Programs for Low-Income Families, by Dale M. Hoover and James G. Maddox (Washington, D.C.: National Planning Association, 1969), with an accompanying statement by the NPA Agriculture Committee.

REMARKS BY SENATOR HUBERT H. HUMPHREY AT JACKSON FOR PRESIDENT FUNDRAISER

Mr. MAGNUSON. Mr. President, on Tuesday, May 13, 1,500 enthusiastic Democrats met to honor my colleague, Senator HENRY M. JACKSON, an announced Democratic candidate for President. Senator JACKSON was ably introduced by the distinguished Senator from Minnesota, HUBERT HUMPHREY, and I felt that my colleagues in the Senate would review his introductory remarks.

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

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

REMARKS BY SENATOR HUBERT H. HUMPHREY

You are here this evening because you care about who will be the next President of the United States.

All of us are firmly committed to one goal: that a Democrat must occupy the White House after January 20, 1977.

You believe, as do I, that the 1976 presidential election will be among the most important in American history. And you are seeking standards by which to judge the many contenders.

Too often, it seems, we fall prey to standards chosen for us by our friends in the media. They usually come up with candidate qualifications that are more suitable for show business—crowd appeal, charisma, and controversy—then for achieving just and humane government.

Yet we passively accept these standards in choosing a person whose Presidency will ultimately succeed or fail for totally different reasons.

If I were you, given what has taken place in the White House since 1969, I would look

for some other standards this time around. I would want to know a great deal about a candidate's record on protecting personal liberties and human rights.

In 1976 I would want to be absolutely certain that our country's most precious possession—the personal freedoms of each citizen—is inviolate from any governmental invasion.

The long and difficult job rebuilding public trust in government *must* begin with this reaffirmation of the principles enshrined in the Bill of Rights.

But it is a most curious fact of American political life that what often is most important receives the least attention.

I suggest to you this evening that much more attention should be directed to the remarkable record of Senator Henry Jackson in advancing and protecting the human freedoms of every American citizen.

I know very well that over the course of a long political career, one's perspectives and beliefs about certain issues often change greatly. I've always thought that this can be evidence of a healthy and inquiring mind that refuses to be bound by the beliefs of another time. That's healthy in a public official.

But nothing could be more dangerous than vacillation or change when it comes to protecting human freedoms.

You have nothing to fear from Scoop Jackson.

I know. I was there. I remember that in the late 1940's and early 1950's, long before civil rights was a winning issue, Scoop Jackson was standing in the front ranks of those who were fighting for even the most limited victories:

To abolish the poll tax;

To abolish segregated hospitals built with federal funds;

To create a civil rights division in the Department of Justice;

To establish a federal civil rights commission.

Scoop Jackson was there when the major victories of the mid-60's finally were achieved:

Equal access to public accommodations;

Equal opportunity in jobs and housing;

Meaningful guarantees, enforced by the federal government, of the right to vote;

And all the other landmark victories that ended legalized discrimination in American life.

Those were the headline victories. But there were others that, from the perspective of recent presidential history, loom large. And, once again, Scoop Jackson was there.

During the early 1950's, for example, Scoop stood among a handful of House members who voted to abolish the Un-American Activities Committee—a step that finally has been taken by the present Congress.

And how many of you remember that in 1956 Scoop Jackson, then a freshman Senator from Washington, voted to create a special congressional watchdog committee to oversee the Central Intelligence Agency? The proposal lost by better than a two-to-one margin. But suppose Scoop had won that battle? What a difference that might have made.

In 1959, Scoop Jackson was opposing student "loyalty oaths" as a requirement for receiving National Defense Education Act loans.

All of us, today, are much more familiar with Scoop Jackson's courageous stand in behalf of human and religious freedom around the globe—in countries that flagrantly deny those rights to religious and ethnic minorities. I salute him for his courage and determination in this difficult battle.

This is not a record hastily assembled for the presidential campaign. It is a record compiled over more than three decades of public service. And, it is a record that tells you something about the character of this outstanding American.

It is with the greatest personal pleasure that I present him to you now—my good and dear friend—Senator Henry Jackson of Washington.

OUR CITIES FACE A CRISIS

Mr. HUMPHREY. Mr. President, this morning the Washington Post carried a front-page story which reveals the devastating impact of the recession on the government, employees, and citizens of the city of Detroit. Among the more shocking revelations in the article is the fact that the rat population in the city is 2 million and growing, but that economic circumstances have forced the city to lay off 23 of its rat control inspectors. Just as disturbing have been recent accounts regarding the devastating impact on police services and morale of the police layoffs that the mayor has been forced to make in order to keep the budget in balance.

While the Detroit situation is certainly one of the most serious in our Nation, it is truly symptomatic of a far more widespread fiscal crisis. As a recent Joint Economic Committee study pointed out, States and cities will be forced to raise taxes, in aggregate, by $3.6 billion, to reduce current levels of services by $3.3 billion, and to reduce capital expenditures by approximately $1 billion. These expenditure cutbacks will have a significant impact on the ability of our Nation's major cities to provide adequate levels of services to their citizens. The tax increases could very easily jeopardize the long-run viability of our cities by undermining their ability to attract and maintain investment in their communities. Our cities are the unfortunate victims of the Federal Government's inability to maintain reasonable levels of employment and growth in the economy. Clearly something must be done to protect local and State governments from the devastation brought upon them by recession.

Last month, Senator MUSKIE, Senator BROCK and I introduced the Intergovernmental Counter-Cyclical Assistance Act of 1975, a bill which would provide significant financial assistance to State and local governments. The bill would make $4 billion of assistance available to hard-pressed State and local governments at current unemployment rates. The money would be distributed to those communities that are suffering the greatest recession-induced fiscal problems, and could be used to stabilize tax receipts and to lessen the impact of expenditure reductions.

Mr. President, I commend this legislation to my colleagues and ask that they vigorously support this essential component of our economic recovery program. I ask unanimus consent to have printed in the RECORD an article entitled "Detroit Layoffs Stir Fear, Acrimony," authored by William Greider, which appears on the front page of the Washington Post today.

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

DETROIT LAYOFFS STIR FEAR, ACRIMONY

(By William Greider)

DETROIT.—Spring is here at last, and Detroit's rat population of 2 million is breeding and chief inspector Arthur Kurt has a grim forecast for summer.

"In two months," he said, there will be more damn rats than you can count."

City Hall nevertheless, is laying off 23 rat control inspectors and, in some ways, the rats are the least of its problems. In the town known as "Murder City," City Hall is also laying off 550 policemen, 300 firemen and about 800 other municipal employees, from garbage men to playground supervisors.

Last winter, the city hockey rinks closed a month early and the golf courses opened a month late. All of the dog catchers were laid off for 30 days, then rehired with federal money. Immunization clinics closed temporarily, guards were withdrawn from public housing projects. In the city where the automobile industry is sacred, the city government committed the ultimate heresy—it saved $2.5 million by not buying any new cars.

Coleman Young, the city's first black mayor, joked grimly about his predicament:

"Maybe if we renamed the city 'Saigon' and brought in a few Vietcong, we might get three or four billion dollars from Washington."

Beyond the joke lies a truly ugly situation. The city government is shrinking and everyone involved is calling each other names, dividing along narrow lines of self interest—by race, by sex, by class, even by age. The question that divides them is: who gets hurt?

When the mayor cut the budget of the Detroit Institute of Arts by nearly 30 per cent, he was assaulted by newspaper editorials and suburban art patrons horrified that he would damage this cultural jewel. The museum director announced that up to one-third of the galleries would have to close. The Mayor told him to stop "crying and whining."

"We've had to close down health clinics and recreation centers," Young said. "If we can do that, we'll close down the art institute if we have to."

When the police layoffs were announced, the question of who gets hurt became more volatile. Would City Hall follow seniority lists, which meant wiping out disproportionate numbers of blacks and women who were recruited and promoted only in the last few years? Or would the burden fall mainly on white male officers who make up more than 80 per cent of the force?

The mayor and the police have always been antagonistic. He ran against them when he was elected in 1973 and they have fought every change he proposed. Now the name calling is a daily event. Mayor Young says of the Detroit Police Officers Association, the union for city police:

"It is highly resistant to change; it's characterized by a racist leadership. It's opposed to the inclusion of blacks and women. To a degree the DPOA almost welcomed the layoffs as a way to get rid of blacks and women."

Ron Sexton, DPOA president, has this view of the mayor:

"This guy has such a bad feeling about policemen, it borders on paranoia, almost psychotic. Every time he's in front of a black audience, he never misses a chance to call cops corrupt and racist. These guys are out there trying to do a good job and he's kicking them in the —."

So Coleman Young, who came to office with great plans for making over city government, making it more responsive to the emerging black majority, finds himself pointman in a battle of race ad labor. He is himself an Old Left labor radical, an organizer and agitator. Now that Young is "management," he is

presiding over a new and acrimonious situation—the politics of the shrinking pie.

This is a new experience for city governments, which have grown and grown over the last 20 years, adding new services and programs, expanding payrolls. It is also a new experience for municipal workers and their unions, which generally have enjoyed steady victories over the same period, winning better wages and job security and more clout.

Detroit, where nearly one of four workers is unemployed, is a severe case, but not unique. The city's tax revenue isn't declining—it has merely stopped growing. Like most city governments, Detroit must balance its budget, so between layoffs and budget cuts a total of about 3,500 of the city's 22,000 full-time employees will be dropped.

Congress' Joint Economic Committee reported earlier this month that state as well as city governments nationwide are being squeezed between inflation and recession. Many are raising taxes, many others cutting services; some are doing both. The tax increases and budget cuts together are taking an estimated $8 billion out of the national spending stream, partially offsetting the federal government's efforts to pump up the economy. The budget cuts have cost the country some 140,000 jobs.

New York City, which was recently unsuccessful in trying to get major federal aid, is laying off something like 24,000. Atlanta's City Council ordered a five-day unpaid vacation for all of its workers. New Britain, Conn., put half of its employees on a four-day week. Cleveland laid off 1,100 and cut garbage collection to every other week. And so on, around the country.

Detroit's City Hall faces special dilemmas. The town has a black majority now and the city administration is committed to making local government reflect that—in policy and personnel. But Detroit has another older power center, too—organized labor—and the idea of setting aside the terms of a union contract, waiving seniority rights or missing a negotiated pay raise, is about as popular as buying Volkswagens.

The mayor insists that the fiscal problems are real and inescapable—he must prune $23 million by July 1—but that the layoffs are not inevitable. He wants the unions to "share the scarcity" by giving up contract pay raises or taking unpaid furloughs in order to avoid the layoffs. So far, only one agreed by accepting 21 unpaid days off for its members.

Joe H. Stroud, editor of the Detroit Free Press, lamented the atmosphere. The unions, he wrote, "have an obligation to fight for the best deal they can get, through some of what has happened this past week casts doubt on how much solidarity there is in the union movement. The watchword has been: 'I'm hanging onto mine and you can do the best you can about yours.'"

The police situation has been hung up in a tangle of litigation, threats and fears that only Solomon could unravel to everyone's satisfaction. Women and blacks, seeing that straight seniority layoffs would wipe out most of their recent gains, won temporary victories in two federal courts, orders that require the city to exempt at least some of the junior-level women and blacks from the layoffs.

On Wednesday, a 12-hour private bargaining session before U.S. District Court Judge Damon Keith produced a tentative compromise among all parties in the police dispute. However, it was learned that the agreement really doesn't put the issue to rest because it does not save the $8 million Mayor Young insists he needs to cut from the police budget. Meanwhile, white firemen, faced with similar litigation, were picketing outside City Hall.

One symptom of the tension within the police department is that many officers from all three groups are reluctant to have their names printed in newspapers, even an out-of-town one. Women and black officers fear they will be harassed by the white males who dominate the force. The white males fear they will be harassed by the black mayor.

"I worked hard for my promotions," said an Irish lieutenant with more than 20 years of service. "I don't go along with any affirmative action. If there are 10 openings for lieutenant, they should fill those by the regular tests, then if they want to do some more on the side, okay, let society pay for it that way, instead of penalizing a man who's worked hard for a promotion."

The lieutenant prefers layoffs—which would not touch him—to a general loss of pay raises, which would cost him $1,200.

A young Italian patrolman, with five years of seniority, feels the same way. "My grandparents from both sides of my family were immigrants," he said. "My parents were first-generation Americans. None of them had college degrees. I was the first in my family to have one. In other words, we did it for ourselves, so why can't everyone?"

On the other hand, a minority of white officers who would be laid off or demoted feel differently. Sgt. Ward Taylor, recently promoted, explained: "The guys slated to be laid off say, yeah, that sounds like a good idea, passing up the pay raise, and the guys who aren't going to be laid off don't want any part of it. There's nothing racial or sexual about that."

Either way, the 29-year-old white sergeant figures his days on the force are numbered. "I spent the last eight years going to night school to get a college degree; I've got an absolutely perfect record," he said. "But I get tired of being called the 'white army of occupation'. They can have it, if they want it that bad. It's not worth it to me to ruin my whole life."

Sexton, head of the DPOA, insists the issue is a labor dispute, not racial, a simple matter of following the contract. "The affirmative action program is a hiring practice of the city," Sexton said. "Our members don't have anything to do wtih it. What the courts are going to do in effect is have our members pay for the past sins of the city. It's not our fault that the city discriminated in hiring."

As women and blacks see it, the white males did, in fact, benefit from those years of discrimination, even if they weren't personally responsible for it. Louis Colson, leader of the black officers group called Concerned Police Officers for Equal Justice, explained:

"When we talk to young coppers who say, 'I don't have anything to do with that,' we say, sure, maybe they didn't. But they were there, getting hired and promoted when the percentage of blacks was so small.

"I've got a partner who first applied to the department when he was 22 years old, but he didn't get accepted until he was 32. That's 10 years of his life—so he would have had plenty of seniority. Many blacks had to apply three or four times to get on. They would have had plenty of seniority if there had been no discrimination."

A woman veteran of 20 years, only recently promoted to sergeant, described how until a court victory two years ago women officers were given different promotion tests and confined to one division in the department—the women's division—even though they did regular police work, carried guns, made arrests.

"We could never transfer out," she said. "It was like a little convent with a mother superior and everything. The competition was twice as keen because we were competing just among ourselves. The only way you could make sergeant was if somebody died."

The woman sergeant does not get too choked up over the complaints of white males. "Seniority's important, no question about that" she said, "but women have been grossly discriminated against. I could have been promoted back 15 years ago. I lost a lot of money. I don't care what it costs them, it has cost me a heck of a lot."

John Runyan, a Wayne State University law professor who represents the police women in court, said, "We live in a boom and bust economy and, if we don't change the pattern, we are condemning women and blacks to the bottom rung—last hired, first fired. If we want to get to a non-color, non-sex society, we're going to have to do some unpleasant things to seniority and other matters in order to start with a clean slate."

On the issue of seniority the union power of Detroit stands with the white male policemen. United Auto Workers vice president Doug Frazier has been urging all sides toward a compromise but he insists: "Seniority is an earned right, something that belongs to an individual that no court should take away from him. Now that doesn't mean the minorities don't have a case, because they do. And I believe consideration should be given to their plight."

Mayor Young, an old labor organizer who got thrown out of the UAW back in the late 1940s when Walter Reuther was "purging the reds," counters: "If we get to the point where seniority protects past discrimination, then I think seniority has to be adjusted. It's not that damn sacred."

Beyond the conflicts of race and sex, City Hall is up against a less obvious but deeper problem—the union resistance to individual sacrifice in behalf of the greater common interest. Like the DPOA, Council 77 of the American Federation of State, County and Municipal Employees has said an unyielding no to the mayor's suggestion for waiving pay raises or other benefits in order to prevent the layoff of nearly 700 workers. "Our position has become even more cemented," said Lloyd Simpson, director of the AFSCME local.

"We deal with about 50 different unions," said Mark Ulicny, the city's labor director. "Each has its own fish to fry and each thinks its services are most essential and it's the other guy who should get it."

Detroit, with a population now of less than 1.5 million, has more city employees than it had when its population was 2 million—which indicates, as Mayor Young said, "that we're not killing anybody with the work."

"All these city unions thought I was bluffing, that I didn't mean it," the mayor said. "Civil servants are so relatively secure compared to those in private industry that many of them in their lifetime can't remember a layoff."

Even when the fiscal crisis seemed real, most union members preferred layoffs of younger workers to spreading the impact more evenly and keeping city services at full strength.

"I'm a union man, I understand what they're going through," Young said. "But to cast your junior members to the wolves is not in the union's long-term interest. It's pretty selfish on the part of the older members."

The squeeze has made everyone in Detroit an expert on what the city government should spend money on—what's really needed and what isn't. The policemen, for example, can't understand why they're being laid off when the mayor wants to spend $3 million on Belle Isle Park.

As a politician, Young knows he will be judged ultimately for how equitably the scarcity is spread around—and how effectively City Hall operates in lean times.

"I don't think anybody likes it," he said. "I'll probably get blamed. Lots of people can't understand. I have no choice. I won't shrink from it, I'll do what I have to do."

AMTRAK—THE LEAST SUBSIDIZED TRAVEL

Mr. CHURCH. Mr. President, those who begrudge Amtrak the subsidies required in the beginning of its mission to rebuild railroad passenger service in America tend to overlook the far greater public outlay for other forms of travel. We routinely subsidize, with scant complaint, every form of transportation from buses to airlines. Yet Amtrak, this fresh beginning for the most fuel-efficient form of travel, is continually singled out for criticism.

Why that should not be so was set forth with blunt precision by Dwight William Jensen, chairman of the Idaho Advisory Committee on Amtrak. Mr. President, I commend to the Senate Mr. Jensen's recent article in the Idaho State Journal, and ask unanimous consent that it be printed in the RECORD.

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

APRIL 16, 1975.

Dear Editor:

You recently carried an article by your Blackfoot correspondent, Esther Lake, in which she argued that AMTRAK is not worth the money it costs the taxpayer. If I had a great deal more time than I have I would go through the article line by line to point out errors, misinformation, non-sequiturs and the like. But for now a few general points should show where the article is sadly off target.

1. The $200 million AMTRAK subsidy she deplores breaks down to a little less than one dollar per American, or something under $700,000 for Idaho on a per capita basis. Compare that with tax money spent on other forms of transportation:

—Almost half a million dollars for small airports in Idaho in the coming fiscal year.

—One million dollars for an airport for Caldwell.

—Eight and a half million dollars for federal subsidies to Hughes Air West.

That's without considering the tens of millions that go into subsidies for other airlines, nor the costs of operating the FAA and other air-oriented federal agencies, nor the indirect subsidies for aircraft development paid via the military.

Or should we turn to the massive tax subsidies poured into streets and highways to support buses and private cars, which Mrs. Lake apparently sees as paying their own way? For the sake of argument, ignore the $64 million in tax money budgeted for highway building and repair in Idaho, because it comes from user funds (although even here, car owners probably subsidize commercial operators). Consider only the money spent on highway subsidies from general tax revenues.

In Boise the police force costs $2,280,000, and the chief estimates that one-third of its effort is spent on traffic law enforcement. That's more than $700,000—or more money spent in Boise alone to police the streets than the entire state spends on AMTRAK. The Ada County Highway District derives $2.6 million from property taxes and $150,000 from sales taxes—in Boise, four times as much general tax money goes into streets and roads as the entire state spends on AMTRAK. And that doesn't count the cost of traffic courts, or the cost of building parking space. Estimating on the basis of population, one comes up with more than $20 million of local subsidies for streets, roads and highways in Idaho all derived from tax money other than highway user funds—and that does not count the $4 million budget of the state police which spends the bulk of its time and effort on traffic law enforcement.

In other words, your dollar for AMTRAK is only a fraction of one per cent of your total outlay for transportation subsidies.

2. And what do you get for your subsidy money? For your aircraft subsidy you get fuel consumption and pollution at ten times the amount per passenger mile generated by AMTRAK. For your highway dollar, you get four times as much consumption and pollution. Most studies show train and buses about equal in fuel consumption per passenger mile, but those studies are based on all trains prior to AMTRAK, when many trains carried few passengers on their miles. When comparisons are made of loaded trains against loaded buses, the loaded trains use less fuel per passenger mile. Your highway subsidy also give you urban congestion, pavement over 2 per cent of our nation, junker automobiles, and a petroleum shortage with rising prices.

AND I DON'T KNOW what your car insuance costs, but mine—and it is mandatory in Idaho now—runs $100 per year, against my dollar for AMTRAK.

3. Speaking of insurance: despite the derailments, etc., she speaks about the AMTRAK safety record is infinitely superior to that of the automobile, and better than that for buses or airplanes. The derailments are rarely, if ever, caused by AMTRAK; they are almost invariably failures on the track or failures by engine crews working for private railroads. The usual cause of derailments is poor track maintenance and they are concentrated in the eastern United States where bad railroad management and some governmental failure contributed to a deterioration of track conditions.

As to bad equipment, when AMTRAK took over the passenger cars from eastern railroads especially, they got rolling stock that was in poor shape. Many good cars, such as virtually the entire Union Pacific "Cities" fleet of coaches, went to other owners. Autotrain got the "Cities" coaches, and they make money. AMTRAK has had to renovate old coaches and order new ones, but the problems Mrs. Lake speaks of peaked at Christmas of 1973 and equipment has been substantially improved since then, and will continue to get better.

4. She says there is a need for trains in the populous East but not in the wide open West. Well, a couple of figures:

THIS YEAR, EVERY dollar spent on tickets in the "corridor" routes of the populous East must be matched by 54 cent in tax money to ride the trains; every dollar of ticket revenue on the "long haul" trains such as serve the West must be matched by 68 cents of tax money. The discrepancy is therefore not enormous, and within a year or two it is expected to reverse, so that by 1979 the Eastern corridor dollar will require 39 cent in taxes, while the Western long haul dollar will require 21 cents.

Further: In 1974 the 131 trains per day serving the corridor routes and the millions of people living there carried ten million passengers one billion miles—while the 11 trains per day serving Western long haul routes carried 1.5 million people a total of 1.87 billion miles—one-seventh as many people on one-twelfth as many trains racked up almost twice as many passenger miles. There is a demand. As the demand is met, the required per capita tax subsidy will decline, fuel consumption will decline, pollution will tend to decline, and even those who cannot afford, or cannot drive, an automobile will be able to travel.

Regards,

DWIGHT WM. JENSEN,
Chairman, Idaho Advisory Committee on AMTRAK.

THE UNITED STATES AND WORLD DEVELOPMENT: AGENDA FOR ACTION

Mr. HUMPHREY. Mr. President, the United States stands increasingly isolated in a constantly more interdependent world. A new set of challenges and opportunities lie ahead, challenges and opportunities to which we in Congress will need to respond in devising our foreign aid programs in the coming months.

"Agenda for Action 1975: The United States and World Development," by James W. Howe and the staff of the Overseas Development Council, is an important contribution to the rethinking of our foreign and development policies in this new era. The introductory overview chapter provides an insightful analysis of that broad sweep of issues confronting the developed and developing world, and some significant recommendations on how the United States should respond to them.

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

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

THE UNITED STATES AND WORLD DEVELOPMENT

(By James W. Howe)

As the year 1974 opened, the world was caught in a crisis that shattered human security as few events had done in living memory. It was a crisis of energy and food to be sure, but that was only an overlay on an older, deeper crisis that had begun in the late 1960s. Many of the familiar symbols of security so cherished in the industrialized nations—perpetual growth, expanding job opportunities, inexpensive automobile transportation, even the quality of the air we breathe and the biosphere that sustains our life—could no longer be taken for granted. The pace of growth had quickened to the point where the institutions that man had fashioned could not handle it. Too often the interlinked circuits of modern life became overloaded, and, unable to quickly adapt, they broke down. Whenever this happened, some major system—food for the hungry people, or oil for modern industrial life—failed to perform its essential function. The consequences were awesome in their toll on human life and well-being and on the natural environment. The combined pressures of rising global population, increasing affluence for one quarter of the earth's inhabitants, and deepening destitution for still another quarter of humanity were principal causes of the overload.

To this global disorder was added yet another challenge: the demands of the newly rich and the poor nations—the powerless and the disenfranchised—for a greater share of power and profit, and for participation as more equal partners in a reformed international economic order. The world would never again be quite the same. To regain an adequate pace of growth and give its people the dignity of a place in its productive processes, it would need human institutions that could anticipate, adapt, and reconcile on a more truly global basis.

In the eventful year 1974, progress was made on a major vestigial human problem when Portugal, the last of the colonial powers, dissolved its African empire. A grave new problem—worldwide "stagflation"—was added to the agenda for global action, and an existing problem—the deterioration of the Fourth World—grew more ominous. Citizens and governments of the industrialized countries, despite their acute concern over energy and stagflation, were touched by the desperate poverty and hunger of mil-

lions of their fellow humans and made preparations to attack the problem; and the developing nations, long dissatisfied with their status in the international hierarchy of nations, renewed and redoubled their efforts to improve their position. The oil-exporting developing nations made a real gain in economic power and income; exporters of bauxite, tin, copper, and other raw materials attempted—with inconclusive results so far—to follow their example. A similar bid for power was seen in the intensified developing-country negotiations within the International Monetary Fund, and in the efforts of certain developing countries to bargain more effectively with multinational corporations. Developing nations within the U.S. General Assembly also called for a "new international economic order." Indeed such challenges to those in control of the international economic order caused concern in Northern countries that the existing international "social compact" that had evolved in the two decades after World War II might be dissolving—a topic to which we will return later in this overview.

Both the mood of the times and an insight on the historic transformation now in progress were expressed by Secretary of State Henry Kissinger in a television interview on January 16:

". . . one of the central facts of our period is that more than a hundred nations have come into being . . . and they too [along with the five major centers] must be central participants in this [international] process. So that for the first time in history foreign policy has become truly global . . . I feel we are at a watershed. We're at a period which in retrospect is either going to be seen as a period of extraordinary creativity or a period when really the international order came apart politically, economically, and mortally. I believe that with all the dislocations we now experience, there also exists an extraordinary opportunity to form for the first time in history a truly global society carried by the principle of interdependence. And if we act wisely and with vision, I think we can look back to all this turmoil as the birth pangs of a more creative and better system. If we miss the opportunity, I think there's going to be chaos."

U.S. policies in 1974 and early 1975 illustrate two possible ways of approaching this formidable array of world problems and prospects. The U.S. response to the long-range aspects of world hunger and food insecurity was—with the exception of (inadequate and tardy) action on food aid—one of leadership in mapping out a systematic, and long-range program to attack the problem, involving a broad range of participants—developed, developing, socialist (both the U.S.S.R. and China) and oil-exporting nations. It was a response that did not seek short-run national gain at the expense of other nations but instead treated a common global illness with the medicine of international cooperation.

In the case of the oil crisis, by contrast, the U.S. originally responded to OPEC policies of confrontation by proposing a scheme of counterconfrontation—by organizing the members of the OECD, seeking an unrealistic cut in oil prices,[1] and decreasing the dependence of the United States on oil imports. Even the major developing-country importers, for example Brazil and India, were excluded from the organization. In contrast to the food case, no long-term global program was offered. Instead, the U.S. reaction was to protect its own narrowly defined interests first and the interests of other industrialized nations only second. Perhaps the sharp difference between the U.S. responses in the food and oil cases originated in the different nature of the threats themselves. While the food problem did not endanger the present relative standing of the North, the joint action of the OPEC countries was viewed as an explicit challenge to the economic supremacy of the industrial countries.

One fact that was lost sight of in the heat of confrontation was that, *even without the oil crisis*, a major shortage of low-cost oil would have been due in the 1980s—given the rate of increase in demand. The 1974 oil crisis could be viewed in one sense as an expensive but timely forewarning of the need to make changes in energy use patterns before it was too late.

How challenges are pressed by nations, individually or in groups, and how they are responded to by those challenged will determine the quality of interdependence in the years ahead. The Northern industrialized countries are willing to make the minimum necessary adjustment to the new power of the oil exporters but are reluctant to make other changes in the relationships between North and South. By contrast, a common view among countries of the South is that Northerners should treat the South as they treat one another more or less as equal partners. Failing that, the South should take advantage of any opening it finds in any forum to press for changes. This degree of North-South confrontation is hardly compatible with the need to deal cooperatively with common problems. In the words of one developing-country observer, the need is to evolve a new "symmetrical" interdependence to replace the existing "hierarchical" relationship.[2]

As 1974 closes and the final quarter of the century opens, it is a time for taking stock of the course of world development. Much despair and great fears have been expressed about the future—and with good reason, because not only 1974 but the past few years as well have been full of stress. Yet one cannot look back over the past quarter century without observing that the human family has, after all, made important progress toward solving some of its ancient problems. Problems such as hunger, population increase, and human deprivation are still acutely with us, but, as we argue later in this chapter and in Chapter II, the world of today is in many important respects a better world than that which emerged from World War II.

This volume discusses two kinds of problems. First, and most important for the future as for the past, are certain threats to the human condition shared, albeit unequally, by the entire family of nations. Hunger, overpopulation, malfunctioning national and international economic systems, and the deterioration of the oceans and the environment would be formidable enough in any event, but their solution is complicated by the second kind of problem: the challenge of the developing nations of the South to the Northern dominated hierarchy of international power. This hierarchical challenge—a relatively new manifestation of an old theme—will be the subject of the second part of this overview. Before considering it in detail, however, we will first briefly review the current status of the commonly shared human problems from which no nation can now isolate itself. The analysis of these two categories of challenges will provide a basis for formulating an agenda for world development with particular focus on U.S. actions in 1975 and beyond.

CHALLENGES TO HUMAN INGENUITY: NEW GLOBAL PROBLEMS

The increasing frequency, intensity, and persistence of certain commonly shared human problems in the 1970s have led to speculation that they are the early signs of approaching "limits to growth."[3] The unprecedented economic growth rates of the late 1960s and early 1970s, coupled with continuing expansion of the world's population, have strained the capacity of existing human institutions and have led to systemic overloads such as global inflation, recession, food shortages, declining harvests of ocean fish, occasional raw-material shortages, environmental stress, the deterioration of cities, and threats to the international trading system. One of the most tragic results of these events has been the worsening *relative* condition and—recently probably even a deteriorating *absolute* condition—of the world's poorest people, particularly those in the Fourth World. While there is no persuasive evidence that an unyielding ceiling on growth has been reached, the pace of economic and demographic growth appears to have exceeded the current ability of economic and social systems to adapt.[4]

If adequate economic growth is to be resumed, great human ingenuity and cooperativeness will be required in redesigning and adapting human institutions to tolerate its stresses. One of the critical tests of such redesigned institutions will be their ability to distribute more equitably not only the rewards of growth but also the traumas of interruptions in growth. The recent price explosions and the current economic slowdown have imposed great strains on most nations, yet efforts of the leading industrialized nations have been devoted largely to minimizing the impact of inflation and recession on their own citizens, the richest billion people on earth. The likely consequence is that the brunt of the hardship will fall most heavily upon the world's poorest billion—those least able to absorb it. Several of the challenges to the family of nations that have been sharpened by the events of the past year are discussed below.

Food and Hunger.[5] Viewed in the long term, the World Food Conference held in Rome in November 1974 may prove to have been an historic success. The Conference established some potentially useful, new international machinery to encourage expansion of production in food-deficit developing countries. It was agreed that there should be an internationally coordinated system of national grain reserves and a system to warn of impending shortfalls in world food availability. The Conference also focused widespread attention of citizens and their governments on the problem of hunger and population and was the first occasion on which the Western developed countries, the Soviet Union, China, the newly rich OPEC countries, and other developing countries joined efforts in considering a major world problem.

The near consensus reached at the Conference on the importance of increased food production in food-deficit countries calls for more effective rural development programs in those countries. In the long run, the key solution to the food problem is to grow more food in the food-deficit poor countries and to increase the incomes of the poor so that they can buy it. This will take time, however, and meanwhile there is the immediate problem of dealing with hunger and acute malnutrition. The U.S. Department of Agriculture estimated in December 1974 that the 1985 deficit might run as high as 71.6 million tons, but that it might be held as low as 15.8 million tons if appropriate steps were taken immediately to increase food production in developing countries.

To help meet these needs, U.S. food aid over the next five years should be maintained at a level of 8 to 9 million tons a year—roughly its level in the late 1960s and early 1970s, before it plummeted to a low of just over 3 million tons in 1974. The decision by President Ford in early 1975 to expand food aid for the year to 5.5 million tons was welcome, although it came too late to be of maximum benefit. In addition, Public Law 480 needs revision to make the Food for Peace Program—which was originally a sur-

Footnotes at end of article.

plus disposal program—reflect current conditions. For instance, food aid needs to be programmed *early* in each year, rather than only after it is known how much is left over from other uses. The grant component of the program needs to be increased to meet the growing humanitarian needs to support agricultural production more effectively and to help establish food reserves in recipient countries. A major increase in food aid from the United States might be associated with a major allocation of funds by the richer of the OPEC countries to the new Agricultural Development Fund recommended by the World Food Conference.

The United States should also significantly increase its aid to agricultural production in poor countries that have food deficits. Although its bilateral aid for agricultural improvement in developing countries has expanded from about $300 million in 1973 to $600 million programmed for fiscal 1975, this amount is still too small in relation to the vast needs and potential benefits. The FAO estimates the external capital needed for investment in agriculture in developing countries is about $5 billion per year compared with the current level of $1.5 billion. The International Development Association of the World Bank is devoting increasing funds to rural development in food-deficit countries; it is presently supporting a total of 51 comprehensive projects in 42 countries, and plans are under way for additional projects to directly benefit a total of 100 million rural poor by 1980. The United States should support a major expansion of financing for IDA's program in the negotiations for the next replenishment of IDA in 1976.

Finally, the United States should fully support the implementation of its own proposal for an internationally coordinated system of national food reserves—so that the world's food stock can be increased (as soon as surpluses begin to appear) to provide greater world food security in times of shortage and prevent sharp declines in the earnings of farmers in times of surplus.

Population. The United Nations-sponsored Population Conference held in Bucharest in 1974 was an important step in the evolution of a consensus that controlling fertility is linked not only to ensuring a more convenient and universally available range of acceptable contraceptives; but also to providing the poorest and most fertile people of the world with more of the benefits of development—including jobs, higher incomes, and better health and education services, especially for women. The Conference also served as a forum for airing some of the objections of developing countries to widespread accusations that their rates of population are burdening the entire planet. In fact, the consumption rate in the developed countries in some cases places an ever greater burden on the planet—despite the much lower rates of population growth in these countries. For example, the U.S. Department of Agriculture projects an increased demand for cereals—due to both populaiton increases and rising affluence—amounting to as much as 304 million tons between the base period (1969–1971) and 1985 in developed countries, in contrast to an increase of only about 277 million tons in the far more populous developing (including socialist) countries.[8] While the serious impact of rising affluence on global demand for resources is undeniable, the annual addition of vast numbers of new humans to the world's population by the developing countries is equally ominous. There is sympathy with the aspiration of the world's poor people for higher consumption levels, but there is also mounting concern that continued high rates of population growth, combined with higher consumption levels, will overload the planet's productive and waste-absorptive capacity.

On the positive side of the record, recent evidence indicates that seventy-two countries have made progress in reducing fertility.[7] Seventeen countries in this group have reduced births by as much as 10 per 1000 population since 1960, including—encouragingly—sixteen developing countries.

U.S. policy with respect to global population growth should be guided by an understanding that high birth rates are in part a product of extreme poverty and can be corrected only if the human condition is improved.[8] Bills now pending in Congress to deny aid to countries that are not making headway in reducing birth rates would very likely be counterproductive if enacted. Governments of countries with high birth rates may in a very few instances be unsympathetic to family planning programs. But even in such cases, it should be U.S. policy to encourage an attack on poverty; for experience indicates that where the human condition is improving, fertility has frequently been reduced even without comprehensive government support for family planning (e.g., most of nineteenth-century Europe), but that where poverty is acute and increasing, fertility is not likely to drop significantly and permanently even if family planning programs are widely available. U.S. Agency for International Development funds for family planning, which were reduced in fiscal year 1975, should be restored and increased over the years ahead as part of a dual approach including both family planning and programs designed to reduce poverty.

Overloaded Ecosystems, Finite Resources, and the "Good Life."[9] The most acute environmental problems currently occur in rich countries, where economic activity is most intense; but problems of land erosion and water pollution are also serious in low-income countries, especially where population is dense in relation to the productive capacity of the land. In the United States, pressure continues to build up (especially in affluent quarters) against unrestrained economic growth. Local zoning authorities, supported by strong public opinion, resist rapid industrial and residential expansion, while scholars and environmentalists debate the continuation of such wasteful aspects of modern life as single-family homes on individual plots, throw-away containers, and reliance on individual motor vehicles. A recent survey reports that through the summer of 1974 there was no weakening of public concern about environmental issues. The survey responses showed that 64 per cent of the public believes that "sooner or later world population and economic growth will have to be regulated to avoid serious shortages."[10]

In poor countries, by contrast, there is understandably less concern about wasteful overconsumption—since poverty remains the most critical problem. Voices are being raised, however, against the emulation by domestic elites of the materialistic life style of the rich countries. Growing numbers of commentators also are questioning the values and modes of production and consumption of the North as both impractical and intrinsically undesirable for the South. These analysts call for more labor-intensive production, for systems that give priority to satisfying the needs of the poor before the desires of the rich, and for the acceptance of values that are compatible with the resource base and environmental conditions of such countries. They do not attack development in general but appeal for a resource-conserving approach (involving, for example, use of bicycles or buses rather than automobiles, or emphasis on preventive medicine rather than costly modern hospitals).

Issues for U.S. policy makers to consider include the question of government action to conserve commodities in scarce supply, notably oil and food. In the case of food, existing U.S. government policies that encourage intensive fattening of animals with grains and soybeans should be revised. A public education program is also needed on the health hazard of eating too much animal fat. Whether economic incentives to eat grass-fed rather than grain-fed meat are needed is a matter for further study.

With respect to overburdened ecosystems, U.S. policy makers are discovering that they must make trade-offs between the goals of meeting shortages and those of meeting environmental standards. Thus, for example, the energy shortage has forced countries to consider lowering environmental standards in order to increase the production of coal, postponing programs to control automobile pollution, and risking oil spills in rushing exploration for offshore oil. There were other trade-offs as well: the lumber shortage of a year ago challenged the efforts of environmentalists to protect forests; the food shortage may have brought some land into crop production which, from an environmental point of view, should have been kept in pasture or timber; and the high price of animal protein led to additional pressures on the world's ocean fisheries. Given time and ingenuity, some of these dilemmas may be resolved by the development of new technologies. Others will simply require U.S. governmental structures at all levels, as well as U.S. citizen groups, to make choices between health hazards (the most common choices do not involve threats to the biosphere itself) and shortages.

The Oceans and the Resource-Poor Countries. The results of the third session of the U.N. Conference on the Law of the Sea in Caracas were, perhaps predictably, disappointing. Delegates from 138 nations deliberated for ten weeks on an agenda designed to produce a comprehensive treaty covering all major ocean issues—ranging from the boundaries of territorial waters, economic zones, and continental shelves to questions concerning a regime for the use of the deep seabed, pollution, fisheries, and scientific research. The Conference had before it an agenda of more than one hundred items and sub-items.

Most observers are in agreement that the Caracas session achieved little more than a continuation of the preparatory work that has occupied the U.N. Seabed Committee and its predecessors for the past six to seven years. If there was no urgency to arrive at a comprehensive treaty more quickly, the lack of greater progress in Caracas would be of little concern. However, there are at least three major reasons to believe that time is of the essence in the handling of these issues, and that a high price may be paid in 1975 for the limited achievements of 1974. The first reason is that the Conference may collapse toward the end of 1975 if it becomes clear that the objective of securing a comprehensive and widely acceptable law of the sea treaty cannot be attained. Under these conditions, it might well prove impossible to prevent the further proliferation of unilateral decisions and declarations by major coastal and other states, with serious adverse implications for optimum usage of the world's oceans and the resources within and beneath them.

It is quite possible that the United States will follow the lead of others in taking such unilateral actions if not enough progress is made to guarantee a comprehensive treaty before the end of 1975. Many observers presently feel that in the absence of such progress, the U.S. Congress would enact legislation creating a 200-mile exclusive fishing zone and authorizing the construction of deep-water ports beyond present territorial sea limits. It is also considered more than likely that Congress would then authorize

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U.S. firms to begin mining operations in the deep seabeds. If the United States were to take such unilateral actions, a host of other nations would immediately follow, and the opportunity for a more optimal usage of "the heritage of mankind" would be lost, perhaps irrevocably.

The second reason for concern about the issue of timing is that the lack of progress thus far may lead various groups of states to negotiate and ratify regional treaties reflecting their own particular predispositions on issues before the Conference. Such a development would heighten rather than reduce present and potential international conflict over ocean use.

The third—and in many ways the most serious—concern is that after deliberating for so long, the Conference will, during the coming year, rush to conclude a comprehensive treaty that will in fact fulfill little if any of the promise inherent in the original proposal presented to the United Nations by Malta. That proposal called for a law of the sea treaty to utilize the resources of the oceans beyond the twelve-mile limit to assist the development of the world's poor nations and thereby diminish the inequities of the global distribution of wealth. The author of the original proposal, Dr. Arvid Pardo, recently characterized his view of the most likely outcome of this negotiation as follows:

"To put matters bluntly the package deal which is being negotiated and which may be concluded [in 1975], will provide exclusively for the protection in ocean space of the interests of the major groups of states, whether developed or developing. These interests will center around three areas: (a) international recognition of the extensive coastal jurisdiction in the seas (well beyond 200 miles in many instances); (b) international recognition of the exercise by coastal states of comprehensive powers within national jurisdiction areas; (c) normally unhampered commercial navigation." [11]

Dr. Pardo noted that acceptance of such a treaty would turn his original proposal on its head. His major concern about such an outcome is that if coastal states are permitted to extend their control of marine resources well beyond the 200-mile limit, international control of seabed resources in the comparatively small remaining area unclaimed by coastal states will be of little or no significance.

Unfortunately, those members of the "Group of 77" developing countries which individually stand to gain by an ocean regime allocating most benefits to coastal states rather than to the poorest nations have not hesitated to place their national interests ahead of those of the other members of the Group. This development probably should not be a surprise; there is no reason to expect poor countries to be less selfish or attentive to short-run gains than rich nations.

If the outcome feared by Dr. Pardo were to occur, the major losers would be the landlocked and self-locked states of the world as well as most of the resource-poor members of the "Fourth World"—precisely the countries which stand to gain relatively the most under the original proposal. The major gainers would be the world's coastal states. But in the longer term, *all* states might prove to be losers when their actual gains under such an outcome were measured against the more optimal solutions inherent in the original proposal. That optimal outcome still is not entirely beyond reach if the developed as well as the developing nations constituting the present Law of the Sea Conference demonstrate a greater capacity to negotiate this major issue of global resource management in a long-term perspective.

U.S. policy on this subject has in general taken a global point of view. Several years ago, the United States proposed a treaty that would distribute among all nations at least some of the revenues from exploiting the seabed and provide some international standards to protect the oceans. The United States should continue to support a law of the sea treaty that is basically internationalist. However, if the prospects for such an enlightened treaty are dashed by the nationalistic views of others, it is regrettably, but understandably, likely that the United States will seek to protect its narrow national interests.

International Trade.[12] The main item on the U.S. agenda for international trade is to achieve the constructive potential for expansion of world trade in the Trade Reform Act of late 1974, thus avoiding trade wars of the kind that so devastated the world economy in the 1930s. Three pressures are edging the nations of the world toward such restrictions on trade. The first is the relatively recent threat of worldwide inflation, which presses nations to limit certain exports because of internal shortages. In the past two years, there have been increased examples of such restrictions in many developed countries, involving, for example, fertilizers from Japan, Europe, and the United States; oil from Australia and Canada, and sugar from Europe. For many years certain developing countries have imposed limitations on exports they considered essential to their economies. Together with export restrictions for the purpose of controlling the market or for political purposes, such impediments to the flow of goods disrupt trading patterns and internal economic activity.

The second impetus toward economic conflict is the threat to nations' balances of payments implicit in the oil price crisis. Hard pressed to meet the increased costs of oil imports, nations are tempted to limit imports of other items in order to pass on part of the oil-induced deficit to other oil-importing nations. Such efforts could lead to rising import barriers, competitive devaluations, and other actions that would invite retaliation.

Third, the shift in public concern from inflation to recession carries a danger of increasing barriers to imports and to the exports of capital for the sake of protecting jobs at home. Once initiated by a major industrial country, this approach would almost certainly cause retaliation by others, and thus would accentuate rather than alleviate the problem of unemployment in all countries as access to foreign markets dwindled.

While there are dangers on the present trade scene, there are also new opportunities. The Trade Reform Act of 1975 empowers the President to conduct negotiations to reduce existing tariff and non-tariff barriers to trade. It also authorizes him to extend preferences to manufactured and semi-manufactured goods from developing countries (except for a list of specifically excluded items). This offers the possibility of responding to the changing needs of these countries—in particular to their desire to process their raw materials—by removing current barriers to their export of such goods. Other essential elements of such a response are international commodity arrangements to stabilize the markets of raw-material producing countries while ensuring open access to essential supplies.

But the Trade Reform Act also provides the means for restricting trade; its mechanisms would permit the raising of barriers if a mood of protectionism were to dominate the Congress. The dangers of precipitating movement in this direction among the other industrial countries is great, since a number of them are delicately balanced between the two trends and would react quickly to a change of direction by the United States. Without doubt, this is a realm in which U.S. leadership is essential to the continued growth and health of the world economy. To be viable domestically, however, the U.S. program must implement effectively the adjustment process provided in the Act of workers in industries affected by increased imports.

A primary objective of the international trading community is to reach agreement on commodity arrangements to meet the demands of producers for reliable prices and markets and those of consumers for reasonable prices and secure supplies. The world has arrived at the point of interdependence in the flow of goods where failure to work out adequate mechanisms will continue to create upheavals—some as potentially convulsive as that initiated by OPEC. Whatever its stage of development, each country has a vital stake—both as a producer and as a consumer—in the sound functioning of the system. Hence the essentials are present for building a durable, increasingly equitable, trading relationship between North and South.

Global Inflation and Recession. The simultaneous economic boom experienced by the OECD countries and much of the rest of the world in the early 1970s had helped fuel an unprecedented rate of global inflation by mid-1973—even before the energy price rises of late 1973. The combined effect of the energy shocks and policies already introduced to arrest inflation led to a slump throughout the industrial world by late 1973, with the sharpest slowdowns in the United States and Japan. To make matters worse, inflation continued alongside rising unemployment, producing global "stagflation."

In the short-run, solving the twin problems of inflation and recession of course still depends largely on internal actions by individual governments.

But if the long-run causes of "stagflation" are international, its cure likewise must be international. The standard solutions for deflation (as yet there are no standard prescriptions for stagflation) are "reflating" through public employment, eased money supply, tax cuts, and interest-rate cuts. The traditional cures for inflation are budget cuts, tax rises, and price, profit, and wage controls. But all of these must rely on national machinery and national policies, which may well be in conflict with the policies of other nations. There is no international money, and there is no international Central Bank or Treasury, or Department of Public Works. There likewise is no international budget. Unfortunately, however, the international linkages of monetary policies, trade, and investment [13] require that the cure at least be internationally coordinated.

Inevitably, stagflation interacts with development, spoiling the hopes of developing countries in two ways. First, the explosion in the prices of the essential imports of developing countries has hurt many of them to badly that the United Nations has designated the thirty-two "most seriously affected" countries a sort of global disaster area. Second, as recession grips the developed countries, demand has collapsed for jute, cotton, copper, and other raw materials that poor countries export, thus cutting their earnings as well. Tourism and emigrant workers' remittances also have declined in many developing countries. The resulting combination of rising import costs and decreased earnings is, of course, damaging to development progress.

But the interaction of development and stagflation also has a potentially positive aspect in that properly managed development can help to correct stagflation in the long run. Clearly inflation has been aggravated by the rising cost of food, caused by strong demand and short supply. Food deficits in poor countries have contributed heavily to those price rises. A series of massive national programs of rural development in the poor countries would help to relieve the

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inflation problem in the long run by increasing production and improving storage, transport, and distribution. Underutilized land and other resources in many developing countries give these countries a potential comparative advantage in producing low-cost food. Development would, moreover, help to fight recession in the developed world by enabling developing countries to import machinery, equipment, and services from the industrialized countries. To the extent that an increase in poor-country purchasing power through external credits increases demand for rich-country services and industrial products such as construction, heavy equipment, spare parts, and engineering services—sectors that have been hit hardest by recession—the development of poor countries can modestly help the rich to pull out of their recession.

The U.S. and other countries should harmonize their national economic policies to avoid the recent disastrous experience of simultaneous overexpansion followed by simultaneous and mutually reinforcing nosedives. However, the mandates and administrative capacity of existing international coordinating mechanisms (e.g., OECD, IMF, GATT) are too limited for these institutions to perform that harmonizing task. The evolution of improved and more comprehensive international coordinating mechanisms to achieve and maintain international economic health are critical international agenda items for the next few years and, indeed, for the remainder of the century.

The Fourth World. In 1974, the problems of a "Fourth World" came more fully into focus. The Fourth World consists of 42 countries, with a total population of almost one billion persons so hampered by economic stagnation and rising import costs that they have little prospect of extricating themselves without outside help. Many of the people of these countries live in acute poverty. The bulk of the population is uneducated. Hunger is chronic and starvation a reality in some places. Many of the world's debilitating diseases occur in these countries. Even though the Fourth World experiences the highest rates of infant mortality, it also accounts for a significant portion of the increase in world population.

Poverty is by no means confined to the Fourth World. It afflicts as many as 40 per cent of the people in many other developing countries. It is found in smaller pockets in most industrial countries, where it is accentuated by recession. What sets the Fourth World countries apart from the rest of the developing world is the magnitude of the problems confronting them in relation to their ability to deal with the situation. These countries are hampered not only by extensive poverty but also by their vulnerability to world economic events. Of all the countries in the world, they bear most heavily the brunt of the hardship resulting from the oil-price increase and from the global crop shortfalls, which magnify their dependence on grain imports. Moreover, their exports consist overwhelmingly of raw materials, the prices of which fluctuate widely and have declined by 50 per cent in the past two years in terms of purchasing power. Unfortunately, the predicament of the Fourth World is further aggravated by the fact that certain of the other international economic systems—e.g., official export credits, private investment, and private lending—generally benefit it less than they do other developing countries. This is of course in part a cause and in part a consequence of their low level of development.

On the brighter side, there has been continued progress in recent years in evolving development strategies to fit the needs and circumstances of poor countries. Growing recognition of the importance of the small farmer and of the need for a strategy that benefits the poorest people is evident, for example, in the U.S. Foreign Assistance Act of 1973, in the September 1973 statement of the World Bank President, and in the decisions of the U.N. Population Conference and the World Food Conference of 1974. A further positive sign is that scholars and policy makers are increasingly examining the results achieved by those countries—e.g., China, South Korea, Taiwan, and, in some respects, Sri Lanka—which have adopted such models of development. While this represents conceptual rather than physical progress for the Fourth World, it may portend a turn for the better in the future of the world's poorest people.

The President of the World Bank predicts that unless extraordinary efforts are made to help the Fourth World countries, they will experience negative growth rates of their economies for the rest of the decade. He estimates, however, that no more than $3 to $4 billion of additional concessional aid annually during this period would enable them to achieve a 2 per cent growth rate of per capita income. This would make it possible for the Fourth World countries to emerge from their present stagnation and to acquire enough resilience to tackle their basic problems. What is required from the outside in the way of resources to enable this to happen is an allocation of additional concessional aid giving special consideration to these worst-off countries. Assuming that the OPEC countries are willing to put up half of the additional $4 billion needed by the Fourth World, the OECD countries should supply the remainder, of which the United States should contribute an additional $1 billion in view of its strong economic position relative to other OECD countries.

At the same time that concessional aid is being reallocated, principally to Fourth World countries and to those borderline Third World countries which are in danger of joining their ranks, the needs of the Third World must not be overlooked. It is important to ensure that the more advanced of these countries have adequate access to capital markets and that the middle-ranking Third World countries have access to funds on intermediate terms through mechanisms such as "third window" of the World Bank. The United States also should press for reform of the major resource-allocating systems—trade, finance, investment, and others—so that the benefits of these systems do not bypass the countries of the Third and Fourth Worlds.

Military Expenditures and the Need for Capital. The continuation of vast world expenditures on arms at a time when urgent human problems go unattended is obviously lamentable. Responding to the systems overloads discussed above would require additional capital to improve the capabilities of those systems. Over $1 trillion will be needed during the next decade alone to develop alternative sources of energy as traditional sources of low-production-cost oil provide an ever declining share of requirements. Meeting the present food shortage and anticipating future ones also will require large-scale investment in food production (particularly in developing countries) and in storage facilities, as well as in funds for food relief during the interim period when food deficits are being reduced. The aim of reducing birth rates, particularly in countries which now have an acute population-resource imbalance, likewise will require substantial outlays of capital for bringing health and education services and job opportunities to the poorest (and most fertile) groups in these countries. Protecting the earth's environment also will call for vast investments, as will the development programs of the oil-exporting nations that seek to make their economies viable before their oil reserves are used up.

Given these needs, there is clearly reason to be concerned about the level of world military expenditures. In the ten-year period from 1963 to 1973, such expenditures were $2.5 trillion, of which more than one third—or $765 billion—was spent by the United States, and $674 billion by the Soviet Union. In 1963, global arms expenditures were $197 billion, and by 1973 they had risen to $241 billion in constant 1972 dollars.[14] A modest diversion of the enormous amounts now expended for military purposes to constructive investments of the kind outlined above would make significant strides toward solving some of the common problems that threaten the world's people.

There is also reason to be concerned about the proliferation of modern arms throughout the world as a result of arms sales from the military powers. In 1973, U.S. arms sales to the world were $4.75 billion, and the U.S.S.R.'s sales were $2.54 billion. In 1974 the amounts were undoubtedly much larger. World arms exports have in fact doubled during the decade, and the percentage of GNP spent on arms by many developing nations has increased to the point where it is approaching the percentage level in developed countries. Moreover, since the oil price rises, and especially in recent months, sales of arms to the oil-exporting countries have skyrocketed—not only because of the efforts of Middle East oil exporters to build up military strength, but also due to attempts by the arms sellers to close balance-of-payments deficits created largely by the 1973–74 oil price rises. Along with continuing arms shipments to Indochina, this sharp rise in Middle East purchases accounts for a large part of U.S. arms sales. There is, of course, the problem that if the United States were to cut arms sales unilaterally, others probably would increase their sales to offset U.S. cuts. Clearly the problem cannot be solved without a comprehensive accord between arms suppliers and purchasers. That of course is an enormously complex problem which will not be resolved until progress has been achieved in settling the Arab-Israeli dispute, and until the oil-rich countries have further modernized their military establishments. But U.S. planning should be under way now for a comprehensive attack on the problem when events are more propitious.

The United States—as the world's largest arms seller and military spender—has an urgent responsibility to press ahead with negotiations to limit both global defense expenditures and the vast world trade in arms.

CHALLENGES TO THE HIERARCHICAL POSITION OF THE RICH NATIONS

The past year marked the emergence of a number of oil-exporting developing countries as important new international powers, thereby disproving earlier predictions of the collapse of the OPEC cartel. Influenced by the visible success of the OPEC countries, other resource-rich developing countries tried to emulate their behavior, but with mixed results. Some succeeded, as did Jamaica, for example, when it raised its income from the mining of its bauxite deposits by foreign companies. Others failed, largely because the prices of their raw materials sagged due to a deepening recession in the industrial world.

Disagreements over the possibility of creating additional commodity cartels have obscured a basic change in psychology that has taken place within the developing world. The nations of the Southern hemisphere no longer will tolerate being taken for granted and will seek to advance their interests in a variety of ways in a number of different forums as opportunities present themselves.

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Thus last year's acrimonious exchange in the U.N. General Assembly over the "new international economic order" is only the beginning of a much more intensive phase in the long debate over equity in international economic relations. Similar developments can be seen in such forums as the International Monetary Fund and in the ongoing interaction of multi-national corporations and host governments in the developing world.

Efforts by the South to Reform the International Economic Order. Attempts by the developing countries to change the existing international economic systems are not new; nor are their efforts to set down in writing an agreed statement of such reforms. This subject was the theme of the first United Nations Conference on Trade and Development more than a decade ago. Despite its limitations, the International Strategy for the Second Development Decade adopted by the U.N. General Assembly in 1970 was the most successful joint effort of rich and poor countries to date to achieve a limited bargain outlining the obligations of each side on behalf of development. The most recent attempts to formally revise the world economic order have been the controversial Declaration and Action Programme on the Establishment of the New International Economic Order adopted by the Special Session of the U.N. General Assembly in April 1974, and the Charter of Economic Rights and Duties of States passed by the General Assembly in December 1974 over the opposition of the developed countries.

In the changed economic circumstances since 1974, the assertions of economic rights contained in the two new documents should have come as no surprise to any seasoned representative in international organizations. They were largely the predictable outcome of a decade of fruitless efforts by the developing countries to evoke a significant developed-world response to their central problem: the fact that they still depend on their commodity exports for 75 to 80 per cent of their foreign exchange earnings, and that the international community has done little to alleviate—and much to ensure the nearly exclusive dependence of their development on the demand for these exports in developed-country markets. Awareness of this central problem—and of the need for a new international economic order to, among other things, increase market access for their processed exports and establish adequate prices for their raw-material exports—has surfaced again and again in U.N. and other international forums and in less formal discussions within the international development establishment for years.

The revival of the term "new international economic order" at the spring 1974 General Assembly Special Session had significance not because what was being advanced was a totally new program of international economic policy goals, but because it was asserted by the developing countries at a time when they *perceived* themselves (directly or by proxy) to hold new bargaing strength to negotiate changes in at least some components of the old order.

What is striking about the present situation, given the fact that concern about economic insecurity is now worldwide, is that the developed countries, having first hailed the concept of interdependence, do not yet seem to be seriously grappling with the unavoidable and extraordinarily difficult task of giving it real meaning. Strangely enough, it is the developing countries—which less than a decade ago were merely demanding non-reciprocal aid transfers and trade concessions—that have been inspired by the recent events to try to "flesh out" the concept. In contrast, policy makers in the developed world, including the United States—which, after all, has been among the least seriously affected by the economic disasters of 1973-74—have not yet turned their imaginations to this enterprise. Ideas are not lacking on what the components of the new international economic order should be. On the developing-country side, proposals are being shaped at an impressive pace at meetings such as the Third World Forum of developing-world economists, the March 7 meeting of thirteen Francophone African nations, the OPEC summit conferences, the February 1975 raw-material conference held by the non-aligned states in Dakar; and the session of various UNCTAD bodies of member countries.

In developed countries also, consideration of the possible components of the new world order is accelerating—although still largely in nongovernmental forums. In the United States alone, for example, projects on this subject are under way in the Institute of Science and Man, the Aspen Institute for Humanistic Studies, the Overseas Development Council, the Council on Foreign Relations, the Brookings Institution, the Carnegie Endowment for International Peace, and doubtless many other groups. In the face of these many efforts to propose at least some articles for a new international "social compact," the United States government, which was constructive and cooperative in some of the earlier efforts to consider reform of the old economic order, has been unresponsive since the oil price rises. It has objected strongly to many components of the new Declaration and Action Programme of April 1974, and to the Charter of Rights and Duties voted in December 1974. But it has neither explained the reasons for its opposition nor made any serious efforts to engage in the dialogue with the South in a constructive vein. Having at best ignored recent Southern proposals on the shape of the world, the United States government has an obligation to respond to the recommendations of others and to outline its own proposals on the subject. Otherwise, it will be widely believed that its policy is merely to prevent change. An opportunity to respond will be provided by the September 1975 U.N. General Assembly's Special Session on development and international economic cooperation.

This Special Session is deliberately scheduled to take place at the time of the formal review of the implementation of the International Strategy for the Second Development Decade—after the recent major world conferences, and after some of the results are in on the progress of the multilateral trade negotiations and monetary reform discussions. Its difficult task after a year of much confrontation will be to attempt to renew commitment to eliminating some of the international political and economic constraints that continue to block development in the poor countries.

Living with OPEC—A New Power. For more than a decade after OPEC's establishment in 1960, its thirteen members unsuccessfully attempted to act in concert to prevent declines in oil prices. Only when rising demand for oil converted the buyers' market for this commodity into a sellers' market did OPEC's policies succeed in raising prices. Because of their control of oil and their growing ownership of the world's liquid financial assets, the OPEC nations are now collectively a major center of economic power. This is not to suggest that the OPEC nations will act in unison on all issues. But as long as OPEC presents a united front on oil prices and available supplies, the power of its more affluent members will extend to the monetary, development, and investment fields and the international political arena as well. Thus the views of Iran, Saudi Arabia, and Venezuela surely will be important in, for example, the long-term negotiations of an improved monetary system.

The oil exporters already have become surprisingly active in the field of development assistance; their concessional aid programs and contributions to international aid agencies amounted to about $10 billion of new commitments and $2.6 billion of disbursements in 1974.[15] This level of *commitments* parallels actual *deliveries* by OECD countries, which in 1974 totalled $11 billion. The early aid efforts of Venezuela, Iran, Saudi Arabia, the United Arab Emirates, Libya, and Kuwait seem particularly promising. A significant amount of OPEC assistance has been extended to the Fourth World.[16] More than $2 billion in concessional bilateral aid appears to have been committed by OPEC to these poorest countries in 1974. However, since the adverse impact on those countries from the oil price rises was about $2 billion in 1974 alone, OPEC aid is likely to barely offset the direct damage done to this group of countries by the oil price rises.

It is not possible to predict whether the level of OPEC commitments will be implemented with prompt deliveries, nor whether this is a level that will be sustained in subsequent years. One year after the oil price rises, however, the OPEC assistance record is impressive indeed. As a percentage of donor GNP, the 1974 commitment level of OPEC is ten times that of the much wealthier—but less liquid—OECD countries. It should be remembered that except for five Arab countries (Saudi Arabia, the United Arab Emirates, Qatar, Kuwait, and Libya, whose average per capita income approximates that of the United States and Germany), the oil exporters have an average per capita income one tenth that of the OECD countries.

The purposes of the major OPEC donors—Saudi Arabia, Iran, Kuwait, United Arab Emirates, Libya, and Venezuela—are obviously mixed. The strengthening of Egypt, Jordan, and Syria against Israel, amounting to more than one third of all OPEC aid in 1970–1974, has been important to Arab members of OPEC Seeking to exercise regional leadership also has been a factor, especially for Iran and Venezuela. And certainly a key goal of aid to oil-importing developing nations has been to maintain their diplomatic support for OPEC in its confrontation with OECD—particularly the United States—over the price of oil. A closely related objective may be building and maintaining the solidarity of the Group of 77 and the nonaligned states. It is interesting that although the oil-price damage to oil-importing members of the Group of 77 has hurt them, they have not yet been very critically of OPEC pricing policies and indeed have praised them as a model for emulation by other raw-material suppliers. Whether or not their approval of OPEC will last may depend in large measure on how much aid they continue to receive from oil-exporting countries. For the time being, the solidarity of the Group of 77 appears to be intact.

Some developing-country analysts are looking to OPEC for active leadership in the struggle of the South to reduce its asymmetrical dependency on the North and to secure a greater share of power in managing the world's economic systems. This aim was reflected, for example, in the proposals of the first meeting of the Third World Forum,[17] held in Karachi in early January 1975. An excerpt from the communique issued by the Forum is interesting in the same connection (note the Forum's use of the term "Third World" to include all developing countries):

"The present crisis marks the gradual crumbling of an old order in which a group of rich nations constituting the developed centre continuously expanded by the use of energy and raw materials provided by the poor nations at the periphery at cheap prices. The increase in the price of oil by the OPEC

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could therefore be seen as a part of the struggle of the Third World to obtain a better deal from the world order. But this struggle would neither be complete nor meaningful until other poor nations at the periphery also obtained a fairer deal and unless the present polarization between the countries at the centre and those at the periphery was changed by different patterns of collective self-reliance among the Third World countries. . . . The participants . . . proposed . . . establishment of a Third World Development Bank financed by OPEC and other Third World countries. . . . In connection with these initiatives, the participants considered that close cooperation between OPEC and other parts of the Third World was vital in the next stage of this continuing struggle if the Third World was to succeed in its efforts to obtain more justice from the world order and if oil exporting countries were to expect to consolidate and maintain their gains."

Whether or not these high hopes for OPEC support will materialize, this excerpt illustrates the receptivity in at least some parts of the South to a major leadership role by the relatively stronger OPEC countries.

Clearly international investment, long dominated by OECD-based private multinational firms, has a new giant entrant in the OPEC countries. A considerable portion of the $250 billion that these countries will accumulate in surplus funds by 1980 will be invested by them in productive enterprises in OECD and other countries. This development is already presenting problems for the United States, which is not used to being the recipient of investments from the developing countries. But the advantages of encouraging such investment would appear to outweigh any disadvantages. The possibility of foreign control of major firms or industries being used to harm U.S. interests can be prevented by a normal amount of surveillance of such investments under laws and regulations that clearly state the permissible purposes and limits of such foreign control. Such investments in the United States give the investors a stake in keeping the U.S. economy healthy. For example, if Saudi Arabia had major investments in U.S. gasoline refining and distribution facilities and in the United States automobile industry, it would have to consider its financial losses before embargoing oil to the United States again. Moreover, in a time of high unemployment, OPEC investments can be a particularly useful element in tackling recession. Such investments could lead to a genuinely symmetrical interdependence in which both potential vulnerability and potential reciprocal benefits of cooperation are more equally matched between both the investing country and the United States.

Another problem created for the North by the rising power of OPEC is the management of huge trade imbalances. The quadrupling of oil prices brought to oil exporters in 1974 a surplus of some $50 billion in earnings beyond the costs of their imports. This surplus must be matched in oil-importing (mostly developed) countries by a deficit of $50 billion. How to reduce the deficit eventually and how to finance it meanwhile are among the most urgent and important items on the global agenda for action in 1975. But while the needs of the industrial world may be met by existing and planned mechanisms, the needs of developing countries will go unmet unless further bilateral and multilateral measures are implemented.[18]

The rise of the oil exporters to prominence and power presents U.S. policy makers with many development-related problems. There is the matter of the development goals of the OPEC countries themselves. The United States has established bilateral commissions with two of these countries to cooperate in their efforts to use their new resources to develop. There is a positive relationship that should be continued. Moreover, constructive participation by the OPEC countries is needed in the international economic mechanisms, including the World Bank and the IMF—and especially in any IMF facilities for recycling surplus funds. U.S. policies should encourage such participation. As mentioned already, the new liquidity of the OPEC nations also enables them to help finance development in the oil-importing developing countries—a relationship the United States likewise should support—since it will not only help world development but also facilitate the recycling of OPEC earnings and give the OPEC financiers a stake in a healthy world economy.

Private International Investment. In the relationship between private direct investors and host-country governments, the power balance gradually has begun to shift to favor the latter in many cases. This is not to say that all host governments are improving their bargaining position vis-a-vis all multinational corporations (MNCs) on all issues that concern them. Indeed, observers report that multinational corporations continue to maintain the upper hand in many negotiations. Yet the trend is perceptible, and the reaction of the MNCs is a sign that a significant long-term change is under way.

There are two reasons for this change. First and foremost are the rapidly increasing knowledge, skill, and determination of most developing-country governments in the negotiation process. Second is the continuing competition for both raw materials and world markets among MNCs; together with the more frequent presence and generally greater flexibility of Japanese and some European investors, this trend offers host countries a viable alternative to American investments and a greater opportunity to play off foreign firms against one another.

At one time, most U.S.-based corporations—although they acted as comparatively responsible entities that paid their taxes, contributed to community projects, and paid above-average wages—were often too slow to recognize the warning signals of opposition and merely continued to expand their investments and pursue their immediate corporate objectives without much concern for the broader development needs of host countries. In recent years, however, these firms are beginning to encounter strong and widespread reactions to their pervasive influence in developing countries—including new national and regional laws limiting their actions, United Nations analyses of their impact on the development process, and both scholarly and popular critiques of the political and economic effects of their activities. Many companies are responding defensively to this increased criticism as well as to the greater leverage and tenacity of developing-country governments. In the short run, such MNCs can use their relative bargaining strength to pursue their perceived self-interests while making only marginal concessions to host countries—especially in such areas as the limitation of profit remittances and the use of local components, supplies, and managerial personnel. In the longer term, however, the MNCs will be under pressure to make more important adjustments in response to the demands of more knowledgeable and better coordinated developing-country governments and because of competition from other MNCs.

Both MNCs and host governments are discovering that some important trade-offs have a bearing on their negotiations. The first of these relates to development and transfer of technology. While host governments would like to reduce the cost of the imported technology and make it more appropriate to local socio-economic conditions, the corporations often see no advantage in sharing or modifying their technology. They remain highly protective of their patents and rarely agree to adapt their technology and risk downgrading their trademarks, especially if they are producing for export. The technology issue will not subside in importance; in fact, it will become increasingly central to host-community efforts to sever ties of dependency. In the immediate future, however, each host country must weigh the advantages of getting advanced technology against the risk that it will be bypassed by MNCs that find more compliant hosts elsewhere, and the advantages of using such modern technology against the risk that it may be inappropriate to local conditions and needs. Those MNCs which choose to be unyielding in their approach must consider the gains of protecting their secrets and maintaining their trademarks against the possibility that other MNCs may make the accommodation and still obtain profitable investment opportunities.

Both host governments and MNC's also must become increasingly sensitive to the repercussions of their activities in the home countries of the MNCs. If MNCs and their hosts find too much in common and move investments and jobs too fast from home- to host-country sites, communities and labor unions in the home countries are likely to press for legislation to impede the outflow of investments. By contrast, consumers have little ability to protect themselves when the host government takes actions that increase costs and the MNC passes the increased cost along to the consumer (as has happened in the cases of oil and bauxite).

U.S. policy makers now confront two issues in this area. The first is the question of what position to take with respect to the increasing flow of foreign investments into the United States. As observed earlier in this chapter with respect to OPEC investments, the general U.S. position should be to welcome them. Second, what should the U.S. position be with respect to its own citizens' investments abroad? Given the extensive range of U.S. interests in the world, the U.S. government will need to take a broader approach than simply advocating the case of its own investors. For one thing, the U.S. government should be scrupulously careful to ensure that in the future there is no substance to the familiar charge that it uses U.S.-based MNCs to carry out U.S. policies in other countries—e.g., preventing Canadian subsidiaries of U.S. firms from trading with China at a time when Canada favored such trade and the United States did not. The formulation of a long-range U.S. policy toward its own MNCs is long overdue. As part of that policy, the United States should encourage consideration of the idea of an objective transnational authority with influence in resolving investment conflicts. Such a mechanism could help reconcile the world's interest in the continued contribution of MNCs to global development with the need of governments to protect and advance essential national interests.

Developing-Country Interests in International Monetary Reform. Developing countries have a special interest in two kinds of improvements in the International Monetary Fund, in addition to their general interest in making the Fund more useful to all participants. The first is the issue of increasing their influence in the policy-making process of the Fund, and the second is the matter of tailoring the Fund's facilities to meeting their needs for resources. Control of the Fund is exercised ultimately by the weighted votes of its members. The industrialized countries have a preponderance of votes, although the revision currently being approved will give the major oil-exporting countries 5 per cent more of the Fund's total quota, with the corresponding 5 per cent decrease in quotas being borne entirely by industrialized countries. This will leave the industrialized countries with 67 per cent of the votes in the Fund. Developing countries

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will probably continue to press for a greater share; they already obtained some influence in monetary decision-making through the IMF Interim Committee, which was established with nine developing-country seats out of a total of twenty.

With respect to increasing the access of the developing countries to the Fund's facilities, a number of recent proposals are in varying stages of complication from that of mere ideas to actual mechanisms in place and in operation. The special Oil Facility has been created to provide loans to countries hit hard by the oil price rises; the IMF currently is seeking funds to subsidize the interest rates paid on borrowings from the Oil Facility by the countries most seriously affected by the oil price rises. Other proposals currently under IMF consideration include: a U.S.-proposed Trust Fund made up of profits from the sale of IMF's gold stocks to be used for supporting devleopment; improvements in the Fund's facility to compensate poor countries when their exports fall due to factors beyond their control; greater IMF support of buffer stocks used to help stabilize the price of raw-material exports from developing countries; and the reform of the formula for any future issuances of Special Drawing Rights—the Fund's so-called "paper gold"—to link them to supporting the development of the poor countries.

The massive resources of the IMF ($29 billion),[19] the increasing number of ideas and actual mechanisms for using its facilities to support development, and the ongoing process of monetary reform explain the growing interest of the developing countries in increasing their participation in IMF decisions. These countries already are spending a great deal of time and highly competent talent negotiating within the Fund for the improvements they desire.

The United States has long opposed the "link" of the Special Drawing Rights (SDR) system to development. As an alternative to such an approach, it recently proposed the establishment of the Trust Fund. Since there may not be any further issuances of SDRs until global inflationary pressures have eased, the Trust Fund appears to have more immediate potential for supporting development than the "link." However, at its January 1975 meeting, the IMF's "Group of 24"—a committee that represents the developing countries in monetary matters—reaffirmed its support for the "link" and at the same time voiced doubts about the desirability of the Trust Fund, particularly if it were offered as a substitute for the "link." The U.S. government should be mindful of the preferences of developing countries and be prepared to support some form of "link" when further issuances of SDRs become appropriate.

THE CHALLENGES IN PERSPECTIVE

The Common Human Problems. There have been important gains and important losses on the balance sheet of global human problems over the past year. Spreading recession is an unmitigated loss with no new policies in sight to solve it. After the 1972 and 1974 shortfalls in food production, deaths from malnutrition are up, and the world is more vulnerable to another crop failure than at any time since World War II. India's acute famine has been limited by its government's decision to spend over $1 billion of scarce foreign exchange to buy food—a decision that cuts India's outlays for investment goods imports and increases its vulnerability should there be a drought this year. The most important improvement registered in 1974 in the food area is the fact that worldwide attention was focused on the full dimensions of the problem, and comprehensive and long-term international measures have received at least preliminary approval.

With respect to population, two developments have brightened the outlook: first, the growing consensus that the problem calls for both family planning and improvement of the living conditions of the very poor, and second, the mounting statistical, and case evidence that fertility is being reduced in many developing countries. At the same time, there is some back-sliding in rich-country determination to protect the environment as a result of the energy crisis; this may, however, be offset by renewed efforts to conserve at least oil and potentially other dwindling raw materials as well. The goal of protecting and assuring more equitable use of the oceans also appears to have been dealt a blow by the trends in international negotiations toward greater national and less international control of the resources of the continental margins. In the area of trade, the Tokyo Round of multilateral trade negotiations, jeopardized from the start by protectionist forces, has been given new impetus by the belated enactment of U.S. trade reform legislation.

Finally, in 1974–75, the appalling dimensions of human suffering in the Fourth World came more clearly into focus, casting a dark shadow over the entire landscape of world development. But even this grim fact has a brighter side, for it was the increasing contrast between the stagnation of the poorest countries and the relatively more rapid progress of the Third World of middle-income developing countries that alerted the world to the special needs of the Fourth World. The good news of the Third World's progress is unfortunately diluted with the potential harm that may befall some of its countries as a result of the increased prices of their imports and the falling prices of their exports.

Challenges to the Old Hierarchy. The brief enumeration earlier of attempts on the part of developing countries to gain more power and income suggests that something is astir; their efforts have moved beyond the stage of rhetoric to the point of negotiations in several forums. There is a new feeling of power on the part of developing countries and a consequent new burst of energy on their part to gain additional influence in world affairs. However, apart from the unique case of OPEC, any shift in economic-political power that has occurred or may take place in the near future is only at the margins of international decision-making. Control of the international economic order still remains firmly in the hands of the OECD countries and is not centrally challenged except by the oil-exporting nations acting in unison through OPEC. Nor are the financial problems of the developing countries (OPEC apart) about to be resolved by the meager transfers of power and resources discussed above. Still, there is an important symbolic change in process which, if it persists, will mean that major world economic decisions can no longer be made by a group of North Atlantic countries and Japan without taking into serious account the views of countries in Asia, Africa, and Latin America.

Prior to October 1973, some observers believed that the growing economic strength of middle-level countries, such as Brazil, Mexico, Taiwan, and South Korea, might at some future point constitute a competitive challenge to the industrialized countries in some areas of economic activity. However, that challenge was overshadowed and to some extent diminished by the success of OPEC in quadrupling the price of oil exports. Even the dramatic OPEC challenge shows every current prospect of being taken in stride—without significant long-range damage to the dominant nations but with a sharp increase in the power and prestige of the challengers. Oil-importing developing countries are avidly watching the struggle and searching—largely in vain—for leverage with which to press their own demands of the international economic order.

An analogous process goes on *within* societies. Thus in the United States, for example, workers challenged employers for decades for the right to organize: only in the 1930s after a history of violence and repression, did they succeed in winning that right, along with social security pensions and unemployment compensation. Their victory is almost universally hailed today as good for the economy, the society, and the nation. Indeed, mass production in the prodigious American economy was made possible in large part by the gains of the working man, whose newly won job security made it possible for banks and department stores to extend mass credit. But the victories of the 1930s were by and large limited to white males. American women, Blacks, Chicanos, and Indians—all of whom are asserting their rights currently (thirty years later) were then still excluded from the system's benefits—even as the Fourth World and much of the Third World are today excluded from the direct gains being achieved by a handful of challenging nations.

Experience suggests that, in the economic arena, a bid for more power and income by one party does not necessarily threaten the well-being of those whose position in the hierarchy is being challenged. In short, it need not be a zero-sum game, but can be very positive for all participants as we have learned both from our domestic record and our experience with the Marshall Plan. The test for the dominant nations is to respond to hierarchical challenges with creative proposals that benefit all parties.

THE U.S. ROLE

What should be the response of the United States government to the two fundamental varieties of challenge confronting the world in 1975? The closing section of this overview will evaluate the recent development performance of the United States, discuss the opportunities open to the United States for playing a constructive role, and suggest a broad context in which it can make a contribution.

U.S. Development Performance. In too many instances, U.S. performance in supporting world development appears to be out of phase with emerging world realities. There is a great need to vastly expand agricultural production in the food-deficit countries, yet the United States has been moving very slowly to increase its aid funds for this purpose. There is growing understanding that the population explosion can be contained only with the kind of far-reaching social transformation that accompanies development programs, yet the United States, while recognizing and forcefully stating this principle, continues to reduce its development assistance programs. There is renewed need for behaving as world citizens in dealing with the oil crisis, yet the original U.S. proposal to deal with this global problem would have recycled funds only to the industrialized countries. However, the United States did propose a special arrangement for the 32 countries "most seriously affected" by the price rises of 1973–74, and it did accept the proposal for an IMF *oil facility* available to all countries.

Concern over a possible collision between lavish consumption rates and finite resources has become more widespread, but the U.S. government—despite much talk in official circles about conservation in the energy field—so far has not seriously acted on the subject. The poor countries are reasserting their strength in the United Nations General Assembly on the basis of the power shifts of the past year, but there has been an outcry from the U.S. government and much of the news media against this new coalition. There are even strong suggestions that the United States might altogether stop cooper-

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ating with international institutions because of this so-called "tyranny of the majority." The United States was inexcusably delinquent in the delay of its contribution to IDA and nearly reneged completely on this major development effort. Finally, in recent years the United States has frequently taken short-run nationalistic positions, especially in the World Bank and Monetary Fund, and as a consequence has found itself isolated from even its old friends on issue after issue. As a result, much of the trust and confidence in the United States that was built during the previous quarter century has been depleted.

In some areas, however, U.S. performance in 1974 was more positive. In response to world hunger, the United States was a leader in the call for a World Food Conference; with the important exception of food aid, on which its response was disappointingly tardy, U.S. participation in that Conference was constructive. In the field of international trade, the U.S. Trade Expansion Act of 1974, while its provisions ambiguously leave the way open to both restriction and liberalization, does offer an important opportunity for the United States to participate positively in improving the structure and functioning of world trade. At the sessions of the Law of the Sea Conference, the U.S. position, while short of the ideal in important respects, stands out as mature and responsible by contrast with the short-sighted policies of many other participants, including a number of developing countries. In the field of monetary affairs, the United States (after adamantly opposing reform of the Special Drawing Rights system) has made a potentially useful proposal for use of profits from the sale of IMF gold to support development. In the operation of its diminishing aid program, the U.S. government is making encouraging efforts to apply seriously the new key doctrine of the Foreign Assistance Act of 1973: emphasis on projects that benefit the poor majority in the developing countries. In yet another area, Congress has taken the initiative to press the President to be more generous in the use of food aid and to use it for humanitarian rather than for political purposes.

The U.S. government also has supported some useful innovations in international machinery, including the establishment of the IMF's provisional Committee of 20, which gave developing countries nine out of twenty voices within this important committee charged with preparing a plan for global monetary reform. The U.S. also supported the establishment of the Group of 20, the Committee's permanent successor, and the creation of a joint IBRD–IMF Development Committee to consider how resources best can be channeled from North to South.

One promising new development within the U.S. government warrants brief discussion. In 1973, Congress included in the Foreign Assistance Act a provision for a new Development Coordination Committee (DCC) within the U.S. government to monitor and seek to improve U.S. performance in support of development. After a long delay, an Executive Order was finally signed establishing the DCC within the U.S. Agency for International Development. One of the important services that the DCC can render is to review U.S. governmental actions as well as proposed actions in a wide variety of fields and to comment on their actual or potential impact on world development. Such fields might include normally domestic concerns such as taxes, agricultural production and marketing, mining, stockpiling, and land management, as well as international concerns such as immigration, trade and monetary affairs, and investment among many others. If the U.S. interest in the protection of the environment warrants a major investment in preparing environmental impact statements prior to making important decisions, then the U.S. interest in development likewise justifies the preparation of development impact statements by the DCC (and hopefully also by other parts of the U.S. government at the request of the DCC) before important decisions are made. Obviously, the clout of the Committee on this range of policies will be limited, but it nevertheless should prove useful to have the development point of view consistently placed before policy makers.

Toward Global Approaches. Although the United States is not as economically dominant in 1975 as in the 1950s, it also is not as weak relative to its industrial partners as it was in 1971. It is less vulnerable to increased oil costs than can be said of its trading partners, and it also is insulated by its preeminence as a good exporter at a time of strong demand for food. It therefore still is the nation in the strongest position to take a global view of the problems enumerated above Such a world view must be forcefully advocated by influential nations—and within the United States, by influential people—if that point of view is to survive.

Effective global advocacy requires that new international machinery be created that realistically reflects the views of all participating nations in the new context of increasing interdependence. Once the United States had the power to control most international organizations, but that power is now gone. The adjustment necessitated by that change has been difficult for the United States; regrettably, it has too often reacted by taking a short-run, narrowly nationalistic position. In the future, the United States can serve its own interests best not by attempting to manipulate others to do its bidding—an approach that in any case no longer works—but by advocating what is perceived by other nations as serving the common interest.

In the course of the next year, several international forums will present occasions for the United States and other nations to champion the common world interest. The most elemental human need, food, will be the subject of intensive institution-building efforts to carry out the agreements reached at the 1974 World Food Conference to increase agricultural production, create a world food security system, and increase food aid.

The resumption of the Conference on the Law of the Seas due to take place in Geneva this spring and perhaps to continue in Venezuela this summer may be the last opportunity for effectively supporting a global approach to this genuinely global problem. The International Monetary Fund is to resume its efforts to reform the international monetary system to meet the crises of imbalances caused by increased oil prices, and to design a more suitable replacement for the system created in Bretton Woods three decades ago. The multilateral trade negotiations started this spring will continue in Geneva over the months ahead, offering the world a chance to further improve this most vital component of the international economic order.

Another opportunity is presented by the U.N.-sponsored International Women's Year Conference in Mexico City in June 1975. The United States should, together with other nations, follow up in a practical way on the World Population Conference and the World Food Conference—both of which emphasized the importance of more education and more equal treatment for women as a means of reducing fertility and of increasing agricultural production. In many developing countries, farming is at least as much the responsibility of women as of men.

In the fall of 1975, the U.N. General Assembly—both at its brief September Special Session on development cooperation and at its regular session—will consider the state of development at the mid-point of the Second Development Decade in relation to the proposals for changing the international economic order adopted by the U.N. General Assembly's spring 1974 Special Session on raw materials. Great restraint, maturity, and creativity will be required of all countries if the forthcoming U.N. debate is to be one of constructive progress rather than of mutual recrimination. A special responsibility rests with those U.S. officials preparing for the debate to overlook the semantic heat likely to be generated in connection with the "new international economic order" and to focus on those items of solid substance which will shed light on the debate.

However, it is not only at international conferences but also in its internal policies that the United States can promote the adoption of cooperative global approaches to solving world problems. For example, by its internal handling of the energy crisis, shortages of fertilizer, domestic inflation and recession, and by its willingness to share food, the United States can set an example of internationally responsible behavior that will encourage cooperative action by others.

A Comprehensive Global Social Compact.[20] The international order that emerged after World War II among the non-communist, market-economy countries was a "compact" only in the sense that there was widespread consensus among nations and societies on many of its precepts. It was by no means the product of benign negotiation among reasonable men. Indeed there was much confrontation, contention, and even coercion involved in its evolution. While occasionally it took the form of broad accords, more often it consisted of concrete small agreements on specific problems.

Among the compact's important features were: full clemency for the powers defeated in World War II, a major cooperative effort to advance the progress of the industrialized market-economy countries, the evolution of national sovereignty for most colonial areas, the juridical concept of political equality for all nations through membership in the United Nations, the acceptance of an international economic order in which production and distribution are governed primarily by the market (with its attendant efficiencies as well as inequities), and a common effort to extend around the world the benefits of technological progress. This postwar economic system was a compact that extended progress primarily to its participants, including—in many developing countries—the ruling elite, a growing business sector, the bureaucracy, the professions, and workers with jobs in industry. But the majority of the populations of these countries—all of those working in agriculture (except commercialized agriculture for export) and a growing number of landless idle workers were too often excluded from a fair share in the benefits of the system. Growth ensured improvement to those who were participants, with the caveat that when it faltered, producers of raw materials were more vulnerable than manufacturers.

With the U.S. pioneering the way, the industrialized nations of the North undertook to share their technology, their resources, and their advice with the poor nations—many of which were just getting organized as independent nations. The poor nations, for their part, undertook to consider the advice and put the resources and technology to good use to benefit the participants in their domestic economies. The Bretton Woods institutions, the General Agreement on Tariffs and Trade, the Marshall Plan for reconstructing war-torn Europe, the Point Four Program, the Alliance for Progress, the International Development Association, the Development Advisory Committee, the United Nations Development Programme, the regional development banks, and many other

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institutions gave form to the compact. Many acts and declarations also helped to articulate its goals—including the Charter of the United Nations, the Universal Declaration of Human Rights, the Act of Bogota, the goals of the First U.N. Development Decade, and the International Strategy for the Second Development Decade.

The success of the postwar international social compact has been considerable. Europe and Japan recovered and grew to attain unprecedented economic strength; Europe achieved a degree of unity; and the standard of living of the entire North and some parts of the South increased at an impressive pace that has been sustained for more than two decades. Former colonies became independent and made great progress in nation-building, and international trade experienced a period of unprecedented growth.

In recent years, however, the social compact has been eroding. In part, this is due to the failure of nations to live up to important parts of the bargain. Rich nations accepted goals for official development assistance and fell far short of meeting commitments. They accepted goals for opening their markets to poor-country manufacturers, and were late and inadequate in meeting those goals. Poor countries as well as rich interfered with the flow of trade and investment, and both intervened wholesale in the operations of the marketplace to the point where free markets could no longer be relied upon to signal information needed for traditional economic decisions. Labor unions, after having supported free trade during the bulk of the postwar era, became increasingly protectionist. The United States, whose currency and vast economy buttressed the entire economic system, devalued its currency—thus signaling its desire to give up the role of guardian of the system.

In part, the compact is breaking up because—however well the parties may live up to its terms—the terms themselves no longer meet the aspirations of many of the world's people and nations. To begin with, those who do not participate proportionately in the system's benefits are dissatisfied. In spite of the record growth rates achieved in the 1960s, the condition of the poorest people showed no corresponding improvement. The model of the Northern industrialized countries—socialist as well as capitalist—simply did not fit the needs of the South. At the risk of some exaggeration, it seems accurate to conclude that this model (which was, after all, chosen by the South, although encouraged by Northern intellectual, business, and political communities) tended to strongly encourage urbanization; increase the size of farms by mechanizing them (sending "surplus" labor from farm to city); tolerate inequity for a time in order to increase savings, investment, and growth with the expectation that all classes would eventually benefit; establish costly modern medical facilities in urban areas first, to the neglect of the rural health and low-cost health facilities for all; provide subsidies to industry at the expense of agriculture; and opt for very modern and therefore capital-intensive, industry. Most observers now agree that these policies did not adequately meet the needs of most of the South. Moreover, technological progress and economic growth so increased the mutual dependence among nations that the South itself began to see opportunities to gain greater equality of economic opportunity by challenging the international economic systems.

In part, the compact also is breaking up because of new tensions between human economic activity and nature. The postwar system simply was not geared to meet the requirements of conserving energy, grain, or fish; nor is it able to distribute equitably the pain of adjusting to a slowdown in growth.

For these reasons among many others, the social compact is under widespread stress, and the world needs to repair some of its parts, replace others, and in some cases to create wholly new elements. That will hardly be an easy task. It would be difficult enough if all of the nations had the same basic beliefs and values on the issues of political freedom, economic equality, and the roles of fate and human will.

The evolution of a new or renovated compact becomes increasingly important as world problems accumulate and become insistent; generally these problems can only be resolved by nations working cooperatively toward goals on which there is an increasing consensus and according to a scenario in which each participant plays an agreed role. Broad agreement on the goals and roles will be the essence of the new global social compact. Some of the goals of such a compact are:

(1) Managing the immediate crises—hunger, stagflation, recycling oil funds, and avoidance of war—in the short run;

(2) Sharing power and income more equitably among and within nations;

(3) Restraining excessive fertility in both rich and poor countries (this in turn calls for economic and social policies, that emphasize participation by all the people in the development process and benefits;

(4) Guiding production and consumption in the directions of resource conservation, environmental protection, and the improvement of human health;

(5) Continuing to support economic growth, especially in the production of more food, energy, and other essentials;

(6) Restraining arms expenditures and evolving peaceful methods of settling disputes;

(7) Enriching human lives in ways that are most meaningful to each society in the light of its own values—whether these are education, material abundance, a sense of identity with community or with God, personal fulfillment through the achievement ethic, or greater leisure.

As to the roles of the participants, the writing of that part of the social compact is being attempted now—with varying effectiveness—in a dozen forums (including among others, the Law of the Sea Conference, the IBRD, the IMF and its various committees, UNCTAD, the U.N. Environment Program, the U.N. General Assembly, the follow-up work of the World Food Conference, the SALT talks, the Middle East peace negotiations). Each forum is attempting to shape a fragment of the mosaic we think of as the new global social compact. In all likelihood, there will never be a sketch of the whole mosaic, except as it is reconstructed by historians. Certainly no single existing forum is capable of taking up the idea, debating it, and producing a consensus. But that is normally true of a social compact. There is nevertheless need for a thorough debate of the subject over the years ahead in intellectual, political, and diplomatic circles—a process that will, if it is successful, produce not a finished consensus, but a steadily evolving and increasingly useful guide.

Enlightened U.S. policies can make a vital—perhaps indispensable—contribution to the evolving consensus. But to do so, the United States must first articulate a comprehensive world view much as it did in the years after World War II. Then it was confronting a challenge that sought to overthrow established governments; now it faces a challenge that only seeks an equitable place for the undreprivileged in the international establishment of nations. The United States can continue to deal with each challenge piecemeal, as it has for the last several years—parrying, counterattacking, or yielding case by case—or it can work within the community of nations to construct what Secretary of State Kissinger has called "a truly global society carried by the principle of interdependence."

FOOTNOTES

[1] This stance, however, appeared to be softening in early 1975.

[2] See Chapter VI.

[3] See Donella H. and Dennis L. Meadows et al., *The Limits to Growth: A Report for the Club of Rome's Project on the Predicament of Mankind* (New York: Universe Books for Potomac Associates, 1972); and Donella H. and Dennis L. Meadows et al., *The Limits to Growth*, Second Edition, (New York: Universe Books for Potomac Associates, 1975).

[4] See Chapter VIII.

[5] See Chapter III.

[6] Economic Research Service, U.S. Department of Agriculture, *The World Food Situation and Prospects to 1985*, Foreign Agricultural Economic Report No. 98 (Washington, D.C.: U.S. Department of Agriculture, 1974), p. 35.

[7] R. T. Ravenholt and John Chao, "World Fertility Trends, 1974," in *Family Planning Programs*, Population Report, Series J, No. 2 (August 1974), pp. J-21—J-39. Published by the Department of Medical and Public Affairs, The George Washington University Medical Center, Washington, D.C.

[8] See Chaper II.

[9] This subject was discussed in more detail in Chapters VIII (Part I) and IX in *The United States and the Developing World: Agenda for Action, 1973*, by Robert E. Hunter and the staff of the Overseas Development Council (Washington, D.C.: Overseas Development Council, 1973).

[10] See William Watts and Lloyd A. Free, *State of the Nation* (Washington, D.C.: Potomac Associates, 1974), p. 173. No data are available to indicate whether the recent recession has dimmed this concern.

[11] Arvid Pardo, *Perspective in Ocean Relations, Conflict and Order in Ocean Relations* (Washington, D.C.: U.S. Government Printing Office, 1975).

[12] For a more detailed discussion, see Chapter IV.

[13] To be sure, the widespread practice of floating exchange rates goes some distance toward reconciling economic policies of nations, but it is by no means a complete answer to the need for international coordination.

[14] *World Military Expenditures and Arms Trade 1963–73*, U.S. Arms Control and Disarmament Agency Publication No. 74 (Washington, D.C.: U.S. Government Printing Office, 1975).

[15] See Chapter VII.

[16] See Chapter I.

[17] The Third World Forum is intended to be a periodic meeting of about fifty leading economists from developing countries.

[18] See Chapter V.

[19] The quota is presently being enlarged by one third to SDR 39.0 billion ($47.75 billion as measured by the value of the dollar on December 31, 1974).

[20] See also Chapter IX.

ALLOCATION OF PETROLEUM IMPORTS FROM CANADA

Mr. MONDALE. Mr. President, on Monday, the Federal Energy Administration held a public hearing on the question of allocation of petroleum imports from Canada.

For my State of Minnesota, this is a life-or-death matter. We rely on Canadian oil for between 40 and 60 percent of our total petroleum supply, and without FEA action to allocate Canadian crude over the next few years our State will encounter real economic hardship. The need for a priority allocation system for refineries in the landlocked northern tier States of Minnesota and Wisconsin, whose refineries are almost totally de-

pendent on Canadian oil and who have no alternative transportation sources, is pressing. Though it will be only an interim measure, such a priority allocation system will give us the time needed to work out longer term supply systems for our State.

I was pleased to be the first witness to testify at these FEA hearings. And I believe that the presentations made by Senator HUMPHREY and Representative QUIE were effective in outlining the plight of our State and the need for quick FEA action. In fact, the number of witnesses representing public agencies and private corporations in Minnesota and Wisconsin is an excellent indicator of the seriousness with which residents in our area view the current situation.

Mr. President, I ask unanimous consent that a number of these statements presented to the Federal Energy Administration at the public hearing be inserted in the RECORD at the conclusion of my remarks.

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

STATEMENT OF SENATOR WALTER F. MONDALE

Mr. Chairman, I am pleased to have the opportunity to appear here this morning to testify on the question of FEA allocation of Canadian crude oil among American refiners.

For my state of Minnesota, this is not a matter of passing importance. We are vitally dependent on Canadian crude oil, so dependent in fact that a failure to obtain a continuing supply of this source of energy could well paralyze our state within a matter of years. This possibility is simply unacceptable, and I am hopeful that with FEA's cooperation, a system of priority allocation can be fashioned which recognizes the unique situation of the Northern Tier refineries and helps assure my state a continued and dependable source of energy.

The announced intention of the Canadian government to reduce exports of Canadian crude oil to the United States over a seven year period, with the end of all exports by 1982, poses problems for nearly 50 refiners across the country that are now using Canadian crude. However, it poses a more serious problem for a group of about a dozen "landlocked" refineries from Montana to Wisconsin, and a particularly severe problem for three refineries in my state and one in Wisconsin. These four refineries have a combined daily refining capacity of about 220,000 barrels per day. Together, they are dependent on Canadian crude oil for between 75 and 90% of their crude oil input. Without that crude, business and industry in my state would simply not be able to function, because a high percentage of these refineries' output stays within our geographical area.

While it is not possible to pinpoint exactly the percentage of our total petroleum product usage that is derived from Canadian crude oil, the best estimates range between 40 and 60%. In other words, without Canadian crude oil, roughly half of the petroleum product supply of my state would disappear. The results would be catastrophic, and simply cannot be permitted to occur.

The uniqueness of the Minnesota-Wisconsin refineries' dilemma comes not only from their high degree of dependence on Canadian crude, but perhaps more importantly from the lack of available transportation alternatives. Refineries from the West Coast to Buffalo, New York use Canadian crude oil to one degree or another. But unique among the nearly 50 refineries using Canadian crude, the Minnesota-Wisconsin refineries were built to rely on Canadian crude and have no capability for obtaining significant, long-term volumes of crude oil from any other source. The only pipeline servicing these refineries is the Interprovincial-Minnesota system, coming from Canada. Without Canadian crude running in this system, these refineries simply cannot operate.

And if historical usage patterns continue to determine the levels at which refineries in my state receive allocations of Canadian crude, major disruptions will occur. As the volume of Canadian crude is reduced, those refineries which are now drawing on a current potential import pool of 800,000 barrels per day will no longer be able to operate at anywhere near capacity if the historical usage formula is applied to a total Canadian export volume of two or three hundred thousand barrels per day.

Even with a priority allocation system, there are severe longer-term problems that must be faced as the Canadian export of crude oil is continually reduced. But a properly designed FEA allocation system, giving highest priority to those Northern Tier refineries with no alternative transportation sources, will at least give us time to work out other longer-term alternatives. Negotiations now underway between the United States and Canada will hopefully lead to an exchange arrangement that will allow the Canadian-dependent refiners to continue operations beyond the point at which any allocation system loses its effectiveness. But the most immediate and most pressing need is for quick action from FEA to implement a priority system to get us through the next two to four years.

In recent weeks, there has been a reduction in the volume of Canadian crude oil that American refineries—including some in the Northern Tier states—have imported. This decline has largely been caused by a widening price differential between the cost of Canadian and other foreign crudes, an oversupply of petroleum products, a sluggish American economy and other similar factors. But this temporary situation must not cause any further delay in FEA implementation of a priority allocation system. For it is highly unlikely that this combination of factors that has existed in recent weeks will continue indefinitely.

Indeed, the recent reduction of the Canadian oil export tax by 80 cents per barrel has probably made Canadian crude nearly competitive again in world markets, and demand can be expected to increase quickly. This points up the need to implement an allocation system that is not dependent on temporary and highly variable factors. Without such a system, residents and businessmen in my State cannot proceed with the planning they must undertake for years in the future.

In short, the need is pressing for FEA takeover of the allocation of Canadian oil, and for a priority allocation system that recognizes the unique position of the Northern Tier landlocked refiners. Only such a system can give us in Minnesota and in the other states served by these refineries the time needed to continue an adequate fuel supply to our states until longer-range alternatives are concluded. Only a priority allocation system of this type will allow business and industry, in addition to individual consumers of petroleum products in my state, the ability to receive a continuing supply of the energy they need.

In my talks in February with Canadian government leaders, they stressed their appreciation of the uniqueness of our situation in the Northern Tier, and particularly in Minnesota and Wisconsin. It was my strong feeling that they realized the devastating consequences that a reduction in the volumes of Canadian crude in these states would have on economic activity. They appreciated the fact that these Northern Tier refineries were built especially for Canadian oil, that they have almost total dependency on that oil, and that there are no readily available and reasonably priced transportation alternatives.

I hope that FEA similarly recognizes our dilemma, and that the actions taken following this hearing today will reflect this sense of awareness and concern. These FEA regulations will help determine the economic future of the state of Minnesota. They must be implemented quickly and they must be implemented fairly. I am confident they will be.

STATEMENT BY SENATOR HUBERT H. HUMPHREY

The Canadian government decision to phase out oil exports to the United States by 1984 has created major short and long range problems for the economies of Minnesota and other Northern Tier states which are dependent on Canadian crude. Government decisions on allocation of Canadian crude during the withdrawal period will impact substantially on these states' capability to cope with the problems. Adequate allocation of Canadian imports will be vital to ensuring the short-term economic viability of the Northern Tier refineries and of the states in which these refineries are located. Inadequate allocations would literally strangle my own state of Minnesota and impede its ability to make a successful adjustment to the cessation of Canadian imports in 1984.

An FEA decision to allocate Canadian crude on the basis of the recently published Oil Import Regulations, 213.28, would spell economic disaster for Minnesota. Both the concept—allocation according to imports in a specific time period—and the time frame (May 1, 1974 to April 30, 1975) would hurt Minnesota.

There are three refineries in Minnesota, and one just over the state border in Wisconsin which serves Minnesota. These refineries were built to utilize Canadian crude oil, and the only major crude pipeline which connects them to a source of crude oil connects them to Canadian crude. Approximately 85–90 percent of the crude oil feed stock used by these refineries is Canadian. These refineries, which have a total capacity of 220,000 barrels per day, supply Minnesota with 50 percent of all refined petroleum products and 100 percent of the residual oil used daily.

Theoretically, of course, the refined product currently produced in Minnesota could be made up from other sources; practically, however, since the product pipeline from the south central states to Minnesota is already operating at full capacity, the only way Minnesota could acquire the oil to heat its homes and gas to run its cars in the short run would be by transporting it in by truck or barge. This is a highly expensive and highly inefficient alternative. Since residual oil cannot be transported over long distances, it would be even more difficult for Minnesota to meet its residual oil needs in the short run. Over the long-run alternative crude oil pipelines connecting the refineries to crude oil sources in the Texas-Louisiana-Oklahoma area or Alaska could be built to supply Minnesota, if no agreement to continue crude deliveries beyond 1984 can be reached with the Canadians.

Minnesota is already feeling the impact of Canadian energy decisions. Canadian crude oil costs Minnesota refineries $12.50 to $13 a barrel. It is the most expensive crude oil used in America, costing its users $1 to $1.50 per barrel more than the Persian Gulf oil and about $2–3 more per barrel than the old domestic oil used elsewhere, even after entitlements are included. Its high cost has already forced Minnesota refineries to cut back their operations to 55–70 percent of capacity in order to cut losses to a manageable level.

Even with the cutback, the refineries are experencing difficulties.

If allocations followed the FEA regulation, Minnesota refineries would be starting out with one strike already against them—the base period upon which their allocations would be calculated would be a period in which they already were operating far below capacity. The refineries, in effect, would be penalized by FEA for having, on their own, attempted to make some adjustment to the artificially high price of their only major source of crude. The cutbacks in their operation which would be required in the next few years as a result of basing allocation on the May-April period probably might force some, if not all, of the refineries to cease operations.

I repeat—even if Minnesota were able to make up from imports some of the short-term shortfall which would result in future years from using the May-April period as the case period, the economic consequences would be disastrous. If crude oil supplies were to decline by 20 percent in Minnesota, and all refineries were able to continue operations—which might be extremely difficult for those now operating at 55–60 percent of capacity—about 30 workers would be laid off by the refining industry. At this level, there would be minimum employment effects on other industries if refined products were available from other states. But the volume of economic activity (value of production) would be expected to fall 0.2 percent and gross state product would fall 0.3 percent due to both lower local refinery production and higher imports of refined products.

It is patently obvious that the ramifications of even a 20 percent decline in crude oil supplies would be serious. But, the ramifications could be even worse for Minnesota. If all Minnesota refineries were forced to close because the FEA allocations were so low as to make their operation uneconomic, and if Minnesota were by some miracle able to make up 100 percent of its needs from imports, 4600 workers would be added to Minnesota's unemployment rolls, $46.3 million would be lost in wages and salaries, and $38.0 million would be lost in taxes. If, in this case, Minnesota were only able to make up 50 percent of its petroleum needs from imports, which is more realistic, unemployment alone would soar to an estimated 56,000 as a result of the primary and secondary effects of the refinery shutdowns and loss of supplies.

I seriously doubt that the FEA intends to create an economic depression in Minnesota. But that would be the result of proceeding on the basis of the Oil Import Regulation, 213.28.

A far more equitable approach to allocating the dwindling supplies of Canadian crude, and one which would prevent economic disaster in Minnesota and other Northern Tier states, would be to base allocations on access to alternative secure sources of crude. Under such a plan, Minnesota refineries and other refineries which have little or no access to alternative sources of crude oil, would receive priority in allocation of Canadian crude. Other refineries, such as those in Gary and Whiting, Indiana, which have access to alternative sources, would be asked to look to those sources for a greater portion of their needs. At the point when only Canadian dependent refineries were receiving Canadian crude, then these refineries would be curtailed in a proportional manner.

Such an allocation program could be implemented on extremely short notice. Canada is cognizant of the problems faced by the Northern Tier refiners; Canadian energy officials have made it clear that they will distribute their exports according to regulations promulgated by the FEA.

It is impossible for me to overstate the need for allocating Canadian crude on the basis of need rather than historic imports. Such an allocation priority would serve both national and regional interests.

It would fully utilize the capital and existing capacity of the Northern Tier region, would soften the impact of Canada's decision to cut back imports, and would buy time while alternative means and sources of supply were located.

Adequate supplies of finished product—gasoline, diesel, kerosene, residual oil—would then be available to meet the growing demands, especially agricultural demands, of the region at least for the interim.

In making judgments on allocation, it is essential that the FEA recognize the interaction between oil and other energy supplies. If the FEA were to take account of the interaction of natural gas supplies and Canadian oil in the Northern Tier region in allocating Canadian crude, Minnesota's case would be even stronger.

Minnesota receives 95 percent of her natural gas from Northern Natural Gas Company of Omaha, Nebraska. We have been advised to plan for a decline in our natural gas supply of five percent per year during the next five years. Natural gas is being phased out from use first in electric generation and next in large "interruptible" commercial and industrial customers.

In most cases, the anticipated "back up" fuel for these customers is oil. These customers of natural gas companies, many of them large food processing plants, planned for short periods of interruption by installing equipment to burn oil, oil produced by our regional refineries from Canadian crude.

In order to insure that Minnesota industry, including food processing plants and other manufacturers in the Upper Midwest, can make the transition from natural gas to coal, which is the long term FEA objective, they must be able to survive the critical years of 1977–1979. Even if all of the Canadian supply that the state uses now is still available to us in 1979, Minnesota faces a billion gallon shortage of oil because of natural gas curtailments.

Conversion to coal takes time. Minnesota is proceeding as quickly as it can. However, the removal of natural gas from Minnesota industries as required under FPC orders, if coupled with the reductions in oil availability that could result from implementation of the cited FEA rule, will leave our region with such an energy shortage that we may not have the capacity to move into the coal economy of the future.

In addition to priority allocation of Canadian crude, there are several steps which should be taken now to try to avert the consequences of an oil and gas squeeze on Minnesota. First and foremost among these are serious negotiations with the Canadians to explore the possibilities for continuing the supply of crude to the Northern Tier region beyond 1984. All forms of cooperation, including supply swaps and Alaska-Canada-Continental U.S. crude oil and gas pipelines, should be explored. Additionally, FEA and State should explore the possibilities of increasing the supply of natural gas at current prices from Canada, so that Minnesota's energy problems will not be exacerbated. The price of Canadian gas is currently sufficiently high to encourage exploration. Finally, we will need to take steps to increase domestic supplies of natural gas.

Now is the time for swift FEA action—on fair and equitable allocations of Canadian crude, and on securing Canadian agreement to cooperative efforts on energy supply questions. I urge you to act.

STATEMENT OF REPRESENTATIVE ALBERT H. QUIE OF MINNESOTA

Several times in recent months, I have found occasion to call to the attention of the Federal Energy Administration a situation which affects commerce and life in my State of Minnesota as well as other States in the Upper Midwest. I was pleased to note in the Federal Register of April 22 that the FEA is considering the effect of decreased imports on refineries that depend on Canadian crude oil, and I am happy to have this opportunity to comment on the proposals.

In the Minnesota Twin Cities area there are three petroleum refineries, with a total refining capacity of around 200,000 barrels a day. This is approximatley one-fourth of the Canadian crude presently imported. These refineries rely almost exclusively (more than 80 percent) on Canadian crude oil transported from the Inter-Provincial/Lakehead Pipeline from Edmonton, Alberta, which branches off at Clearbrook, Minnesota, to the Minnesota Pipeline. There is no other crude oil pipeline running anywhere near the Minneapolis-St. Paul area. The remaining crude is obtained from North Dakota, also to the West. This is run through the same pipeline.

These "land-locked" refineries are concerned because of the change in Canadian energy policy which threatens their source of crude oil. In view of the announced elimination of crude oil exports by 1983, long-range plans must be undertaken by the users of the Canadian product, such as construction of a pipeline from Chicago to the Twin Cities. Another suggestion has been made for the reversal of the Trans-Mountain pipeline in Western Canada to permit the use of the Canadian pipeline along the Canadian border to Minnesota. The latter, of course, would require the complete cooperation of the Canadian government. Either avenue will be costly.

Minnesota refineries are essential to our State. They supply a large percentage of the energy needs within the State. Since residual fuel used for heating hospitals and schools is of such properties that it cannot be transported by pipeline, these refineries play a vital part in maintaining this supply.

The proposal amending Section 213.38 of FEA regulations would provide for allocation of Canadian crude oil to all importers under the fee-free license system on an equal basis. They will obtain an identical percentage of their present usage. This includes refiners who have used a portion of Canadian crude but have access to other sources of supply as well. Therefore, the need exists for the adoption of a policy that will provide priority consideration for dependent refiners.

It should be pointed out that the Midwest refineries have recently been in a sense paying a penalty for their access to Canadian crude in the form of the higher price of the Canadian product as compared with domestic oil, and of course, every expensive barrel run is more costly to the consumer, as well as the refiner. But the over-riding factor was continued flow of supply.

The relationship between Midwest refineries and Canadian crude suppliers was mutually satisfactory and beneficial at its inception—it was planned that way. With no pipelines coming up from southern oil fields, it was the access to Canadian oil that brought about the refinery construction in Minnesota.

The available amount of Canadian oil has already diminished by 20 percent in the past year. A cut of another 20 percent, if no adjustments are made in the regulations, would result in industry lay-offs and likely still higher fuel costs for the Midwest area, as well as a decline in the Gross State Product.

Shutting off Canadian oil supplies will result in shutting down the refineries. It is that simple. It would help in the long-range planning if the companies in that area could be assigned top priority in the allocation of the crude exported from Canada during this period. I am joining other Representatives from the Northern Tier States to urge that a policy of priority be established for these

refineries sustained by imports of Canadian raw materials.

STATEMENT OF JOHN L. KELLY, VICE PRESIDENT, SUPPLY AND TRANSPORTATION, CONTINENTAL OIL CO.

Good morning. My name is John L. Kelly, Vice President of Supply and Transportation for Continental Oil Company, headquartered in Houston.

I appear before you today to request that the Federal Energy Administration assume a role of government leadership and amend the mandatory oil import rules to allow for a preferential allocation of Canadian imports to those refineries either totally dependent, or heavily-reliant, on *this supply* source. These refiners, primarily located in the *five-state* Northern Landlocked Area, have no practical short-term alternate supply of feedstock to keep their plants running when the Canadian government phases down and eventually eliminates exports to the United States.

A failure to change present regulations to assure a continuation of Canadian supply to these plants at necessary levels would result in a serious economic disruption in the area. These consequences would result in tremendous personal burdens of citizens in Montana, North and South Dakota, Minnesota and Wisconsin. Loss of jobs, reduced tax revenues and cutbacks in industrial and agricultural production are real possibilities. Energy shortages touch everyone—from individuals using home heating oil and gasoline, to small and large manufacturing firms, to farmers fueling tractors and drying crops.

If it were not for a reduction in consumer and industrial energy use in the Northern Area—as there has been in other parts of the country—there would already have been energy shortages in the area because of Canadian export reductions since January 1.

In response to your request for specific information to be used in formulating a program for allocating Canadian imports, Conoco has filed a comprehensive written submission. In summary, Conoco's submission concludes the following:

REFINERS' DEPENDENCE ON IMPORTS

Roughly three-quarters of Canadian crude oil and condensate exported to the U.S. enters the country across the borders of Montana, North Dakota and Minnesota. A third of this remains in the Northern Landlocked states and the balance passes through the area en route to the Midwest and Great Lakes regions. To a great extent, these regions have access to alternate crude and petroleum products supplies. Even now, new pipelines are under construction to provide additional crude oil supplies to the Midwest and Chicago area.

The 1974 refining capacity in the Northern Landlocked states was 439,000 barrels per day (BD), which produced approximately 329,000 BD of gasoline and distillates. During this period, about 230,000 BD or 60% of the region's total crude and condensate supply came from Canada.

Two of the seven U.S. refineries Conoco owns and operates are located in Wrenshall, Minnesota and Billings, Montana. These two plants have a combined daily throughput capacity of 76,000 barrels and are substantially dependent on Canadian imports of crude oil and condensate. Our refinery at Billings is 60–70% reliant on Canadian crude feedstocks, with no practical alternate supply. The refinery near Duluth, Minnesota is 100% dependent on Canadian supply, with *no* alternate supply.

FUTURE DEPENDENCE; ALTERNATE SUPPLY

Conoco's calculations indicate that should the Canadians proceed on schedule and reduce crude exports to a level of 650,000 BD on July 1, under present regulations there could be a shortage of 100,000 BD of refinery feedstocks available to the Canadian-Dependent refineries by the end of the year. The shortage could increase to 200,000 BD by 1977—almost one-half the area's refining capacity.

Should Canadian exports to the United States be reduced as announced, without a change in regulations, there undoubtedly will be a number of area refineries forced to shut down. In Conoco's case, our Minnesota plant could be forced to close down in 1977. The Montana refinery could remain operational for several additional years at reduced output.

We do not want to see this happen. The Minnesota refinery is relatively small and Conoco could survive its closing. But, we do feel an obligation to our many customers to serve them as long, and by whatever means, we can. Loss of the refinery would affect, if not curtail, fuel supplies to: motorists, home heating oil consumers, paper mills, marine operations, steel mills and a Strategic Air Command base. In Montana, where we are a market leader, our primary customer for refined products is the agricultural industry which consumes 42% of the Billings light oil output.

For the short-term there simply are no viable means for providing the Northern Landlocked Area's petroleum needs through alternate supply systems. It is highly impractical to move crude or petroleum products by transport truck or rail car because of the immense volumes involved. For example, just to handle the crude oil requirements for operating Minnesota's refineries at normal capacity would require nearly 2,000 standard-size transports. Conoco's Wrenshall refinery alone would require 200 to 300 transport trucks—more than Conoco's entire U.S. fleet. The costs, logistics and practicality factors are obviously prohibitive.

The Landlocked Area could not expect barge or tanker traffic to fulfill required demands—the waterways serving the area are not navigable during portions of the year.

Well, what can we do? We propose certain long-term and short-term solutions for your consideration.

SHORT-TERM SOLUTIONS

A return to free market conditions, on both sides of the border, would quickly alleviate the problem of supply inequities in the Northern Landlocked Area. Under normal free market mechanisms, Canadian supplies would tend to satisfy the Landlocked Area's requirements prior to moving into other states. Unfortunately, it appears likely some form of petroleum allocation will continue to be imposed in the U.S. and Canada for the foreseeable future.

Assuming that Canada will continue its policy of reducing oil exports to the U.S., and given the hard facts that no viable short-term crude or product supply alternatives are available for the Northern Landlocked states, Conoco urges a preferential allocation of Canadian exports to the region that would allow:

1. Landlocked Area refiners to receive their nominated volumes of Canadian supplies, not to exceed their 1972 refinery runs of these supplies, plus plant expansions since 1972.

2. Available Canadian imports in excess of this level to be allocated equitably among all remaining historic users.

Attached to my statement and for inclusion in the record is a step-by-step outline covering how the language of Paragraphs 213.28, 213.36 and 213.38 of the Oil Import Regulations can be changed to accommodate a preferential program.

LONG-TERM SOLUTIONS

Construction lead time and political and economic uncertainties make it unlikely that there will be massive investments in alternative transportation systems to alleviate the Northern Landlocked Area energy supply problems by 1978. In looking ahead toward long-range solutions to the Canadian supply problem, Conoco proposes several possible alternatives which can be accomplished through a joint U.S.-Canadian effort. Among these are:

1. An oil exchange program whereby the U.S. guarantees Canadian refiners a volume of petroleum from supplies it controls in exchange for an equal volume assured for Landlocked Area refiners. (Conoco has volunteered its participation in such a program if a preferential allocation becomes inadequate to meet requirements of the Northern Landlocked refineries).

2. A plan to promote other crude supplies to replace Canadian feedstocks currently going to Puget Sound and Vancouver refineries. This would permit reversal of the Trans Mountain Pipeline in Canada to allow Alaskan North Slope crude to be shipped from Vancouver to Edmonton, and on into the Landlocked Area via existing pipelines.

3. Diplomatic initiatives with Ottawa to allow additional exports to the Landlocked Area and/or the extension of the current Canadian supply cutback timetable, pending resolution of U.S. transportation and supply alternatives.

CONCLUSION

In conclusion, it is my own personal belief—which I feel is shared by others within the industry and the governments of the states involved—that the situation confronting the Northern Landlocked Area is among the most pressing energy problems facing the U.S. today. The potential energy shortages are real. The decision-making time to avert severe economic disruption in the Northern Landlocked states is now!

I strongly urge the Federal Energy Administration to act now and implement a plan for a preferential allocation program for Canadian imports to get us through the short-term problem until long-term solutions can be initiated and carried out.

Thank you again for the opportunity to present our views.

CONTINENTAL OIL COMPANY: SUGGESTED AMENDMENTS TO SECTIONS 213.28, 213.36 AND 213.38 OF THE OIL IMPORT REGULATIONS TO PROVIDE FOR THE PREFERENTIAL ALLOCATION OF CANADIAN IMPORTS

1. Section 213.28 to be amended by revising Paragraphs (a), (b), (c), (d), & (f) to read as follows:

§ 213.28 Imports of Canadian Crude Oil—Districts I–V

(a)(1) As used in this section, the term "Canadian crude oil imports" means imports from Canada of crude oil which has been produced in Canada and unfinished oils which have been derived from crude oil or natural gas produced in Canada and which have been transported into the United States by overland means or over waterways other than ocean waterways.

(a)(2) As used in this section, the term "Canadian Dependent Refiners" means those refineries in the states of Montana, North Dakota, Minnesota, Wisconsin, and that portion of Michigan which lies north of the forty-third (43d) parallel.

(b) To be eligible for an allocation of imports under this section, a person must have in District I–V a facility capable of processing Canadian imports.

(c) The Director shall, in accordance with the terms of paragraph (d)(1) of this section make allocation in each allocation period on a facility by facility basis considering Canadian export levels as established by the Canadian National Energy Board.

(d)(1) The Director shall make allocation not subject to license fees but subject to supplemental fee of Canadian imports to

eligible applicants who received allocations of such imports for the allocation period May 1, 1974 through April 30, 1975 pursuant to § 213.33 and 213.26. Each such applicant shall be entitled to an allocation of Canadian imports in accordance with paragraph (d) (2) and (3) of this section.

(d) (2) The allocation program shall be administered on a six month basis. Nominations shall be submitted in writing to the Director by the 15th day of the last month in each six month allocation period. The initial allocation period shall begin on July 1, 1975 and nominations shall be submitted in writing to the Director by June 15, 1975.

(i) The Director shall allocate first to Canadian Dependent Refineries (as defined in paragraph (a) (2) of this section). Each facility shall receive the full amount nominated, not to exceed each plant's Canadian crude oil inputs, during the twelve month period October 1, 1971 to September 30, 1972 plus a volume equal to the capacity created by any plant expansions certified operational on or after January 1, 1972 and prior to January 1, 1975.

(ii) If the Canadian crude oil export level as established by the Canadian National Energy Board, as provided under paragraph (c) of this section, shall be less than the requirements for Canadian Dependent Refineries, the total Canadian crude oil volume available for import from Canada shall be allocated among the Canadian Dependent Refineries. Allocation to each refinery shall be prorated on the basis of each facility's Canadian crude oil inputs during the twelve month period October 1, 1971 to September 30, 1972 plus a volume equal to the capacity created by any plant expansions certified operational on or after January 1, 1972 and prior to January 1, 1975.

(iii) The volume remaining after the allocations made in paragraph (d) (2) (i) above shall be allocated to other eligible refineries on a prorata basis. Allocations shall be made to individual companies on the basis of their 1974 United States fee-free licensed amounts.

(d) (3) FEA shall make necessary allocation and import license adjustments to all Canadian import licenses effective May 1, 1975 in order to be consistent with allocation derived from the nominations for the allocation period beginning July 1, 1975.

(f) If a person who receives an allocation of Canadian imports under this section fails to import the total quantity of imports specified in the allocation, or if he fails to process all such imports (or Canadian imports received in exchange for such imports) in his facilities before July 1, 1976, or if he fails to meet the requirement of paragraph (e) of this section, then any allocation of Canadian imports for Districts I–V to which such a person may otherwise be entitled for the first allocation period beginning after April 30, 1976 shall be reduced by the Director by the amount of Canadian imports which such person has failed to import, or by the amount of Canadian imports and exchanged oil which such person has failed to process in his facilities before July 1, 1976 or by the amount of Canadian imports by which he failed to meet the requirements of paragraph (e) of this section, except that the Director need not make such a reduction to the extent that (1) such person demonstrates to the satisfaction of the Director that such failures were without such person's fault and were beyond his control, or (2) such person on or before September 1, 1975 in writing relinquishes all or part of an allocation made under this section and returns to the Director licenses issued thereunder.

2. Section 213.36 to be deleted.

3. Section 213.38 to be revised as follows:

§ 213.38 Imports of Canadian Natural Gas Products—Districts I–V

(a) (1) As used in this section, the term "Canadian Natural Gas Products" means plant condensate, a natural gas plant product, mostly pentanes and heavier hydrocarbons, recovered and separated as a liquid at gas inlet separators or scrubbers in processing plants or field facilities and which is not suitable for blending with natural gasoline or refinery gasoline (§ 211.62).

(a) (2) As used in this section, the term "Canadian Dependent Refiners" means those refineries in the states of Montana, North Dakota, Minnesota, Wisconsin, and that portion of Michigan which lies north of the forty-third (43rd) parallel.

(b) To be eligible for an allocation of imports under this section, a person must have in Districts I–V a facility capable of processing Canadian Natural Gas Products.

(c) The Director shall, in accordance with the terms of paragraph (d) (1) of this section make allocation in each allocation period on a facility by facility basis considering Canadian export levels as established by the Canadian National Energy Board.

(d) (1) The Director shall make allocation not subject to license fees but subject to supplemental fee of Canadian imports to eligible applicants who received allocations of such imports for the allocation period May 1, 1974 through April 30, 1975 pursuant to §§ 213.38, 213.36 and 213.26. Each such applicant shall be entitled to an allocation of Canadian imports in accordance with paragraph (d) (2) and (3) of this section.

(d) (2) The allocation program shall be administered on a six month nominations basis. Nominations shall be submitted in writing to the director by the 15th day of the last month in each six month allocation period. The initial allocation period shall begin on July 1, 1975 and nominations shall be submitted in writing to the Director by June 15, 1975.

(i) The Director shall allocate first to Canadian Dependent Refineries (as defined in paragraph (a) (2) of this section). Each facility shall receive the full amount nominated, not to exceed each plant's Canadian Natural Gas products input during the twelve month period, Otcober 1, 1971 to September 30, 1972.

(ii) If the Canadian Natural Gas Product export level as established by the Canadian National Energy Board as provided under paragraph (c) of this section, shall be less than the requirements for Canadian Dependent Refineries, the total Canadian Natural Gas Product volume available for import from Canada shall be allocated among the Canadian Dependent Refineries. Allocation to each refinery shall be prorated on the basis of each facility's Canadian Natural Gas Product inputs during the twelve month period October 1, 1971 to September 30, 1972.

(iii) The volume remaining after the allocations made in paragraph (d) (2) (i) above shall be allocated to other eligible refineries on a prorata basis. Allocations shall be made to individual companies on the basis of their 1974 United States fee-free licensed amounts.

(d) (3) FEA shall make necessary allocation and import license adjustments to all Canadian import licenses effective May 1, 1975 in order to be consistent with allocations derived from the nominations for the allocation period beginning July 1, 1975.

(e) (1) Except as provided for in paragraph (2) of this section a person who imports Canadian Natural Gas Products must process all such imports in his own facility. For the purpose of this paragraph, blending by mechanical means does not constitute processing.

(e) (2) (i) Canadian Natural Gas Product imports may be exchanged on a barrel for barrel basis for other Canadian imports but each person receiving crude oil, unfinished oils, or Natural Gas Products in the exchange must process the Canadian imports received in his own facilities. Settlement, credits, monetary, or accounting adjustments reflecting the relative values of the imports involved in the exchange are permissible.

(e) (2) (ii) Canadian imports which are sold to meet the requirements of regulations published by the Federal Energy Administration shall not be subject to the provisions of paragraph (e) of this section.

(f) If a person who receives an allocation of Canadian Natural Gas Product imports under this section fails to import the total quantity of imports specified in the allocation, or if he fails to process all such imports (or Canadian imports received in exchange for such imports) in his facilities before July 1, 1976, or if he fails to meet the requirement of paragraph (e) of this section, then any allocation of Canadian Natural Gas Product imports for Districts I–V to which such a person has failed to import, or by the amount of Canadian imports and exchanged imports which such person has failed to process in his facilities before July 1, 1976 or by the amount of Canadian imports by which he failed to meet the requirements of paragraph (e) of this section, except that the Director need not make such a reduction to the extent that (1) such person demonstrates to the satisfaction of the Director that such failures were without such person's fault and were beyond his control, or (2) such person on or before September 1, 1975, in writing relinquishes all or part of an allocation made under this section and returns to the Director licenses issued thereunder.

(g) Any allocation relinquished by a person pursuant to paragraph (f) of this section shall be reallocated to all eligible applicants in the same proportion that each received an allocation under paragraphs (d) (1) of this section.

(h) A person to whom an allocation is made by the Director under this section shall report and certify in writing to the Director, not later than July 15, 1975, (1) the total quantity of Canadian imports which that person imported during the period May 1, 1974 through April 30, 1975 pursuant to an allocation made under § 213.38 and (2) any quantity of such imports that were processed in his facilities before July 1, 1975. The amount so reported and certified shall be subject to verification by the Director. If a person to whom an allocation is made under this section fails to file by July 15, 1975 the written report and certifications required by this paragraph, the Director shall suspend all licenses issued under an allocation made under this section until the written report and certification are received.

(i) An allocation made pursuant to this section shall not be sold, assigned or otherwise transferred.

TESTIMONY OF FARMERS UNION CENTRAL EXCHANGE, INC., ST. PAUL, MINN.

I am George Kavouras, Vice President Petroleum, Farmers Union Central Exchange headquartered in St. Paul, Minnesota. Farmers Union Central Exchange owns and operates a refinery in Laurel, Montana which supplies petroleum products direct or through exchanges to farmer-owned cooperatives throughout a ten state area.

We request that both this oral testimony and the written testimony submitted herewith be entered into the record of this hearing.

The oral testimony is confined to summarizing the written testimony.

I. The FEA questions are pointed to the heart of this matter. The answers to these questions verify the need for the Northern Landlocked Area to receive first call on available Canadian exports.

II. Both short term and long term solutions are described in detail.

III. The detail for the short term solution includes proposed regulations for the "first call" allocation of Canadian crude to the Northern Landlocked Area.

We realize that neither the Hearing Offi-

cers nor participants in this hearing have had time to read our written comments. We are available for questions and discussion at any time, either here or elsewhere.

ANSWERS TO SPECIFIC QUESTIONS

I. Present degree of CENEX's dependency on Canadian oil.

During 1974 inputs to CENEX refinery at Laurel, Montana were: 14,015 BPD of Domestic Crude Oil; 14,569 BPD of Canadian Crude Oil; 806 BPD of Canadian Condensate; 2,074 BPD of Canadian Field Grade Butane.

Percentagewise 55.64% of the raw material input to the CENEX refinery was of Canadian origin.

The only alternative crude oil supply that can physically be made available to the CENEX refinery is crude oil produced in the Big Horn Basin of northwestern Wyoming. Pipeline capacity is now in existence that could move approximately an additional 20,000 barrels per day of Big Horn Basin crudes to Laurel. There are other problems, however.

(1) CENEX generally has access to only about 7,000 barrels per day of this crude oil. Practically all of the balance of this is controlled by four major oil companies and is available to us only when this particular crude is surplus to their needs, except, of course, those volumes they may make available to us under the Refiner Buy-Sell Program. If the Buy-Sell Program should come to an end, then only those volumes surplus to the needs of the four majors would be available to us. We have no way of knowing what volume this may be at any future time.

(2) The crude oil produced in the Big Horn Basin is a speciality, i.e., asphalt base, crude oil. Asphalt yields from these crudes vary from 15 to in excess of 30%. We believe both ourselves and other refineries in the Billings-Laurel area are now processing about all of this crude oil; the asphalt production from which can be absorbed in the historical market place. Should substantially greater volumes of this asphalt base crude be processed in Montana, there is no doubt we would all experience considerable difficulty in storing and handling the increased asphalt production.

II. Projected future dependency on Canada and plans to meet future requirements.

For the immediate future, that is three to four years, we expect the dependency of CENEX on Canadian crude stocks to range from 40 to 60% of total thruput. We cannot be more specific at this time on this future dependency since we do not know if the Refinery Buy-Sell Program will remain in existence or not after August 31, 1975; nor do we know what the future requirements of the major oil companies controlling Big Horn Basin crude may be for that type of crude oil; hence as stated earlier, we have no way of knowing what volume of this crude will be available to us in the future. Because of our size, it is for all practical purposes impossible for us to become independent of Canada by ourselves. As we see it, at this time there are only three ways through which Montana refineries can become independent of Canada.

These are:

(1) The discoveries of new domestic crude production in an area where it could move to Laurel-Billings on either existing pipelines or a pipeline that could be built. In our opinion the odds against such discoveries are so great this cannot be considered a practical alternate supply.

(2) The construction of a crude oil pipeline from the West Coast either into Montana or through Montana on to some other Canadian dependent area which would give us access to all waterborne crudes. Because of the cost, a pipeline such as this would have to be a joint industry project. Should such a project come into being CENEX would, of course, be interested in contributing to the project in some ratio proportional to what our expected thruput may be.

(3) A joint agreement between the U.S. and Canadian national governments to reverse Transmountain Pipeline in Canada. Should this be accomplished, we could then deliver waterborne crude into Puget Sound and either physically move it through Canadian pipelines into Laurel or possibly trade with the Canadians for some Canadian crudes that are closer to Laurel. Of course, should this be accomplished, we would not be completely independent of Canada but still dependent upon their good will for either transportation of crude through Canada to the U.S. or for a trade of waterborne crude for Canadian crude.

We believe alternate three above is the most logical because it would not require the amount of construction that would be required by a new pipeline from the West Coast through the northern U.S. We, therefore, urge the FEA and other U.S. agencies to work with the Canadians towards reversing of the Transmountain system.

III. Costs and practicability of reducing Canadian dependency by various means.

Practicability of the only means by which Montana refineries can reduce their Canadian dependency has been discussed under No. 2 above. We as of yet have no estimate prepared of the cost of a new pipeline from the West Coast to Montana or the cost of reversing Transmountain Pipeline.

IV. Analysis of market served by the refiners involved including access of consumers to alternate supply of energy sources.

The CENEX refinery at Laurel, Montana supplies petroleum fuels to its some 300,000 farmer-owners who are located in ten northern states between the Great Lakes and Pacific Coast. As some 90% of the petroleum fuels produced at Laurel go to farmer-consumers and as we see no method by which this farm usage of petroleum could possibly be converted to some other form of energy for many years to come, we see no alternate supply of energy source for our farmer-owners. As discussed under No. 2 above, we further see no alternate source of petroleum for the CENEX Laurel Refinery and its farmer-owner customers that could make us independent of Canada for several years to come for the following reasons:

(1) Crude oil pipelines do not exist that can move any crude oil to Laurel except from Canada or from the Big Horn Basin in northwest Wyoming, which we discussed in No. 1 above.

(2) Generally no finished petroleum product pipelines are in existence that could move finished petroleum products into the area now physically served by the Laurel refinery. The single exception is the eastern portion of the State of Washington, which is connected by pipeline to Wyoming and Utah refineries. We believe, however, these Wyoming-Utah refineries do not have capacity or supply sufficient to supply this area should the Montana supply be lost.

(3) Because of the lack of pipelines as discussed under Nos. 1 and 2 above, no foreign petroleum except from Canada can be made available to consumers served by our refinery. It would be physically impossible to supply these consumers by truck or tank car from some other part of the country.

The above discussion of alternate petroleum supplies does not apply to other areas now served by Canadian crude.

At the present time consumers in the Northwest Pacific Coast area are supplied petroleum fuels by refineries located on Puget Sound. Should these refineries on Puget Sound lose their supply of Canadian oil, we believe the consumers dependent on these refineries could be served in tanker shipments of domestic or foreign crude oil and domestic or foreign finshed products. Granted, some dock and treminal facility construction in the Puget Sound area may be necessary, however, the construction of these facilities would be of a much smaller time and cost magnitude than would construction of a crude oil pipeline from the West Coast to Montana.

Concerning the refineries and consumers in Western New York and Western Pennsylvania, we again believe that an alternate petroleum supply does now exist for this area for the following reasons:

Should the refineries in this area lose their Canadian crude supply, it goes without saying that space on the Interprovincial crude oil pipeline serving these refineries would be available. With the completion in the fall of this year of Texhoma crude oil pipeline (from Port Arthur, Texas to Cushing, Oklahoma) and the full utilization of Capline, it would be possible by next winter to move some 250,000 barrels per day of additional crude oil into the Chicago area. With the loss of Canadian crude movements over the Interprovincial-Lakehead system east of Chicago into Buffalo, there should be sufficient pipeline capacity to replace the lost Canadian material with a portion of the additional 250,000 barrels per day that could be moved into Chicago. This should keep the Western New York-Western Pennsylvania refineries operating at their present levels enabling them to continue supplying their historical customers.

The next area now being supplied with Canadian crude oil is the Chicago area. Should all Canadian crude oil be cut off from Chicago, we believe the consumers now supplied by Chicago area refineries could be supplied by:

(1) The balance of the 250,000 barrels per day of additional crude oil left over after New York-Pennsylvania was supplied as discussed above, and

(2) Inshipment of finished products over existing products pipelines such as Explorer which have available space. The finished products could be made available for movement to Chicago by a combination of diversion of some finished products to Chicago from the Gulf Coast which are now moved to other areas and by intanker shipment of foreign finished products to either the Gulf Coast or East Coast to either replace domestic products diverted to Chicago or for direct shipment to Chicago.

The last major area now served by Canadian crude oil is that area supplied by refineries in Minnesota, Wisconsin and northern Michigan. The problems of this area are very similar to those of Montana refineries in that neither crude oil pipelines nor finished products pipelines exist through which the slack could be taken up should these refineries lose their Canadian crude oil supplies.

We, therefore, believe it mandatory the FEA immediately estabish a new Canadian crude oil import program. The establishment of this program is of utmost urgency since Canada has already announced her intention to phase down crude oil exports to the United States.

We further believe this first call on Canadian crude oil to the Montana, North Dakota, Minnesota, Wisconsin and northern Michigan area is of the utmost urgency to the entire nation since this is primarily an agricultural area. Should we fail to supply the farmers in this area sufficient fuels, food production in these areas, of course, would be curtailed. If this should happen, it will affect every person in the U.S. in higher food costs and further have a detrimental effect to our national balance of trade position.

We have included in our written testimony to this FEA Hearing a proposed regulation for future imports of crude oil from Canada. We urge immediate adoption of this proposal

by the FEA. We believe this regulation or some variation of it which imbodies the same principles will best serve our entire nation for several years to come.

PROPOSED ALLOCATION OF CANADIAN CRUDE OIL IMPORTS

Under current conditions crude oil flows from Canada into certain United States refineries which manufacture finished petroleum fuels that are then distributed to consumers in certain areas of the nation. This suggests that meeting the basic minimum petroleum fuel needs of these consumers should be used in determining where the decreasing flow of Canadian crude oil should be directed. The logical method of arriving at a solution to the problem of decreased Canadian crude oil supplies is to assume all Canadian crude oil imports are cut off today. It must then be determined (1) what level of petroleum fuel supply is necessary in each area now served by Canadian crude to prevent undue hardship within that area; (2) can these basic minimum requirements be met in some other way such as (a) diversion of crude oil from other markets to refineries now operating on Canadian feedstocks, and (b) diversion of finished petroleum fuels from other markets into the affected areas. In assessing the redistribution of both crude oil and finished petroleum fuel supplies, priority must be given to (1) redistribution through existing transportation systems, and (2) spreading the impact over as much of the nation as possible.

Application of the above criteria has shown those consumers in the United States most dependent on crude oil imported from Canada are those whose petroleum fuel requirements are now being supplied by petroleum refineries in Montana, North Dakota, Minnesota, Wisconsin, and in Michigan north of the forty-third (43) parallel. Therefore, refineries in these states henceforth referred to as the Northern Landlocked Area, must for the next few years, be given first call on whatever volume of crude oil Canada may decide to export to the United States.

After providing sufficient Canadian crude supplies to the above Northern Landlocked Area, consideration is next given to those other U.S. areas with the longer history of Canadian crude usage. Therefore, after deduction for supplies to the Northern Landlocked Area, allocations will next be made to those Canadian crude importers of record in 1968. Should there remain any available balance of Canadian crude oil imports after first making allocations to the Northern Landlocked Area and those other 1968 and earlier importers, such balances will then be allocated to other Canadian importers of record during 1972.

This will provide for sound regulation of Canadian crude imports for the next few years. This will establish a three step allocation system based on a combined need-history of the areas involved. The system will operate as follows:

1. The FEA will receive from Canada the total level of crude oil and natural gas products available for export for a three month period.

2. The FEA will receive from refineries in the Northern Landlocked Area forecasts of needs. These forecasts will include utilization of all available domestic crude and total expected refinery run levels. Using these forecasted requirements, the FEA will first make allocations of Canadian crude oil and natural gas products imports to refineries in the Northern Landlocked Area with separate allocations for crude oil and natural gas products.

3. After filling requirements under No. 2 above, the FEA will then make allocations to those U.S. refineries with a history of Canadian imports in 1968. This allocation will be based on nominations to be received from this group of refineries. If sufficient supply exists to meet all nominations, all nominations will be filled. If sufficient supply does not remain, prorations will be made based on the 1968 record of these refineries.

4. Should any balance of Canadian crude oil or natural gas products be available after implementation of No. 2 and No. 3 above, it will be available to other refineries that did in 1972 import and process Canadian crude oil and/or natural gas products.

Separate regulations for allocation of Canadian crude oil and natural gas products for PAD Districts I–IV and PAD District V will not be issued. Rather all imports for PAD Districts I–V will be covered in a single regulation.

PROPOSED REGULATION FOR CANADIAN IMPORTS

Sub-section 213.28. Imports of Canadian crude oil and Canadian natural gas products—District I–V.

(a) (1) As used in this section, the term "Canadian crude oil" means crude oil which has been produced in Canada and unfinished oils which have been derived from crude oil or natural gas produced in Canada and which have been transported into the United States by overland means or over waterways other than ocean waterways.

(2) "Canadian natural gas products" means liquids (at atmospheric pressures) which have been produced in Canada from natural gas which was produced in Canada and does not meet any of the definitions included in Sub-Section 213.26 Paragraph (f) or (g), and which have been transported into the United States by overland means or over waterways other than ocean waterways.

(3) "Northern Landlocked Area" means the states of Montana, North Dakota, Minnesota, Wisconsin, and that portion of Michigan which lies north of the forty-third (43) parallel.

(4) "Allocation period" means a calendar quarter, i.e. January-Februray-March; April-May-June; July-August-September; October-November-December.

(b) To be eligible for an allocation of imports under this section a person must have had in Districts I–V in 1972 a facility capable of processing Canadian crude oil and/or Canadian natural gas products.

(c) The Director shall in accordance with the terms of Paragraph (d) of this section make separate allocations for allocation periods beginning July 1, 1975, not to exceed the average daily volume of Canadian crude oil and/or Canadian natural gas products available, into District I–V.

(d) (1) The Director shall make separate allocations not subject to license fees but subject to supplemental fee of Canadian crude oil and/or Canadian natural gas products to eligible applicants who received allocations of such imports for the period January 1, 1972 through December 31, 1972. Each such applicant shall be entitled to a separate allocation of Canadian crude oil and/or Canadian natural gas products calculated in accordance with the following formula.

(i) First for eligible applicants whose facilities capable of processing Canadian crude oil and/or Canadian natural gas products are located in the Northern Landlocked Area, separate allocations of Canadian crude oil and/or Canadian natural gas products equal to the volume necessary to permit such facilities, when added to other available feedstocks, to operate at the lessor of the volume necessary to supply consumers dependent on these facilities for petroleum fuels, or at the average runs to capacity level which such facility operated in 1972.

(ii) Second for eligible applicants that did in 1968 process Canadian crude oil and/or Canadian natural gas products the lessor of nominations or separate allocations calculated in accordance with the formula of:

$$A/B \times (C-D) = E$$

where:

A=Each eligible applicant's 1968 inputs of Canadian crude oil and/or Canadian natural gas products whose facility did in 1968 process such imports and who do not receive an allocation pursuant to (d) (1) (i).

B=The sum of all eligible applicants' 1968 inputs of Canadian crude oil and/or Canadian natural gas products whose facility did in 1968 process such imports and who do not receive an allocation pursuant to (d) (1) (i).

C=Total volume of Canadian crude oil or Canadian natural gas products available as applicable.

D=The total of allocations made pursuant to Paragraph (d) (1) (i) of Canadian crude oil or Canadian natural gas products applicable.

E=Allocation for next quarterly period of Canadian crude oil or Canadian natural gas products as applicable of each applicants eligibility for such allocation under this Subparagraph (ii).

(iii) Lastly should any volume of Canadian crude oil and/or Canadian natural gas products remain after allocations made pursuant to Paragraphs (d) (1) (i) or (ii) such volume will be allocated to all other eligible applicants that did in 1972 process Canadian crude oil and/or natural gas products, in accordance with the following formula:

$$F/G \times (C-(D+E) = H$$

where:

F=Each eligible applicant's 1972 U.S. quota for imports of Canadian crude oil and/or Canadian natural gas products who do not receive an allocation pursuant to Paragraph (d) (1) (i) or (ii).

G=The sum of all eligible applicants' 1972 U.S. quota for imports of Canadian crude oil and/or Canadian natural gas products who do not receive an allocation to Paragraph (d) (1) (i) or (ii).

C=The total volume of Canadian crude oil or Canadian natural gas products available as applicable.

D=The total of allocations made pursuant to (d) (1) (i) of Canadian crude oil or Canadian natural gas products as applicable.

E=The total of allocations made pursuant to (d) (1) (ii) of Canadian crude oil or Canadian natural gas products as applicable.

H=Allocation for the next quarterly period of Canadian crude oil or Canadian natural gas products as applicable for each applicant eligible for such allocation under this Subparagraph (iii).

(2) In no case shall any allocation made pursuant to this paragraph exceed an eligible applicant's nomination for imports of Canadian crude oil and/or Canadian natural gas products.

(3) The Director shall issue, not less than ten (10) days prior to the beginning of each allocation period, a license to each eligible applicant who has received an allocation pursuant to this paragraph (d). To facilitate pipeline operations each such license shall expire on the tenth day following the end of each allocation period.

(4) Each eligible applicant who receives an allocation of and license for imports pursuant to this paragraph, shall make such imports ratably over the entire allocation period in so far as such ratable imports are physically possible.

(e) (1) Except as provided for in Subparagraph (2) of this paragraph a person who imports Canadian crude oil and/or Canadian natural gas products must process all such imports in his own facility. For the purpose of this paragraph, blending by mechanical means does not constitute processing.

(2) (i) Canadian crude oil and/or Canadian natural gas products imports may be exchanged on a barrel for barrel basis for other such Canadian crude oil and/or Canadian natural gas products imports, but each person receiving crude oil or unfinished oils in

the exchange must process the crude oil or unfinished oil received in his own facilities. Settlements, credits, monetary, or accounting adjustments reflecting the relative values of the oils involved in the exchange are permissible.

(ii) Canadian crude oil and/or Canadian natural gas products imports which are sold to meet the requirements of regulations published by the Federal Energy Administration shall not be subject to the provisions of Paragraph (e) of this section.

(f) If a person who received an allocation of Canadian crude oil and/or Canadian natural gas products imports under this section fails to import the total quantity of imports specified in the allocation, or if he fails to process all such imports (or Canadian crude oil and/or Canadian natural gas products imports received in exchange for such imports) in his facilities within forty-five days following the need of the allocation period, or if he fails to meet the requirements of Paragraph (e) of this section, then any allocation of Canadian crude oil and/or Canadian natural gas products imports for Districts I–V to which such person may otherwise be entitled for the second successive allocation period shall be reduced by the Director by the amount of Canadian crude oil and/or Canadian natural gas products imports which such person has failed to import, or by the amount of Canadian crude oil and/or Canadian natural gas products imports and exchanged oil which such person has failed to process in his facilities within forty-five days following the need of the allocation period or by the amount of Canadian crude oil and/or Canadian natural gas products imports by which he failed to meet the requirements of Paragraph (e) of this section, except that the Director need not make such a reduction to the extent that (1) such person demonstrates to the satisfaction of the Director that such failures were without such person's fault and were beyond his control, or (2) such person on or before the fifteenth day of an allocation period relinquishes all or part of an allocation made under this section and returns to the Director licenses issued thereunder.

(g) Should any allocations and licenses be relinquished to the Director pursuant to Paragraph (f)(2), the Director shall have the option of (1) reallocating such relinquished allocation and license to other eligible applicants pursuant to Paragraph (d) or (2) negotiating with the proper Canadian officials for an increase in the total volume of Canadian crude oil and/or Canadian natural gas products imports available for the succeeding allocation period, by the total of such relinquished allocations and licenses.

(h) A person to whom an allocation is made by the Director under this section shall report and certify in writing to the Director, not later than sixty days after the close of an allocation period (1) the total quantity of Canadian crude oil and/or Canadian natural gas products imports which that person imported during an allocation period (2) the quantity of such imports that were processed in his facilities within forty-five days following the end of an allocation period. The amount so reported and certified shall be subject to verification by the Director. If a person to whom an allocation is made under this section fails to file within sixty days following the end of an allocation period the written report and certification required by this paragraph, the Director shall suspend all licenses issued under an allocation made under this section until the written report and certification are received.

(i) An allocation made pursuant to this section shall not be sold, assigned, or otherwise transferred.

(j) An application for an allocation under this section shall be made by letter or telegram to the Director, Oil Imports, P.O. Box 7414, Washington, D.C. 20044, unless an application has been previously filed. Applications must have been received not less than thirty days prior to the beginning of an allocation period. An application must contain the following information, which shall be certified by an officer of the applicant:

(1) The nature of each of the applicant's facilities in which Canadian crude oil and/or Canadian natural gas products imports will be processed.

(2) The location of each such facility.

(3) The capacity in barrels per calendar day of such facility as reported to the Bureau of Mines or certified by the FEA as of January 1, 1972 and as of the beginning of the previous allocation period.

(4) Refinery inputs to such facility in average barrels per calendar day for the year of 1972.

(5) The estimated total inputs to each such facility for the coming allocation period by month.

(6) The estimated available supply of inputs other than inputs of Canadian crude oil and/or Canadian natural gas products imports for each such facility for the coming allocation period by month.

(7) The volume of Canadian crude oil and/or Canadian natural gas products imports requested by each eligible applicant for each such facility.

(8) An officer of an applicant shall also certify in his application that if an allocation of Canadian crude oil and/or Canadian natural gas products imports is made to the applicant under this section, the applicant will process all such imports (and all oil exchanged for such imports) in such facilities within forty-five days following the end of an allocation period.

(9) Inputs to such facility of Canadian natural gas products during the year of 1968.

(k) No entry or withdrawal from warehouse for consumption of Canadian crude oil and/or Canadian natural gas products pursuant to a license issued to this section.

STATEMENT OF MURPHY OIL CORP.

Gentlemen: My name is Paul Bilger and I am Vice President of Manufacturing for Murphy Oil Corporation. We appreciate this opportunity to present our views on the allocation of imported Canadian crude oil.

Murphy Oil Corporation has submitted statements on Canadian crude supply problems to governmental agencies on both sides of the border since the inception of voluntary import controls in 1958. Since the public record is complete as to the nature and scope of our business and to our fundamental belief that only a free market can efficiently allocate resources, we are confining ourselves in this submittal to the specific questions upon which you have requested comments.

Murphy's "Northern Tier" refinery is located at Superior, Wisconsin on the extreme western tip of Lake Superior. Capacity of the plant is 45,000 B/D. The only practical means of supplying feed stock to the refinery are via the Interprovincial/Lakehead and Portal/Lakehead pipeline systems. From the time the refinery was erected in 1951, it has run virtually all Canadian crude—since 1967 it has run 100% Canadian crude. Our plant was the first of only three built soley relying on Canadian supply. There are no practical or economical means of supplying the refinery with either domestic or offshore foreign crude on a continuing basis. Domestic crude oil is not available for transport through the Portal/Lakehead system and there are no other crude pipelines serving the area. Foreign crude is commercially excluded as the area is ice-bound four to five months of the year and ships are limited to an uneconomical 22-foot draft.

The Superior refinery will continue to be dependent upon Canadian crude for the foreseeable future. Although we are studying alternate sources of supply, to date we have been unable to arrive at a viable solution to the problem. Given the size and location of the refinery and the relatively small local market, it must be supplied with crude oil from northern or western sources in order to be competitive with refineries to the south. We mention western sources since there is at least a possibility that a pipeline will be built from the Puget Sound area across the northern part of the country to move Alaskan crude into the upper midwest. Another possibility is to reverse the Trans Mountain pipeline in Canada and move Alaskan crude via that line and Interprovincial/Lakehead into the upper midwest. These are *possible* alternatives. Murphy can make no plans based on these possibilities since development does not lie within the control of our Company. Failing a supply of Canadian crude or of Alaskan crude via one of the routes mentioned, at a competitive cost, we will simply have to shut the plant down.

Markets served by Murphy's Superior refinery are in the States of Minnesota, Wisconsin, and Michigan. While our market share is modest in the region as a whole, our product supply is important to the northern parts of the three states, and is vital to the area around Duluth-Superior. For example, we supply substantially all of the ships' bunkers in the Twin Ports. Alternate supplies for this area could be moved by water from Chicago by lake tankers, and from Twin Cities, or the midcontinent, by Williams Brothers Pipeline. (The pipeline would not be an alternate supply of bunkers, residual fuel oil, or asphalt.) None of these alternatives makes sense either logistically or economically when compared to direct supply by a refinery in the area.

Until the mid-1960's the Superior refinery supplied substantial volumes of residual fuel oil to taconite plants in the area. This market was lost to natural gas in 1966, and refining process schemes were altered to meet the changing demand pattern. Now, gas is no longer available and demand for residual fuel is mushrooming. Unsolicited inquiries to Murphy over the recent past for long-term supplies of residual fuel oil total some 10,000 B/D. Obviously, there is no way we can contract to supply any of this demand long-term without an assured source of crude oil.

Turning to the overall problem of Canadian crude supply and allocation, we believe it imperative that the Canadian crude available be allocated on a priority basis in order to assure the continued operation of those refineries which are solely dependent upon Canadian crude supply and which were built in good faith relying on such supply. We do not believe that Canadian crude exports to the United States will be reduced below the volume necessary to supply the so-called "Northern Tier" refineries. Indeed, the Hon. Donald McDonald, Minister of Energy, Mines and Resources for Canada, has publicly stated Canadian intent to give priority to this unique group of refineries. Mr McDonald said: "One of the factors that we would, however, be taking into account in our relationship is that there are a number of refineries in the northern tier that came into being specifically because of Canadian oil, that certainly have a dependence that we would recognize, and that would receive priority in our long-range policy on oil exports."

We urge the FEA to give us, now, the consideration the Canadians have said they will

give us in their long-range oil export policy. Unless an allocation program is adopted quickly which recognizes the unique position of these plants, they may be forced to shut down. If this happens, the capacity of these plants may eventually be lost forever. We do not believe that is what the FEA wants, we know it would be detrimental to the area which these refineries serve, and to the best interest of the country as a whole.

REMARKS BY WILLIAM E. PERRINE, ASHLAND PETROLEUM CO.

My name is William Perrine. I am a Vice President of Ashland Petroleum Company, an operating subsidiary of Ashland Oil, Inc., headquartered in Ashland, Kentucky. Ashland is recognized as an independent refiner, as that term is generally accepted in the industry, and as it is defined by the Emergency Petroleum Allocation Act of 1973. Our petroleum operations include seven midwestern refineries, two of which—one in St. Paul, Minnesota, another in Buffalo, New York, having a combined capacity of over 130,000 B/D—are located along the Canadian border and are virtually dependent upon Canada for their feedstock supply. Both these plants are complete refineries, with cat cracking, reforming, and other complex units. They produce a full range of petroleum products for distribution in the adjacent areas. The Buffalo plant also produces some more exotic products such as petrochemicals and SNG.

Both the Buffalo and St. Paul plants are tied exclusively to the main Canadian crude oil pipeline from Edmonton to Toronto, a large portion of which passes through the United States. This line is their only access to pipeline deliveries of crude. Both have had a long history of utilizing Canadian crude due to their geographical locations and the pipeline configurations just mentioned. In recent months, we have succeeded somewhat in diminishing the dependency of our Buffalo plant upon Canadian oil by supporting modifications to common carrier pipelines owned by others which enable us to deliver U.S. crudes into the Canadian pipeline at Chicago, thus permitting its delivery in limited quantities to Buffalo by the Canadian crude carrier. The volumes which can be so delivered are limited because of capacity limitations on these domestic carriers, but we have at least already eliminated the virtual completion dependency at this plant which we had experienced for a number of years.

The situation at St. Paul is quite another matter. Except for about 7500 B/D of domestic crude available from the Montana-North Dakota area, this plant has no feasible access to crudes other than from Canada, and no immediate prospects which could alleviate the situation. Even this 7500 B/D would not be available except for the mandate of the Emergency Petroleum Allocation Act.

Certainly any FEA program changing Canadian export allocations would want to view these two plants separately. We have long promoted a program which would review the need on a refinery-by-refinery basis—and not on a refiner-by-refiner basis. Thus, I wish to review with you the circumstances of these two plants individually. First, though, a general statement—some change in the present form of allocation is definitely needed, and quickly.

With Canada proposing to phase down its exports to the U.S. between now and 1980, it makes no sense to phase down individual company allocations by the same percentages as dictated by Canada's overall policy. Quite obviously, some regions and some plants are much more dependent than others, and will need continuation of their allocations at near today's level if they are to continue as viable operations. The Canadian government recognizes the problems, and at least publicly admits to a special obligation to certain northern tier refineries constructed to process Canadian crude. Now that the U.S. Government also recognizes the problem, as evidenced by this hearing, perhaps we can all get down to doing something constructive about it. It certainly makes sense that Canadian crude should preferentially be made available to those who have no access to any other crude.

Reviewing my company's overall position, reported to you at a hearing May 1, our total allocation by Canada of their export crude and condensate for April was slightly over 93,000 B/D, of the 800,000 B/D total allocated. If total allocations decline to 650,000 B/D in July and 560,000 B/D next January as programmed, our total company allocation would be reduced to 75,800 B/D and then to 65,300 B/D under the present system of allocations. These figures are 26,000 B/D and 36,000 B/D less than requirements for capacity operations at both plants.

You have already heard a great deal about the St. Paul situation. Our refinery there has a capacity of 66,000 B/D, but is now operating at only approximately 50,000 B/D because of the high price of Canadian crude. This plant supplies petroleum products to the immediate area and parts of several surrounding states. There is a product pipeline which moves light products into the area from the Southwest, but it is essentially at capacity. There is no viable way to supply heavy products not capable of being pipelined to the area. This plant, and several others in Minnesota and Wisconsin have no alternative supply for crude oil, and should certainly be considered as priority customers for this crude, so long as Canada continues to export.

Long range, supply prospects for St. Paul appear bleak. We continue to explore possibilities of constructing a pipeline to the area from the South or Southwest, but the cost appears prohibitive. So does the cost of rail transportation. River barges have been utilized at times, but river conditions limit their use to only about six or seven months of the year.

The most viable alternatives seem to be either moving Alaskan crude into the main Canadian trunkline at Edmonton by reversing Trans-Mountain Pipeline, or making exchanges with Eastern Canadian refiners whereby we could continue to receive Canadian crude, and supply those Eastern refiners with offshore crude in return. Canada does not now permit such exchanges, but might change its position in the future. We are actively pursuing both these possibilities, but frankly see no other alternatives. We view the movement of crude to this location as one of the single largest supply problems facing us in the future. However, we feel we can accomplish the task with governmental cooperation necessary on both sides of the border.

Our Buffalo refinery was until recently in every bit as critical a situation as St. Paul—perhaps even worse in that it didn't have access to any domestic crude whatsoever. Now, however, pipeline connections in the vicinity of Chicago have been worked out, so that crude originating in Capline can now be delivered to Interprovincial. We have been allocated 21,000 B/D of pipeline space to move this Capline crude from southern Illinois to Chicago, and can thus move this quantity on into Buffalo. In addition, we have made commitments to that same carrier by which they will make a new connection permitting use in this service of still another line which had formerly gathered and transported Illinois Basin crude. When this connection is finished in several months, our throughput could go ultimately to as much as 43,000 B/D in 1977.

I must caution here, however, that such volumes are guaranteed by us, not by the carrier, which must operate under ICC regulations. If tenders for the new line to Chicago increase substantially to the extent that pipeline proration is required, our throughput will be reduced to conform to a historical usage basis. Because we have until recently utilized Canadian crude at Buffalo, we have no long standing history of shipments through that pipeline, and so could have our throughput reduced substantially. We fear this is exactly what will happen as Canadian exports are reduced. We therefore urge that, after the fully dependent refineries are allocated their requirements, the remaining plants will be phased down, with adequate consideration given for their historic pattern of Canadian crude usage, and an appeal mechanism be established to take care of special hardship provisions such as could be presented at Buffalo.

We would call your attention to the fact that our refinery in Buffalo is one of but two still operating in the State of New York. It is on the far eastern end of pipelines from the west, with the only product lines entering the area from the East Coast, which is dependent on offshore crude oil. The existing pipelines could not begin to carry the required volume to compensate for a substantial cutback in refinery throughput at this location. Also, again there is no viable way to move in products other than gasoline and distillate. Heavy oils, asphalts, petrochemicals and petrochemical feedstocks, among others, could not be supplied to the area.

There is still another consideration at Buffalo worthy of some note. The tariff on the Canadian pipeline from Edmonton to Chicago is 52¢/barrel, as compared to 63¢ to Buffalo, an 11c/barrel differential. Interprovincial charges 25.5¢/barrel, however, to move our U.S. crude from Chicago to Buffalo. Thus, to the extent that Canadian crude is dropped off in Chicago, and U.S. crude moved on to Buffalo, the Canadian pipeline is picking up 14.5¢/barrel of extra revenue at the expense of the domestic industry.

In recent months Canadian crude has certainly been no bargain pricewise. At the present export tax level of $5.50/barrel imposed by the Canadian government, Canadian crude is among the highest priced of any crudes delivered to our borders. The entitlement program as presently implemented does not fully equalize this higher cost, so refiners processing significant volumes of Canadian crude tend to be on the high side of the crude cost scale. As a consequence, their product prices are high, and sales volumes are suffering badly. The dependent refineries have reduced throughputs. Others who have alternate supply possibilities are backing out Canadian crude. As a result, Canadian exports this month will probably be well under 600,000 B/D, more than 200,000 B/D below the authorized level.

The Canadian Government has finally recognized the plight to which they were subjecting their best customers, and have announced an 80¢/barrel reduction in the export tax for June. There is no certainty as to how long such a reduction will last, as the price is set monthly. Under such an economic situation, I would predict little objection to an allocation scheme which would place this high-priced crude directly into the hands of those who require it. But such a program must be developed now, so that affected refiners can plan their long-range supply programs.

I appreciate the opportunity to appear before you today on this subject so very vital to those of us with refineries and customers on the Northern Tier. I would be happy to attempt to answer any questions which the panel might care to ask.

TESTIMONY OF JOHN DEE ROPER, VICE PRESIDENT, KOCH REFINING CO.

My name is John Dee Roper. I am Vice President of Koch Refining Company. I appreciate the opportunity of presenting Koch Refining Company's views concerning the development of allocation regulations for Canadian crude oil.

BACKGROUND

Koch Refining Company is an independent refiner, having a single refinery located in St. Paul, Minnesota. Koch's refinery was built in 1954 and was designed to process heavy Canadian crude. Koch's refinery has, since its inception, been a strong, independent refinery, serving the needs of not only the State of Minnesota but extending into markets in North Dakota, South Dakota, Iowa, and Wisconsin.

The only crude oil pipeline connection Koch has is the Minnesota Pipe Line which extends from the St. Paul area to Clearbrook, Minnesota, and ties into the Lakehead Pipeline. The Minnesota Pipe Line carries up to 160,000 B/D of Canadian crude and up to approximately 14,000 B/D of North Dakota Intermediate crude. North Dakota Intermediate crude is delivered into to the Minnesota Pipe Line via the Portal Pipeline. Koch is purchasing presently 11,600 B/D of North Dakota Intermediate. Koch has historically been about 90% dependent upon Canadian crude oil.

PRESENT STATUS

Today, Koch has approximately 73,657 B/D of fee-free U.S. license and approximately 58,696 B/D of Canadian crude oil export license. The limiting number, of course, is the 58,696 B/D of Canadian export license. This volume falls far short of Koch's requirements if it is to supply the area needs. As the Canadians reduce exports, this shortfall will worsen proportionately.

The Canadian export tax, which is now in effect, of $5.50 on light crudes and $5.00 on heavy crudes coupled with the U.S. import license (supplementary fee) has made the Canadian crude oil one of the most, if not the most, expensive foreign crude oils imported into the U.S. Energy Minister Donald MacDonald said that a recently-completed survey by the National Energy Board indicated Canadian crude oil was overpriced by $.60 to $1.20 per barrel in Chicago compared with recent spot prices (Platt's Oilgram News Service, Tuesday, May 6, 1975). Of the 800,000 B/D authorized to be exported to the United States, the NEB estimates that only 560,000 B/D of Canadian crude was exported in April.

Why has the exportation of Canadian crude been less than what is available? Canadian crude is needed, but the Canadians' export tax and now the United States' supplementary fee have caused Canadian crude to be priced out of the market.

RECENT EVENTS

Recent events point to the necessity of the immediate adoption of allocation regulations establishing priorities for Canadian crude.

1. Of first importance is the announced intention of the Canadian government to reduce exports to the United States on a graduated basis.

2. There has been a gradual recognition by the United States of the need for joint U.S.-Canadian energy policy. This recognition is evidenced by various meetings that State Department and FEA officials have had with Canadian officials concerning pipe line agreements and swap proposals. The energy policy between the United States and Canada which is likely to emerge from these negotiations should make Canadian crude more attractive.

3. The Canadians have announced that effective June 1 there will be an $.80 per barrel reduction in their export tax. Rather than the export tax being $5.50 for light oil and $5.00 for heavy oil, it will be $4.70 on light oil and $4.20 on heavy oil. We can already see a growing demand for Canadian crude from refiners with historic licenses who have not been buying crude in the past few months due to price.

If Canadian crude does, in fact, become more attractive, it will result in the refiners with a true dependence upon Canadian crude oil not being able to receive an adequate supply unless FEA takes steps to provide priorities.

The FEA in its notice asked that each participant discuss his company's degree of dependence upon Canadian crude, its projected plans for alternate sources of supply, the impact on the market, and other relevant data towards developing an allocation system.

DEGREE OF DEPENDENCE

Koch looks to Canada for 90% of its crude oil. Since Koch's refinery cannot operate at 10% of its capacity, Koch is, in actuality, completely dependent upon Canadian crude.

PROJECTED PLANS FOR ALTERNATE SOURCES OF SUPPLY

I have attached a map showing possible alternate sources of supply for Koch's refinery. These alternates include:

(1) Reversal of TransMountain Pipeline to bring Alaskan and other offshore crude to the landlocked states. This idea is attractive since it can be accomplished for the least cost.

(2) Two potential Trans-U.S. Pipelines and a reversal of El Paso Pipeline.

(3) A pipeline running from Capline to St. Paul.

(4) A pipeline from El Dorado, Kansas, to St. Paul.

None of these alternate sources is presently available. All of them would require substantial lead time. I will be happy to try to answer any questions you might have concerning the possibilities shown in the attached drawing. It should be emphasized that it is in the interest of everyone concerned that available pipeline capacity be used where possible. To accomplish this goal, the United States and Canada will have to reach a long-term understanding.

IMPACT UPON MARKET

Koch will lose its market share if it does not receive enough crude oil to run near capacity. To the extent that Koch's market share can be replaced, we expect it would be replaced by major oil companies diverting petroleum products from refineries located in Chicago and points south. This would be particularly true with gasoline. The impact upon distillates will likely to be a shortfall in the area as Koch does not believe that there is sufficient pipeline capacity to quickly replace production if Minnesota refineries are shut down.

The impact upon the market for #6 oil would be much more dramatic, particularly in the winter. If there is not sufficient refining capacity in the area to supply the demand for #6 oil, it is quite likely that schools, hospitals, and other industrial users will experience an extreme shortfall. This is true because #6 oil cannot be transported into the area by pipeline; and during the critical winter months while the river is frozen, #6 oil cannot be transported by barge.

OTHER RELEVANT DATA

We believe that there is sufficient objective data for the FEA to determine what areas are truly Canadian dependent and what refineries should receive priority allocation. I have brought with me copies of a revised edition of Koch Refining Company's Position Paper which contains much of the data that can be used by FEA in establishing its allocation regulations.

Koch suggests that the FEA establish priority refiners or priority areas based upon supply routes. Koch believes that the refineries located in Wisconsin and Minnesota have the highest degree of Canadian dependence. It is Koch's belief, also, that the States of North Dakota and Montana have a high degree of dependence and that some consideration should be given to refineries in northern Michigan.

Once the Number One priority area has been established, this area should be given the first opportunity to nominate for Canadian crude. Nominations should be allowed at least up to the 1972 runs to capacity ratio for refiners in the top priority classification, with provision for additional capacity constructed after 1972 with the same ratio. Nominations could be made monthly. There should be no adverse effect on a refiner's allocation if it fails to purchase full nomination because of factors beyond that refiner's control, including economic factors such as the Canadian export tax and/or the U.S. supplementary fee.

Once the nominations have been completed for the first priority class, then other refiners with a historic purchase position or a lesser but yet documented need for Canadian crude should be given. The balance of Canadian crude not taken should be offered to all other refiners.

CONCLUSION

We strongly urge the FEA to undertake a priority allocation plan based upon the objective findings of a refiner's need for Canadian crude. The United States should negotiate a U.S.-Canadian energy policy to encourage the development and use of pipelines which would deliver Alaskan and other offshore crude to the landlocked states. After the energy policy is negotiated, the FEA should modify its priority allocation regulations to work in tandem with the U.S.-Canadian energy policy.

Exchange agreements between the United States and Canadian refiners should be made a part of this energy policy. These exchanges should be keyed to the priority allocation plan which establishes priority based upon need.

The need for competitively-priced Canadian crude cannot be overemphasized. An allocation program that allocates a crude oil too expensive to be refined is not meaningful. Though we cannot control the Canadian export tax, the Administration has the authority to remove the supplementary fee insofar as it affects Canadian crude oil coming into this Country. It must be recognized that Canadian crude oil must be made economically attractive when it is the sole source of supply. It is to the best interests of the United States to develop a joint energy policy with Canada, and this policy should include the continued importation of Canadian crude at competitive prices.

STATEMENT OF PAUL A. JOHNSON

My name is Paul Johnson and I am manager of purchasing for the 3M Company which has headquarters in St. Paul.

3M, which had sales last year of nearly $3 billion, employs approximately 48,000 people in the United States. We are the largest single employer in Minnesota and indeed the upper Middle West. We have manufacturing facilities in all of the northern tier states of North and South Dakota, Nebraska, Iowa, Wisconsin and Minnesota.

So we recognize that we have a responsibility to keep our operations running, our employees working. And that is why we are here today: We cannot continue to operate unless there is a continuing flow of crude oil to the refineries that serve the 17 oil consuming 3M plants in that part of the country.

In fact, the operations of all our plants which use oil—some 41—in other parts of the country also would be severely affected, if the

flow of Canadian crude should stop and no other supplies substituted. Our plants are dependent upon each other to produce our 45 major product lines.

So, for us—and we believe the country—this is just not a regional problem but a national problem.

My purpose in being here today is to underscore the gravity of the situation and to argue as strenuously and persuasively as I can that positive steps be taken right now while there still is enough time for us to act.

Permit me, for a moment, to make just two observations.

My first observation is this: It would be a mistake for us to look at the supply problem in terms of yesterday's needs or in terms of merely maintaining present supply levels.

Each year about 2.5 million people are entering the work force in the United States. Each one of those people means more consumption of energy on the job and, at home, as consumers—even though we try to conserve energy as much as possible.

What does this mean in terms of a large manufacturing company such as 3M?

Thirty-sevent percent of 3M's total U.S. base period fuel oil came from the Upper Tier refineries which are 90 per cent dependent upon Canadian oil.

We project that fuel oil consumption at the 17 3M plants in this part of the country will grow by a factor of 4.25 times by 1979, even if we continue to receive and use natural gas.

We, of course, anticipate that we will not continue to receive the natural gas that we are now receiving, so I have made some other calculations that should interest you. If we have no interruptible gas by 1979, for example, our need for oil will be almost five times what it was in the base period. If, in addition, there is no "firm" gas available to us, our need for oil will increase by a factor of 5.6 from the base period of 1972.

Those are mighty sobering statistics especially when we consider that they are probably representative of many other growth companies in the area. So it is not just today's problem we are dealing with. It is the future of the whole region and that future is no further away than 1983—just eight years.

My second observation is directed at one of the major concerns toward which other witnesses have addressed their remarks, namely alternate supplies of oil or substitution of coal. In this connection, we foresee a transportation problem—and not just involving, say, coal from the west even if it were obtainable, but also in terms of oil from other parts of the country.

Number six oil is so heavy that it just cannot be moved through a pipeline; it must be hauled either by truck or railroad tank car. We are a major user of Number six. In fact, we project that we may need 44 million gallons of it by 1979 in these 17 plants—about five-sixths of our total usage. But, in order to use it, we need refineries in reasonably close proximity to our plants if we are to transport it efficiently. All of which means that there is a real need to keep the Koch and Northwest refineries operating in our region, if our fuel requirements are to be satisfied.

As for coal, particularly western coal, we have been thinking long and hard about using it in our operations. Our engineers tell me that the boilers necessary for our operations—that is, industrialized, dual boilers that can burn pulverized coal with oil have not even been designed yet, let alone produced. It will take approximately three to five years to design and make such boilers. And, of course, they will not be designed and made until supplies and transportation of coal are assured.

So, looking at the time frame in which we are operating, we do not see coal as the salvation fuel that will save us from the problem that we now face.

Gasification of coal also does not seem to be a solution. The technology has not been fully developed. Besides our research people tell me that about fifty per cent of the energy obtained from coal in the gasification process is wasted. The message I get from them is that it is far more efficient to burn coal as coal.

What are the solutions to the problem posed by our Canadian friends?

I think that we should recognize that they also have a problem. This was outlined to us at a seminar sponsored by the Upper Midwest Council in St. Paul last week. At this meeting, diplomats, businessmen and others from both countries had a frank exchange of views. I think that, in view of what we all learned, Senator Mondale's proposal for a swapping of oil deserves serious consideration and perhaps adoption by both countries as part of their respective energy policies.

In the interim, 3M, as one concerned company, is doing what it can. Our energy conservation program in the United States already has yielded savings of 14 per cent in overall usage. We think that we can move this figure up to 30 percent.

There is no doubt that conservation is an important action that we can all take, particularly in the short term.

We should not lose sight of the fact, however, that we eventually will need more production of energy. So our country needs an energy policy that will provide incentives both for energy conservation and energy development.

If that happens, 3M can continue producing and 3M employees can continue working.

Thank you very much for inviting me here today.

TESTIMONY FROM JOHN C. MCKAY

My name is John McKay. I am the director of the Minnesota Energy Agency. Governor Wendell Anderson appointed me to head this agency, and gave me the responsibility to see that the energy which flows into Minnesota is used to protect the public health, safety, well-being, and jobs of Minnesotans.

My purpose before you today is to bring to your attention a most urgent, acute and serious situation as it affects the refiners and distributors, and the public, in our state.

Canadian crude oil is a vital source of energy for the state of Minnesota. There are three refineries in Minnesota (at St. Paul Park, Pine Bend, and Wrenshall), and one in Superior, Wisconsin. These refineries have a total capacity of 220,000 barrels per day and together they supply approximately 50% of all refined petroleum products consumed in Minnesota. Canadian crude oil represents 85 to 90% of the feedstocks of these three refineries. This crude oil is delivered by the Lakehead/Interprovincial Pipeline. Small amounts of additional crude oil are received via barge, tank car, and occasionally by truck.

For the past eight months, Canadian crude oil has been the highest-priced crude oil in the world. During this period, old domestic crude oil has sold at $5.25 per barrel, new crude at $10.50–$11.00 per barrel, Mideast oil for slightly over $11.00 per barrel, and Canadian crude oil at $13.00 per barrel. This price inequity has placed our local refiners at a severe competitive disadvantage and has caused them to substantially reduce their production in order to minimize losses.

The Old Oil Price Equalization regulations promulgated by the Federal Energy Administration (also known as the Entitlements Program) were designed to alleviate this situation by providing cash payments to refiners dependent upon new domestic or imported crude oil. This program has been only partially successful: it has reduced only slightly the cost for crude oil paid by our four refineries, but it has not restored them to their former competitive equality with other refiners.

The reduction of Canadian crude oil imports coupled with noncompetitive prices may force the four Upper Midwest refineries to close long before the flow of Canadian oil ceases in 1982. The petroleum industry estimates that available capacity in existing transportation systems can provide only 50% of the shortfall. The net effect of the closing of these four refineries would thus reduce Minnesota's supply of refined petroleum products by approximately 20 to 25%.

The loss of this supply would have a catastrophic impact on our state's economy. Through the use of an econometric model, the Minnesota Energy Agency has projected the following impacts of the closing of these Upper Midwest refineries. In the production and distribution of petroleum, the state would lose 4,600 jobs, the gross state product would be reduced by $170 million, and the state would lose $38 million in tax revenues.

Although there is much that could be done by state and federal agencies to alleviate the problems caused by this shortage, the sheer magnitude of the crisis that would be caused may nullify such efforts. For example, if we do nothing but proportionally reduce the oil available to each segment of the Minnesota economy by 25%, Minnesota could suffer the loss of 16% of the labor force or 258,000 jobs, the gross state product could be reduced by $3.99 billion, and state revenues could be reduced by $351 million. These effects would have to be prevented, but no federal or state program, proposed or contemplated, can effectively allocate the kind of shortage the loss of Canadian supply would bring about. Mere statistics cannot, of course, measure the severe human impact of such massive economic dislocations. Moreover, such economic difficulties would not be confied to Minnesota. The loss of the products from these four refineries would severely affect the economy of the Upper Midwest and would, in the end, affect the national economy as well.

Announced natural gas curtailments make Minnesota's future even more bleak; Minnesota faces a 30% reduction in annual natural gas supplies by 1980. Most of the curtailed users will be turning to petroleum as an alternate fuel, thus placing a 700 million gallon additional annual demand on refinery production. If capacity continues to shrink, Minnesota's economy—and that of the entire Upper Midwest—will suffer severe dislocations.

The Minnesota Energy Agency believes that the only feasible short-term solution to this energy "squeeze" is appropriate federal action designed to assure an adequate volume of Canadian crude oil for Upper Midwest refineries as total Canadian exports decrease.

IMPACT OF PROPOSED FEA REGULATIONS

Instead of accomplishing these objectives, however, the proposed regulations will seriously jeopardize the Upper Midwest's energy supply. The regulations are predicated on the notion that historic use should govern future supply. The *concept of* allocating decreasing supplies of Canadian crude oil to U.S. refiners based on their historic use creates two major inequities:

(1) *Distorted Base Period.* The proposed regulations would give each refiner a share of future Canadian oil imports proportionately equal to its share of imports during the period May 1, 1974, through April 30, 1975. As pointed out above, Minnesota refineries have been operating far below their rated refinery capacities during this period. If access to future shipments of Canadian crude oil were to be based upon the percentage of Canadian

crude oil used during the base period, the four Upper Midwest refineries would receive an artificially-lowered fraction of total Canadian imports. Therefore, if a base period formula is adopted, it should use a year ending no later than December 31, 1973, so that Canadian crude oil allocations will not reflect distorted market conditions.

(2) *Inequitable Distribution of Shrinking Supply.* A base period allocation system may have the advantage of simplicity, but it has the fatal disadvantage of severely disrupting the energy supply of the Upper Midwest. In order to permit our refineries enough time to find additional crude oil supplies, the Minnesota Energy Agency strongly supports a Canadian crude oil allocation program based upon a refiner's access to alternative sources of crude oil. That is, a refiner with access to non-Canadian crude oil should not be allowed to import Canadian crude oil so that a refiner who has no source of crude oil other than Canadian imports may continue to operate. Under such a plan, the four refineries in Minnesota and Wisconsin would continue to receive an adequate feedstock—albeit at a greatly inflated price—until they obtained other sources through construction of new pipelines.

The only objection to such an approach is that the Federal Energy Administration may face some difficulty in deciding which refiners shall receive a priority allocation of Canadian crude oil. However, no administrative difficulty of such a program can compare to the severe economic difficulties faced by Minnesota and its neighbors if the simplistic and misguided regulations are adopted as proposed.

Thank you for the opportunity to testify on these regulations.

STATEMENT OF KENNARD C. KAPLAN

My name is Kennard C. Kaplan and I am on the board of directors of the Minnesota Association of Commerce and Industry (MACI). MACI is a membership organization consisting of approximately 1700 Minnesota businesses. We are the largest business organization in Minnesota and as such we speak for the business community.

In addition to serving on the board of directors of MACI, I also am chairman of the Association's energy task force. This task force was recently formed to assist governmental bodies in making proper decisions in regard to energy allocation and energy conservation, and also to coordinate the application of these discussions within the business community.

Minnesota industry has been notified that large gas users will be curtailed by 1978 which is extremely distressing. Fuel oil, propane, and electricity are our only acceptable alternatives due to environmental restrictions on coal. Natural gas provides 50% of the energy used in U.S. industry.

Proper allocation of Canadian crude oil is probably more vital to Minnesota than to any other state or region of the nation. Nearly 90 per cent of all the crude oil available to Minnesota comes from Canada. Unfortunately, if this supply is curtailed, we have no alternative source.

Minnesota has three oil refineries. There is also one immediately across our border in Superior, Wisconsin. These four refineries have a total capacity of slightly less than ¼ million barrels per day and collectively they supply about 50 per cent of all of the petroleum products consumed in Minnesota.

Since there currently are no viable alternatives to the supply of Canadian crude oil to the four local refineries a reduction in the supply of Canadian crude oil would have one of the following potential effects.

1. One or more of these local refineries would have to shut down and the available supply of petroleum products in Minnesota would be proportionately reduced; or

2. Petroleum products would be available to Minnesota in amounts equal to the needs, but at grossly inflated prices and at a net waste of the energies involved to transport petroleum products from distant refineries.

In our opinion, neither of these net results is acceptable.

The magnitude of the potential impact from the loss of our current supply of Canadian crude oil is almost unbelievable. A loss of only 25 per cent of the available Canadian crude oil without its replacement at inflated prices would cause an overall reduction in the Minnesota economy of about 25 per cent and a job loss of nearly ⅕ of our labor force. It is inconceivable that Minnesota could remain economically viable with the loss of these ¼ million jobs. Our gross state product could be reduced nearly $4 billion and our state tax revenues reduced by about $350 million. These losses, of course, would be proportionately reflected in the region as well as in the nation.

The regulations under consideration today are based on the concept that historic use should govern future supply. On the surface this appears to be fair and equitable. However, the period of determining this historic use is the year beginning May 1, 1974 and ending April 30, 1975. For several reasons, this period is one in which the four local refineries have been operating far below their rated capacity. A more equitable period for determining historic use would be one incorporating calendar year 1973, or perhaps a period even earlier than this.

In closing, let me say that the Minnesota Association of Commerce and Industry does not often appear before a federal agency in Washington or before the United States Congress. However, the impact of the proposed regulations you are considering is so great that we have no alternative but to come before you with this testimony today. Our concern is not only related to fairness—it is related to the economic survival of Minnesota, its business, and indeed all of its citizens!

REMARKS OF SENATOR KENNEDY AT THE HARVARD SCHOOL OF PUBLIC HEALTH

Mr. JAVITS. Mr. President, last Friday evening, May 9, the distinguished chairman of the Health Subcommittee (Senator KENNEDY) of the Senate Committee on Labor and Public Welfare, of which I am the ranking member, delivered an excellent address at the Harvard School of Public Health. His speech addresses the related issues of biomedical research and health manpower, and the problem of developing a national strategy in regard to health education and prevention.

I share Senator KENNEDY's pride in the accomplishments of the Nation's biomedical research effort and support his urging for greater public accountability in biomedical research.

One does not have to agree with all Senator KENNEDY has said, to consider that he has provided excellent insights into the health manpower problems of this Nation—geographic and specialty maldistribution of physicians and the problem of foreign medical graduates—FMG's. He challenges the health professions schools to come to grips with the problems to insure overcoming physicians' geographic maladministration. I agree.

I ask unanimous consent that the full text of the remarks by Senator KENNEDY at the Harvard School of Public Health be printed in the RECORD.

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

REMARKS OF SENATOR EDWARD M. KENNEDY AT THE HARVARD SCHOOL OF PUBLIC HEALTH

President Bok, Dean and Mrs. Hiatt, Mr. and Mrs. Patullo, and distinguished guests, I welcome the opportunity to be here with you this evening to participate in the dedication of this magnificent new teaching facility for the Harvard School of Public Health.

Each of us is profoundly grateful to the donors whose philanthropy has turned your dream into reality. We are especially grateful for the generosity of the Kresge Foundation and the Kellogg Foundation.

I know of your program to re-examine health involving diverse parts of the University. Derek Bok and Howard Hiatt's leadership and vision have been and will continue to be instrumental in the success of your efforts. The University, and the public will be the beneficiaries of this crucial endeavor. I want you to know that I am anxious to help and assist you in any way possible as you go forward.

Though we proudly list the achievements of nearly three decades of biomedical research, there has been very little improvement in life expectancy for adults since the 1920's. We simply have not found effective means for coping with most major chronic and social diseases.

Our statistics reveal intolerably high numbers of people being disabled—many permanently—by preventable and curable diseases. Too many people die prematurely from causes that could have been controlled. Too many are being maimed or killed in accidents, or leading destructive life styles. We also know that many of our children are born with seriously disabling conditions which might have been averted; that too many are susceptible to a host of insidious cripplers and killers that over forty-five percent of our adult population does not engage in physical activity for the purpose of exercise; that motor vehicle accidents are the leading cause of death for those under 35 years of age; that infectious syphilis is at its highest level ever recorded in this country; and, that close to 300,000 deaths per year from various diseases are linked to cigarette smoking.

There has been much recent interest in these problems. My own health manpower bill speaks to the issue for more of primary care professionals. There has been a President's Committee on Health Education.

However, not enough has been accomplished. I have, therefore authored legislation to establish a national strategy for education in health promotion and preventive medicine. In hearings before my Subcommittee yesterday, I had the privilege of hearing the eloquent comments of one of the distinguished members of your faculty, Dr. Jeanette Simmons. We know, for example, that life expectancy can be increased by as much as 14 years if only people will exercise moderation in their normal daily living habits.

The Harvard School of Public Health and its sister institutions throughout the nation have a crucial role to play in the design and implementation of this national strategy. The American public will look to you for leadership.

Now for the remainder of this evening I want to discuss with you two seemingly disparate issues—biomedical research and health manpower.

But as you know, the creation of new knowledge and the education of the nation's health manpower are intimately intertwined. Basic and clinical research are at the heart

of medical education. The gifted individuals, whose efforts have made the United States the envy of the world in biomedical research, are the faculty of the medical schools. And, as you know, these institutions are terribly dependent upon public funds to continue and to expand their activities.

Public support, which implies confidence and trust, has become so substantial that many of them believe it is theirs by right. It is not. The plain truth is that the National Institutes of Health has been a "sacred cow". Those days are gone.

The NIH is no longer immune from responsible and penetrating inquiry by those who underwrite its program—the American people.

Last December, at the "other" Ivy League Medical School in New Haven, I announced that I would undertake a thorough examination of the programs and policies of NIH. This provoked a considerable degree of anxiety in the scientific community and a considerable degree of support from the public. These divergent reactions underscore the need for a constructive examination of NIH; an examination whose purpose would be to reconcile the goals and priorities of the nation's biomedical research scientists and those of the society that pays their bills.

In order to facilitate this examination, I authored legislation which created the President's Biomedical Research Panel. That Panel is now hard at work. Its report is due next spring. And I believe it will make a significant contribution to the reestablishment of public confidence in the nation's biomedical research effort. I urge all interested parties to cooperate fully with the panel.

In recent years, many areas of biomedical research have come under public scrutiny. The pros and cons of fetal research have been debated on the floor of the House and Senate. Psychosurgery research would have been banned by a recent, unsuccessful, Senate Amendment. The risks and benefits of genetic engineering have been debated in the lay press, on campuses and in the Congress. So has behavior control research. Advances in organ transplantation have spurred legal debate over the definition of life and death. The development of dialysis machines provoked a major public policy decision concerning equity and access to medical care. Finally, the public is demanding that work in the laboratory pay off in the doctor's office.

In most of these examples academia has been on the defensive. It has chosen to view public scrutiny as a threat to scientific independence. It has chosen to view public involvement in particular research areas as inappropriate and representative of a trend toward anti-intellectualism. As one scientist put it in testimony before the Health Subcommittee—"The public should decide how much money biomedical research deserves in comparison to other needs, but having done that, scientists should be left completely alone."

The implication is that only scientists should determine how to spend public money, and that only scientists can ensure the ethics and safety of their own research.

I join academia in pointing with pride to the accomplishments of the nation's biomedical research effort.

However, I believe this elitist and acutely parochial approach does not serve the country well. It is an approach that will assure continuing tension between the scientific community and the public.

I do not doubt the capabilities of the nation's biomedical research scientists. I do not doubt the unparalleled record of accomplishments of NIH. The current tension does not arise out of a concern for the technical competence of our scientists. Their expertise is unquestioned.

The tension arises from a concern about how research priorities are set by the scientific community. It arises from a concern about the implications of research; it arises from a concern as to whether certain research should be done at all, and, if so, under what conditions. Finally, it arises from a concern about the safety of some research prospects.

The technology of biomedical research has advanced so rapidly that it has outstripped our capacity to understand its implications. We can do things today whose effects we simply cannot predict or control or even fully understand. We are in uncharted waters. I do not believe anyone really wants to turn back, I think society wants to proceed more cautiously. And, I believe society will insist on involving itself more in the decision-making process.

Last summer, molecular biologists from around the world, who had developed techniques of creating new forms of life, voluntarily called a halt to their experiments. For literally the first time in the history of science, researchers stopped their work to consider its implications; to see if they should go forward at all; to see if proper safeguards could be developed; to see if the risks to the laboratory technicians and surrounding population couldn't be minimized.

Several months later, having considered the problems, having weighed the potential risks of the research against the potential benefits; having developed certain safeguards, they lifted the self-imposed moratorium.

It was commendable that scientists attempted to think through the social consequences of their work. It was commendable, but it was inadequate. It was inadequate because scientists alone decided to impose the moratorium and scientists alone decided to lift it. Yet the factors under consideration extended far beyond their technical competence. In fact they were making public policy. And they were making it in private. Regardless of the merits of their motivation, they reached their decisions in isolation from society. It certainly is not clear to me that the ban should have been lifted when it was.

There were observers from the press and non-scientists consultants at this famous Asilomar Conference. But these observers were not equals. They were not full participants in the decision-making process. Science has a responsibility to translate its work into understandable terms. And having done so, it has an obligation to justify it in the context of the common good.

When science develops techniques that have the potential to fundamentally change society, society has the right to determine how the technique is to be used, whether it should be developed in the first place, and if so, under what constraints.

A decision to pursue the kind of research discussed at Asilomar requires the informed consent of the society—which, after all—is called upon to fund it.

A major goal of the examination of NIH will be to explore ways to bring the public into this process. I am not raising the spectre of having laymen pass judgment on scientific protocols. I am suggesting that there is a role for the public in the setting of research priorities; there certainly is a role for the public in the evaluation of research at the frontier of medicine. So too must the public be involved in decisions regarding the application of new knowledge.

With society's informed consent, scientists can devote their creative talent to the scientific problems at hand; without it their energies will be diluted by the need to fend off challenges from a hostile society.

There can be no turning back to the days when scientists were left totally on their own to chart their own course. Recent events have demonstrated that. The public will immerse itself in the affairs of science. Whether it does so constructively will depend on the willingness of scientists to welcome public participation.

The Association of American Medical Colleges has proposed an amendment to the Freedom of Information Act which would essentially exempt research protocols from public scrutiny.

I will oppose this amendment. To deny the public access to publicly funded research, which frequently involves human subjects, is unwise and unwarranted. A proposal such as this further undermines public trust and confidence in the scientific community. In the long run it will be counter-productive.

Now, I would like to turn my attention to manpower. There are many distinct aspects of the nation's health manpower crisis—a crisis which is national in scope, and has been a long time in the making. It has been documented time and time again, from the landmark Flexner Report in 1910 to the American Association of Medical Colleges Task Force Report on FMGs last year.

The plain truth is that the efforts of the voluntary sector to cope with the problems have failed. The time has come to face that fact. It is time for a new policy. It is time for a policy of shared responsibility between the voluntary sector and the government which will not fail. Make no mistake about it, the continuation of federal support is dependent upon the creation of this new policy.

I would like to discuss these manpower problems with you and to ask your cooperation and support for a program to solve them.

The first and most important problem is the geographic maldistribution of health professionals. Geographic maldistribution is so extreme that it is a national disgrace. For every 100,000 persons in South Dakota, there are only 71 physicians providing patient care. But in Massachusetts there are 177 physicians for every 100,000 persons.

Too frequently, the medical meccas of this nation have turned their back on the communities in which they are located. Yet it is the millions of low and middle income Americans whom the official spokesmen of the academic health centers call upon to pay their salaries.

Within the states the problem is also great. For example, in 1950, more than fifty percent of Chicago's doctors were in the suburbs.

You and I both know the affluent suburbs of this nation have an infinite capacity to devour physician services. But these services are also needed in our urban and rural areas. If the needs of these other areas are also to be met, we have to find better ways to counterbalance the magnetic medical drawing power of our rich suburban areas.

So far, our efforts to cope with the problem have been disappointing failures. In New England in the 1920's free automobiles or rent-free houses were offered to attract physicians to small towns. Under the Commonwealth Fund Fellowship Program in the 1930's, physicians were encouraged to practice in rural areas. The AMA and many state governments have programs to attract physicians to practice in shortage areas. The Federal Hill-Burton Program was guided by the assumption that physicians would follow hospitals into rural areas. And yet, in spite of all these efforts, the problem is worse today than it has ever been before.

The hour is late, if we are to devise an institutional support mechanism, which will effectively overcome geographic maldistribution. The approach proposed by the AAMC, S. 990, will not suffice. Where is your proposal?

Thus far, I have preferred the continuation and expansion of institutional support as the best way to assure the financial sta-

bility of this nation's health professions schools.

But if the schools refuse to face up to the problem of geographic maldistribution, I intend to propose that the government stop giving them the money, and give it instead to students in a wholly voluntary program. If the schools won't cooperate, I know the students will.

Requiring health professions schools, as a condition of federal support, to come to grips with the problem of geographic maldistribution or any other commonly agreed upon health manpower problem does not inherently pose a threat to academic freedom, which you and I treasure.

I need only remind you that in 1971, when the Congress first authorized the capitation program that its receipt was conditioned upon each school agreeing to increase its enrollment. At that time there was not a murmer about inappropriate federal intrusion into the academic freedom of the schools. In my judgment the situation we face today is directly analogous to that set of circumstances.

Another manpower problem is the gross maldistribution of physicians among specialties. In 1949, fifty percent of all physicians considered themselves to be in general practice. By 1970, that percentage had dropped to 22 percent, and the situation was completely out of hand. You and I both understand that this is a complicated problem. It is largely a result of changes in undergraduate medical education, the growing complexity of medical science, and the service needs of hospitals, especially the teaching hospitals. Yet, the results of this trend toward increased specialization work all too frequently to the disadvantage of the American public.

We have too many surgeons. We do too much surgery. We perform surgical procedures that are unnecessary. And we perform these unnecessary procedures in the highest cost setting of the health care system. And—we have far too few primary care physicians.

The time has come to place an upper limit on the number of residency training positions. And the time has come to create a system which will result in the reasonable allocation of these positions among the various specialties. The ultimate authority for this program must be vested in the public sector, though the views of the private sector must be a part of that process.

The days of laissez-faire production of super-specialists are numbered.

We must also find a way to make residency training more flexible to accommodate the special need of those who cannot reasonably be expected to be on call 120 hours a week. I intend to amend my manpower bill to achieve this purpose.

Still another major manpower problem involves medical licensure. Requirements for licensure vary enormously among the states. Twenty-nine states still have specific requirements for premedical college work. And sixteen states continue to require basic science certificates. In addition, most American graduates take the National Board Examination, while most foreign medical graduates take the Flex Examination. Several states retain the option of setting their own passing levels for these examinations.

Disease does not respect state boundaries. I believe, therefore, that the minimum requirements for the privilege to practice medicine should be uniform in every state. We must find a better way to assure the continued competence of physicians.

A related problem here is the sharp upturn in recent years in the number of foreign medical graduates coming to this country from developing nations. Today one out of every five practicing physicians is an FMF. And one of three residents is foreign trained.

There are more Indian psychiatrists in the United States than there are in India. Virtually the entire first year graduating class at the new medical school in Chiengmai, Thailand chartered an airplane and flew off to the United States. And one-fourth of all the physicians trained in the Philippines are now practicing in America. In the Philippines the ECFMG is administered in a baseball stadium in order to accommodate the throngs who wish to emigrate.

Many foreign medical graduates who are not fully licensed are practicing medicine of dubious quality. The fact is that there are more than 14,000 FMGs who are not so licensed and who are not in approved training programs.

This sorry situation amounts to a dual class system of medical care in which the less fortunate citizens of our society are increasingly forced to rely for their medical care on persons who may not even be able to speak to them in their own language.

It is unconscionable for the richest nation on earth to have to rely on tens of thousands of foreign medical graduates to attempt to care for its own people. And it is equally unconscionable for this rich nation to drain away the skilled health manpower of the poorest nations in the world. The ever-increasing influx of FMGs must be ended.

Research and manpower are two of the indispensable ingredients of an excellent health care system. We have reached a point in our nation's history when both can flourish only with public understanding and support. I believe that health professions schools and government have no choice but to face this reality together. Together we can make our best effort to capitalize upon it. I know that to accomplish these objectives, we will need your support and understanding. We will also need your expertise and good will. The challenge before us is enormous. We can and must meet it.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

THE INDOCHINA MIGRATION AND REFUGEE ASSISTANCE ACT OF 1975

The PRESIDING OFFICER (Mr. PHILIP A. HART). Under the previous order, the Senate will now proceed to the consideration of S. 1661, which will be stated by title.

The legislative clerk read as follows:

A bill (S. 1661) to enable the United States to render assistance to or in behalf of certain migrants and refugees.

COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

The Senate proceeded to consider the bill, which had been reported from the Committee on Foreign Relations with an amendment to Strike all after the enacting clause and insert the following:

That this Act may be cited as "The Indochina Migration and Refugee Assistance Act of 1975".

SEC. 2. (a) Subject to the provisions of subsections (b) and (c), there are hereby authorized to be appropriated for the fiscal year 1975, in addition to amounts otherwise available for such purposes $405,000,000 for the performance of functions set forth in the Migration and Refugee Assistance Act of 1962 (76 Stat. 121), as amended, with respect to aliens who have fled from Cambodia or Vietnam, such sums to remain available in accordance with the provisions of subsection (b) of this section.

(b) None of the funds authorized to be appropriated by this Act shall be available for the performance of functions after June 30, 1976, other than carrying out the provisions of clauses (3), (4), (5), and (6) of section 2(b) of the Migration and Refugee Assistance Act of 1962, as amended. None of such funds shall be available for obligation for any purpose after September 30, 1977.

(c)(1)(A) The President shall make every effort to retrieve all amounts previously authorized and appropriated for assistance to South Vietnam and Cambodia but not expended before the date of enactment of this Act.

(B) Not less than thirty days after the date of enactment of this Act and not later than the end of each thirty-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 describing fully and completely the steps he has taken to carry out the provisions of subparagraph (A) of this paragraph. Such reports shall continue until the end of the calendar year 1975.

(2) Such amounts as have been retrieved on or before the date of enactment of any Act appropriating funds under this Act, or which are known on such date to be retrievable, shall be available to carry out the provisions of this Act.

(3) Such amounts as have not been retrieved on or before such date, or which were not known on such date to be retrievable, shall upon retrieval be deposited in the Treasury as miscellaneous receipts.

(4) The amount authorized to be appropriated under subsection (a) of this section shall be reduced by an amount equal to the amount made available by paragraph (2) of this subsection.

(5) For the purposes of this subsection, "retrieve" means to make available for expenditure for purposes other than assistance to South Vietnam or Cambodia.

SEC. 3. In carrying out functions utilizing the funds made available under this Act, the term "refugee" as defined in section 2(b)(3) of the Migration and Refugee Assistance Act of 1962, as amended, shall be deemed to include aliens who (A) because of persecution or fear of persecution on account of race, religion, or political opinion, fled from Cambodia or Vietnam; (B) cannot return there because of fear of persecution on account of race, religion, or political opinion; and (C) are in urgent need of assistance for the essentials of life.

SEC. 4. The President shall consult with and keep the appropriate committees of Congress fully and currently informed regarding the use of funds and the exercise of activities carried out pursuant to this Act. Reports shall be filed with the Speaker of the House of Representatives and the Foreign Relations, Judiciary, and Appropriations Committees of the Senate.

Mr. MANSFIELD. Mr. President, will the Senator from Alabama yield to me?

Mr. SPARKMAN. Mr. President, I yield such time as the majority leader may require.

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

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

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that Carolyn Fuller, of my staff, be permitted the

privileges of the floor during the debate on S. 1661.

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

Mr. FORD. Mr. President, I ask unanimous consent that Jane Matthias, of my staff, be allowed the privileges of the floor during the discussion and vote on S. 1661.

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

Mr. SPARKMAN. Mr. President, the bill has been laid before the Senate, has it not?

The PRESIDING OFFICER. I am advised that it has been laid before the Senate.

Mr. SPARKMAN. Mr. President, hopefully, passage of the bill before the Senate, and the implementing appropriation bill, will mark the end of the legislative path of our involvement in Indochina. For many years Congress actions relative to U.S. policy in Southeast Asia have been negative and restrictive, designed to curb the President's authority and, finally, to draw the purse strings against any further action there by U.S. Forces. The bill represents a positive step, a situation where the President and the Congress are working together to meet the last remaining commitment—if I may use that much abused word—our Nation incurred in that conflict.

In the last days before the fall of South Vietnam, tens of thousands of Vietnamese, including relatives and friends of Americans, employees of U.S. agencies, and others associated with U.S. interests, fled their homeland in fear of their lives. Whether those fears were well founded remains to be seen but, nevertheless, they were real. The United States encouraged and facilitated this mass movement. As of today, some 127,000 refugees from Indochina have placed themselves in the hands of the United States.

This bill will authorize the funds needed to help them resettle into new lives.

One of the great strengths of our country is the diversity of its people. We are a nation of immigrants and refugees. It is fitting that Congress is considering refugee assistance as we approach the bicentennial of our Nation's birth. Help to those who fled from Indochina is in the finest tradition of America. I can think of no better way for Americans to reaffirm what this country stands for than to give them a warm and friendly welcome.

Last Thursday, by a vote of 91 to 1, the Senate passed a resolution, which I quote:

> Be it resolved that the Senate reaffirms that the Statue of Liberty is, as Emma Lazarus called her, the Mother of Exiles; that the Senate reaffirms that the lesson of the parable of the Good Samaritan lives on in the minds and hearts of the American people and is a part of their character; and that the Senate welcomes warmly the latest exiles to our shores—the refugees from South Vietnam and Cambodia.

S. 1661 will implement the sentiments of that resolution.

Let me summarize the provisions of the bill.

It would authorize the appropriation of $405,000,000 for refugee relief and resettlement. The committee expects that additional funds will be requested for the 1977 fiscal year.

The President is directed to retrieve any foreign aid funds in the pipeline for South Vietnam and Cambodia. If these funds are used for refugee purposes, the amount must be deducted from the overall $405,000,000 authorization. If not used for refugee purposes, they are to be returned to the Treasury. This provision is consistent with the thrust of Senator HATFIELD's bill, passed by the Senate last Thursday. Later, I will propose an amendment to update this provision.

Assistance would be provided under the statutory framework of the Migration and Refugee Assistance Act of 1962.

The programs authorized would include such activities as transportation of refugees to reception centers in the United States; care of refugees in the reception centers; onward transportation to areas in the United States for resettlement; vocational training, reimbursement to State and local governments for services performed in behalf of refugees; and return transportation for those who wish to return to their homeland.

The President must keep Congress fully and currently informed concerning the refugee program.

The President requested an open-ended authorization and the appropriation of $507 million to cover costs for an estimated 150,000 refugees for the next 14 months. The committee approved an authorization of $405 million, a reduction of $102 million in the appropriation request. There was a strong feeling among the members that the cost estimates, particularly those for reimbursement to the Defense Department, were inflated and doubts that the total number of refugees is not likely to reach 150,000, the figure on which the administration's cost estimates were based. Additional funds are likely to be required to cover the final stages of the program, which expires on September 30, 1977. The committee will give careful consideration to any request that may be submitted by the President next year.

The success of the resettlement of the Indochinese refugees depends in large measure on the voluntary agencies, not the U.S. Government. They are the key to the resettlement effort. The committee expects that Government officials will render all possible assistance to these agencies. The committee will monitor the program closely to insure that this is done.

The President has called for speedy action by Congress on this legislation. Executive branch witnesses told the committee that there are no funds available to help expand the work of the voluntary agencies and that, as a consequence, bottlenecks are developing in the processing centers.

Costs of the evacuation of the Vietnamese and initial care to date have been met thus far by using $98 million in funds previously appropriated for economic aid to Indochina. Those funds are now either exhausted or nearly exhausted, much for reimbursement to the Department of Defense. But of critical importance is the fact that these funds are not available to pay for the services of voluntary agencies in resettling the refugees outside of the processing centers.

The use of these funds is controlled by the legal parameters of the Foreign Assistance Act. It would be a gross distortion of that Act to use foreign aid funds for resettling refugees in the United States. Refugee relief and resettlement comes under the framework of the Migration and Refugee Assistance Act and the funds authorized by this bill are essential to implementing programs for the refugees from Indochina. Until new funds are provided, the bottlenecks in the processing centers will stagnate the refugee flow.

The committee is impressed with the need for urgent consideration of the authorization and appropriation bills. As a consequence, it has brought this bill to the Senate floor without the detailed examination it normally gives to a bill involving such a large sum of the taxpayers' money. But the urgency of the funding problem, coupled with the lack of hard information due to the incomplete picture of the dimensions of the problem, have persuaded the committee to temper its traditional caution with a liberal dose of humanity.

I cannot assure the Senate that a few persons with unsavory backgrounds may slip in with those who are truly deserving of our sanctuary. There is no practical way to avoid this possibility. It is a part of the price to be paid for offering asylum. But we must assume that the immigration officials will, in cooperation with our intelligence agencies, do everything reasonable to minimize problems of this nature.

I might add there, Mr. President, that we have had assurance from the immigration service that every effort will be made to take care of this problem.

Mr. President, this bill is in keeping with the best traditions of America. Americans are a warm and generous people who have traditionally responded with open hearts to those who have fled from oppression abroad. Since World War II, the United States has welcomed more than 1.3 million refugees, including 675,000 Cubans and 31,000 Hungarians. Each year some 400,000 immigrants join our melting pot society to add to the richness of our culture.

The Vietnamese and the handful of Cambodians who may join our people will constitute only about one-sixteenth of 1 percent of our Nation's population, hardly a ripple on this vast and diverse pond of Americans.

I hope that the Senate will give this bill an overwhelming vote of approval.

I ask unanimous consent, Mr. President, to have printed in the RECORD at this point a copy of the text of the Migration and Refugee Assistance Act of 1962, excerpts from the committee report, certain tables concerning cost estimates for the refugee program, and a letter received by the committee signed by 28 Members of the Senate supporting assistance for the refugees.

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

MIGRATION AND REFUGEE ASSISTANCE ACT OF 1962, AS AMENDED

(Public Law 87-510 [H.R. 8291], 76 Stat. 121; 22 U.S.C. 2601, approved June 28, 1962, as amended by Public Law 88-634 [H.R. 11812], 78 Stat. 1021, approved Oct. 7, 1964)

An act to enable the United States to participate in the assistance rendered to certain migrants and refugees

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 "Migration and Refugee Assistance Act of 1962."

SEC. 2. (a) The President is hereby authorized to continue membership for the United States in the Intergovernmental Committee for European Migration in accordance with its constitution approved in Venice, Italy, on October 19, 1953. For the purpose of assisting in the movement of refugees and migrants and to enhance the economic progress of the developing countries by providing for a coordinated supply of selected manpower, there are hereby authorized to be appropriated such amounts as may be necessary from time to time for the payment by the United States or its contributions to the Committee and all necessary salaries and expenses incidental to United States participation in the Committee.

(b) There are hereby authorized to be appropriated such amounts as may be necessary from time to time—

(1) for contributions to the activities of the United Nations High Commissioner for Refugees for assistance to refugees under his mandate or in behalf of whom he is exercising his good offices;

(2) for assistance to or in behalf of refugees designated by the President (by class, group, or designation of their respective countries of origin or areas of residence) when the President determines that such assistance will contribute to the defense, or to the security, or to the foreign policy interests of the United States;

(3) for assistance to or in behalf of refugees in the United States whenever the President shall determine that such assistance would be in the interest of the United States: *Provided,* That the term "refugees" as herein used means aliens who (A) because of persecution or fear of persecution on account of race, religion, or political opinion, fled from a nation or area of the Western Hemisphere; (B) cannot return thereto because of fear of persecution on account of race, religion, or political opinion; and (C) are in urgent need of assistance of the essentials of life;

(4) for assistance to State or local public agencies providing services for substantial numbers of individuals who meet the requirements of subparagraph (3) (other than clause (C) thereof) for (A) health services and educational services to such individuals, and (B) special training for employment and services related thereto;

(5) for transportation to, and resettlement in, other areas of the United States of individuals who meet the requirements of subparagraph (3) (other than clause (C) thereof) and who, having regard for their income and other resources, need assistance in obtaining such services; and

(6) for establishment and maintenance of projects for employment or refresher professional training of individuals who meet the requirements of subparagraph (3) (other than clause (C) thereof) and, who, having regard for their income and resources, need such employment or need assistance in obtaining such retraining.

(c) Whenever the President determines it to be important to the national interest, not exceeding $10,000,000 in any fiscal year of the funds made available for use under the Foreign Assistance Act of 1961, as amended, may be transferred to, and consolidated with, funds made available for this Act in order to meet unexpected urgent refugee and migration needs.

(d) The President shall keep the appropriate committees of Congress currently informed of the use of funds and the exercise of functions authorized in this Act.

(e) Unexpected balances of funds made available under authority of the Mutual Security Act of 1954, as amended, and of the Foreign Assistance Act of 1961, as amended and allocated or transferred for the purposes of sections 405(a), 405(c), 405(d) and 451(c) of the Mutual Security Act of 1954, as amended, are hereby authorized to be continued available for the purposes of this section and may be consolidated with appropriations authorized by this section.

SEC. 3. (a) In carrying out the purpose of this Act, the President is authorized—

(1) to make loans, advances, and grants to, make and perform agreements and contracts with, or enter into other transactions with, any individual, corporation, or other body of persons, government or government agency, whether within or without the United States, and international and intergovernmental organizations;

(2) to accept and use money, funds, property, and services of any kind made available by gift, devise, bequest, grant, or otherwise for such purposes.

(b) Whenever the President determines it to be in furtherance of the purposes of this Act, the functions authorized under this Act may be performed without regard to such provisions of law (other than the Renegotiation Act of 1951 (65 Stat. 7)), as amended, regulating the making, performance, amendment, or modification of contracts and the expenditure of funds of the United States Government as the President may specify.

SEC. 4. (a) (1) The President is authorized to designate the head of any department or agency of the United States Government, or any official thereof who is required to be appointed by the President by and with the advice and consent of the Senate, to perform any functions conferred upon the President by this Act. If the President shall so specify, any individual so designated under this subsection is authorized to redelegate to any of his subordinates any functions authorized to be performed by him under this subsection, except the function of exercising the waiver authority specified in section 3(b) of this Act.

(2) Section 104(b) of the Immigration and Nationality Act (8 U.S.C. 1104(b)), is amended by inserting after the first sentence the following: "He shall be appointed by the President by and with the advice and consent of the Senate."[5]

(b) The President may allocate or transfer to any agency of the United States Government any part of any funds available for carrying out the purposes of this Act. Such funds shall be available for obligation and expenditure for the purposes for which authorized in accordance with authority granted in this Act or under authority governing the activities of the agencies of the United States Government to which such funds are allocated or transferred. Funds allocated or transferred pursuant to this subsection to any such agency may be established in separate appropriation accounts on the books of the Treasury.

SEC. 5. (a) Funds made available for the purposes of this Act shall be available for—

(1) compensation, allowances, and travel of personnel, including Foreign Service personnel whose services are utilized primarily for the purpose of this Act, and without regard to the provisions of any other law, for printing and binding, and for expenditures outside the United States for the procurement of supplies and services and for other administrative and operating purposes (other than compensation of personnel) without regard to such laws and regulations governing the obligation and expenditure of Government funds as may be necessary to accomplish the purposes of this Act;

(2) Employment or assignment of Foreign Service Reserve officers for the duration of operations under this Act;

(3) Exchange of funds without regard to section 3651 of the Revised Status (31 U.S.C. 543), and loss by exchanges;

(4) Expenses authorized by the Foreign Service Act of 1946, as amended (22 U.S.C. 801 et seq.),[6] not otherwise provided for;

(5) Expenses authorized by the Act of August 1, 1956 (70 Stat. 890-892), as amended; and

(6) All other expenses determined by the President to be necessary to carry out the purposes of this Act.

(b) Except as may be expressly provided to the contrary in this Act, all determinations, authorizations, regulations, orders, contracts, agreements and other actions issued, undertaken, or entered into under authority of any provision of law repealed by this Act shall continue in full force and effect until modified, revoked, or superseded under the authority of this Act.

SEC. 6. Subsections (a), (c) and (d) of section 405 of the Mutual Security Act of 1954, as amended, subsection (c) of section 451 of the said Act, and the last sentence of section 2(a) of the Act of July 14, 1960 (74 Stat. 504), are hereby repealed.

SEC. 7. Until the enactment of legislation appropriating funds for activities under this Act, such activities may be conducted with funds made available under section 451(a) of the Foreign Assistance Act of 1961, as amended.

INDOCHINA MIGRATION AND REFUGEE ASSISTANCE ACT OF 1975

May 12 (legislative day, April 21) 1975.—Ordered to be printed.

Mr. Sparkman, from the Committee on Foreign Relations, submitted the following report [to accompany S. 1061].

* * * * *

COMMITTEE COMMENTS

American military involvement in South Vietnam and Cambodia has now ended. The committee hopes that the divisiveness created by this long and tortuous involvement will also be ended and that Americans will unite in opening their arms and their hearts to the refugees who fled from South Vietnam and Cambodia in fear of their safety.

One of the great strengths of this country is the diversity of its people. It is a nation of refugees. It is fitting that Congress is considering legislation to assist refugees in resettling in the United States as we approach the bicentennial of our nation's birth. Help to those who fled from Indochina is in the finest tradition of America. There is no better way for Americans to reaffirm what this country stands for than to give them a warm and friendly welcome.

On May 8 by a vote of 91 to 1, the Senate adopted the following resolution:

[S. Res. 148, 94th Cong., 1st sess.]

RESOLUTION: TO WELCOME THE LATEST REFUGEES TO OUR SHORES

Whereas ours is a Nation of immigrants and descendants of immigrants, many of whom fled from tyranny and bloodshed in their native lands where they were scorned, hated and hunted; and

Whereas they came here because they

know they could find in America safety, freedom and opportunity; and

Whereas they found all those things and more, for they also found America to be a land of compassion as well as affluence, magnaminity as well as wealth; and

Whereas Americans welcomed these fellow, less-fortunate human beings not only for their sake but for our own, knowing that they strengthened our national vitality, constantly renewing the diversity and richness of our lives and the pluralism and dynamism of our society; and

Whereas this periodic influx of refugees and exiles can serve to keep us humble, saving us from the sins of arrogance, pride and self-righteousness by reminding us of our origins, of the misery that abounds elsewhere in the world, and of the destiny that may also befall us should we betray our heritage: Now, therefore, be it

Resolved, That the Senate reaffirms that the Statute of Liberty is, as Emma Lazarus called her, the Mother of Exiles; that the Senate reaffirms that the lesson of the parable of the Good Samaritan lives on in the minds and hearts of the American people and is a part of their character; and that the Senate welcomes warmly the latest exiles to our shores—the refugees from South Vietnam and Cambodia.

The purpose of S. 1661 is to implement in practical terms the sentiments expressed in that resolution.

As of May 12, approximately 115,000 refugees from Indochina are under United States protection, all but about 1,000–1,200 of them Vietnamese. Executive Branch officials estimate that a total of 130,000 will eventually be brought to the United States and an additional 10,000–15,000 refugees will be settled in third countries. Of the refugees in U.S. control, 60,935 remain afloat on vessels or are at Pacific restaging sites such as Guam and Wake Island. Some 54,300 have arrived in the continental United States and of this number nearly 15,000 have been processed and released under private American sponsorship. The remainder are in processing centers in California, Arkansas, and Florida.

The transportation and initial care of the refugees under United States protection have been provided by the Department of Defense at the request of the President's specially designated Task Force. Initial costs of the evacuation and basic needs of the refugees have been met by use of $98,000,000 in funds originally provided for economic aid to Indochina. Those funds have been used to reimburse the Department of Defense for sealift and airlift and basic facilities at the staging and processing areas.

The only other funds available for assistance to the Indochinese refugees under existing law are those which have been made available under the Migration and Refugee Assistance Act of 1962, as amended.

The Department of State/USIA Authorization Act, Fiscal Year 1975 (Public Law 93–475) authorized the appropriation of $9,420,000 for all migration and refugee programs of the Department of State for the current fiscal year. An appropriation of $8,420,000 under this authorization was contained in the Foreign Assistance and Related Programs Appropriation Act, 1975 (Public Law 94–11). In addition, $10 million in funds made available under the Foreign Assistance Act has been transferred to the Migration and Refugee Assistance account as authorized by section 2(c) of the Migration and Refugee Assistance Act of 1962, as amended (22 U.S.C. 2601). All except $5 million of the funds thus appropriated or transferred were committed to existing refugee programs prior to the evacuations from Cambodia and South Vietnam. Executive Branch witnesses stress that there are no additional funds available under existing law for meeting essential refugee needs. The problem is especially acute, the Committee was told, because no funds are available to finance resettlement efforts by the voluntary agencies and, as a consequence, bottlenecks are being encountered in moving refugees out of the processing centers.

The principal responsibility for resettlement lies with the following nine voluntary agencies: U.S. Catholic Conference, American Fund for Czechoslovak Refugees, Church World Service, Lutheran Immigration & Refugee Service, United HIAS Service, Inc., Tolstoy Foundation, Inc., International Rescue Committee, American Council for Nationalities Service, Traveler's Aid-International Social Services. Voluntary agencies have assisted in the resettlement of hundreds of thousands of refugees over the past thirty years. Basically, the voluntary agencies which are represented in the three reception centers identify sponsors, geographically distributed across the country.

The Committee was assured that voluntary agencies, working together with the Department of State and the Department of Health, Education, and Welfare will make every effort to disperse refugees throughout the United States. Sponsors for refugees include individuals, families, parishes and community organizations. These sponsors assume a moral obligation to receive the refugees and their families and to find housing, employment, and educational opportunities for them.

In addition to the need for authorization of additional appropriations, new authority is required to provide assistance with respect to refugees who have entered the United States.

The authority of the Migration and Refugee Assistance Act for certain assistance to or in behalf of refugees located in the United States is applicable only to those refugees who have fled from a nation or area in the Western Hemisphere. An extension of the authorities contained in the 1962 Act to refugees from Indochina is necessary in order to permit assistance to state and local public agencies providing services to substantial numbers of refugees, for transportation to and resettlement in other areas of the United States of refugees presently at reception centers, and for vocational training to facilitate the assimilation of the refugees in the United States into our society.

S. 1661 meets the need for additional authorization of appropriations and substantive authority by authorizing the appropriation of funds for a temporary program of relief and resettlement of Indochinese refugees under the authorities contained in the Migration and Refugee Assistance Act of 1962.

The Committee has recommended an authorization of $405,000,000 to be available until the refugee assistance program terminates on September 30, 1977. It is anticipated that additional funds will be required for FY 1977. The Committee has also authorized use for refugee relief purposes of any funds which may be recovered from amounts previously appropriated for foreign assistance to South Vietnam and Cambodia. Any amounts retrieved from the old assistance programs must either be deducted from the overall amount authorized for refugee assistance or returned to the Treasury. The Committee's action is in line with the policy incorporated in S. 1696, a bill to authorize amounts available but not committed for military assistance to South Vietnam and Cambodia to be used for humanitarian assistance for refugees from South Vietnam and Cambodia, passed by the Senate on May 8.

Preliminary estimates of transport, temporary care, and resettlement costs (150,000 evacuees in staging areas, of which 130,000 to be resettled in United States and 20,000 in Third Countries), May 2, 1975

1. Daily maintenance $15 per person per day for 30 days (150,000 people) at staging areas, $15 per person per day for 60 days (130,000 people) at processing centers. Includes food, utilities, medical care, etc.	$185,000,000
2. Airlift $530 per person (130,000 people from staging areas to processing centers, plus air supply of materials estimated at $30 million.	99,000,000
3. Resettlement costs Estimated at $600 per person to be provided to voluntary agencies which will transport and administer resettlement, 130,000 people in U.S.	78,000,000
4. Subsequent welfare and medical (HEW)	125,000,000
Welfare and Social Services	50,000,000
Medicaid	30,000,000
Bilingual and Vocational Training	30,000,000
Public Health	15,000,000
5. Movement of added 20,000 refugees to third countries for resettlement (State/ORM) Estimated at $1,000 each to cover transport and program administration.	20,000,000
New appropriation needed	507,000,000

Estimated expenses for evacuation maintenance and resettlement of Indochina and Cambodian refugees as of May 5, 1975

Total amount provided for IPR funded to date under Presidential determination (614(a) waiver)	$98,000,000
Contract shipping for evacuation	18,000,000
Airlift-DOD—$300 per person to staging area, $530 per person from staging areas to processing centers plus air supply of materials	34,000,000
Facilities—DOD—open staging areas and processing centers	15,000,000
Daily maintenance—DOD—Including food, utilities, medical care, etc	12,000,000
Unobligated reserve for DOD operation	7,900,000
Immigration services—processing of refugees	1,200,000
Voluntary agencies—ICEM and High Commissioner, International Red Cross $500 per person provided to voluntary agencies to administer resettlement program overseas	1,400,000
Customs—Processing of refugees	40,000
National Advisory Committee on Indo-Chinese Refugees	50,000
Total	89,500,000
Amount available*	8,610,000

*Estimated rate of expenditure at present time is 2.7 million per day.

Preliminary estimates of evacuation, temporary care, and resettlement costs (150,000 evacuees including 130,000 resettled in United States and 20,000 in 3d countries), May 2, 1975

1. Sealift (DOD)	$30,000,000
Contract shipping for evacuation.	
2. Airlift (DOD)	132,000,000
$300 per person (110,000 people) to staging areas, $530 per person (130,000 people) from staging areas to processing centers, plus air supply of materials estimated at $30 million.	
3. Facilities (DOD)	35,000,000
$20 million for establishment of staging areas, $15 million to open processing centers.	
4. Daily Maintenance (DOD)	185,000,000
$15 per person per day for 30 days (150,000 people) at staging areas, $15 per person per day for 60 days (130,000 people) at processing centers. Includes food, utilities, medical care, etc.	
5. Resettlement Costs (State/ORM)	78,000,000
Estimated at $600 per person to be provided to voluntary agencies which will transport and administer resettlement, 130,000 people in United States.	
6. Subsequent welfare and medical (HEW)	125,000,000
Welfare and social services	125,000,000
Medicaid	30,000,000
Bilingual and vocational training	30,000,000
Public health	15,000,000
7. Movement of added 20,000 refugees to Third Countries for resettlement (State/ORM)	20,000,000
Estimated at $2,000 each to cover transport and program administration.	
Total requirement	605,000,000
Less Amount Provided from IPR funds to date under Presidential determination (614(a) waiver)	98,000,000
New appropriation needed	507,000,000
Total requirement	$605,000,000

SUMMARY BY AGENCY

Department of Defense	382,000,000
Department of State	98,000,000
Department of Health, Education, and Welfare	125,000,000
Total	605,000,000

COMMITTEE ON FINANCE,
Washington, D.C., May 8, 1975.

Hon. JOHN J. SPARKMAN,
Chairman, Senate Foreign Relations Committee, Dirksen Senate Office Building.

DEAR MR. CHAIRMAN: Within the next few days the Committees on Appropriations and Foreign Relations will be considering the question of aid for refugees of the Vietnam war.

We feel it is unfortunate that the climate for consideration of this important issue is being shaped by the fears of some who are exaggerating the costs and ignoring the responsibilities of the United States in providing help to the victims of the war.

We believe and think that the President is right in asserting that the overwhelming majority of Americans feel an obligation toward those who have been forced to flee their homes, in many cases because of their loyalty toward the United States.

It would be a tragedy if our response to the plight of the refugees was determined by a few vocal opponents while the majority remained silent in their support for the refugees. In the eyes of other nations, we might be wrongly perceived as a people who were unwilling to make even this small sacrifice to help our friends.

We recognize that the Committee will want to carefully examine the dollar amount that has been requested by the White House. There may be other problems associated with resettlement, including the necessity of assuring that no undue burdens are placed on individual states and communities. Many Governors and local officials have already contacted the White House to express their willingness to cooperate in placement efforts.

Furthermore, a maximum effort should be made by our government to enlist the help of other countries in providing aid and asylum to refugees who would be willing to live elsewhere.

Nevertheless, these problems should not be permitted to obscure the larger issue of whether the United States is prepared to act with the same generosity and goodwill we have always shown toward those seeking freedom from oppression. To do less would be to underestimate the strength and character of the American people and to dishonor the highest traditions of our nation.

We are confident that when faced with this choice, the Senate will overwhelmingly approve the legislation necessary to find homes, jobs and a fresh start for those whose lives have been shattered by the fall of South Vietnam. We urge your full support in this effort.

Sincerely,

Walter F. Mondale, Philip A. Hart, Robert B. Morgan, Bob Packwood, Adlai E. Stevenson, John C. Culver, Thomas J. McIntyre, Hiram L. Fong, Dale Bumpers, Lowell P. Weicker, Jr., William V. Roth, Jr., Dick Clark, Abraham A. Ribicoff, Patrick J. Leahy.

Henry M. Jackson, William D. Hathaway, Daniel K. Inouye, E. J. Jake Garn, John V. Tunney, Carl Curtis, James L. Buckley, Hubert H. Humphrey, Gaylord Nelson, Edmund S. Muskie, Dewey F. Bartlett, Alan Cranston, Robert T. Stafford, Gale McGee.

Mr. SPARKMAN. Mr. President, I yield to the Senator from New Jersey at this time.

Mr. CASE. Mr. President, the chairman has very well stated the purpose of this bill and its major provisions, also briefly the history of the consideration in the Committee on Foreign Relations and certain predecessor actions that were taken, in some cases overtaken by time and events.

We are here now with the definitive action to deal with the question of resettlement of the refugees from Southeast Asia. The committee is strongly in favor of this bill.

I may say as a member of the Committee on Appropriations, already a majority acted subject to authorization, with the sentiment there, I see no reason for extended discussion of it on the floor, though we will be very happy to respond to any inquiries.

I know the Senator from New York (Mr. JAVITS), together with Senator PELL, had legislation on this subject, and who in committee and in the general consideration of this matter in the public domain has made a great contribution to its formation and will want to expand somewhat further on it, so I will have no further remarks at this time.

Mr. JAVITS. Mr. President, I thank my colleague from New Jersey and my colleague from Alabama very much. They are overly generous to Senator PELL and myself.

We did move immediately when the situation broke, but were it not for their action in leading the committee where it went, we should not be here so promptly with the bill.

Mr. President, just one word of general view. It has been expressed before, but I wish to express it again, as to the disillusion which we had in Vietnam and the terrible disappointment which we suffered there.

We Americans are not used to defeat, yet there is hardly any other way to describe what occurred. But, Mr. President, first we must face up to the fact that the Americans who gave their lives, and their families, and who offered not only death, but casualties to the tune of some 250,000, should not—I never cease saying this and I hope other Members will not, either—feel that these lives were wasted in vain.

A nation must hang together whether any of us agree or disagree, and I disagreed from 1967 on, so did many others.

It is our function as a nation to serve that nation even if it, in a given case, is in error. The superior responsibility is the integrity and honesty and devotion to the fundamental purposes of the mission of the nation and to its dignity as a nation.

I hope very much, Mr. President, that no American family will feel that any of its members who fell in this cause, fell in any cause less noble than that in which our country has for generations enlisted its young men and their lives and fortunes.

It is with deep grief that we contemplate this situation, but I think those words of solace are essential to every American family in justice and decency, and I think Congress will always appreciate that in the treatment of the wounded and the families of those who gave their lives.

Also, Mr. President, this measure represents a decent respect for those who were either for or against the Vietnamese conflict who aided us in that endeavor.

As the Senator from Alabama (Mr. SPARKMAN) has said, there were rascals among those who have come in, life is just that way, but I believe it will be found that they are so few and far between that the overwhelming majority legitimately represent those who have a claim on our bounty and our hospitality.

This is in addition to the great tradition of helping the persecutees which has characterized our country always and which has caused us to take since World War II 1,350,000 new Americans from the DP camps, from the Hungarian and other freedom fighters, from those who escaped from Eastern Europe in the early 1950's and from those who sought refuge here from the dictatorship of Fidel Castro.

It is these considerations, Mr. President, which should dominate, and while we wish to draft intelligent legislation, carefully designed to carry out our good purposes and good intentions with the least prejudice or harm to any American, or any American family, the weight of our feeling should be on the side of doing something which is apposite to the critical situation in which these refugees have found themselves.

Mr. President, the bill is drafted exactly for that purpose and it is very important that the Senate understand how carefully we worked with the bill.

In the first place, to understand the bill completely, it is necessary also to refer to the provisions of the Migration and Refugee Assistance Act of 1962 as that is the framework within which this rather brief bill is set, so that individual definitions, et cetera, are not repeated in this bill except by reference to the fundamental law.

That is a critically important aspect of understanding what is here written.

Second, that the committee was determined that any money that could be retrieved—whether in or out of the pipeline from military or nonmilitary appropriations to the struggle in Vietnam, or its liquidation—should be retrieved and should be deposited in the Treasury so that the retrieval will be at the maximum.

The committee has expressly set the reporting scheme for that purpose. That is found in section 2(c)(B) in this bill. The committee was very sensitive to that point.

Second, that in view of the fact that some of these refugees may have some resources of their own, the administration of the measure should be devoted to those "who are in urgent need of assistance for the essentials of life." That is a pretty strict definition. That is found in section 3, which adds to the definition of refugee already contained in the Migration and Refugee Assistance Act.

The fundamental thrust of that act is that a person is not a refugee or persecutee who should or wishes to return to his place of origin. So that issue is covered.

Finally, the consultation by the President is called for in section 4 as well as adequate reports to the various committees.

The Senator from Kentucky has a very interesting amendment which he will present to us in due time. I have studied that amendment rather carefully. I believe it is a very helpful specification of exactly what we want reported. We could insist on that as a committee but I see no reason why it cannot be specified in the act.

I hope when the Senator addresses himself to the amendment, he will give us his reasons for phrasing the second part of his amendments as he does. That is section 4(b). As I read it, it is an endeavor to establish by law not a report technique but a set of criteria which are mandatory in the plan even before we get a plan.

I raised the question with him, which I think needs to be justified to the Senate, as to whether we should be quite that categorical at this time before we even have a plan or really know the outlines of the situation, or whether we should rather express it as our desire that a plan proceed along this line. I do not know whether he intended to make his provision an order of priority by law at this particular moment. I hope the Senator will address himself to that point.

Should he choose to put it to the Senate on the basis of a schedule of strict priorities, which is the way it reads, as I see it, I would say that I would feel compelled to ask for a division of the question. I think it is a very different question to have specifically the terms of the report than it is to mandate a series of immediate priorities.

I did not mean to rush the Senator at all. Perhaps he wishes to do this in his own good time, but I will be glad to yield.

Mr. HUDDLESTON. If the Senator will yield, I will address myself to that question at the present time.

Mr. JAVITS. I yield.

Mr. SPARKMAN. Will the Senator yield?

Mr. HUDDLESTON. I yield.

Mr. SPARKMAN. I would like to suggest, Mr. President, that we forego the discussion of this amendment at this time, and wait until we get to the amendment stage.

Mr. JAVITS. Mr. President, I agree with the Senator entirely.

Mr. President, I simply wish to end my own presentation of the matter by saying that the fact that only one amendment has been filed, and that amendment to a part of the bill which relates to the methodology which we will pursue here within the Senate, seems to me to be another evidence of the fact that not only the committee by an overwhelming majority but the Senate as a whole looks with favor upon this legislation and accepts the fundamental expression of our own morality and our own tradition which is expressed so very eloquently in this legislation.

I thank the Chair.

Mr. SPARKMAN. I might remind the Senator from New York. He said by an overwhelming majority. It was unanimous in the committee.

Mr. JAVITS. That is correct.

Mr. SPARKMAN. Mr. President, at this time I would like to ask, in behalf of the Senator from Massachusetts (Mr. KENNEDY) that two staff members from the Judiciary Refugee Subcommitee, Dale de Haan and Jerry Tinker, be allowed the privilege of the floor during this debate.

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

Mr. SPARKMAN. Mr. President, I ask unanimous consent that the committee amendment in the nature of a substitute be agreed to, and that the text of the bill as thus amended be considered as original text for the purpose of further amendment.

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

Mr. SPARKMAN. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. SPARKMAN. Mr. President, I ask that further reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 3, line 16, strike out the period and insert in lieu thereof a comma and the following: "exclusive of the $98,000,000 of Indochina Postwar Reconstruction funds allocated to the Department of State for movement and maintenance of refugees prior to the date of enactment of this Act.".

On page 3, beginning with line 25, strike out through line 11 on page 4 and insert in lieu thereof the following:

(2) All such amounts shall upon retrieval be deposited in the Treasury as miscellaneous receipts.

On page 4, line 12, strike out "(5)" and insert in lieu thereof "(3)".

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. SPARKMAN. Mr. President, this amendment is designed to eliminate certain outdated language in the bill relating to the method for disposing of foreign aid funds in the pipeline for South Vietnam and Cambodia. The committee drafted the bill to require that the President retrieve all foreign aid funds possible and stipulated that the amount recovered before the appropriations process began would be deducted from the $405 million to be authorized in this bill. Funds recovered later were to go directly into the Treasury.

The appropriations process is nearly completed. The Senator from Hawaii is chairman of that subcommittee. I would like for him to verify that the appropriations procedure is in process relating to these funds.

Mr. INOUYE. Will the Senator repeat the question?

Mr. SPARKMAN. We provided that the President should recover all foreign aid funds possible that had been appropriated but not used, and that those funds retrieved before the appropriations process began would be deducted from the $405 million to be authorized in this bill. Later the funds would go directly to the Treasury. Now that the appropriations process is nearing completion, this formula has been outmoded. I just wanted verification of the situation relative to these funds.

Mr. INOUYE. Mr. President, I am pleased to respond to this inquiry. As the chairman is well aware, in early April, by Executive order, $5 million from technical assistance was set aside for refugee purposes. About a week thereafter $98 million from the Indochina postwar reconstruction program was set aside for refugee programs. There was remaining about $70 million in the Indochina postwar reconstruction program, but these funds had already been committed and obligated. It would take about 6 months to recapture the total amount. Of the $70 million, it is estimated that $65 million can be recaptured.

There was another sum of about $147 million supposedly left over from the $700 million that the Congress had appropriated for the military assistance program in Vietnam. We have been advised that, as of this moment, $17 million can be recovered within 30 days. In addition, $23 million can be recovered within a period of 6 months.

There is an outside possibility that $40 million in additional sums can be recovered within a period of a year. That makes a total of $80 million which is recoverable from the military assistance program.

Mr. SPARKMAN. And recovery of those funds will be taken care of through the authorization process in our bill?

Mr. INOUYE. Yes, sir.

Mr. SPARKMAN. Therefore, some parts of our bill are no longer needed.

Mr. INOUYE. Under the authorization bill, these sums, when recovered, will become part of the general treasury.

Mr. SPARKMAN. Yes. The amendment I have offered will take care of the outmoded language in the bill relative to the appropriations process.

The amendment also would make clear that the $98 million in foreign aid funds previously used in the refugee operation are not covered by the scope of this committee's recapture provision.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. SPARKMAN. Mr. President, some Senators have amendments.

Mr. HUDDLESTON. Mr. President, I yield to the Senator from South Dakota, who has an amendment that I understand is acceptable.

AMENDMENT NO. 479

Mr. McGOVERN. I thank Senator HUDDLESTON for yielding to me so that I may attend a telephonic press conference that I have arranged with South Dakota editors. I appreciate his yielding to me to call up my amendment.

Mr. President, I send a modified amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from South Dakota (Mr. McGOVERN) proposes Amendment No. 479, as modified.

Mr. McGOVERN. Mr. President, I ask unanimous consent that further reading of the amendent be dispensed with.

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

The modified amendment is as follows:

On page 4, line 15, insert the following:

SEC. 3. (a) At the earliest practicable date the President shall direct that a survey be taken among refugees from South Vietnam and Cambodia to determine which of them are desirous of returning to their country of origin.

(b) From the funds made available pursuant to this act, such sums as may be required shall be used to provide transportation, through the use of commercial carriers or military transport, and to assist in such other arrangements as may be necessary, for Vietnamese and Cambodians who express a desire to return to their homeland.

Renumber succeeding sections accordingly.

Mr. McGOVERN. Mr. President, the modification referred to was suggested by the Senator from Rhode Island, and it does not in any way change the fundamental thrust of the amendment.

I support the basic thrust of the refugee relief bill that has been reported by the Committee on Foreign Relations. This amendment would provide two steps that I think would strengthen the proposed legislation.

First of all, the amendment instructs the President, at the earliest possible time, to conduct a survey among the refugees to learn which of them may be desirous of returning to their own country.

We have had numerous reports in the press and some reports from the Senate Subcommittee on Refugees, from the two staff members who are in the Chamber, Mr. deHaan and Mr. Tinker, and others, indicating that a significant number of the refugees, now that the initial panic and hysteria have subsided somewhat, are desirous of returning to their own country. We do not know how many.

This amendment would instruct the administration to find out, by a survey conducted among the refugees.

Second, the amendment would authorize the use of funds to pay the transportation of those refugees who wish to return.

I hope it will be understood by all Senators that this amendment is offered in the same humanitarian spirit as the bill itself. It is my very strong conviction that a sizable number of refugees will choose to return. But we need to find that out, and we need to do it in a thoughtful and systematic way.

I have discussed this amendment with the manager of the bill, the chairman of the committee, the Senator from Alabama, and with the ranking member of the committee on the other side of the aisle, Senator CASE. To the best of my knowledge, neither of them has any objection to the amendment, and I hope it will be adopted.

Mr. SPARKMAN. Mr. President, as a matter of fact, the purpose that is sought in this amendment is covered already by the bill, and that is plainly shown in the report, on page 8:

The program will also encompass paying for the transportation back to South Vietnam or Cambodia for those who have a change of mind and desire to return to their homeland. Broad authority for the President to finance return travel expenses if he chooses to do so is provided by section 2(b)(2) of the Migration Refugee and Assistance Act.

We set out that act in the appendix of the report.

The Committee does not believe that additional authority is necessary beyond that already provided and expects that funds will be made available to pay for the return of the refugees who wish to go back to their homes.

The amendment of the Senator from South Dakota reaffirms and emphasizes that point, and I am willing to accept the amendment.

Mr. CASE. Mr. President, the chairman has correctly stated the situation, even in the absence of the amendment. We have no objection whatever to accepting the amendment as a matter of emphasizing that this is one of our major purposes in connection with the adoption of the legislation.

Mr. SPARKMAN. Mr. President, I move the adoption of the amendment.

Mr. McGOVERN. Mr. President, before the Senate acts, I ask unanimous consent to have printed in the RECORD a letter that I sent to Members of the Senate relative to the amendment; and, if the Senator from Massachusetts has no objection, I also ask unanimous consent to have printed in the RECORD his opening statement at the hearings on the Vietnam evacuation of refugees.

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

WASHINGTON, D.C., *May, 1975.*

DEAR COLLEAGUE: During consideration of S. 1661, the Indochina Migration and Refugee Assistance Act, I intend to call up the attached amendment to assist those refugees who might voluntarily choose to return to their country of origin.

We will obviously do all we can to assist those who choose to remain in the United States. But reports in recent days, including the initial conclusions of a staff inquiry by the Senate Judiciary Subcommittee on Refugees and Escapees, suggest that substantial numbers would prefer to be reunited with their families and their homeland.

At Camp Pendleton, for example, a Vietnamese doctor, Dr. Hoang Van Duc, has been quoted as saying that,

". . . if a plane were to leave for Saigon today, half this camp would be empty."

Based on the report of his Subcommittee staff, Senator Kennedy has concluded that the evacuation program for South Vietnam was,

". . . ill conceived, poorly implemented, and undertaken with little command control in the field. High officials in Guam and elsewhere, estimate that 'half the Vietnamese we intended to get out, did not get out—and that half who did get out, should not have.' "

In the same humanitarian spirit as the refugee aid bill itself, we should also do what we can to accommodate those who were removed in haste or left in fear of a final battle for Saigon, and who now wish to return.

My amendment simply calls for the use of a portion of the funds authorized in S. 1661 for the purpose of providing transportation and assisting in other arrangements for those Vietnamese who wish to return. I hope you will be able to support it.

With kind regards,

GEORGE McGOVERN.

SENATOR KENNEDY'S OPENING STATEMENT BEFORE HEARING ON VIETNAM EVACUATION AND REFUGEES

"Today's hearing resumes the Subcommittee's public inquiry into humanitarian problems in Indochina, and the President's program for the resettlement of refugees from Cambodia and South Vietnam.

"As the violence subsides in Indochina, we must finally begin to heal the wounds of war. We must stop the negative quibbling and get on with the task at hand. For the new refugees who come to our shores, we must extend a warm welcome, and provide ample resources to help meet their needs in

rebuilding new lives. And for the war victims who remain in Indochina, we must do what we can to support international efforts to help rehabilitate their lives.

"The session this morning is the fifth in a series of hearings which began just a month ago—and follows the return to Washington of two staff members who last week visited refugee sites in the Philippines, Guam and Camp Pendleton in California.

"A full report of the field study will be filed with the Judiciary Committee and the Senate within the next few days. For the purpose of this hearing, however, I would like to list some of the staff members preliminary findings and recommendations.

"*First*, the study mission found the President's evacuation program for South Vietnam was ill conceived, poorly implemented, and undertaken with little command control in the field. High officials in Guam and elsewhere, estimate that 'half the Vietnamese we intended to get out, did not get out—and that half who did get out, should not have.' When over half of the refugees fall outside the categories targeted for evaluation and parole in to the United States, troubling questions inevitably arise over the wisdom and efficacy of the evacuation program. And these questions were known from the first days of the airlift from Saigon.

"Second, the profile of Vietnamese refugees on Guam and other staging areas are different in a number of important respects from most of those who have already landed in the United States. Increasingly, the refugees are farmers, fishermen, local tradesmen, vendors, and South Vietnamese soldiers. Few speak English, and fewer still comprehend the implication of their plight as refugees. In fact, many of the refugees fled in panic from conflict and violence—as Vietnamese have fled for years—and many give the impression of not fully understanding where they are or why they got there. Such refugees are hard to resettle in any country. And for personal reasons many may wish to seek repatriation to their native land.

"Third, the military services charged with the moving and care of the refugees have performed extraordinarily well. With belated orders and few guidelines, the commanding officers at bases in this country and overseas have moved effectively in receiving the refugees and in providing them food and shelter and needed health care. Our services have performed well in meeting emergency humanitarian needs, and deserve the high tribute of Congress and the American people.

"Fourth, the same degree of performance is not seen on the civilian side of the President's program. The military services seem to understand what the Inter-agency Task Force apparently has not—that in the support of an emergency humanitarian operation involving tens of thousands of people, days and hours are critical in meeting human needs. Nothing illustrates this more than the lack of understanding and support that the Task Force has accorded to the American voluntary agencies, who have traditionally been the backbone in the resettlement of refugees and the normalization of their lives. Despite the immediate availability of hundreds and thousands of agency sponsors throughout the country, the agencies' services to the refugees are hampered, and the resettlement program has ground to a halt.

"An elementary objective in any refugee program is the speedy and humane resettlement of the homeless families. But this is not being done today. And, as a result, bottlenecks will grow, and the problem of Vietnamese refugees will remain.

"For too many weeks, the refugee program has been nothing more than a logistical pipeline for moving people from one place to another. But the funnel is full, and the pipeline is now coming to a dead end. The fundamental questions of where the refugee family goes from Pendleton or Fort Chaffee or Eglin, and what he does when he leaves—the basic issues of resettlement—have never caught-up with the pipeline. And until these questions are seriously addressed, and dealt with soon, there will be the makings of even greater human tragedy for a people who have suffered too much for too long.

"The agenda for action is clear.

"First, the speedy and humane resettlement of the refugees who come to our shores, must truly become the first objective of our national policy. The bottlenecks must be broken. The red-tape over clearences must be cut. The voluntary agencies must be funded and contracts signed. There is little excuse for the resettlement program grinding to a halt, and threatening serious problems for the welfare of the refugees and the credibility of our national welcome to the new arrivals.

"Second, the major responsibility for resettling the refugees should rest with the experienced voluntary agencies who stand ready to help. However, the time is past due for better coordination among the agencies and for the agencies to be brought into the mainstream of the refugee program. There must also be more frequent and intensive consultations between the agencies and officials in the Executive Branch.

"Third, serious consideration should now be given to moving the primary responsibility for the resettlement program in the U.S. from the Department of State to the Department of Health, Education, and Welfare.

"And fourth, through appropriate international organizations and other means, we must help to provide better opportunities for the refugees to sort out their future, including resettlement in other countries and voluntary repatriation to their native land.

"The new arrivals from Cambodia and South Vietnam continue the oldest theme in our nation's history. We have a special obligation to these refugees. And, we must welcome them, as we have welcomed others in the past. We must be sensitive to their individual needs, and compassionate in helping them to build new lives. This will truly reflect the moral foundations of our country, and our heritage as a nation of immigrants and refugees."

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield

Mr. KENNEDY. Mr. President, I join in expressing appreciation for the attitude of the chairman of the committee, as well as the ranking member, in this particular issue.

It was my understanding, in the course of the development of the legislation, that this was clearly the intention of the legislation.

I believe that the Senator from South Dakota, by this exchange in the development of the legislative history, will remind those in authority who are administering the program that it is the desire of the Members of the Senate and the House of Representatives to afford an opportunity for expression by the refugees, as completely as possible, as to their futures. This is entirely consistent from a humanitarian point of view, and it is entirely consistent with our trying to alleviate the suffering and the anguish of these 150,000 refugees.

In the course of the recent hearings before the Refugee Subcommittee, on the issue of resettling the refugees, we have seen that the early instances of those who desired to return to Vietnam seemed to be exceedingly few, since the first groups of refugees were more carefully selected than later groups. It is my very clear impression that this provision might be widely used, not just by the approximately 48 or 50 who have already indicated a desire to return, but by many more, in the hundreds perhaps or even thousands. Testimony before the Refugee Subcommittee on Tuesday by Ambassador Brown and others clearly supports this view. And voluntary repatriation, along with integration in initial reception areas and resettlement in other countries, have traditionally been one of the options available to refugees who are sorting out their future.

Mr. President, I hope we can urge those who are administering the refugee program to work with the UNHCR and other international and voluntary agencies in attempting to demonstrate to those who may be making the choice of returning to their country—and in many instances to their families—the question of their safety and their security when they return. The general information that these refugees have received in the camps is primarily based on broadcasts or upon what they have read in the newspapers.

I firmly believe that with the help of international machinery—and their work is devoted primarily toward humanitarian purposes—a great deal of the anguish and the apprehension that many of these refugees have, will be relieved. And this is an extremely important service in the cause of humanitarianism. The UNHCR and others are uniquely equipped to do this.

One of our failures in the past has been the failure to respond to and support in a positive way, the offers of assistance and the requests from the international organizations and the voluntary church groups in attempting to provide for refugees.

I commend the Senator from South Dakota for bringing this to the attention of the Senate, and I express appreciation to the members of the committee for the thought that was obviously given to this problem prior to the time that this matter came to the floor. I urge those who are charged with the administration of this program that they recognize that this is a very real and a very viable alternative for some of the refugees, and urge that, in providing that alternative, they will also try to utilize whatever machinery, primarily international machinery, exists to deal with the situation. If this can be done, the dangers which may very well exist in the minds of people about what kinds of recriminations or whatever other kind of future these individuals may have, could be alleviated.

This is not a new kind of challenge for international agencies. It has been done time and time again. It was done in the Algerian war, the Nigeria-Biafra war. It was done in the Pakistan-Bangladesh war. It has resulted in the reunification of families and the resettlement of people in their homes and in their communities and the restoration of a livelihood and a life and a life style which is, in many instances, the most suited for the

people who have been uprooted and suffered so much as a result of war.

I commend the Senator from South Dakota and thank the members of the committee for accepting this amendment.

Mr. President, I ask unanimous consent to have printed in the RECORD as part of my remarks the exchange that I had with Ambassador Brown along with a press release from the United Nations on this very issue as to what is being done at the present time by the administration on this particular program. It is a brief exchange, but I think it indicates that Ambassador Brown and the task force are sensitive to this issue. I think it is consistent with the discussion we have had.

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

Senator KENNEDY. I would also be interested in whether you are considering the possibility of resettlement back in Vietnam?

Ambassador BROWN. When we found the first 45 on Guam, that stated they wished to return, we immediately sent a cable to our people on Guam saying turn those people over directly to the United Nations High Commissioner for Refugees. We then went to the High Commissioner for Refugees and said, will you take on the responsibility of dealing with these people. I think we have found three others since then, so we have a total of 48. Our whole policy and pattern will be if anybody was swept up one way or another or someone has changed his mind, we will go back immediately to the High Commissioner, inform him and ask him to work out through his diplomatic channels the return of this person to Vietnam. That is going on now. The results of how he has talked to Hanoi about this, I do not know what he is doing.

Senator KENNEDY. Then it is our policy then to just let those negotiations be worked out with the High Commissioner?

Ambassador BROWN. Yes.

Senator KENNEDY. Can you give us any kind of an evaluation from your screening program whether you expect those members to increase or to remain the same?

Ambassador BROWN. This is one of our problems, that the people who came in, who were picked up on the high seas by our ships which were steaming into various places—the groups that are leaving Singapore now, we are not sure what the profile of those people will be. I think it will be a different one, and I would not doubt but it might include, say, sailors on ships and others who are there and would prefer in the long run to return. We will make sure that they will be returned. We are finding little groups of these people around different places who want to go back; but there are not significant numbers as of now at all.

Senator KENNEDY. Of any of the groups that want to return, it is the position of the Administration that these opportunities for their return will be available?

Ambassador BROWN. That is right, sir. There are some who recently came ashore from Taiwan—once again, the crew of the ship. Some of the crew said they wanted to return to their families. They were moved into the U.N. to be moved back. I think that is the best way to handle that.

UNHCR ASSESSES SITUATION OF VIETNAMESE OUTSIDE THEIR COUNTRY

(The following is reproduced as received from the UNHCR, Geneva)

A number of Governments have drawn the attention of the United Nations High Commissioner for Refugees (UNHCR) to the recent arrival in various countries of large numbers of Vietnamese, as well as groups of Cambodians, who left their country during the recent events and who now need assistance.

The High Commissioner has expressed concern about the substantial number of people who clearly require urgent solutions to their situation. The Office will place emphasis, according to the need, on resettlement in countries willing to accept them, or durable asylum in countries where they have arrived. The High Commissioner is contacting a number of Governments of countries of potential resettlement. In addition, UNHCR will assist in facilitating voluntary repatriation whenever possible, if this is the preferred choice of some of the up-rooted, and the reunion of split families, thereby alleviating the tragic consequences of separation.

According to information available, at this stage, these groups have arrived in significant numbers in Guam, Hong Kong, Malaysia, Philippines, Sinagpore, and Thailand, though smaller numbers find themselves in a number of other countries including some outside the area.

The High Commissioner's representatives are assessing the situation in these countries in order to provide the data required for appropriate action. As part of this comprehensive assessment, two UNHCR officials arrived in Guam today.

The High Commissioner, Sadruddin Aga Khan, states, "My Office has always helped promote speedy solutions to problems of refugees and displaced persons, whenever they might be. UNCHR will, as in the past, seek ways to encourage, as needed, voluntary repatriation, integration in countries of first asylum, the resettlement of individuals of concern to us, in a strictly humanitarian and non-political manner.

Mr. SPARKMAN. Mr. President, I move the adoption of the amendment, as modified.

The PRESIDING OFFICER. The question is on agreeing to the amendment as modified.

The amendment, as modified, was agreed to.

Mr. McGOVERN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. SPARKMAN. I move to lay it on the table.

The motion to lay on the table was agreed to.

Mr. SPARKMAN. Mr. President, I yield to the Senator from Washington.

EVACUATION OF AMERICANS FROM LAOS

Mr. MAGNUSON. Mr. President, I shall be very brief.

While we are on the subject of aid to refugees from Vietnam and Cambodia, I think it is also appropriate to turn our attention for a moment to Laos. With the Communists daily increasing their control of the government, it looks like we are headed for a repetition in Laos of what occurred only a few weeks ago in Cambodia and Vietnam.

My question is this: Will we be caught short again? Will we delay evacuation until we are forced once again to rely on the Marines to bring out our citizens, or will we have learned from our recent mistakes?

Will Congress be asked to sanction the use of U.S. Armed Forces again to accomplish a precipitous withdrawal, or will we take the prudent course, for a change, and begin withdrawing the approximately 1,000 Americans in Laos right now?

We have all read the headlines in the last 2 or 3 days about what is happening in Laos. At the same time, the President has named a new Ambassador to Laos. It seems to me that this is business as usual to carry on despite all obstacles. I certainly hope it does not mean that.

I am, at least, pleased to hear that we are belatedly consolidating our presence in Laos, closing our offices in the provinces and removing Americans to the capital. Now that those offices have been attacked, we have decided to take action. I do not think we should wait until a similar incident occurs at our embassy, in Laos.

We should take steps to protect our citizens by removing them from imminent danger and we should not react simply to demands. I think we should initiate an orderly withdrawal plan now—early—so that it does not happen the way it happened in Saigon.

A "thinning-out process," such as the State Department reportedly has announced, is not enough. They are thinking in terms of reducing the number of Americans by tens, not hundreds as I believe the situation warrants.

If the Laotian Government will not or can no longer provide even basic police protection for Americans and American installations, then that is a good indication they do not want us around and we should take heed.

It is not a question of cutting back. It is a question of getting out.

It is up to the two committees, both the Committee on Appropriations and the Committee on Foreign Relations, to insist on some kind of plan to get out of there. As sure as I am standing here, withdrawal is going to happen.

I intended to offer an amendment to this bill—which includes only Vietnam and Cambodia—an amendment which will include Laos and money to handle a situation that I think is inevitably coming. But I know that we have to proceed here today with some dispatch on completing the refugee aid bill. So I am not going to offer it. But I surely am going to watch what the Committee on Foreign Relations does, or ask the State Department what they are doing about the situation in Laos. Otherwise, we are going to have another incident; we are going to have some more trouble.

It seems to me that we should have considered Laos in this particular measure now before the Senate. But I am not going to offer that amendment, because we directed all of our hearings—the Senator from Hawaii on appropriations and the Committee on Foreign Relations on authorization—to Cambodia and Laos. I am going to suggest, instead, that the Committee on Foreign Relations next week call up the State Department and ask them what are their plans in Laos, if any. I hope the distinguished Senator from Alabama will do just that. I do not want those 1,000 Americans to be caught in the capital of Laos under the same circumstances that we were caught in Saigon.

I shall not present my amendment,

because I did vote in the Committee on Appropriations for the amount that we have here. I am very hopeful that the first of next week, the committee will take steps to find out what plans are being made regarding Americans in Laos. The situation is deteriorating there almost as fast as it deteriorated in Saigon. If we do not act now we are going to be caught again; we are going to be placed in the same situation of having to send marines in to rescue Americans.

I do not know, but I understand, that among these 1,000 to 1,500 Americans, there are some CIA people still in Laos. Their presence there, as everyone knows, is an irritant to whatever government or whatever coalition is taking over in Laos, and they, of all people, ought to get out.

I do hope the distinguished chairman of the Foreign Relations Committee will examine this matter quickly, because the situation may deteriorate any time in the next week or 10 days, in my opinion. I hope it does not. But let us get our people out of there.

I hope I can get a response from the chairman of the Committee on Foreign Relations.

I am not going to present my amendment. I am sure that it would carry it if I presented it.

Mr. SPARKMAN. Mr. President, of course this bill is really not related to the situation developing in Laos. This bill is to assist refugees from South Vietnam and Cambodia. It has nothing to do with the evacuation of Americans from those countries.

Mr. MAGNUSON. I understand that.

Mr. SPARKMAN. However, I want to assure the Senator that we are fully aware of the situation in Laos, and I can assure him that we are watching it closely.

Mr. MAGNUSON. This may be only my opinion, but I think action is called for now in Laos, in view of the whole situation, so we will not get into the same kind of a mess we got into in Saigon, where we delayed and delayed.

If we are going to be caught there somebody is going to have to rescue the Americans, because the Laotian Government appears to have no intention of protecting them. When those three Americans were captured, they could have protected them but no one moved; they just let it go. If they are going to do that, we had better get our people out of Laos.

I thank the Senator.

Mr. SPARKMAN. Mr. President, I thank the Senator from Washington.

AMENDMENT NO. 477

Mr. HUDDLESTON. Mr. President, I call up my amendment No. 477 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Kentucky (Mr. HUDDLESTON) proposes amendment No. 477.

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 5, begining with line 1, strike out through line 7 and insert in lieu thereof the following:

SEC. 4. (a) Not less than thirty days after the date of enactment of this Act, the President shall transmit to the Committees on Foreign Relations, Judiciary, and Appropriations of the Senate and the Speaker of the House of Representatives a report describing fully and completely the status of refugees from Cambodia and South Vietnam and his plans for their resettlement. Such report shall set forth, in addition—

(1) the total number of refugees within the care of the United States;

(2) the number of—

(A) orphans;

(B) heads of households;

(C) family members attached to a head of household; and

(D) persons with relatives or sponsors who are United States citizens;

among the total number of refugees set forth pursuant to paragraph (1) of this subsection;

(3) the number of refugees who have been permanently settled in the United States;

(4) the number of orphans placed for adoption;

(5) the location of those refugees who have been permanently settled or who have left receiving or staging centers;

(6) the number of refugees remaining in receiving or staging centers;

(7) the number of refugees who have indicated an interest in returning to their homeland or being settled in a third country, together with a description of the steps he has taken to carry out such return or resettlement, including any initiatives that have been made with respect to the Office of the High Commissioner for Refugees of the United Nations;

(8) the employment status of those refugees seeking employment who have been permanently resettled in the United States;

(9) the services which State and local governments are providing for such refugees;

(10) the amount of funds obligated or expended as of the date of such report for refugee assistance, and the uses to which such funds have been put;

(11) a plan for the resettlement or return of those refugees remaining in receiving or staging centers.

(b) The plan referred to in paragraph (11) of subsection (a) of this section shall provide, on a priority basis, for—

(1) the resettlement of refugees who have relatives or sponsors who are United States citizens;

(2) the resettlement of refugees in areas where their skills are in demand or likely to be utilized;

(3) the resettlement of refugees in areas which can reasonably be expected to provide those supporting services (such as language courses and health services) which such refugees may require;

(4) the resettlement of refugees outside those areas with high unemployment and overcrowded housing conditions; and

(5) the prompt return to their country of origin or the immigration to a third country of those who, without pressure or coercion from any officer or employee of the Federal Government, have indicated a desire for such return or immigration.

Such plan shall be put into effect to the maximum extent possible.

(c) Supplementary reports setting forth recent information with respect to each of the items referred to in subsection (a) of this section shall be transmitted not less than ninety days after the date of transmittal of the report referred to in subsection (a) of this section and not later than the end of each ninety-day period thereafter. Such reports shall continue until September 30, 1977.

Mr. HUDDLESTON. Mr. President, I send to the desk a modification of the amendment.

The PRESIDING OFFICER. The modification will be stated.

The assistant legislative clerk read the modification as follows:

On page 3, line 11, strike all after "shall" and insert in lieu thereof the following: "include, among others, provisions"

The PRESIDING OFFICER. The amendment is so modified.

Mr. HUDDLESTON. Mr. President, I join with my colleagues in commending the distinguished chairman of the Foreign Relations Committee and other members of that committee for the expeditious way in which they have moved this legislation so that we might address this very serious refugee problem.

As I have indicated before, the amendment I am proposing is a simple one. It would tighten the provisions of section 4 of S. 1661.

In that section, the President is required to keep the appropriate committees of Congress "fully and currently informed regarding the use of funds and the exercise of activities carried out pursuant to this act."

My amendment would formalize this informing of the Congress and specify what is to be included in such reports. Furthermore, the amendment requires a plan for the resettlement of remaining refugees, developed according to general principles outlined in the legislation.

I recognize the enormity of the tasks which have been involved in the evacuation of the refugees, the movement of them to restaging centers, and the efforts to make arrangements for their assimilation into life in the United States. In many ways, the efforts have been admirable.

There are, however, a number of unknowns remaining in the equation, and these have led to questions in the Congress, in the press, and among our people.

While the committee report provides some fine figures and estimates, they are in many cases more estimates than figures. In some cases, they can be no more. At this time, we have no final information.

We do not at this point know what the final number of refugees will be; we do not now know specifically how many might desire repatriation or resettlement in a third country; we do not now know definitely to what extent it will be possible for those desiring resettlement in a third country to be provided for. We do not now know how long the processing of many of those who remain in the refugee centers will take.

Furthermore, we do not now know whether or not the required number of sponsors wil be forthcoming.

We do not now know to what extent these persons can be absorbed into the work force at a time when 8.9 percent of our own people are unemployed.

We do not now know the extent of the

requirements that will be imposed upon our State and local governments as a rtsult of the influx of refugees.

The amendment would, therefore, require that this information—specific information—be reported to the appropriate congressional committees—Foreign Relations, Judiciary, and Appropriations, 30 days from enactment and that it be updated each 90 days thereafter. The provision of such information will keep the Congress advised of what is happening in the resettlement program and, hopefully, enable us to spot any particular problems which are arising.

In a similar vein, the amendment further requires a plan for the resettlement of those remaining in the refugee centers. We have been told that "every effort" will be made to insure that resettlement will not be concentrated in a few enclaves—L. Dean Brown statement, page 16 of the committee report—that the administration hopes "third countries will be able to absorb as many as 15,000 refugees"—committee report, page 18—and that Federal agencies are assessing housing and employment areas—page 21. The amendment requires that these principles be formalized into a plan to be included in the report—a plan which will indicate to Congress and the American people exactly how we are proceeding with the integration of these persons into our society.

I offer this amendment as a means of bringing direction to the resettlement of refugees and as a means of keeping the Congress and the American people fully advised of developments taking place.

We need to know exactly what we are doing.

We owe it to the refugees and to our communities which will be absorbing them to make the transition as smooth as possible. That can best be done if we have a plan which sets our goals and principles—and the information which indicates to all our efforts and our approach.

Resettlement in an alien country where traditions vary greatly from those to which one is accustomed cannot possibly be easy. It is up to our Nation, which bears a responsibility for the conditions which led the refugees here, to see that the assimilation is as easy as possible.

At the same time, the concerns of our own citizens cannot be overlooked.

My amendment addresses itself to both of these problems. It seeks to focus attention on the need for more direction in the resettlement—for additional planning—which should assist the refugees. It sets principles for the resettlement plan—principles which, in addition to ordering the resettlement process, should reassure our own citizens. It provides for the release of information, which should alert us to developing problems and give us in Congress and the administration the opportunity to resolve them before they become major burdens to those whose journey to a new life has been so long and to those whose communities may be called upon to deal with new difficulties.

The amendment would, I believe, benefit the refugees, the Congress, and the American people.

We are contemplating the authorization of over $400 million in this legislation, in addition to the sum of $100 million that has already been made available. Furthermore as the chairman of the committee has indicated, it is anticipated that additional funds will be required in the future. In view of this, it is, I believe, essential that we have the kind of information that this amendment calls for and that we have it in a timely and complete manner.

As to the plan of resettlement to which the Senator from New York has referred, it was not the author's intention to develop strict, unyielding guidelines or priorities for a resettlement program. I do, however, believe that in order to efficiently and properly resettle upward of 150,000 individuals there ought to be a specific plan for resettlement.

Furthermore, I believe there are certain generally agreed upon principles which should be followed in developing that plan.

For that reason, I have included guidelines in the amendment. Many of these have already been discussed and approved by Mr. L. Dean Brown, who is in charge of the interagency task force for refugee resettlement, and other individuals involved in the program.

So there is no significant departure from generally accepted procedures. Instead, widely recognized objectives are stated and formalized.

In addition there is flexibility in the modification that has just been made in this amendment. And, the original amendment itself carries flexibility in the provision that this plan be followed "to the fullest extent possible."

I do not suggest that we here on the floor of the Senate determine precisely what the priorities in a plan ought to be, but I do suggest that there ought to be a plan that it should cover certain matters, that Congress ought to be aware of the plan and how it is unfolding, how it is working.

And, I suggest the information required by the amendment, is needed. It is needed in order that a comprehensive resettlement plan can be devised. So, while the amendment does call for a considerable amount of information to be furnished to Congress, I believe this is information that is necessary and information that is already to a great extent, gathered.

As the distinguished chairman of the Committtee on Foreign Relations has mentioned, because of haste—and the necessity for haste—in moving this legislation, there has not been time for lengthy deliberation on all ramifications of the proposal.

I think this amendment will tie together some of the unanswered questions regarding the resettlement program, and hopefully provide us with the information and planning to resolve them.. I hope it will be accepted by the Senate.

Mr. SPARKMAN. Mr. President, I have examined the amendment of the distinguished Senator from Kentucky and the modifications suggested.

We have made some suggestions and, I believe, the modifications that were suggested have been made in the amendment as submitted, and I am willing, for my part, to accept it.

Mr. JAVITS. Mr. President, will the Senator yield to me? I agree. The Senator has done what needed to be done, and I hope the amendment is adopted.

Mr. CASE. Yes, speaking for the minority, I fully agree that the amendment is useful and, particularly, with the explanation that was given and the modification made and the suggestion of the Senator from New York, it is a thoroughly desirable and helpful change. I am glad to accept it, I would be glad to accept it.

Mr. HUDDLESTON. I thank the Senator from New Jersey.

Mr. President, I move the adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified, of the Senator from Kentucky.

The amendment, as modified, was agreed to.

AMENDMENT NO. 475

Mr. DOLE. Mr. President, I call up amendment No. 475 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. DOLE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

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

The amendment is as follows:

At page 5, following section 4, insert the following new section:

SEC. 5. The Comprehensive Employment and Training Act of 1973 is amended by redesignating title VII, and all references thereto, as title VIII, by redesignating sections 701 through 715 and all references thereto, as sections 801 through 815, respectively, and by inserting after title VI the following new title:

"TITLE VII—VIETNAM VETERANS' EMPLOYMENT ACT

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 701. There are authorized to be appropriated $100,000,000 for obligation in fiscal years 1975 and 1976 for carrying out the purposes of this program.

"SEC. 702. (a) The Secretary shall enter into arrangements with eligible applicants in accordance with the provisions of this title in order to make financial assistance available for the purpose of providing transitional employment for unemployed and underemployed Vietnam-era veterans in jobs providing needed public services, and training and manpower services related to such employment which are not otherwise available, and enabling such persons to move into employment not supported under this Act.

"(b) Not less than 90 per centum of the funds appropriated pursuant to this title which are used by an eligible applicant for public service employment programs for Vietnam-era veterans pursuant to this title shall be expended for wages and employment benefits to such persons.

"(c) The provisions of section 204(d) and

sections 205 through 211 shall apply to financial assistance under this title.

"(d) For purposes of this section, the term 'eligible applicants' means prime sponsors qualified under title I of this Act and Indian tribes on Federal or State reservations.

"(e) For purposes of this title, 'Vietnam-era veteran' shall mean any 'eligible veteran' within the meaning of section 2 of the Veterans' Readjustment Benefits Act of 1966, as amended (38 U.S.C. 1652), who served on active duty in the Armed Forces during the period commencing on August 5, 1964, and ending on May 7, 1975.

"ALLOCATION OF FUNDS

"SEC. 703. (a) (1) Not less than 90 per centum of the amounts appropriated under section 701 shall be allotted among eligible applicants by the Secretary in accordance with the provisions of this subsection.

"(2) The amount allotted to any eligible applicant under this section shall be determined by multiplying the State veterans' population by the per capita amount per veteran and multiplying the product thereof by the local entitlement factor.

"(3) For purposes of this subsection, the term 'State veterans' population' shall mean the number of Vietnam-era veterans residing within the State where the eligible applicant is located at the time of such allocation as certified by the Administrator of the Veterans' Affairs. Such certification shall be based upon the most current figures available at the time of certification to the Administrator.

"(4) For purposes of this subsection, the term 'per capita amount per veteran' shall mean the total amount to be allocated under this subsection divided by the number of Vietnam-era veterans unemployed at the time of allocation, as determined by the Secretary.

"(5) For purposes of this subsection, the term 'local entitlement factor' shall mean the number of persons who reside within the jurisdiction of each applicant divided by the total number of persons who reside within the jurisdiction of all eligible applicants within the State within which such applicant is located.

"(b) The remainder of the amount appropriated under section 701 shall be available to the Secretary for financial assistance under section 702 as the Secretary deems appropriate to carry out the purposes of this title, taking into account changes in rates of unemployment among Vietnam-era veterans.

"(c) For purposes of allocations under this section, the term 'jurisdiction' includes the jurisdiction of each unit of general local government as described in section 102(a)(2) whether or not such unit has entered into a combination of units of general local government for purposes of section 102(a)(3) or section 102(a)(4).

"SPECIAL PROVISIONS TO REQUIRE THE HIRING OF HANDICAPPED VIETNAM-ERA VETERANS AND TO EXPAND JOB OPPORTUNITIES

"SEC. 704. (a) An application for financial assistance under this title shall include provisions setting forth assurances that the eligible applicant will use at least 25 per centum of the funds allocated under this title to hire disabled Vietnam-era veterans. For purposes of this subsection, 'disabled Vietnam-era veteran' shall mean any Vietnam-era veteran who sustained a service-connected disability within the meaning of sections 101(16), as amended, and 601(1), as amended, of title 38 of the United States Code, as a result of service in the Armed Forces during the period commencing on August 5, 1964, and ending on May 7, 1975.

"(b) Funds allocated under section 703 to eligible applicants may be used for—

"(1) public service employment programs without regard to the provisions of sections 205(c)(4), 205(c)(6), 205(c)(16), 205(c)(19), and 208(a)(7);

"(2) providing employment for Vietnam-era veterans who have been unemployed for at least fifteen days without regard to the provision of section 205(a) relating to thirty days of employment, if the applicant certifies that the hiring of an individual will not violate the provisions of section 205(c)(8); and

"(3) payment of wages (at rates not less than those prevailing on similar construction projects in the locality as determined by the Secretary in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a-276a5), for unemployed and underemployed Vietnam-era veterans as employees of public employers in jobs on community capital improvement projects which would not otherwise be carried out, including the rehabilitation, alteration, or improvement of public buildings, roads and other public transportation facilities, health and education facilities, and other facilities for the improvement of the community in which the project is or will be located, and including construction, rehabilitation, alteration, or improvement of water and waste disposal facilities in communities having population of ten thousand individuals or less which are outside the boundaries of a standard metropolitan statistical area (as defined by the Bureau of the Census).

"EXPENDITURE OF FUNDS

"SEC. 705. Funds obligated for the purposes of providing public service employment for Vietnam-era veterans under this title may be utilized by prime sponsors for projects and activities planned to extend over a twelve-month period from commencement of any such project or activity.

"REALLOCATION OF FUNDS AND DENIAL OF ELIGIBILITY

"SEC. 706. (a) The Secretary is authorized to make such reallocations as he deems appropriate of any amount of any allocation under this title to the extent that the Secretary determines that an eligible applicant will not be able to use such amount within a reasonable period of time. Any such amount may be reallocated by the Secretary only if the Secretary has provided thirty days' advance notice to the prime sponsor for such area and to the Governor of the State of the proposed reallocation, during which period of time the prime sponsor and the Governor may submit comments to the Secretary. After considering any comments submitted during such period of time, the Secretary shall notify the Governor and affected prime sponsors of any decision to reallocate funds and shall publish any such decision in the Federal Register. Any such funds shall be reallocated to other areas within the same State.

"(b) The Secretary is authorized to deny any eligible applicant further eligibility for funding under this title upon a determination that the applicant has—

"(1) used funds appropriated under section 701 and allocated under section 702 to hire persons other than Vietnam-era veterans; or

"(2) failed to comply with the requirements of section 702(a) respecting use of funds to hire disabled Vietnam-era veterans.

The Secretary shall deny eligibility under this subsection only if the Secretary has provided thirty days' advance notice to the prime sponsor for such area and to the Governor of the State of the proposed denial of eligibility, during which such period of time the prime sponsor and the Governor may submit comments to the Secretary. After considering any comments submitted during such period of time, the Secretary shall notify the Governor and affected prime sponsor of any decision to deny future eligibility and shall publish any such decision in the Federal Register.

"MISCELLANEOUS PROVISIONS

"SEC. 707. (a) The Secretary or his delegate—

"(1) not later than the thirtieth day after the date of enactment of this title, shall publish proposed regulations relating to this title;

"(2) during the thirty-day period beginning on the thirty-first day after such enactment, shall afford an opportunity of public hearings and comments on such proposed regulations; and

"(3) not later than the ninetieth day after such date of enactment, shall prescribe and publish final regulations relating to this title.

"(b) The Secretary, in consultation and cooperation with the Director of the Veterans' Employment Service, and the Administrator of Veterans' Affairs, shall report to the appropriate committees of the Congress not later than ninety days after the initial allocation of funds appropriated under this title on—

"(1) the steps taken to carry out the provisions of this title;

"(2) the number of able-bodied and disabled Vietnam-era veterans placed in public service employment positions under this title; and

"(3) the desirability of continuation of this title or use of any other program as a means for employing unemployed or underemployed Vietnam-era veterans.

"(c) Nothing contained in this title shall be construed as affecting or repealing the requiremnts contained in section 205(c)(5) of the Comprehensive Employment and Training Act of 1975, relating to employment of veterans in other public service employment programs.".

Mr. DOLE. Mr. President, I have called up amendment No. 475 to S. 1661, on behalf of the junior Senator from California (Mr. TUNNEY) and myself, I would like to clarify the status of amendment No. 475 to provide additional employment assistance for Vietnam veterans under the CETA program. I recognize the plight of Vietnam refugees and the urgency of enacting this refugee bill. We have decided not to press this amendment if there can be some commitment on behalf of the distinguished Senator from New York and the distinguished Senator from New Jersey that this amendment will be considered in hearings which, I understand, will be conducted before the Committee on Labor and Public Welfare some time next week or soon thereafter.

Our decision in this matter does not diminish our conviction that the Congress should recognize the plight of unemployed Vietnam veterans and provide assistance to them. Our decision not to press the amendment is based on our understanding, as I just stated, that the Labor and Public Welfare Committee having jurisdiction over the CETA program will consider the content of this amendment in hearings next week.

I might yield now to the Senator from New York who did indicate that to me and, I think, the distinguished Senator from California. I also have discussed it with the chairman of that committee, Senator WILLIAMS, and he has also indicated that they would be pleased to consider the amendment at that time.

Mr. JAVITS. Mr. President, the Senator has already stated the facts. We are very anxious to consider this amendment.

There are in excess of 20 percent of those who have public service jobs who are Vietnam veterans. Nonetheless that may be inadequate and gross in specific application in given areas.

So we have undertaken, at least I have and the Senator has already talked with Senator WILLIAMS, but it is adequate if I do, to see that this amendment is specifically considered and an opportunity offered for testimony to be given and, indeed, I would get the chairman's permission that Senator DOLE or Senator TUNNEY or both appear before the committee next week when we hear the CETA bill generally in order to testify on this matter.

If I may say so, the Senator is characteristically understanding and public spirited in his belief in this bill which has a particular purpose of national morality and integrity, and I know how deeply he feels about this matter. But I feel it is a fine demonstration of his total problem that he is staying his hand and not offering it on this particular bill.

Mr. DOLE. I thank the distinguished Senator from New York.

As the Senator from Kansas has indicated, the Senator from New Jersey (Mr. WILLIAMS) made the same pledge that he would be happy to consider and seek the cooperation of both Senators so that we might consider the amendment early next week.

I might say that the amendment would authorize $100 million for the coming year. Twenty-five percent of the funds allocated under the amendment would be for hiring disabled Vietnam-era veterans.

I also concur in the statement of the Senator from New York that it does not belong on this bill, and the Senator would not want to impede the progress of this legislation because it is very important.

At the same time, I would hope the importance of the amendment is not underestimated. During the past month the newspaper headlines and news broadcasts have been filled with heartrending stories on the plight of Vietnamese and Cambodian refugees. In response to these emotional reports, the United States has reacted with humanitarian assistance and a revision in our administration procedures to accommodate the pressing needs of these persons from war-ravaged nations.

The emotional nature of the problems in Southeast Asia have, in fact, been so predominant in the news that we tend to forget that there are citizens of the United States residing within our borders whose lives are still being affected by their involvement in the Vietnamese conflict. I am speaking, of course, of the veterans who sacrificed years of their lives to serve their country in an unpopular war effort, and who upon returning home have found job opportunities and veterans' benefits less than adequate.

It is the current plight of the American veteran which prompted me to join as a cosponsor of an amendment to the migrant and refugee assistance bill which would provide job assistance to Vietnam-era veterans. The amendment would alter the Comprehensive Employment and Training Act of 1973 and authorize the expenditure of $100 million in the coming year to provide transitional employment for unemployed and underemployed Vietnam-era veterans in jobs providing needed public services, as well as training and manpower services related to such employment which is not otherwise available. Twenty-five percent of the funds allocated under this amendment would be reserved for hiring disabled Vietnam-era veterans.

The provisions of this amendment would serve a double purpose. First and foremost, the amendment would provide jobs for veterans who, because of the current economic slump, have found it difficult to return to the private job market. In Kansas, there are currently some 73,000 Vietnam-era veterans. During the month of April, the unemployment level within this veteran population nationwide was 9.9 percent. Among veterans between the ages of 20 and 24, The unemployment was an unbelievable 22.8 percent.

In Kansas, statistics provided by the Kansas Employment Security Office indicate a need for employment assistance for the Vietnam-era veteran. During the period, July 1–April 30, 21,589 requests for employment assistance were received by the Kansas Employment Security Office from Vietnam-era veterans. Only 4,359 or approximately one-fifth of the contacts resulted in placement. These figures illustrate the need for continuing job assistance programs.

While increasing employment opportunity, the proposal will also help meet a second need. The economic slump experienced over the last 6 months has resulted in less buying power for the consumer and less revenues for State and local governments which depend on sales tax collections for income. Faced with the current economic dilemma, many State and local governments are being forced to reduce essential public services normally maintained by local government. Funds allocated to State and local government through normal CETA channels under this amendment will help relieve the resultant financial pressures on local government and also help local government maintain essential services to its constituents.

Mr. President, I would like to say a few words on behalf of the junior Senator from California (Mr. TUNNEY), who has offered this amendment along with me. He is unable to be with us today because he is conducting important hearings for the Special Committee on Aging in California.

We proposed this amendment to the refugee bill to create a public service employment program for veterans in the belief that this would be a timely and appropriate vehicle for calling the plight of America's veterans to the attention of the Senate and the Nation.

Because the Senator from California and I were concerned about immediate action on the issue of veterans' jobs, we submitted this amendment.

This program is clearly a proposal of major proportions, involving the expenditure of $100 million, as it does, and the creation of thousands of jobs for veterans. Under ordinary circumstances, such a program would qualify for lengthy and careful consideration by the appropriate legislative committees. However, in this case, the need for speed and the opportunity to act decisively to ease the condition for some of America's hundreds of thousands of unemployed Vietnam-era veterans moved the Senator from California and me to offer this amendment.

Now it appears that the potential for rapid action by the Senate through the medium of committee action is available. As we discussed earlier, the Senate Committee on Labor and Public Welfare will be holding hearings on the entire CETA program next week and during the first week in June. Those hearings will offer an equally expeditious way to consider the possibility of creating a veterans' job program through CETA, and will offer the additional advantage of expert comment on this concept by the membership and staff of the committee, who are the most qualified among us to evaluate it.

Senator TUNNEY, before he left for California, and I, had the opportunity to speak with the ranking minority member of the Labor and Public Welfare Committee, Senator JAVITS, and with his colleague from California, Senator CRANSTON. They both assured us that the committee would be receptive to considering this veterans' public service jobs proposal in its hearings on CETA.

I understand that the first two hearings will take place on Monday and Tuesday of next week, and that Senator TUNNEY will be offering testimony at that time outlining the need for a veterans' public service jobs program, and the substance of the proposal which we have made in this amendment.

Accordingly, because we believe that the program should be fully evaluated by the relevant committees, and because the present schedule of the Labor and Public Welfare Committee will allow for expeditious consideration of our proposal, Senator TUNNEY and I have decided that we will not press this amendment to S. 1661, the authorization bill for refugee aid. It is our hope that the Senate will move quickly to institute such a program, as provided by the amendment, after consideration by the committees involved. For now, we will urge the Labor and Public Welfare Committee to give this matter its full attention.

Mr. President, I withdraw the amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. JAVITS was recognized.

Mr. SPARKMAN. Mr. President, will the Senator yield to me for a unanimous-consent request?

Mr. JAVITS. Of course.

Mr. SPARKMAN. Mr. President, at this time I ask for the yeas and nays on passage of this bill.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. JAVITS. Mr. President, under the same heading as that of Senator DOLE, I

would like to advise the Senate that the majority leader, Senator MANSFIELD, and the deputy majority leader, Senator BYRD of West Virginia, had in mind the possibility of offering on this bill, because it is very likely to be signed, a very urgent solution or a partial solution to an extremely urgent problem of the cities, major cities, in the country, which are letting employees in public services go wholesale because of economic stringency, in an effort, as it were, to abate that situation with some help in a rather interesting way that they had in mind from Congress.

After considering the matter and considering the views of many of us on the committee, for the very reason of leaving this gesture by the United States toward the Vietnamese refugees as a single eloquent answer of the American people to the problem without even the most urgent matter being included in it, they are going to refrain from offering it on this bill, and offer it on another bill or on an appropriation bill.

I have gotten their permission to state this. I think it is again a very high-minded public-spirited attitude which should be appropriately noted by Congress and the country.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. ROBERT C. BYRD. The distinguished Senator from New York has stated the facts succinctly, and I want to express my appreciation to him on behalf of Mr. MANSFIELD and myself.

Mr. JAVITS. I thank the Senator.

Mr. HELMS. Mr. President, I have an amendment in the nature of a substitute at the desk which I call up and ask that it be stated.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

Strike out all after the enacting clause and insert the following:

That the Congress hereby finds and declares that;

(1) the finest humanitarian traditions of the United States of America call upon our people to provide assistance to facilitate the resettlement of those refugees from South Vietnam and Cambodia who fled those countries in fear for their lives, so that such refugees may be helped to resume normal lives in a manner which will minimize the dislocation involved in their resettlement;

(2) such traditions call upon our people to assist the refugees in a manner consonant with the deep humanitarian principles of private voluntary action, guided by the religious and charitable impulses characteristic of our people and our history;

(3) large scale bureaucratic action for the resettlement of refugees is contrary to the basic principles of humane charitable activity and fails to mobilize the personal generosity of the American people; and

(4) both the American people and the refugees will benefit to a greater degree from the personal involvement created by private voluntary action.

SEC. 2. It is the sense of Congress that:

(1) no funds be appropriated from the Treasury of the United States for the resettlement of said refugees;

(2) the President of the United States appoint a voluntary commission of religious and charitable leaders to receive such private donations as may be necessary and to coordinate and direct the activities of such individuals and organizations who may wish to participate in the refugee program;

(3) each member of the Senate of the United States and of the House of Representatives of the United States contribute at least $1,000 to establish the fund to be administered by said commission; and

(4) funds be disbursed for the commission's activities as soon as one-half the members of each House have made their initial contributions.

Mr. HELMS. Mr. President, I ask for the ayes and the nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The ayes and nays were ordered.

Mr. HELMS. I thank the Chair.

Mr. President, I have studied with great care many of the statements now being made about the Vietnamese refugees who have come to the United States. I have noticed on the one hand, expressions of hostility, and on the other hand genuine declarations of sympathy and welcome.

It will serve no purpose to refuse to understand the feelings of those who are reluctant to accept yet another alien cultural group into our midst. As generous as the American people are, there is obviously a growing belief that this Nation has experienced more and more social problems as a result of the melting-pot theory. There is the feeling that the traditions of our ethnic groups are being undermined, as well as the sense of identity and community. Agree with it or not, the mail that all of us are receiving discloses a clear concern that, more and more these attacks upon our national traditions are being sponsored by impersonal Government agencies, which use the taxpayers' money to finance social engineering projects which a majority of the American taxpayers do not want.

So once again, millions of Americans see the Federal Government engaged in action which will have a considerable impact upon the nature of our society. Many of our citizens see the refugees arriving and receiving Government assistance on a level which they, the American citizens themselves, have never enjoyed. Proposals for this assistance have reached as high as $500 million.

Furthermore, there is a resentment over the Vietnamese war itself. I do not think that there is a single loyal American who objected, in the beginning, to the provision of assistance to Vietnam to avert a Communist takeover. But a war needlessly protracted slashes at the heart of the body politic, as any reader of history knows. We need only go back to the classic Greek historians to understand what happened to our own people during the Vietnamese War. The ordinary man—and I confess that I am one of them—does not understand the value of killing and being killed in order to support limited or diplomatic objectives. A war that is fought without the incentive of victory is fatally flawed in the beginning. Those civilians who overruled the military professionals in the conduct of the Vietnam war will bear the ultimate burden of defeat—just as those who now maintain that any Vietnamese will be better off with a life under the totalitarian suppression of liberty are out of contact with reality. Many look upon the arrival of the refugees as the final blow, a tangible symbol of our ignoble failure to seek victory in Vietnam—a symbol, if you please, Mr. President, of a no-win war.

Thus the lives that were wasted, and the billions of dollars that were poured down the drain to support diplomatic overtures and negotiations—while the communist enemy retained its military havens safe from invasion—are now coming back to haunt us. Most Americans wanted us to win or get out, but our leaders chose not to win, and they waited too long before giving the South Vietnamese the very minimum for self-support—carefully measured out to keep them alive, but not enough to allow them to launch an attack for victory. Meanwhile, we waited for the betrayal of freedom implicit in the 1973 Paris Agreement to play out its inexorable implications.

We, therefore, lost the war, Mr. President, in every meaningful sense. We lost it in the sense that the basic objectives of freedom that the American people supported and continue to support have been lost. We will continue to pay an enormous price for our failures, and part of that price is the acceptance of the Vietnamese refugees, many of whom have only the alternative to return to death in their homeland for having cast their lot with us.

Whatever the cultural impact of the sudden influx of an alien group, it is clear that only the most callous would deny that we have a responsibility toward these people. It is undeniable that serious problems exist. There is widespread concern over the adaptability of such a group to American values. There is widespread concern over the possibility of the introduction of diseases not endemic to the United States. There is the language question. There is the probability that the screening system collapsed in the last minute panic. It is senseless to reject the apprehensions now being expressed by many, many Americans to all of us in this body and I am sure in the House of Representatives by many, many Americans across the country.

Mr. President, it seems to me, therefore, that the best thing that we can do is to get the Government out of the refugee assistance program entirely, and to think again before being stampeded into authorizing and appropriating the vast sums that have been mentioned. I think I can state with confidence that any program so hastily put together is certain to waste a lot of money. That is the clear history of many another program conceived in haste, and approved with good intentions. Whatever the good intentions, millions will be spent foolishly, and a great part of it will never directly assist the refugees themselves, but will be spent in building another meaningless bureaucracy.

So, Mr. President, let us think carefully and responsibly before we embark upon a program certain to result in wasting the taxpayers' money through another boondoggle program. Let us not, in

the name of humanity, ignore our personal responsibilities, however, inconvenient those responsibilities may be.

I propose, instead, that we turn away from massive Government programs and immediately begin a program of private aid and personal assistance in the grand American tradition. Charity performed through Government agencies lacks the essential ingredient of personal involvement and personal sacrifice; what we need in America is a return to our Christian principles of voluntary sharing and commitment. Those of our citizens who do not feel motivated to assist the individual Vietnamese refugees who are now on our shores should not be forced to do so through the tax burden—that, Mr. President, will only add to the feeling of division and resentment. What we need is reconciliation and healing.

I, therefore, have a proposal to make to my colleagues. The proposal is contained in my amendment in the nature of a substitute, which I have just now called up.

Mr. President, the Senator from North Carolina is probably among the least affluent of the distinguished Members of this body. But the Senator from North Carolina pledges his personal check in the amount of $1,000 for the resettlement of the Vietnamese refugees, if a substantial percentage of the other Members of this body and of the House of Representatives will do the same. Thus in one stroke, over $500,000 in private funds could be subscribed; and I am confident that this good-faith example given by the elected Members of Congress would stir an outpouring of sympathy that would double or even triple that amount in a matter of days.

Mr. FORD. Will the Senator yield at that point for a question?

Mr. HELMS. Yes, gladly.

Mr. FORD. The Senator made a proviso on his check for $1,000, provided the other Members of the House and the Senate gave $1,000, does the Senator feel pretty safe in making that offer?

Mr. HELMS. Both my amendment and my check are offered in good faith, I will say to the Senator.

Mr. FORD. But the Senator does feel relatively safe, does he not?

Mr. HELMS. I feel neither safe nor unsafe. I hope my check will be accepted along with my amendment.

I hope the distinguished Senator from Kentucky would not mind contributing $1,000 to save the taxpayers the additional burden of another costly, wasteful, bureaucratic program.

Mr. FORD. If we can have a revival to raise some money to help match these colleagues, I would be delighted to do it.

Mr. HELMS. The Senator may make light, if he must, of a very serious question, and a good-faith proposition, but I offered my amendment in good faith and I ask that he accept it as such, as I always do in reciprocity when the Senator from Kentucky makes a proposal in good faith.

Mr. President, today the Senate has an opportunity to demonstrate that we are willing to spend our own money, and put our money where our mouths are in demonstrating our compassion and humanitarianism we talk about so much on this Senate floor.

There would be no necessity for the expenditure of tax dollars taken forcibly from the taxpayers. Too often, Congress seems to forget that funds in the U.S. Treasury are obtained from the people by duress. It is so easy, Mr. President, to appropriate $500 million of other people's money, and to advertise ourselves to be benefactors to the people of this Nation. It is time we quit fooling ourselves about the meaning of true generosity, particularly when it comes to acts of charity. Let us now provide real leadership, with personal responsibility, and reach into our own wallets instead of into the taxpayers' wallets.

This will be appreciated far more by the refugees, who are more likely to be touched by our manifestation of personal concern than by another Federal program that will forcibly seize the earnings of the American people.

Can a private program of compassion do the job, Mr. President? Certainly it can, because everybody knows that the volunteer dollar goes 10 times as far as the taxpayer's dollar. Moreover, there already exist a number of national religious and charitable organizations that can provide the infrastructure for channelling aid and personal assistance. And there are thousands of churches and volunteer organizations on the local level that can be plugged into the over-all effort. With thousands of citizens giving their time free, with religious and charitable organizations involving their own members, and with the spontaneous generosity that is characteristic of Americans when they get to know newcomers on a personal basis, there will not need to be a raid on the Public Treasury to pursue what can best be accomplished by private action.

Mr. President, think of the potential that lies in the mobilizing of the thousands of churches across the country. Think of the thousands of other organizations—civic, fraternal, veterans groups, and others—whose memberships are composed of compassionate, generous citizens. Think of the countless thousands of families and individuals who will want to show their love and concern for their fellow man on a personal basis.

Is this not the way to go, Mr President, instead of fashioning another massive bureaucracy? Is this not the way to proceed?

Of course it is: And there is one further advantage, Mr. President, to this proposal to mobilize personal compassion. On a one-to-one basis, the possibilities are enormous for continued compassion—it would not end when this law expires—far beyond this moment of emotionalism. Churches could be expected to adopt refugees as objects of continuing love and concern. They would bring these refugees to local communities and make sure they are assimilated. With such person-to-person relationships, the refugees could be brought to local communities throughout the land, knowing that they were wanted, and that there would be available helping hands in the months and years ahead.

So, Mr. President, if this Senate has the will to take the lead in demonstrating personal concern, not to be confused with political and bureaucratic solutions, I believe it will be the best thousand dollars that each of us had invested.

I am going to ask that my own check be held by the Secretary of the Senate until all the responses from Congress are in. The money can then be turned over to a national committee composed of leading churchmen. I do not think it really matters how, or by whom, this committee is named or organized—just so it is done. This committee could be chosen by the leadership of the House and the Senate working with the President. I would imagine that it would include names such as our own chaplain, Dr. Elson, or my good friend, Dr. Billy Graham, my fellow North Carolinian.

Incidentally, I talked with Billy on the telephone the day before yesterday about this matter. He agreed that it would be a matter of quick achievement to inspire the necessary personal compassion, and raise the necessary funds on a continuing basis, for these refugees. He, for one, thoroughly endorses this proposal. He authorized me to say that if he is called upon by the President and/or the Congress, he will be glad to take a position of whatever leadership that may be asked of him to make this program work.

I am sure that there would be many other names which spring immediately to mind, names which would inspire public confidence, and elicit the proper response.

Moreover, there are thousands of Americans who have served in Vietnam either as military or political advisers, These Americans are thoroughly familiar with the culture of Vietnam, and many of them even know the language well. There is even a good chance that many of the Vietnamese refugees who have already arrived are personally known to some of these advisers. If a simple system were set up so that the names of the refugees were put on a computer file, these former U.S. advisers could locate their old friends and perhaps sponsor them in their new life. No amount of Federal appropriations can take the place of a familiar face in the midst of tragedy.

But if we go ahead and authorize some vast Federal expenditure, private efforts will be overwhelmed and go for naught. My proposal has value only if we reject the legislative proposals to set up a new bureaucracy. I make my offer only on the condition that we wholeheartedly agree to go the route of private action, and unite with the Members of the other body in each personally subscribing our own funds rather than the funds of our constituents. There is a time when legislation can be divisive instead of resolving difficulties, and this is one of those times. But if we are supposed to be public leaders, then let us lead by making personal sacrifices and showing the real spirit of America.

Mr. President, as has already been indicated since I began my remarks, I know there will be reluctance to turn to our own hearts and pocketbooks to set this program in motion. I know that it will be a sacrifice for some Senators, and some Members of the body. In my own

case, I shall have to borrow the thousand dollars to cover my check. Others may be in the same position.

But unless we are ready to say to ourselves, and to the world, that personal compassion and love do not exist in America—and that the only way to help the unfortunate is by another massive Government program—then my amendment in the nature of a substitute should be approved. Then the word will go out: The Members of Congress of the United States are willing to sacrifice on a personal basis.

There is no doubt in my mind that this program will work—if we will let it be tried. With the leadership of the Members of this Congress, acting in unison and in good faith, the American people will be led to view this responsibility in its proper perspective, and they will join in. It may be the moral and spiritual therapy that America needs just now.

Mr. President, I urge adoption of my amendment in the nature of a substitute.

Mr. FONG. Mr. President, I ask unanimous consent that Mr. Bill Kinaka be allowed the privilege of the floor.

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

Mr. MANSFIELD. Mr. President, I ask unanimous consent that immediately upon the conclusion of the remarks of the distinguished Senator from Hawaii (Mr. FONG) the vote begin on the Helms amendment.

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

Mr. MANSFIELD. I ask unanimous consent that immediately after the vote on the Helms amendment—I know of no one else who wants to speak or present amendments—we go to third reading, that the technical requirements, which will take a minute or so, be made, and that the vote then begin on final passage.

The PRESIDING OFFICER. There being no objection, it is so ordered.

Rule XII would be waived under the Senator's request.

Mr. MANSFIELD. That is correct.

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

Mr. MANSFIELD. I ask unanimous consent that because of the closeness of the votes, the second vote take only 10 minutes.

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

Mr. FONG. Mr. President, I rise to express my complete support for S. 1661, the Indochina Migration and Refugee Assistance Act of 1975, now pending before the Senate.

This legislation authorizes $405 million in emergency assistance for the transportation, temporary maintenance, and resettlement of Vietnam and Cambodian refugees.

In its report on the bill, the Committee on Foreign Relations expressed the following comment:

> One of the great strengths of this country is the diversity of its people. It is a nation of refugees. It is fitting that Congress is considering legislation to assist refugees in resettling in the United States as we approach the bicentennial of our nation's birth. Help to those who fled from Indochina is in the finest tradition of America. There is no better way for Americans to reaffirm what this country stands for than to give them a warm and friendly welcome.

Mr. President, I fully concur with the sentiments of the committee: There is no better way for Americans to reaffirm what this country stands for than to give the Vietnamese and Cambodian refugees a warm and friendly welcome. The Senate can begin by giving its overwhelming support to the measure now before us.

As the ranking Republican member on the Judiciary Committee's Subcommittee on Refugees and Escapees, I have been following this problem very closely. The subcommittee has held numerous hearings on the plight of the refugees and subcommittee members have been kept abreast of developments by Ambassador L. Dean Brown, Assistant Secretary of State Philip C. Habib, Commissioner Leonard F. Chapman, of the Immigration and Naturalization Service, and other members of the administration.

According to Ambassador Brown, the administration estimates that a total of 130,000 refugees will eventually be brought to the United States and an additional 10,000 to 15,000 will be settled in third countries.

As of May 12, there were approximately 115,000 refugees under United States protection—all but about 1,000 to 1,200 of them Vietnamese.

Mr. President, I want to pay tribute to the Defense Department and the State Department Task Force for their diligent efforts to evacuate the refugees safely. I know they and many other people have been working around the clock on this humanitarian project.

Initial costs of the evacuation and basic needs of the refugees have been met by use of $98,000,000 in funds originally provided for economic aid to Indochina. Those funds have been used to reimburse the Department of Defense for sealift and airlift and basic facilities at the staging and processing centers.

I and other members of the Refugee Subcommittee were assured that the voluntary agencies—those primarily responsible for resettlement—will make every effort to disperse the refugees throughout the United States. Sponsors for the refugees include individuals, families, parishes, and community organizations. By becoming a sponsor, these individuals and groups take on the moral obligation of receiving the refugees and their families and to find housing, employment, and educational opportunities for them.

I would like to take this opportunity to pay tribute to the many voluntary agencies that have offered to assist and are standing by for Congress to do its part in providing the necessary funds.

Mr. President, although the committee recommended an authorization of $405,000,000—$102 million below the administration's request of $507 million—it indicated its willingness to consider further funding should the need arise. We should all realize the cost figures and the estimates of numbers of refugees are quite tentative at this time. Further funds may indeed be needed.

By giving our full support to the Indochina Migration and Refugee Assistance Act of 1975, the Senate will be taking another step to reaffirm the proud fact that America is a nation of immigrants and refugees and welcomes her newest arrivals.

I am confident that Vietnamese and Cambodian refugees—like all their predecessor immigrants—will contribute much to the further development and growth of America.

Except for a small number of Americans who can claim the distinction of being descendants of the native Indians, all the rest of us can trace our heritage back to descendants who were immigrants or refugees to this great land of freedom and opportunity.

Long before we became a Nation, the British settlers at Jamestown had already been joined by much welcomed immigrants from all parts of the old world.

Yes, Mr. President, even before 1776, America was a mixture of people of various ethnic origins from various nations—British, French, Spanish, Portuguese, Irish, Italians, to name but a few.

Once the British colonies attained independence public policy centered on settling the land. Immigration was not only welcomed but actively encouraged. In fact, there were no Federal laws limiting the admission of immigrants until 1882.

Mr. President, it will indeed be a black day in American history if this great country—the symbol of compassion, equality of man, and brotherhood—no longer opens its arms and heart to those who have suffered the tragic loss of their homelands.

The United States—notwithstanding serious domestic problems and setbacks in the international arena—still remains a shining example for the rest of the world, particularly in her treatment of refugees and immigrants.

We can and we must reaffirm our proud tradition of offering a haven to those fleeing tyranny by welcoming the refugees from South Vietnam and Cambodia—the "new Americans."

We cannot—and we dare not—turn our backs on those who fought for freedom, without making a mockery of the principles upon which our Nation was founded and by which she served for centuries as a refuge for the oppressed people of all nationalities seeking liberty and a better life.

Mr. President, today we are being asked to open our doors to those who have experienced and witnessed the destruction of their hopes and aspirations for freedom and national independence in their former homeland. Many of them have beloved family members who were killed or maimed defending their country against invaders and aggressors. Many of them had to leave beloved family members behind in South Vietnam and Cambodia, where they face an uncertain and possibly hazardous future.

These refugees committed and dedicated their own lives and futures to a struggle which the people of the United States supported and made sacrifices for. They had every right to assume that the American people would continue to stand

by them, now that their country has fallen into the hands of the Communists.

I, for one, firmly believe that the overwhelming majority of Americans will rise to the occasion and give those refugees forced to leave their homeland the support and assistance that they need to start a new life in America—the country that has always traditionally been a haven for victims of political and social persecution.

As the son of immigrant parents and as one who has experienced the opportunities that this great country affords to all who seek refuge on its shores, I am confident that the vast majority of Americans, who are immigrants or descendants of immigrants, will not permit their initial fears to override the tradition of generosity and welcome to refugees that has made this country the beacon of freedom for over 200 years.

Should that beacon of freedom be extinguished and should the door to the land of opportunity and freedom be closed, America will have lost her conscience—the foundation upon which this great Nation was built.

Mr. President, throughout America's history, from the earliest colonial days until this very month, our Nation has offered shelter and a new life for political refugees. Since the end of the Second World War, the United States has opened its doors to 1,355,000 political refugees: including 450,000 displaced persons in the aftermath of World War II: nearly 200,000 people who chose to leave Eastern Europe for the United States in the early 1950's; over 30,000 Freedom Fighters, the men and women who fought for freedom in the Hungarian Revolution in 1956; and 675,000 Cubans who fled from Castro's Cuba.

These "new Americans" have enriched our national spirit and added new vigor to our national character. There is every reason to expect the refugees from South Vietnam and Cambodia to do the same.

I firmly believe that the way America responds to this latest challenge can be the beginning of a great renewal of the American spirit.

Although the curtain has all but fallen on the war in Indochina, the tragedy is not finished—nor is America's responsibility to those who were so closely associated with our policy there. We have a golden opportunity to open a new chapter in our history as a nation of immigrants, and we should welcome those refugees now arriving in our Nation and help them start anew.

As the violence subsides in Vietnam, we, likewise, must stop doing violence to ourselves and begin to heal the wounds at home.

Indeed, after many long agonizing years of division among the American people over our involvement in Indochina, I would hope that the American people could come together and find a unity of purpose in seeking to write a final, humane chapter to the tragic saga of Vietnam. We can do this by coming to the immediate assistance of our newest immigrants.

Mr. President, in order to put the current Vietnamese refugee problem into proper perspective, I would like to briefly discuss how our country responded to the Hungarian and later the Cuban refugee problems.

THE HUNGARIAN REFUGEE PROBLEM

In October of 1956, the Soviet Union deployed its troops to suppress a revolution which had erupted in Hungary. As a result of the Soviet action, more than 200,000 Hungarians fled their homeland seeking refuge elsewhere in the world.

On November 8, President Eisenhower directed that as many as 5,000 Hungarians be admitted into the United States "as expeditiously as possible" using a block of nonquota immigrant visas still available under the Refugee Relief Act of 1953.

A few weeks later, on December 1, the President announced that the United States would offer asylum to 21,500 displaced Hungarians—6,500 to receive visas under the Refugee Relief Act and the remaining 15,000 to be admitted as "parolees" under section 212(d)(5) of the Immigration and Nationality Act. That section allows the Attorney General to temporarily admit aliens into the United States for emergency reasons.

To handle the special problem created by the sudden flow of displaced Hungarians to America, Camp Kilmer, N.J., was set up as a receiving and processing center for the incoming refugees. All normal Public Health, Customs, and Immigration inspections usually performed at the time and place of actual entry into the United States were carried out at Camp Kilmer.

To assist in this noble humanitarian endeavor, more than twenty volunteer and Government agencies provided services for the refugees at Camp Kilmer. Among the most important of these services was the ascertaining of job skills of the individual adult refugees and matching these up with job offers. I am informed that no refugee was released from Camp Kilmer until he and his family had confirmed housing and employment or other assurances of support.

In late December of 1956, Vice President Nixon headed a special mission to Austria—the country into which the Hungarians had fled—with a stop at Camp Kilmer on his return, to examine the full scope of the problem.

In his report to President Eisenhower, Nixon urged Congress to pass legislation to provide "flexible authority to grant admission to this country of additional numbers of Hungarian and other refugees from Communist persecution, through the use of nonquota visas within an annual ceiling."

In response to the Vice President's recommendation, President Eisenhower announced on January 1, 1957, that the Attorney General would continue to parole Hungarian refugees into the United States until Congress took such action.

One measure of the success of the refugee relocation program at Camp Kilmer, Mr. President, was the speed with which it was implemented. By early March 1957, of the more than 27,000 refugees who had been admitted, only about 1,600 of them were not yet resettled.

By May 1, 1957, over 32,000 refugees had arrived and had been processed through Camp Kilmer.

On December 28, 1957, President Eisenhower announced that effective December 31, the entire emergency program for Hungarian refugees would be discontinued.

In responding to the Hungarian crisis, the United States lived up to its great reputation as a land of opportunity and compassion. During the entire course of the Hungarian refugee program, some 38,000 refugees were permanently resettled in the United States—6,130 of these were visas under the Refugee Relief Act and the remainder under the parole provisions of the Immigration and Nationality Act.

In closing another shining chapter that records how America responds to providing a haven for people of all nationalities who seek freedom, Congress passed in July of 1958, legislation which waived passport and visa requirements for all the parolees, thereby giving them formal immigrant status.

THE CUBAN REFUGEE PROGRAM

Mr. President, the largest problem in sheer numbers our country has had in dealing with refugees has been the Cuban refugee program.

On December 2, 1960, President Eisenhower declared Cuba a Communist-controlled country. Shortly thereafter, the United States severed diplomatic relations with Cuba following Premier Castro's demand on January 2, 1961, that all U.S. diplomatic staff except 11 leave Cuba within 48 hours.

The official estimate of the number of Cuban refugees who have entered the United States since Castro's takeover in 1959 is over 650,000. Of these, over 460,000 had registered with the Cuban Refugee Emergency Center in Miami as of the end of December 1974. Although registration with the Refugee Center is not required, assistance from the program is not available to anyone who has not registered.

The Federal Cuban Refugee Emergency Center was initially opened in December 1960, as a reception center for the refugees who were then arriving into Miami at the rate of about 1,700 per week.

One of the major concerns at the time of the Center's opening was obtaining employment for the refugees since initially Federal funds were not available for cash assistance. Therefore, until February 1961, when Federal funds became available for the Florida-administered Cuban refugee cash assistance program, the refugees had to be referred to religious and other non-profit agencies for material assistance.

Once the Center was fully functional, assistance in obtaining services, resettlement, and employment was incorporated into its program through assignment of staff by the Red Cross, the four voluntary resettlement agencies, and the United States and Florida employment services.

Once the refugees were registered, they were given physical examination—including a chest X-ray, blood tests, and varying other examinations as determined by physicians on the basis of age, apparent physical condition, and other medical considerations.

Over the years the Refugee Center has

modified its operations to adapt to changing situations—such as the air-lift period between December 1965 through April 1973, which resulted in some 260,000 refugees arriving on the U.S.-sponsored Cuba-Miami airlift—but the basic registration policy and provisions of services, including resettlement opportunities through the voluntary agencies, have continued.

Mr. President, I should point out that the Federal response to the Cuban refugee situation was not typical of the way we handle the movement of refugees into the United States.

A special program had to be developed for the Cuban refugee situation because for the first time in our history, the United States had become a country of first asylum for large numbers of displaced persons. In previous refugee programs, the refugees were screened in European camps and carefully processed for immigration to the United States. Furthermore, prior to the arrival of a refugee, thorough preparations were made by the voluntary agency which sponsored him and by the receiving community. In other words, two very important elements—a place of residence and a job—awaited the refugee on his arrival.

The Cubans, on the other hand, came by commercial airlines when they could obtain permission to leave, and illegally by small beats when they could not.

Needless to say, Mr. President, the Cuban refugees have assimilated very nicely into the mainstream of America and have made significant contributions toward the attainment of a better life for all Americans, native born and naturalized.

According to a report, "Cuban Refugee Program," issued by the Department of Health, Education, and Welfare in 1963, by and large, the Cuban refugees are a highly skilled group. About 50 percent of the refugee wage earners are professional, technical, and managerial personnel; about 25 percent clerical, sales, and skilled workers; and about 25 percent unskilled and semiskilled.

Among the refugees have been, for example, some 2,000 accountants, 200 architects, 100 chemists, 300 dentists, 550 engineers, 1,800 lawyers, 500 pharmacists, 1,000 physicians, and 3,500 teachers and college professors.

Information gathered by the Cuban Refugee Center indicates that the majority of the refugee wage earners have been in the most productive years of their lives—46 percent have been between the ages of 20 and 39 and 19 percent between the ages of 40 and 49.

The total Federal cost of the Cuban refugee program from 1961 to 1974 has amounted to over $975,000,000. This sum includes the cost of providing the registered Cuban refugees with the following assistance and benefits: transportation, resettlement and employment help, welfare and health services, educational opportunities, and administrative expenses.

CONTRIBUTIONS BY THE IMMIGRANTS TO THE UNITED STATES

Mr. President, I believe this would be an appropriate time for me to briefly outline some of the contributions that have been made by the immigrant population to our country's development, to enriching our cultural heritage, and to improving our image as a nation.

In this very body—the Senate of the United States of America—many Senators are living proof of what children and grandchildren of immigrants—second- and third-generation Americans—can and have been able to attain. I am proud and delighted to be surrounded by many of my distinguished colleagues who are sons of immigrants, as I am.

A list of Nobel Prize winners shows that as of the end of 1970, 117 Americans were awarded the highly coveted Nobel Prize.

Of these, 117 Nobel Prize winners, 37—representing 31.6 percent—were foreign born. The first of these immigrant recipients was Albert A. Michelson, who was awarded the Nobel Prize for his optical measuring instruments in 1907.

Other prize winners include such notables as Albert Einstein and Enrico Fermi.

Curiosity, Mr. President, prompted me to inquire into the origin of the other 80 American Nobel Prize winners who were not foreign born. Nothing could be determined about the background of 6 of them but of the 74 others, 27 were first or second generation Americans.

Immigrants and children of immigrants have made their contributions to many areas of our lives.

The outstanding contributions to the world of music of such great names as Rubinstein, Horowitz, Milstein, Stravinsky, Hindemuth, Mitropouluos, Leinsdorf, and Klemperer, need no comment.

What would our motion picture business have been without an Adolph Zukor? Or an Albert Warner? Or a Samuel Goldwyn?

Would America have succeeded in conquering the moon without a John von Neumann or Wernher von Braun?

Not only were immigrants and children of immigrants creative, they were also productive. They were creators and developers of entire industries and of new products—which have contributed significantly to providing new jobs and a better way of life for all Americans.

It is true, Mr. President, that all immigrants and children of immigrants have not achieved prominent positions or made significant contributions to improving America's way of life.

However, where would our clothing industry be without the Jewish and Italian immigrants? Few native Americans were interested in becoming seamstresses or tailors.

Many other immigrants fill jobs in numerous occupations where our native Americans have refused to seek employment. Stoop labor on our farms is a good example of such employment.

Or, let us examine the little man who came to the United States with nothing more than a twinkle in his eyes and a dream in his heart.

He worked hard and saved some money until he and his entire family could open a little business of their own. You will find that these immigrants not only brought the benefits and richness of their culture, but they created employment for Americans and contributed to the growth of our Nation.

And these immigrants numbering over 400,000 per year over the past decade, continue in this same pattern.

They do more, Mr. President. They spread the word to their relatives and compatriots abroad: That America is still the land of opportunity and freedom—not only freedom from persecution, but a land of equal opportunity.

These "common people" are the best testimony that America can put forth when she claims that she still welcomes the "tired," the "poor," and the "huddled masses yearning to breathe free."

UNINFORMED OPPOSITION TO IMMIGRATION

Mr. President, despite our great heritage and the fact that the heart of our democracy is built upon the lives of immigrants seeking hope, freedom, and opportunity in a new land, many Americans still oppose our immigration policy in general and the current refugee situation in particular.

I am troubled and deeply saddened, Mr. President, that this Nation of immigrants—on the eve of its Bicentennial celebration—is divided over whether our doors will remain open to the latest group of refugees from South Vietnam and Cambodia.

I believe that concern over and opposition to the refugees from Vietnam and Cambodia stem from two major problems.

First, the fear that the admission of more immigrants to the United States would exhaust our economic resources and add to our already serious employment situation.

Second, the fear that too many persons of Asian background would upset traditional patterns of American life.

An objective and rational analysis of both arguments would show these fears and prejudices to be quite unfounded.

Mr. President, as a member of the Judiciary Subcommittee on Immigration and Naturalization who actively participated in the passage of the historic Immigration Reform Act of 1965, I know that thoughtful and thorough consideration of our economic situation and the hard facts about our complex, technologically oriented economy was given to the bill before it was enacted into law.

As a matter of fact, it was drafted so as to enhance our economic growth and also to unite families.

To illustrate this point, I want to share with my colleagues the results of some research I did on this matter in 1972.

For the fiscal year 1971, the United States admitted 370,478 immigrants.

Of this total, the largest number—158,152—came from the Eastern Hemisphere; 122,474 were from the Western Hemisphere; 80,845 were spouses, children, or parents of U.S. citizens; 2,641 were fiances of U.S. citizens and their children; and the remainder of 6,366 were special immigrants of one sort or another.

The training and employment backgrounds of these immigrants were as follows:

For the year ending June 30, 1971, a total of 153,122 persons obtained labor certification from the Department of Labor. This was about one-fifth of 1 percent of our total work force of about 88,000,000 workers for the fiscal year.

Before the immigrants can obtain a labor certification, the Department of Labor has to make an affirmative finding

that there were an inadequate number of American personnel qualified to fill a professional need in the United States or that there were no American workers to fill a particular job in the country.

Therefore, before the immigrants arrived, a large number of them had been fully trained and possessed talents and skills urgently needed in our economy.

My research revealed that of the roughly 153,000 persons who obtained labor certification, the largest number by far were professionals and technicians. They totaled 48,850—nearly one-third of the total.

The next largest group—numbering almost 22,000—were craftsmen and foremen.

These were followed by nearly 19,000 operatives and kindred workers, such as dressmakers and seamstresses.

Then came the laborers, the service workers, and the clericals.

Mr. President, shortages of workers in the United States—even during high periods of unemployment—are invariably to be found in the highly trained professional, and skilled occupations.

For example, in April 1972, the unemployment rate in our country was 5.9 percent. However, the unemployment rate among professional and technical workers during the same period was only 2.3 percent and among managerial and administrative workers, only 1.8 percent.

So, Mr. President, you can see why our country looks to immigration as one source from which we can obtain the highly trained professional and skilled workers that are badly needed by different segments of our economy.

It only stands to reason that if positions requiring technical skills are not filled, many other jobs which support technically skilled positions would not be available and many new jobs would not be created.

The balance of the immigrants admitted in 1971 totaled 217,356. They consisted of wives, children, retired persons or persons with no occupations. In other words, almost 60 percent of the immigrants were not competing with Americans for any jobs or positions.

Now, looking back at the 48,850 professional and technical personnel admitted in 1971, by far the largest group—slightly over 16,000—were in the medical or allied fields. Included in this category were 5,756 doctors and 6,442 nurses—all in great demand in our country today.

In my research, I also found that the Department of Health, Education, and Welfare attempted to make some calculations of the cost of a medical school education for the year 1969. At that time, I was told that for all medical schools the range was from $7,542 to $21,256 per student per academic year—with an average of $18,973.

Judging from experience, I estimated that at a minimum income level, it would cost roughly $25,000 to house, feed, clothe, educate, and to take care of the medical and personal needs of a child until he reaches the age of 18.

To that sum, I added the cost of a college education. Being most conservative, I estimated that those 4 years would cost the parents and the State a minimum of $10,000.

In addition, 4 years of medical education at the average of nearly $19,000 a year add up to more than $75,000.

In total, Mr. President, the cost of educating each American doctor involves a minimum investment of $110,000 at 1969 prices. Today, of course, the cost would be even greater.

The 5,756 foreign-trained doctors, alone, whom we admitted as permanent residents in 1971 represent an asset of $633,160,000. This does not take into consideration the invaluable services that they have been providing to Americans over the years, nor the taxes that they have been paying into Federal, State, and local treasuries.

To the above estimate must be added the cost of education of all the other foreign-born and foreign-trained medical personnel.

Taking a conservative estimate of $25,000 as the cost to house, clothe, feed, and educate a child until he reaches 18, the 153,122 immigrants receiving labor certificates in 1971 represented an asset of nearly $4 billion being added to the human resources of our Nation for the miniscule cost of processing them.

It seems rather ironic, Mr. President, that the richest Nation in the world should benefit so bountifully from such a windfall year after year.

Mr. President, I endeavored to obtain figures on the numbers of doctors and other professional people among the Vietnamese and Cambodian refugees. Because processing of refugees is still underway, I have been unable to obtain anything more than the results of a survey made of 223 family sponsor forms as of 2:30 p.m., Sunday, May 4.

This survey indicated nearly 48 percent were professionals, businessmen, journalists, or military. The breakdown was as follows:

29 per cent of these refugees were professionals or businessmen, including two ministers.

13.9 per cent were skilled workers.

2 per cent were journalists.

3 per cent were military.

Of the remainder, 15.2 percent were clerical workers, 14 percent were students, 10 percent housewives, just under 1 percent were agriculture-related people, and 12 percent were not specified.

Final figures may be quite different from this admittedly small sample. I cite these figures, however, as evidence that doctors, lawyers, businessmen, and skilled workers are indeed among the Vietnamese and Cambodian refugees.

FEAR OF ASIAN IMMIGRANTS

Mr. President, one of the oldest and most emotional arguments against immigration is the fear that an increase in the number of Asian immigrants would upset the historical and cultural way of life for "Americans."

An objective and rational examination of this problem will prove this fear to be without merit or foundation.

According to the 1970 census, the population of the United States included 591,290 persons of Japanese ancestry; 435,062 persons of Chinese ancestry; 343,060 persons of Filipino ancestry; and 720,520 person in the category designated "All Others." This later catetgory included persons of Korean, Asian-Indian, Polynesian, Indonesian, and other nonwhite ancestries. It did not include the American Indians and the Negroes.

In total, Mr. President, there were in the United States in 1970, only 2,089,932 persons of Oriental and Polynesian extraction—about 1 percent of a total 1970 population of 203,211,926 persons.

Under our present immigration statute, the number coming from the former Asian-Pacific Triangle continues to be a small percentage of the total immigration per year.

Once thought to be unassimilable, today the Americans of Asian ancestry are as much a part of the mainstream of American life as any other ethnic group.

Countless studies have shown that Americans of Oriental ancestry have contributed significantly to the cultural, economic, and political development of our Nation.

Politically speaking, Hawaii can boast of having elected the first Governor of Asian ancestry in the history of our country. In addition, I have the distinction of being the first U.S. Senator of Asian ancestry and my colleague, Senator INOUYE, was the first U.S. Representative of Japanese ancestry elected to Congress. The current two members serving Hawaii in the House of Representatives are also of Asian ancestry.

THE AMERICAN DREAM

Mr. President, as a Nation of immigrants, we have developed a racially heterogeneous society in which citizens of many cultures and ethnic origins live and work side by side to make the American dream a reality—to develop religious tolerance, social equality, and political democracy for all.

But we cannot afford to be complacent. We must rededicate ourselves to those principles that have made our country unique—a country that is unequalled in providing a haven for those seeking asylum.

As former President Nixon warned:

> One of the great problems that any society has as it becomes older, as it becomes richer, is that it tends to become more complacent, it tends to lose its drive, its dynamism, its imagination, frankly, its character. That is the history of civilizations over the past. And one mark of the American civilization has been that we have never fallen into that fault due to the fact that we have always had the infusion of new people, new people who come here with a great idealism, with great determination, in a sense, as somebody would put it, they are people that are still trying to make it, that aren't thinking in terms of having it made, and what they contribute are not simply . . . skills . . . but even more, they contribute character, strength, and drive and that is what this country needs.

For that reason, former President Nixon further stated:

> I hope America will always be the land of the open door, because as long as that door is open, it means that this land will continue to grow and continue to prosper and con-

tinue to have that drive which makes a great nation.

VIETNAMESE REFUGEES: OUR NEWEST IMMIGRANTS

Mr. President, on May 8, together with 27 other Senators, I signed a letter addressed to the Honorable JOHN B. SPARKMAN, Chairman of the Committee on Foreign Relations, and to the Honorable JOHN L. MCCLELLAN, Chairman of the Committee on Appropriations, urging approval of "legislation necessary to find homes, jobs and a fresh start for those whose lives have been shattered by the fall of South Vietnam."

Although we fully realize that there will be problems connected with the refugee assistance program, nevertheless, we said in the joint letter:

> These problems should not be permitted to obscure the larger issue of whether the United States is prepared to act with the same generosity and good will we have always shown toward those seeking freedom from oppression. To do less would be to underestimate the strength and character of the American people and to dishonor the highest traditions of our nation.

On the same day that the above-mentioned letter was sent, the Senate adopted—by a vote of 91 to 1—Senate Resolution 148, a resolution to welcome the latest refugees to our shores.

Among the many timely expressions contained in the resolution, I thought one of them was appropriately addressed to those who have forgotten the fact that America is a Nation of immigrants. It states in part:

> [The] periodic influx of refugees and exiles can serve to keep us humble, saving us from the sins of arrogance, pride and selfrighteousness by reminding us of our origins, of the misery that abounds elsewhere in the world, and of the destiny that may also befall us should we betray our heritage.

Mr. President, 8 years ago, Dr. Martin Luther King, Jr., spoke about the need to repair the damage that was being done to our divided country. He said:

> To be honest is to realize that the ultimate measure of a man is not where he stands in moments of convenience and moments of comfort, but where he stands in moments of challenge, in moments of controversy.

Mr. President, I fully realize that our country is experiencing serious employment problems. It would certainly have been more convenient if this final chapter of the Vietnamese tragedy had come at a time of economic prosperity in the United States. But fate is not arranged to our convenience—and the test of history is how well we fulfill our obligations in times of adversity.

I am optimistic that our economy in the months ahead will show definite improvement and that employment in America will increase. We should soon see the beneficial effects of the tax rebate, the housing credit and other measures to encourage housing construction, the public service employment funding, and the other measures taken by the Congress and the administration to stimulate our Nation's economy and create jobs for our people. Meantime, we have extended unemployment compensation for those unfortunate Americans whose payments would otherwise have run out.

With only an estimated 35,000 of the refugees likely to be breadwinners and with resettlement of the refugees to be dispersed throughout America, the impact on the job situation in any community should be minimal.

In this connection, Mr. President, I am reminded of the man who said, "I cried because I had no shoes, until I saw a man who had no feet."

I also realize that many Americans simply want to wipe away the memories of the long and tragic Indochina conflict which has ended in communist takeover of Vietnam and Cambodia and humiliation for the United States.

But, Mr. President, what we all need to realize is that even though we have some serious problems at home, closing the door on the Vietnamese refugees will not make those problems go away. Instead, what we all need to do is to regain the spirit that has made this country the greatest in the world.

We have the golden opportunity to meet the challenge and to reassert our moral leadership to the world. We can—and must—do no less.

Mr. President, at this great juncture in the history of the United States—at a time when the very principles upon which our great Nation was built are being sorely tested—where are the so-called "doves" who said they would accept any consequence of stopping the war? For some of them, apparently "any consequence" excludes finding room here in America for war victims.

Likewise, where are the so-called "hawks" who would have fought into the next century to save the South Vietnamese and Cambodians from communism? Apparently, some do not want any of these refugees living in their neighborhoods.

I am glad to note, however, that America's traditional compassion and humanitarian instincts are coming to the forefront now and that the tide of opinion, as reflected here in Congress on the pending legislation, has changed for the better.

I am not blind to the fact that among the refugees are some who may have helped corrupt their own society. There may be others who are undesirable additions to our own society for various reasons.

However, the overwhelming majority of the refugees belonged to the middle class—the artisans, businessmen, the scholars, technicians, clerks, government officials, and their wives, children, and relatives.

To focus on the tiny minority of persons who might deserve one or another of those terms of opprobrium, or to exaggerate their number, is to grossly and unfairly distort the whole nature of the refugee problem.

They relied upon America's assurances of support in their fight against the Communist aggressors and they relied upon our assurances that we would not abandon them after we withdrew our troops.

These refugees fled in fear—from a nation torn by war—from a perilous future, where many were marked for execution.

They are homeless now. Many are ill. Their careers are shattered, their dreams wiped away. All they have is the reality of their plight.

The pending bill does not open the floodgates to refugees, only about 130,000 people, which is about one-fourth to the approximately 500,000 legal immigrants we admit to the United States every year.

Mr. President, let us not forsake the conscience of our Nation—whose humanitarian ideal serves as an example for other nations—by turning our backs on those who more than ever before are totally dependent upon our good will and expression of support.

They only ask for the opportunity to live in a country whose people have a tradition of evaluating a man for what he does, not for where he was born; a tradition of respecting an individual not on the basis of his name or the color of his skin, but on his character and ability.

Let us not be found wanting in this hour of great need by our fellow men.

Let us overwhelmingly support the pending refugee authorization bill and the appropriation bill which we shall take up this afternoon after we pass S. 1661.

Mr. President, I ask unanimous consent that the text of the May 8 letter to the Honorable JOHN B. SPARKMAN, chairman of the Committee on Foreign Relations, and to the Honorable JOHN L. MCCLELLAN, chairman of the Committee on Appropriations, urging approval of legislation to assist the Vietnamese and Cambodian refugees be printed in the RECORD at the conclusion of my remarks. I also ask unanimous consent that the text of Senate Resolution 148, welcoming the latest refugees to our shores, and a statement issued by the AFL-CIO Executive Council on May 6, entitled "Vietnamese Refugees" also be printed in the RECORD.

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

MAY 8, 1975.

DEAR MR. CHAIRMAN: Within the next few days the Committees on Appropriations and Foreign Relations will be considering the question of aid for refugees of the Vietnam war.

We feel it is unfortunate that the climate for consideration of this important issue is being shaped by the fears of some who are exaggerating the costs and ignoring the responsibilities of the United States in providing help to the victims of the war.

We believe and think that the President is right in asserting that the overwhelming majority of Americans feel an obligation toward those who have been forced to flee their homes, in many cases because of their loyalty toward the United States.

It would be a tragedy if our response to the plight of the refugees was determined by a few vocal opponents while the majority remained silent in their support for the refugees. In the eyes of other nations, we might be wrongly perceived as a people who were unwilling to make even this small sacrifice to help our friends.

We recognize that the Committee will want to carefully examine the dollar amount that has been requested by the White House. There may be other problems associated with resettlement, including the necessity of assuring that no undue burdens are placed on individual states and communities. Many Governors and local officials have already contacted the White House to express their willingness to cooperate in placement efforts.

Furthermore, a maximum effort should be made by our government to enlist the help of other countries in providing aid and asylum to refugees who would be willing to live elsewhere.

Nevertheless, these problems should not be permitted to obscure the larger issue of whether the United States is prepared to act with the same generosity and goodwill we have always shown toward those seeking freedom from oppression. To do less would be to underestimate the strength and character of the American people and to dishonor the highest traditions of our nation.

We are confident that when faced with this choice, the Senate will overwhelmingly approve the legislation necessary to find homes, jobs and a fresh start for those whose lives have been shattered by the fall of South Vietnam. We urge your full support in this effort.

S. RES. 148

Whereas, ours is a nation of immigrants and descendants of immigrants, many of whom fled from tyranny and bloodshed in their native lands where they were scorned, hated and hunted, and

Whereas, they came here because they knew they could find in America safety, freedom and opportunity, and

Whereas, they found all those things and more, for they also found America to be a land of compassion as well as affluence, magnanimity as well as wealth, and

Whereas, Americans welcomed these fellow, less-fortunate human beings not only for their sake but for our own, knowing that they strengthened our national vitality, constantly renewing the diversity and richness of our lives and the pluralism and dynamism of our society, and

Whereas, this periodic influx of refugees and exiles can serve to keep us humble, saving us from the sins of arrogance, pride and self-righteousness by reminding us of our origins of the misery that abounds elsewhere in the world, and of the destiny that may also befall us should we betray our heritage, now therefore.

Be it resolved that the Senate reaffirms that the Statue of Liberty, is as Emma Lazarus called her, the Mother of Exiles; that the Senate reaffirms that the lesson of the parable of the Good Samaritan lives on in the minds and hearts of the American people and is a part of their character; and that the Senate welcomes warmly the latest exiles to our shores—the refugees from South Vietnam and Cambodia.

STATEMENT BY THE AFL–CIO EXECUTIVE COUNCIL ON VIETNAMESE REFUGEES, WASHINGTON, D.C., MAY 6, 1975

The United States has an inescapable moral responsibility to do all that it can to aid the Vietnamese refugees who are now entering our country, just as we have opened our doors to Hungarians and Cuban refugees from Communist totalitarianism. We cannot turn our backs on those who have fought for freedom without making a mockery of the principles upon which our nation was founded and by which it has served for centuries as a haven for people of all nationalities who seek liberty.

We recognize that the Vietnamese arriving on our shores will face many difficult and unique problems. But we have faith that those problems can be overcome by the good will and generosity for which the American people are justly known throughout the world. Recent statements by some politicians suggesting that the Vietnamese refugees are not welcome here bespeak a meanness of spirit unworthy of the American people. It is a meanness in which the American labor movement willnot partake.

The AFL–CIO Executive Council calls upon our members to make these refugees of Communist aggression welcome in their communities.

We call upon the Congress to appropriate without delay sufficient funds to facilitate the resettlement of the Vietnamese refugees in the United States without placing an undue burden upon the already hard-pressed resources of our state and local governments.

Finally, we call upon the AFL–CIO Community Services Department, the Human Resources Development Institute, and our International Affairs Department to cooperate fully with government and voluntary programs to assist the refugees to find jobs and housing, to obtain needed social services, and to become integrated into the American way of life.

Mr. FONG. I yield the floor.

Mr. STONE. Mr. President, even though I will vote no on this amendment I wish to commend the distinguished Senator from North Carolina for his well-motivated and sincerely felt proposal which is intended to benefit not only the refugees but the U.S. taxpayer.

The PRESIDING OFFICER (Mr. ALLEN). In accordance with the previous unanimous-consent agreement the question will now be put on agreeing to the amendment of the distinguished Senator from North Carolina (Mr. HELMS).

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Delaware (Mr. BIDEN), the Senator from Mississippi (Mr. EASTLAND), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Wyoming (Mr. MCGEE), the Senator from New Mexico (Mr. MONTOYA), the Senator from North Carolina (Mr. MORGAN), the Senator from Utah (Mr. MOSS), the Senator from Maine (Mr. MUSKIE), and the Senator from Illinois (Mr. STEVENSON) are necessarily absent.

I further announce that the Senator from Alaska (Mr. GRAVEL), the Senators from Georgia (Mr. NUNN and Mr. TALMADGE), and the Senator from California (Mr. TUNNEY) are absent on official business.

I further announce that, if present and voting, the Senator from Indiana (Mr. BAYH), the Senator from North Carolina (Mr. MORGAN), and the Senator from Illinois (Mr. STEVENSON) would each vote "nay."

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from New York (Mr. BUCKLEY), the Senator from Nebraska (Mr. HRUSKA), and the Senator from Ohio (Mr. TAFT) are necessarily absent.

I also announce that the Senator from Tennessee (Mr. BAKER) is absent on official business.

The result was announced—yeas 6, nays 74, as follows:

[Rollcall Vote No. 185 Leg.]

YEAS—6

Curtis	Hatfield	McClure
Goldwater	Helms	Thurmond

NAYS—74

Abourezk	Byrd, Harry F., Jr.	Culver
Allen	Byrd, Robert C.	Dole
Bartlett	Cannon	Domenici
Beall	Case	Eagleton
Bentsen	Chiles	Fannin
Brock	Church	Fong
Brooke	Clark	Ford
Bumpers	Cranston	Garn
Burdick	Griffin	Glenn
Hansen	Magnuson	Roth
Hart, Gary W.	Mansfield	Schweiker
Hart, Philip A.	Mathias	Scott, Hugh
Hartke	McClellan	Scott, William L.
Haskell	McGovern	Sparkman
Hathaway	McIntyre	Stafford
Hollings	Metcalf	Stennis
Huddleston	Mondale	Stevens
Humphrey	Nelson	Stone
Inouye	Packwood	Symington
Jackson	Pastore	Tower
Javits	Pearson	Weicker
Kennedy	Pell	Williams
Laxalt	Percy	Young
Leahy	Proxmire	
Long	Randolph	
	Ribicoff	

NOT VOTING—19

Baker	Hruska	Nunn
Bayh	Johnston	Stevenson
Bellmon	McGee	Taft
Biden	Montoya	Talmadge
Buckley	Morgan	Tunney
Eastland	Moss	
Gravel	Muskie	

So Mr. HELMS' amendment was rejected.

Mr. CRANSTON. Mr. President, I would like to ask a question of the distinguished committee chairman (Mr. SPARKMAN) in order to clarify legislative intent on a matter of critical importance to the State of California, and other States as well.

I note that section 4 of the bill requires that the President shall keep the appropriate committees of Congress fully and currently informed regarding the use of funds and the exercise of activities carried out pursuant to this act. My question is this: Am I correct in assuming that as a part of that requirement, the President—or his designee, who in this case would most likely be the Secretary of Health, Education, and Welfare—would be required to report to the Congress the policies he is following, or will follow, in the distribution of funds which may be appropriated for the purpose of "bilingual and vocational training" under this program?

I ask this question because I am deeply concerned about the possible effect on our local school systems resulting from their assumption of the costs of educating these refugee children unless—and I would consider this entirely appropriate—the Federal Government establishes a program to reimburse State and local education agencies for the costs which are involved.

Consider the case of my State of California. Assuming we absorb just 10 percent of the refugees, and—as HEW representatives have stated—50 percent of those refugees are school-age children—California could expect at least 5,650 additional refugee children to be accommodated in our public schools. Our State average per pupil expenditure, as adjusted for inflation, is about $1,400 per year. This would mean that the cost to California taxpayers in the first year alone would be about $7.9 million to educate the refugee children.

I think it is obvious, Mr. Chairman, that this would add an intolerable burden to that part of our governmental system which is able to bear it least. In my view, the citizens of California—or any other State, for that matter—cannot be expected to bear this additional burden on the property tax, which is already outrageously out of proportion to the taxpayers ability to pay. In California

the school boards association recently completed a survey which reveals that 218 school districts, representing about 60 percent of the educational expenditures in the State as a whole, estimate they will be $221 million short of being able to meet the impact of inflation on their budgets. I am sure many of my colleagues could cite equally discouraging figures.

In the light of this problem, I would appreciate the comments of the chairman in response to my question on the interpretation of the reporting responsibilities under section 4.

Mr. SPARKMAN. Mr. President, in answer to the question posed by the Senator from California (Mr. CRANSTON), it is the intent of section 4 as amended, that the President keep the Congress fully and currently informed regarding the use of funds and exercise of activities carried out under the act.

Such information would include programs and activities affecting schools or being carried out in schools. The Committee was very much aware of the potential refugee impact on schools. Therefore, the committee would expect the President's reports made pursuant to section 4 to cover such programs and proposals that would affect schools.

Let me also point out that in our committee report on S. 1661, on page 8, we have specified that—

> The Committee anticipates that HEW will develop procedures to insure that local communities will not be adversely affected by the resettlement of refugees.

Therefore, the committee expects to follow the President's reports very closely, and should information indicate that schools are suffering under the burden of schooling refugee children, the Congress can act accordingly at a future date.

Mr. CRANSTON. I thank the distinguished chairman for these assurances. In view of these positive concerns on behalf of schools, I will not propose at this time an amendment I had planned to introduce, but will simply read the amendment into the record at this point. The amendment would have stated:

> The Secretary of Health, Education, and Welfare is directed to propose to the Congress, not later than July 15, 1975, a program of aid to State and local education agencies designed to repay them in full for all costs incurred in the education of refugee children. For the purposes of this subsection "refugee child" means a refugee from Cambodia or Vietnam as defined in section 2(b)(3) of the Migration and Refugee Assistance Act of 1962, as amended.

As I said, Mr. President, I will not propose this amendment at this time, in light of the interpretations just given by the chairman (Mr. SPARKMAN). However, I want to make it very clear that I will be watching the actions of the Department of Health, Education, and Welfare—and other Government agencies—as they affect the education of refugee children. The superintendent of public instruction in California, Dr. Wilson A. Riles, has expressed personally to me his grave concern over the ability of local schools to meet these extra costs. And I would remind my colleagues that not only must basic education costs be met, but additional costs of providing bilingual education to these refugee children must be absorbed—and that averages some $400 additional per child. We should and must welcome these children to our schools. But we must not forget that the children will enter our schools as a direct result of Federal policy. Therefore, it is neither proper nor tolerable to force local taxpayers into paying the extra educational costs in full, while the Federal Government turns its back on the financial problems our schools may meet. If the Federal Government—specifically, the Department of Health, Education, and Welfare—fails, in my judgment, to meet its responsibilities in full, I will introduce legislation along the lines of the amendment I have just read to assure that our already overburdened property taxpayers will not suffer under new, federally caused financial responsibilities.

Mr. KENNEDY. Mr. President, I would like to speak in strong support of the pending legislation to provide funds for the assistance and resettlement of Cambodian and Vietnamese refugees.

At the outset, I want to say that I believe the President of the United States truly spoke for most Americans, when he reminded us not long ago of our important humanitarian and moral responsibilities in extending a warm hand of friendship and welcome to those thousands of homeless refugees who are now reaching our shores.

These refugees remind us once again of the oldest theme in our history—that we are a nation of immigrants and refugees. Much of our heritage is built upon the lives and spirit of those who have come to our shores seeking hope, freedom, and an opportunity to build a new life, in a new land.

Our Nation has long prided itself on our tradition of compassion and humanitarian concern for the homeless of the world, and for people in need around the globe. But to the Cambodian and Vietnamese refugees now coming to our land, we have a special obligation above and beyond our traditional humanitarian response. For in a very real and direct way we share in their plight, even as we have long been involved in the tragedy and suffering caused by the Indochina war. We have a special responsibility to help restore their lives, in part because we participated in a long war that helped to destroy the life they once knew—and because our planes and ships helped many to reach our shores.

Mr. President, we also need to put some focus on the refugee issue—and reassure those who are skeptical over whether our doors should be open to the new arrivals from Indochina. The numbers involved—even the highest projected number of 130,000—are more than manageable. The numbers are small, compared to the 400,000 immigrants we absorb into our society annually, and the estimated 1 million illegal aliens who also remain each year. Clearly, an effective resettlement program for some 100,000 refugees from Indochina, will not overburden our communities or heavily tax our resources for meeting the needs of our own people.

And for those who are concerned over the cost of resettling the refugees, the amounts authorized and appropriated in the pending legislation are less than a fourth of what we were spending on military and economic aid to Indochina during the current fiscal year. An appropriation of some $405,000,000 is miniscule compared to the $150 billion we poured into Indochina in more than a decade of war.

Mr. President, as chairman of the Judiciary Subcommittee on Refugees, I have closely followed humanitarian problems in Indochina since 1965. And since early April five hearings on the President's refugee program and related issues have been held by the subcommittee and the full Committee on the Judiciary. After these extensive hearings, a field report by staff members of the subcommittee, and regular consultations with the private voluntary agencies responsible for resettling the refugees, I can assure the Senate that the funds being considered today are not only needed to assist the refugees in the weeks and months ahead—but they are urgently needed today to get the resettlement program underway.

The funds are also urgently needed to encourage and facilitate the resettlement of refugees in third countries, and to support the voluntary repatriation of those who, for personal reasons, choose to return to their native land.

Mr. President, with the welfare of the refugees in mind, and our special obligation to help them help themselves, I urge the expeditious consideration and passage of the pending authorization and appropriations for the Indochina refugee program.

Mr. President, for a decade, the Indochina war has cut deeply into American life, and has poisoned the spirit of our country and its people. But the war is now behind us. And we must finally get on with the task of healing the wounds of this war, and of meeting the other challenges now facing our country, at home and overseas. In extending a warm welcome to the new arrivals on our shores, we must not forget the needs of the millions of war victims who remain in their native lands.

We must pursue a diplomacy of reconciliation and normalization with the government's of Indochina. And we must do what we can in meeting our clear responsibility to help salvage the battered lives of those who live there—and have suffered so much, for so long. We cannot ignore the millions of war victims in Cambodia and South Vietnam—many of whom were benefiting from our direct assistance less than a month ago. We cannot ignore the plight of the homeless, whose dwellings and lands have been ravaged by years of war. We cannot ignore the needs of orphans, of the wounded and maimed, and of the countless other war victims in Indochina who cry out for relief and help. We also have humanitarian responsibilities to these people, and the time is past due for the President and Congress to declare our country's support of international efforts to rehabilitate their lives.

I am disappointed that the President's

request for resettlement assistance for refugees from Cambodia and South Vietnam did not include a separate request to support international relief efforts for the war victims remaining in Indochina.

The United Nations, the International Red Cross, and several private voluntary agencies stand ready to help. In fact, some of their programs are now underway and the appeals of these organizations for contributions and support, should not be met with an American policy of silence.

Hopefully, the Committee on Foreign Relations, and the Senate, which have gone on record as supporting humanitarian contributions to international relief programs in Indochina, will once again act on this important issue. And hopefully the administration will join Congress in this effort.

Mr. President, strong words of support have also come for this legislation from America's voluntary agencies. I would like to share with my colleagues a copy of a letter I received this week from the American Immigration and Citizenship Conference. They urge "congressional leadership in behalf of assistance to Indochinese refugees," and note that—

In offering resettlement opportunities, the United States Government, working in cooperation with the private sector, is meeting a moral responsibility in keeping with our humanitarian tradition.

I ask unanimous consent that the text of the conference's message to Congress be printed at this point in the RECORD.

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

AMERICAN IMMIGRATION AND CITIZENSHIP CONFERENCE,
New York, N.Y., May 12, 1975.

To the Members of the United States Congress.

The undersigned member agencies of the American Immigration and Citizenship Conference welcome Congressional leadership in behalf of assistance to Indochinese refugees here and urge the exercise of utmost compassion to meet the critical needs of this victimized group. We applaud President Ford's appeal that the doors be opened generously. Our nation's record to date gives ample evidence that refugees who sought asylum here have enriched this country. In offering resettlement opportunities, the United States government, working in cooperation with the private sector, is meeting a moral responsibility in keeping with our humanitarian tradition. We respectfully call on you to uphold this record.

Amalgamated Clothing Workers of America, AFL–CIO.
American Baptist Home Mission Societies.
American Civil Liberties Union.
American Committee on Italian Migration.
American Council for Emigres in the Professions.
American Council for Judaism Philanthropic Fund.
American Council for Nationalities Service.
American Federation of Jews from Central Europe.
American Federation of Musicians.
American Fund for Czechoslovak Refugees.
American Jewish Committee.
American Jewish Joint Distribution Committee.
Anti-Defamation League of B'nai B'rith.
B'nai B'rith.
Board of Global Ministries of the United Methodist Church.
Catholic Relief Services, United States Catholic Conference.
Christian Church (Disciples of Christ).
Church of the Brethren World Ministries Commission.
Church World Service, National Council of Churches of Christ.
Dominican-American Civic Association.
Ethnic Heritage Affairs Institute, Inc.
General Conference of Seventh-day Adventists.
Holt Adoption Program.
Immigration Council of Southern California.
Industrial Union Department AFL–CIO.
International Institute of Rhode Island.
International Rescue Committee.
International Union of Electrical, Radio and Machine Workers, AFL–CIO.
Japanese American Citizens League.
Jewish War Veterans of the U.S.A.
Jewish United Fund of Metropolitan Chicago.
Labor Zionist Alliance.
Lutheran Immigration and Refugee Service.
National Chinese Welfare Council.
National Conference of Catholic Charities.
National Council of Jewish Women.
National Council of La Raza.
National Jewish Community Relations Advisory Council.
New York Association for New Americans.
Order of AHEPA.
Polish American Immigration and Relief Committee.
Tolstoy Foundation.
Travelers Aid-International Social Service of America.
Travelers Aid Society of Metropolitan Chicago/Immigrants' Service League.
United HIAS Service.
United Presbyterian Church in the U.S.A., Resettlement Services.
United States Catholic Conference, Migration and Refugee Services.
United Steelworkers of America.
Transmitted in behelf of the signatories by: Sonia D. Blumenthal, Executive Director, American Immigration and Citizenship Conference.

Mr. KENNEDY. Mr. President, I would like to offer in addition the eloquent words of Mr. John McCarthy, who is director of the migration and refugee services of the U.S. Catholic Conference. In testimony this week before the subcommittee on refugees, Mr. McCarthy urged speedy action to get funds to America's voluntary agencies—the people who will be charged with the essential task of providing resettlement opportunities to the refugees now reaching our shores. As he told the subcommittees:

There is a job to be done . . . there is in our land the human scars of a terrible war. Let us all work together to resettle these refugees and make there intricate contributing members of our communities. Let us add a few additional brilliant chips that will make our nation, now a mosaic of different cultures and strengths, a world example of our true ideology which was often buried in the rhetoric of our controversial Asian policy and practice.

Mr. President, I ask unanimous consent that the text of Mr. McCarthy's statement before the refugee subcommittee be printed at this point in the RECORD.

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

STATEMENT BY JOHN EDWARD MCCARTHY, DIRECTOR, MIGRATION AND REFUGEE SERVICES, U.S. CATHOLIC CONFERENCE

Mr. Chairman and members of the Committee: As we sit here this morning, every tick of the clock brings us nearer to compounding a disaster with a terrible tragedy. Yes, our island possessions and air bases in the Pacific are literally sinking under the weight of some of the human wreckage that was Viet Nam.

As the Typhoon season approaches, I understand that refugee freighters are literally circling the Island of Guam, as there are no further facilities on land for those who have lost everything in joining us in a cause aimed at fending off aggression and preserving the right of the freedom of choice.

However, any action directed at making this most humanitarian problem a controversial issue is morally repugnant to the majority of our citizenry. We must never forget that through the veins of most of us flow refugee blood; yes, our forefathers arrived in this land as escapees from economic injustices, political tyranny or religious oppression. We are the last that should now fear, for those, who now in more tragic surroundings are following in the footsteps of our forefathers.

There is a job to be done, whether we like it or not. There is in our land the human scars of a terrible war. Let us all work together to resettle these refugees and make them intricate contributing members of our communities. Let us add a few additional brilliant chips that will make our nation, now a mosaic of different cultures and strengths, a world example of our true ideology which was often buried in the rhetoric of our controversial Asian policy and practices.

The monumental movement action by tens of thousands of service persons under the most trying conditions must be applauded by all. But where do we go from here? Yes, the camps are full—the air bases are full—the islands are full of persons who need our help. These temporary havens, built with the sweat of our service personnel are now apparently developing into unsanitary and unworkable extended holding centers.

It is our hope that through cooperative efforts, it will be possible to eliminate these problem areas by marshalling the tremendous resources that were used in the movement program to provide nationwide resettlement opportunities for those with such great needs.

Unfortunately, due to lack of government resources for resettlement and the use of some antiquated and cumbersome administrative procedures, it has not been possible to put the resettlement program on the road as we should.

However, we of the Catholic Church structures, have not been standing still. We have, over the past weeks, spent well over two hundred thousand dollars in setting up a nationwide chain of one hundred and fifty resettlement offices. These offices are ready to serve all refugees without regard to race, religion or political opinion.

Our in-camp staff have already registered and completed the preliminary procedures for nearly one thousand refugee families, or approximately five thousand persons. We have verified or provided jobs and housing opportunities for all these persons. They should not be a burden or disruptive influence on the community of their resettlement.

The staff of our Migration and Refugee Services, which has found homes and jobs for over five hundred thousand persons during the past eight years, is now joined by other voluntary agencies to provide the resources, experience and the will to get the job done—and done well. This, however, should be a partnership endeavor with our government structures and our citizenry.

Any delay in funding and any delay in cutting the red tape is not only inhuman but most expensive. We understand it is costing the taxpayer over a million dollars a day to maintain these holding structures for persons who could, and should be, contributing members of our society.

There is no question but that all our citizenry, our elected officials, and our Church and social agencies, will have to work together to clear up the last human vestige of this terrible tragedy.

VIETNAMESE REFUGEES

Mr. CLARK. Mr. President, the Foreign Relations Committee has acted favorably on legislation to provide $405 million for the transportation and resettlement of Vietnamese refugees. I fully supported this legislation in committee and will support it on the floor. I believe we have an obligation to provide homes for those we have brought from Vietnam.

The refugee situation has generated a great deal of controversy. Everyone understands the fears of those who are worried about the impact on the economy, but their fears seem largely unjustified. By preliminary estimates, only 30,000 of the refugees will be looking for work. But even if the number were double that, it would be less than 1 percent of the number of Americans presently unemployed and less than one-tenth of 1 percent of the total labor force.

The administration plans to find a sponsor for every refugee family through the voluntary agencies. This will help guarantee that the economic impact on any single State or community will be negligible. Those who offer to sponsor refugees will probably come from every State—from urban and rural areas. And with the help of those sponsors, the Government and the relief agencies, much can be done to lessen the impact of the refugees on the economy.

The high level of unemployment should not be made an excuse for rejecting people who have nowhere else to go. But the current economic situation does require that special care be taken to ensure that the refugees not add significantly to the problem of unemployment or to the financial difficulties of State and local governments.

The questions of who the refugees are, why they came, and whether many of them would rather go back home have been raised by many people.

The United States certainly should do everything possible to enable those who want to go back home to return safely to Vietnam and Cambodia. And the United States should provide their transportation. Those who want to return, and feel they are in no danger, should be allowed to go immediately and without waiting for weeks in refugee camps.

The Government apparently knows more about the first 40,000 refugees than about those who have come since. The initial group seems to be in the middle class in their education and occupational background. Sixty percent of the heads of households speak English. Those who left South Vietnam in the final days and hours, however, probably come from all walks of life—high-ranking Government officials, businessmen, scholars, peasant farmers and housewives. Whoever they are, these new immigrants, like every wave of immigrants before them, will bring something unique in value to help enrich American life. Just as it would be unfair to blame the tragedy of Vietnam on any single group of Americans, it would also be unfair to blame the immorality of what went on in Vietnam on a few refugees. They are now in America. They will be governed by the laws of the United States.

Like President Ford, I feel the United States has an obligation to help Vietnamese who want to stay in this country. It is unfortunate that the evacuation of Vietnamese was not better organized. Undoubtedly, the chaos of the evacuation from South Vietnam means that many of the refugees were not really in danger and many whose lives are endangered were left behind. However, every Vietnamese is in a real sense a victim of the long and tragic war; and the least we can do is to help in the resettlement of these 130,000 victims who have been brought out of the country.

The refugee legislation that Congress will soon act on is an important first step in the resettlement effort. We cannot know for certain whether the funds in this legislation will be sufficient or perhaps even too much. The administration's original request may have overestimated the costs of maintaining and resettling the refugees. Its projections were based on the assumption that all the refugees would remain in camps for 90 days, that none of them are dependents of Americans with homes to come to, that it will cost $600 to settle each refugee and that fairly sizeable expenditures will be necessary for health and education. We do not know yet who the refugees are, what their private financial resources are, how soon they will be placed with sponsoring families, how many are still coming or how many will want to settle in other countries or go home.

However, in considering this initial refugee resettlement legislation, it is more important to determine the quality of the program than its exact costs. Huge amounts of money could be spent, and the goal of assimilating the refugees rapidly into American society still not achieved. Congress must make certain that every effort is being made to find homes for the refugees in communities where they will be welcome and where they can soon become self-sufficient. There must be no barriers to using the vast resources and experience of the church groups and other voluntary agencies to help settle the Vietnamese. These organizations can help screen potential sponsors to determine whether they can actually afford to provide homes and other assistance. They can help find jobs for the refugees. They can help make certain that every refugee finds a home in a community where he can play a productive role and where he can become economically self-sufficient.

Numerous offers of assistance have come to my office from the people of Iowa, Senators and Congressmen from every State in the Nation have had the same experience. It is clear that Americans will end the experience of Vietnam in a spirit of generosity toward the victims of the war. The fact that these are difficult times economically makes this generosity all the more meaningful and moving. However, we must now turn our attention to our own economic problems, to easing the burdens of unemployment and poverty for everyone. Congress has recently passed good legislation to alleviate some of the difficulties the recession has caused for Americans—legislation to prevent the unemployed from losing their homes as well as their jobs, and legislation to create public service jobs and to provide work for people in the most severely affected industries. It has been suggested that President Ford might veto this legislation. At a time when Americans are being asked to provide homes and jobs for those who have been brought from Vietnam, it just would not be fair to block these efforts to provide homes and jobs for Americans as well.

Mr. PELL. Mr President, I am glad that the initial outburst against the entry of refugees from Indochina has subsided. Given the frustrations arising from inflation and unemployment in this country, such an outburst is not surprising.

I believe that the overwhelming passage of Senate Resolution 148 welcoming these refugees to our shores is more indicative of the true sentiments of the great majority of Americans.

Certainly my confidence on that score is resoundingly confirmed by the petition to the Congress from the American Immigration and Citizenship Conference signed by 50 leading volunteer agencies and labor groups urging assistance for this war-victimized group to meet "a moral responsibility in keeping with our humanitarian tradition." I ask unanimous consent that this fine expression of dedication to basic American principles be printed in the RECORD following my remarks.

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

(See exhibit 1.)

Mr. PELL. Mr. President, in my introductory statement for S. 1639, which I cosponsored with my distinguished colleague the senior Senator from New York, I outlined the compelling reasons why I believed helping the Indochinese refugees, as provided in S. 1639, was the right thing to do and expressed my confidence that this great country of ours is capable of meeting its humanitarian obligations at the same time that it gives priority attention to our pressing economic and social problems.

The Foreign Relations Committee carefully considered S. 1639 and incorporated a great deal of it into S. 1661, which we are now considering. I attach especially great importance to the provision in S. 1639, now included in S. 1661, calling upon the President "to make every effort to retrieve all amounts previously authorized and appropriated for assistance to South Vietnam and Cambodia but not expended before the date of enactment of this act" for use as part of the $405,000,000 authorized by S. 1661.

I strongly urge that not one single retrievable dollar be used in support of some other military program and hence diverted from meeting the needs of S. 1661. Furthermore, expenditures under S. 1661 must be carefully scrutinized to eliminate any padding or inflated costs.

I have in mind such costs as transportation provided by the Defense Department.

Any such diversion or cost exaggeration can only be at the expense of funds for resettlement in the United States. Ultimately that means less dollars for the State and local governments, as well as for the voluntary agencies, who are doing such admirable work in meeting this humanitarian emergency. With State and local governments hard pressed to meet the needs of their people, it is essential that they receive maximum Federal support.

Mr. President, prompt and hopefully unanimous passage of S. 1661 will be a reaffirmation that generosity and the helping hand are still alive and well in the hearts and minds of the American people today.

EXHIBIT 1

AMERICAN IMMIGRATION AND CITIZENSHIP CONFERENCE,
New York, N.Y., May 12, 1975.

To the Members of the United States Congress:

The undersigned member agencies of the American Immigration and Citizenship Conference welcome Congressional leadership in behalf of assistance to Indochinese refugees here and urge the exercise of utmost compassion to meet the critical needs of this victimized group. We applaud President Ford's appeal that the doors be opened generously. Our nation's record to date gives ample evidence that refugees who sought asylum here have enriched this country. In offering resettlement opportunities, the United States government, working in cooperation with the private sector, is meeting a moral responsibility in keeping with our humanitarian tradition. We respectfully call on you to uphold this record.

Amalgamated Clothing Workers of America, AFL–CIO.
American Baptist Home Mission Societies.
American Civil Liberties Union.
American Committee on Italian Migration.
American Council for Emigres in the Professions.
American Council for Judaism Philanthropic Fund.
American Council for Nationalities Service.
American Federation of Jews from Central Europe.
American Federation of Musicians.
American Fund for Czechoslovak Refugees.
American Jewish Committee.
American Jewish Joint Distribution Committee.
Anti-Defamation League of B'nai B'rith.
B'nai B'rith.
Board of Global Ministries of the United Methodist Church.
Catholic Relief Services, United States Catholic Conference.
Christian Church (Disciples of Christ).
Church of the Brethren World Ministries Commission.
Church World Service, National Council of Churches of Christ.
Dominican-American Civic Association.
Ethnic Heritage Affairs Institute, Inc.
General Conference of Seventh-day Adventists.
Holt Adoption Program.
Immigration Council of Southern California.
Industrial Union Department AFL–CIO.
International Institute of Minnesota.
International Institute of Rhode Island.
International Rescue Committee.
International Union of Electrical, Radio and Machine Workers, AFL–CIO.
Japanese American Citizens League.
Jewish War Veterans of the U.S.A.
Jewish United Fund of Metropolitan Chicago.
Labor Zionist Alliance.
Lutheran Immigration and Refugee Service.
National Chinese Welfare Council.
National Conference of Catholic Charities.
National Council of Jewish Women.
National Council of La Raza.
National Jewish Community Relations Advisory Council.
Nationalities Service Center of Philadelphia.
New York Association for New Americans.
Order of AHEPA.
Polish American Immigration and Relief Committee.
Tolstoy Foundation.
Travelers Aid-International Social Service of America.
Travelers Aid Society of Metropolitan Chicago/Immigrants' Service League.
United HIAS Service.
United Presbyterian Church in the U.S.A., Resettlement Services.
United States Catholic Conference, Migration and Refugee Services.
United Steelworkers of America.

Transmitted in behalf of the signatories by Sonia D. Blumenthal, Executive Director, American Immigration and Citizenship Conference.

The PRESIDING OFFICER. Under the unanimous-consent agreement at this time there will be third reading of the bill.

The question is on the engrossment and third reading of the bill.

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

Mr. PASTORE. May we have order, please, Mr. President.

Mr. SPARKMAN. Mr. President, I ask unanimous consent that the yeas and nays which have been ordered on S. 1661 be transferred to H.R. 6755.

The PRESIDING OFFICER. Is there objection? The Chair hears none and it is so ordered.

Mr. SPARKMAN. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 136, H.R. 6755.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered. The clerk will state the bill by title.

The legislative clerk read as follows:

A bill (H.R. 6755) to enable the United States to render assistance to, or in behalf of, certain migrants and refugees.

Mr. SPARKMAN. Mr. President, I ask for immediate consideration of H.R. 6755.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the bill.

Mr. HELMS. Mr. President, I shall vote against final passage of this bill (H.R. 6755), not because I am opposed to helping the Vietnamese refugees—but because, as I said in my earlier statement, I sincerely believe that the approach embraced by S. 1661 and H.R. 6755 is the wrong way to go.

Thus, my vote in the negative—in effect, a protest vote for the reasons stated earlier by the Senator from North Carolina. I regret that my amendment in the nature of a substitute was rejected. It may be, that upon further and subsequent consideration, Senators may agree with me. But then, of course, it will be too late.

Mr. SPARKMAN. Mr. President, I ask unanimous consent to strike all after the enacting clause of H.R. 6755 and that there be substituted therefor the text of S. 1161, as amended by the Senate.

The PRESIDING OFFICER. Is there objection? The Chair hears no objection, and it is so ordered.

Mr. SPARKMAN. Mr. President, I ask unanimous consent that S. 1661 be indefinitely postponed.

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

The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill, having been read the third time, the question is, Shall it pass? The yeas and nays have been ordered. The time for the rollcall has, by unanimous consent, been set for 10 minutes. The clerk will please call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Delaware (Mr. BIDEN), the Senator from Mississippi (Mr. EASTLAND), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Wyoming (Mr. MCGEE), the Senator from New Mexico (Mr. MONTOYA), the Senator from North Carolina (Mr. MORGAN), the Senator from Utah (Mr. MOSS), the Senator from Maine (Mr. MUSKIE), and the Senator from Illinois (Mr. STEVENSON) are necessarily absent.

I further announce that the Senator from Georgia (Mr. NUNN), the Senator from Georgia (Mr. TALMADGE), the Senator from California (Mr. TUNNEY), and the Senator from Alaska (Mr. GRAVEL) are absent on official business.

I further announce that, if present and voting, the Senator from Indiana (Mr. BAYH), the Senator from Wyoming (Mr. MCGEE), the Senator from North Carolina (Mr. MORGAN), the Senator from Utah (Mr. MOSS), the Senator from Georgia (Mr. NUNN), the Senator from Alaska (Mr. GRAVEL), and the Senator from Illinois (Mr. STEVENSON) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BARTLETT), the Senator from Oklahoma (Mr. BELLMON), the Senator from New York (Mr. BUCKLEY), the Senator from Nebraska (Mr. HRUSKA), and the Senator from Ohio (Mr. TAFT) are necessarily absent.

I also announce that the Senator from Tennessee (Mr. BAKER) is absent on official business.

I further announce that, if present and voting, the Senator from Nebraska (Mr. HRUSKA) and the Senator from Ohio (Mr. TAFT) would each vote "yea."

The result was announced—yeas 77, nays 2, as follows:

[Rollcall Vote No. 186 Leg.]

YEAS—77

Abourezk	Burdick	Church
Allen	Byrd, Harry F., Jr.	Clark
Beall	Byrd, Robert C.	Cranston
Bentsen	Cannon	Culver
Brock	Case	Curtis
Brooke	Chiles	Dole
Bumpers		Domenici

Eagleton	Jackson	Pell
Fannin	Javits	Percy
Fong	Kennedy	Proxmire
Ford	Laxalt	Randolph
Garn	Leahy	Ribicoff
Glenn	Long	Roth
Goldwater	Magnuson	Schweiker
Griffin	Mansfield	Scott, Hugh
Hansen	Mathias	Sparkman
Hart, Gary W.	McClellan	Stafford
Hart, Philip A.	McClure	Stennis
Hartke	McGovern	Stevens
Haskell	McIntyre	Stone
Hatfield	Metcalf	Symington
Hathaway	Mondale	Thurmond
Hollings	Nelson	Tower
Huddleston	Packwood	Weicker
Humphrey	Pastore	Williams
Inouye	Pearson	Young

NAYS—2

Helms	Scott, William L.

NOT VOTING—20

Baker	Gravel	Muskie
Bartlett	Hruska	Nunn
Bayh	Johnston	Stevenson
Bellmon	McGee	Taft
Biden	Montoya	Talmadge
Buckley	Morgan	Tunney
Eastland	Moss	

So the bill (H.R. 6755) was passed.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. SPARKMAN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. SPARKMAN. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of the Senate amendments to H.R. 6755.

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

The Chair recognizes the distinguished Senator from Hawaii (Mr. INOUYE).

Mr. INOUYE. Mr. President, I am pleased to yield to the deputy majority leader.

ORDER FOR CONSIDERATION OF S. 1730

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the disposition of the refugee appropriation bill, the Senate proceed to the consideration of Calendar No. 129, S. 1730, a bill to improve the reliability, safety, and energy efficiency of transportation and to reduce unemployment by providing funds for work in repairing, rehabilitating, and improving essential railroad beds and facilities. I have cleared this with the leadership on the other side of the aisle.

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

APPROPRIATIONS FOR SPECIAL ASSISTANCE TO REFUGEES FROM CAMBODIA AND VIETNAM, 1975

The PRESIDING OFFICER. In accordance with the previous agreement, the Senate will now proceed to the consideration of H.R. 6894, which is the appropriations bill authorized by the bill just passed, which the clerk will state.

The legislative clerk read as follows:

A bill (H.R. 6894) making appropriations for special assistance to refugees from Cambodia and Vietnam for the fiscal year ending June 30, 1975, and for other purposes, which had been reported from the Committee on Appropriations with amendments on page 2, in line 9, after "1976" insert a semicolon and the following: "June 30, 1976: *Provided*, That none of the funds appropriated herein may be used to reimburse the Department of Defense for (1) any personnel services, equipment, materiel or supplies for which funds were heretofore appropriated to the Department of Defense, or (2) any equipment, materiel or supplies which were in the inventory of the Department of Defense at the time of the evacuation of refugees from Southeast Asia."

On page 3, beginning with line 12, insert:

SEC. 202. None of the funds herein appropriated shall be available for obligation until enactment of authorizing legislation.

Mr. INOUYE. Mr. President, I am pleased to report a bill which will provide a total of $405 million for assistance to refugees from Cambodia and South Vietnam. This amount is $102 million less than the amount requested by the President and equals the amount approved by the House.

On Tuesday of this week the Committee on Appropriations Subcommittee on Foreign Operations held a hearing to examine the President's request for $507 million in assistance to refugees from Cambodia and Vietnam.

Our inquiry was guided by the firm hope that speedy and meaningful assistance could be provided to these the most recent exiles to our shores. The hearing revealed that, in these urgent times, much is uncertain. There is a very real possibility that the President's budget request is substantially in excess of what is necessary and required.

The subcommittee learned that the total number of refugees is well below the 150,000 total which was the basis for the President's request. The situation remains in a state of flux. The number of refugees presently expected to settle in the United States is approximately 115,000. Some 20,000 of these presently have American sponsors and 12,000 of that number are actually dependents of U.S. citizens.

It was initially estimated that 20,000 refugees would be transported to third countries. The exact number which will actually be accepted by third countries remains uncertain and subject to negotiation. It must be pointed out, however, that as of this date only one country, Canada, has made a firm commitment to accept a fixed number of refugees—3,000.

Although it is hoped that eventually other countries will accept sizable numbers of refugees, I believe it is significant that, 3 weeks after the United States began to evacuate refugees from South Vietnam, only one nation has come forward and identified the number of refugees that it will accept.

It is important to understand that the President's request for $507 million was based on estimates which even now, after several revisions, are of doubtful accuracy.

This is not to criticize those who have devised these programs and made these estimates. In the confused and chaotic considerations under which they began their work, and considering the uncertainties attendant to moving refugees of unknown numbers, the men and women of the Interagency Task Force have done an creditable job.

The fact remains, however, that the estimates originally presented are at odds with the current situation.

The Committee on Appropriations met on Wednesday and was presented with a choice. It could wait for a month, for 2 months, or for however long it took to obtain precise and final estimates. Or, it could act on the basis of the best estimates available at this time.

The committee recognized that in this situation delay could well mean disaster. Over 100,000 lives would be held in suspension. Weary refugees, whose lives had been shattered, would have had to wait countless hours before they could begin the painstaking process of piecing their lives back to together.

The committee, therefore, determined to report out a bill which reflected the soundest judgments it could make as to the needs of the refugees. The committee has not accepted the present estimates as final. It recognizes that they may change considerably over the next few months. Accordingly, the committee has directed that the General Accounting Office carefully monitor obligations and expenditures under this program and periodically report their findings to the committee.

By its actions the committee sought to take responsible steps in a period of uncertainty. It therefore proposed an amendment which had the intent of insuring that none of the funds appropriated in this bill could be used by the Department of Defense for purposes other than direct assistance to the refugees.

In the interval of time which has passed since the committee considered this bill, I have received written assurances from the Secretary of Defense that the Department of Defense will request reimbursement for only those costs which are in excess of normal operations. He has further assured me that the Department will request reimbursement for only those costs which are not covered by funds currently available to the Department of Defense.

Mr. President, I ask unanimous consent that this correspondence, dated May 15 and 16, be printed in the RECORD.

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

MAY 15, 1975.

Hon. JAMES R. SCHLESINGER,
Secretary of Defense, Department of Defense, Washington, D.C.

DEAR MR. SECRETARY: Please advise the Committee the nature of the costs for which the Department of Defense expects to request reimbursement from funds transferred by Presidential Determination or appropriation to the program rendering assistance to refugees from Cambodia and Vietnam. For instance, is the Department of Defense requesting reimbursement for—

(1) Regular pay and allowances of military or civilian personnel?

(2) Military equipment such as tents, mess gear, kitchen equipment, bunks, blankets? Full reimbursement or depreciation?

(3) Additional steaming time for Navy ships? If so, how much?

(4) Depreciation, amortization or any usage change for helicopters, ships or military equipment used in evacuation or transportation of refugees?

(5) Costs of aircraft or other military equipment lost during evacuation (C5A, C130, helicopters)?

(6) Is it the intention of the Department of Defense to charge this program for any personnel service or equipment which was paid for from previous DOD appropriations? Which was a part of DOD inventories at the beginning of the evacuation?

Sincerely,

DANIEL K. INOUYE,
Chairman, Subcommittee on Foreign Operations.

THE SECRETARY OF DEFENSE,
Washington, D.C., May 16, 1975.

Hon. DANIEL K. INOUYE,
Chairman, Subcommittee on Foreign Operations, Committee on Appropriations, U.S. Senate.

DEAR MR. CHAIRMAN: I have carefully considered your letter of May 15, 1975. I assure you that the Department of Defense will only seek reimbursement for those costs actually incurred in support of this program. However, this does not include major investment items such as aircraft, helicopters, or other major equipment used by the military forces. Essentially, the Department of Defense will request reimbursement for those costs incurred by our operating accounts which are not covered by funds currently available to the Department. To the extent that already appropriated Department of Defense funds, such as military personnel salaries, have been diverted to this effort, reimbursement will not be requested.

The Department of Defense will do whatever is necessary to support the State Department in this effort and I am quite proud of the way my people have responded. However, I am sure you will agree that we should avoid any degradation of the readiness of our operating forces as a result of this effort. Failure to recover costs will do just that, in that the Department of Defense would be required to reduce the level of activities and training of our operating forces in order to live within available funds. The Department of Defense has already been forced to reduce these levels due to the impact of inflation on our operating accounts.

As you and other members of Congress have indicated, the current estimates of the cost of this program are imprecise, since many uncertainties remain as to the number of refugees and the length of their stay. It is regrettable that at this time the Department cannot provide the Congress with more precise estimates of the cost of this program. However, let me assure you that the Department of State will only be billed on the basis of costs incurred and not on the basis of these estimates.

Below are responses to the specific questions included in your letter. I appreciate the task facing your Committee and I hope this information is of assistance in this task.

1. Is the Department of Defense requesting reimbursement for regular pay and allowances of military or civilian personnel?

No pay and allowances for on-board military or civilian personnel will be charged to the State Department except for unbudgeted overtime and travel costs. However, there has been a need to hire on a temporary basis additional civilian personnel to assist in this effort. For example, there are 99 such temporary hires at Ft. Chaffee whose salaries are part of the Department of Defense requested reimbursement.

2. Is the Department of Defense requesting reimbursement for costs of military equipment, such as tents, mess gear, kitchen equipment, bunks, blankets? Full reimbursement or depreciation?

All of these items are being purchased from the Defense Stock Fund, a revolving account which operated totally on a reimbursable basis. The Department of Defense estimate is based on full reimbursement to be provided for these items. The normal policy is that a credit is allowed on equipment returned to the Stock Fund after its purchase and use depending on its condition and whether or not the Stock Fund inventory levels would still indicate a need for the returning assets. The operating accounts have procured the items from the Stock Fund in accordance with existing procedures that are in conformance with Comptroller General rulings. The activity will bill the State Department for reimbursement of its expenditure in procuring from the Stock Fund. The normal credit policy will be applicable upon turn-in of this material.

3. Is the Department of Defense requesting reimbursement for steaming time of Navy ships? If so, how much?

The Department is requesting reimbursement only for the cost of military operations over and above the normal tempo of operations for which funds were already available. The total amount requested for these incremental costs is $10.1 million. In the case of steaming time for Navy ships, the incremental amount is $5.7 million which represents 15,300 steaming hours. For the 34 ships involved, the Seventh Fleet had planned 9,180 steaming hours for the month of April. These ships steamed a total of 24,480 in support of the evacuation. If the unbudgeted costs are not reimbursed other essential military operations in the Pacific would have to be curtailed. While these costs are not included in the original Administration request for new obligational authority, it is our intention to request reimbursement from the State Department. The funds provided in the Committee report should be sufficient to cover these amounts.

4. Is the Department of Defense requesting reimbursement for depreciation, amortization or any usage charge for helicopters, ships or military equipment used in evacuation or transportation of refugees?

There are no depreciation or amortization costs included. The Department does intend to request reimbursement for the airlift costs of the Military Airlift Command which operates under a totally reimbursable revolving fund by charging all customers for providing airlift services. The airlift rate structure provides for a government rate which excludes costs such as military pay and depreciation which are or were covered by appropriated funds. The State Department will be billed for airlift costs based on this government rate.

5. Is the Department of Defense requesting reimbursement for the costs of aircraft or other military equipment lost during evacuation (C5A, C130, helicopters)?

No.

6. Is it the intention of the Department of Defense to charge this program for personnel services, equipment or inventories which were paid for by previous Department of Defense appropriations or which were part of the Department of Defense inventories at the beginning of the evacuation?

The equipment and inventories being used are either part of the operating stocks of the bases involved or are owned by the Department of Defense Stock Fund. This program will be charged for base operating stocks used in the evacuation only to the extent these stocks need to be replenished for the continuing operation of the bases after the evacuation is completed. As explained above, withdrawal of material from stock-funded inventories requires reimbursements at the time of issue from the Stock Fund inventories. Normal credit policy will be applied when the material is returned to the Stock Fund.

Sincerely,

J. R. SCHLESINGER.

Mr. INOUYE. Mr. President, the objective of the committee amendment has been served. I believe that the inclusion of this correspondence in the legislative history of this bill will remove all doubt. These funds are for refugee assistance and are not to be used to meet normal operating expenses of the Department of Defense. Therefore, the amendment is no longer required.

The committee also proposed an amendment to delay the availability of funds appropriated in this bill until proper authorizing legislation has been enacted. That legislation has now passed the House and the Senate. I believe that the intent of the committee has been fulfilled and that this amendment is no longer required.

Therefore, at the appropriate time, I will ask that the Senate decline to accept the committee amendments to the House bill. This course of action will permit this bill to go directly to the President for his signature. It will allow the Senate to respond directly to the President's call for urgent action, and will complete responsible and thoughtful action by the Senate on this measure.

Mr. President, the $405 million recommended by the committee will provide the refugees with the essential requirements of life—food, clothing, and shelter. It provides for immediate needs.

It also provides hope. To those who have lost their homeland, it offers help in finding a new home. To those who have lost their means of livelihood, it offers help in finding a new job. To those who have lost their very sense of being and who have sunk into despair, it offers the opportunity of becoming productive citizens of a free country.

Mr. President, I have a deep respect for the heritage of this country and continue to believe that it is a beacon light to those who flee oppression and the ravages of war. It is my earnest hope that the Senate will approve this bill with a resounding vote and let it be known to the people of the United States that the men of this body have not lost sight of the ideals and principles which have nurtured this great land and have made it America, the home of the free.

Mr. President, I ask unanimous consent that the committee amendments be considered en bloc and, for the reasons I have set forth, not be agreed to.

The PRESIDING OFFICER (Mr. BUMPERS). Is there objection to the request of the Senator from Hawaii? The Chair hears none, and it is so ordered.

Mr. BROOKE. Mr. President, I commend the floor manager, the Senator from Hawaii (Mr. INOUYE), for the speed with which he has acted in having hearings on this bill, marking it up and reporting it to the Senate. I also commend his decision to request that two committee amendments be dropped in order to facilitate enactment of this bill into law.

Concern has been expressed by many Americans over the anticipated resettlement of Vietnamese and Cambodian refugees in the United States. Such concern does not indicate a widespread rejection of our ideals. Rather, it is a natural consequence of the uncertainties arising from our economic situation and the

aftermath of our final withdrawal from Vietnam.

As we gain the perspective that only time can give, I have no doubts that the response of the American people to the plight of these refugees will be one reflective of our humanitarian ideals. The dramatic upsurge in sponsorship offers for these refugees indicates that such a response is already underway.

The essential outlines of the refugee problem are not yet fully known. However, some factors are becoming evident.

Estimates of the total refugee population range as high as 150,000. After participating in hearings on the subject, I believe a more realistic figure to be 130,000. Of this figure, approximately 15,000 will likely be resettled in countries other than the United States. Thus, we are really faced with the task of assimilating approximately 115,000 refugees.

There are an estimated 30,000 to 35,000 Vietnamese and Cambodian heads of households who eventually will need employment. This is far less than the number originally estimated by some. It is a number I believe our economy can assimilate without undue strain although some difficulties are bound to be encountered.

The administration estimates that the initial cost of resettlement will be $507 million. This is in addition to the $98 million that has already been expended in effecting the evacuation from Indochina. This $98 million represents funds that had already been appropriated for aid to Indochina.

The committee recommendation of $405 million represents what we believe to be a more reasonable estimation of the costs that will be incurred in resettling the refugees.

The administration has stated its intent to resettle the refugees in a manner in which no one region of the country receives a disproportionate number. To the extent that this is feasible, it is a correct operating procedure. However, certain factors, such as climatic conditions or the present distribution of Vietnamese and Cambodians living in the United States will probably mean that certain regions will receive a greater number of refugees than others.

It is likely that some of the refugees may wish to return to their homeland once conditions have been normalized in Indochina, and they should be free to do so. The Congress has received assurances that no obstacles will be placed in their path. On the other hand, it would be unconscionable to force any refugees to return against their wishes. The McGovern amendment adopted today should meet this problem.

In questioning Ambassador Brown when he appeared before our subcommittee I asked him about those refugees who may have sufficient money to support themselves. I was informed that the standard procedures will include a means test that will be given to all refugees to determine their financial ability to support themselves. Of course, those who do have the financial ability to support themselves will be required to do so, and the taxpayers will not have to extend their assistance. We do have some indication that some of the refugees may be self-supporting, and we hope that such will be the case.

The need to move immediately on this issue is evident. Therefore, I urge the Senate to speedily give its concurrence to the committee's recommendations.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. BROOKE. I will yield to the distinguished Senator from New York, but after I have yielded to the distinguished Senator from North Dakota.

Mr. YOUNG. Mr. President, although my mail has been running very heavy against this appropriation bill, as it does in the case of most all foreign aid measures, I shall vote for it.

The United States cannot escape a large measure of responsibility for the Vietnam war and the outcome of it. No lesser official of the U.S. Government than Secretary of Defense Robert McNamara, in urging them to fight this war, told them at that time, and told the American people, that it would be over in a few months. He and others vastly underrated the difficulty of winning a war over there.

Tens of thousands of these unfortunate people would have been tortured or killed, had they not escaped from Vietnam. So I believe that we do have some responsibility in this situation, and I will be able to live with my conscience a good deal better if I vote for this bill than if I vote against it, even though it may not be popular.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. BROOKE. I yield.

Mr. JAVITS. Mr. President, I commend the committee for its farsighted and extraordinary action in having acted even before the authorization. Indeed, I believe we were materially helped in respect to the authorization by the fact that the authorizing committee had already indicated its concurrence by the forbearance of a number of members with respect to offering other amendments, which would have been quite proper as dealing with emergency matters, but would have been extraneous to the fundamental thrust of the legislation.

We all owe a debt of gratitude to Senator McCLELLAN and Senator YOUNG, the chairman and ranking member, and to Senator INOUYE and Senator BROOKE, the chairman and ranking member of the subcommitte, for so completely coinciding with what is obviously the will of the Senate and the best expression of the deep feeling of our people on this very sensitive subject. There have been a few untoward expressions of unhappiness—one, because our own financial and economic situation is difficult; two, because of the distaste for Vietnam. That has quieted down completely, and the compassionate heart of America has been revealed. The two Senators have the privilege of translating that into action today, I congratulate them.

Mr. BROOKE. I thank my distinguished colleague from New York.

Mr. HARRY F. BYRD, JR. Mr. President, would the able chairman of the subcommittee yield for a question?

Mr. INOUYE. I shall be very happy to yield, sir.

Mr. HARRY F. BYRD, JR. The appropriation bill is in two parts. One appropriating $305 million for relocation and resettlement of refugees from Cambodia and Vietnam, the second part for $100 million for assistance to refugees from Cambodia and Vietnam in the United States. The Senator from Virginia is not clear as to the distinction between the two appropriations.

Mr. INOUYE. The $305 million would include such cost as transporting a refugee from Agana, Guam, to Pendleton; housing in Agana, housing in Pendleton, medical facilities, feeding, et cetera. The $100 million appropriated for use by HEW would cover items such as welfare.

As the Senator may know, in order for these refugees to leave the staging areas or processing areas, they must be sponsored by an American citizen or by an American institution. The sponsor is morally obligated—not legally obligated but morally obligated—to see that the refugee becomes gainfully employed and is provided adequate housing. If the sponsor is not successful, that refugee, like any other resident of the United States could then qualify to receive services of this Government, such as welfare and other social services.

One of these other programs, for which other residents of the United States qualify, is medicaid. Because of certain problems of language and other skills, bilingual and vocational training is provided. Finally, there are provisions for public health assistance.

The request that was submitted by HEW totalled $125 million for a period to cover 14 months. There has been a drop in the anticipated number—as the Senator knows, we had anticipated 150,000. Instead, we have 115,000 refugees. Therefore, this amount was reduced to $100 million.

Mr. HARRY F. BYRD, JR. I thank the Senator. As I understand it from the statements made by the Senator from Hawaii, the total number of refugees who are likely to come to the United States is estimated to be 115,000.

Mr. INOUYE. I shall be as candid as I can. As of the moment, we have under the control of the United States approximately 115,000. However, at this moment, in places such as Hong Kong and Singapore, there are approximately 4,000 Vietnamese refugees who may request permission to enter the United States. Under the laws of the land, we shall accept them.

Futhermore, throughout the world, there are an additional 12,000 to 15,000 Vietnamese diplomats, students, businessmen, who may apply for refugee status in the United States. They will have to demonstrate that if they return to Vietnam their lives will be in jeopardy. If they can prove that, they may qualify and live in the United States as refugees. So the figure of 115,000 is a present figure. It may be increased.

Mr. HARRY F. BYRD, JR. The Senator from Virginia favors assistance to the refugees and expects to support the pending legislation. I just want to be clear on the total numbers involved.

The 115,000 which, as the Senator expressed it, I believe, are under the control of the United States at the present time——

Mr. INOUYE. The Senator is correct.

Mr. HARRY F. BYRD, JR. How many of those are within the boundaries of the 50 States, I shall put it that way.

Mr. INOUYE. Of the 115,000, I should say approximately half are within the 50 States—65 percent, let us say.

Mr. HARRY F. BYRD, JR. And most of the others are at Guam and where else?

Mr. INOUYE. Guam and Wake and Clark Air Force Base in the Philippines. It should be noted that of the 115,000, 20,000 are now out of the processing areas and are living in American communities. Of this number, 12,000 are dependents of U.S. citizens.

Mr. HARRY F. BYRD, JR. Of the 130,000 refugees, the figure the Senator from Hawaii used in his opening remarks, 15,000 of those, as I recollect, will be welcomed into other countries.

Mr. INOUYE. That is what the administration has said, that third countries will accept up to 15,000 refugees. However, it should be noted that, as of this moment, only one country has stepped forward and provided a specific figure. That is Canada. The number is 3,000.

Mr. HARRY F. BYRD, JR. I am wondering if the Southeast Asia Treaty Organization countries have stepped to the front in this regard.

Mr. INOUYE. The Government of the United States has been in communication and discussion with several countries, such as Australia, New Zealand, Singapore, Indonesia, Malaysia. But we are still at the discussion stage. No firm commitment has been made.

Mr. HARRY F. BYRD, JR. As I understand the legislation, also, there is a financial means test provided for the refugees, and those refugees who have the financial resources to look after themselves then will not participate in the fund appropriated by Congress.

Mr. INOUYE. The funds appropriated will cover the costs of transporting the refugees, regardless of wealth, to the continental United States. However, if the refugee has sufficient means, then all costs beyond that would be borne by him. At the request of the subcommittee, we have asked the Customs Department to inquire beyond the usual question. The usual question asked a refugee is "How much do you have on your person?" We have requested that they extend this by asking, "What are your assets throughout the world?"

Mr. HARRY F. BYRD, JR. I think that is an excellent suggestion that the committee has made. There have been news media reports that some of the refugees have brought with them large sums of money in the form of gold or, perhaps, currency of various nations. I am wondering whether the committee has any information as to what extent that is so.

Mr. INOUYE. Under the laws of the United States, any sums in excess of $5,000 will have to be declared and this information is furnished the Internal Revenue Service.

Mr. HARRY F. BYRD, JR. Does the committee have information as to whether refugees did bring with them gold or currency of various nations?

Mr. INOUYE. I cannot personally verify this, but Time magazine reported in the May 12 issue, "Lieutenant General Nguyen Van Minh came on board one of the rescue ships accompanied by two aides who were straining under the weight of their attaché cases. When the ship's security officers took a look into the cases, they found them to be loaded with gold bars. I cannot tell the Senator what the value of the gold bars was, but I am certain they are worth a few dollars.

Mr. HARRY F. BYRD, JR. As the Senator from Hawaii brought out, that, of course, would have to be declared to the authorities?

Mr. INOUYE. The Senator is correct.

Mr. HARRY F. BYRD, JR. And the Internal Revenue Service would have to be notified of any sums in excess of $5,000.

Mr. INOUYE. The Senator is correct.

Mr. HARRY F. BYRD, JR. I think this is a very difficult problem. I support assistance to the refugees, and I have to take the committee's view that the figure involved is the appropriate figure.

I thank the Senator from Hawaii.

Mr. KENNEDY. Mr. President, I inquire of the floor manager of the bill about a particular section under the general provisions under title II, section 201. The provisions that are included in that include the words on line 8:

> Nor shall any funds appropriated under this Act be channeled through or administered by international organizations or voluntary agencies to aid the DRV or the PRG.

I would have much preferred if the whole section had not been included in the legislation. But I ask whether in the development of the legislative history the floor manager of the bill, in reviewing those words, finds any words in that section, or any other section of the legislation, which prohibit the repatriation of any refugees back of South Vietnam when they are desirous of returning to their country, either through the United Nations High Commissioner on Refugees, other international groups or through voluntary agencies?

Mr. INOUYE. The prohibition set forth in section 201 is the prohibition on aid to the government. It is not a prohibition on aid to the refugees. Therefore, if a refugee should decide at some later date that he or she made a mistake and wishes to return to Saigon, or wherever it is, the funds that we have authorized in the authorization bill may be used for that purpose.

Mr. KENNEDY. Voluntary repatriation through the United Nations High Commissioner or the voluntary agencies—and there were a number of these agencies, over 30 that had been working in South Vietnam—would not be restricted. As I understand from the Senator's answer, any of those that are involved in the repatriation of refugees to South Vietnam, immediately or thereafter, would not be restricted in their humanitarian undertakings.

Mr. INOUYE. Not so long as the assistance is to the refugee.

Mr. KENNEDY. It is the understanding of the Senator from Hawaii, therefore, that the UNHCR and the voluntary agencies are benefiting the individuals, the refugees themselves, as distinguished from the PRG. Therefore, there is no reason to have concern that the actual repatriation of any individuals, who want to go back to Vietnam, would be in any way interfered with or threatened by this legislation.

Mr. INOUYE. It is my interpretation that there is no prohibition in this bill on assisting refugees who wish to return.

Mr. KENNEDY. I thank the chairman for that comment.

I also feel that we will get into the question later on about help and assistance to refugees and war victims in Indochina. It seems to me that since we were providing help and assistance to such refugees and war victims prior to the fall of Saigon, we have a continuing humanitarian responsibility. A child in the South who was getting any aid and assistance either directly from the United States, or indirectly through voluntary agencies or other means—a child who had lost an arm or a leg—that child is in just as much in need today as before the fall.

Actually, I find disappointing the fact that this kind of language is not included in the legislation being considered today. But I do understand that the language deals with those refugees, which the Senator from Hawaii has identified, and that really is the issue that we are considering here today. So, I thank the Senator for his explanation and I appreciate his clarification at this point.

Mr. PHILIP A. HART. Mr. President, in a few moments we are going to appropriate about a half-billion dollars, an action which I support, to assist the refugees from Southeast Asia.

I know we are anxious to have the rollcall, but I think it not inappropriate to take just a few minutes to suggest that we ought to turn our thoughts to the suffering American refugees—those who are now in exile or cannot live openly in this country for fear of prosecution for their objection to the Vietnam war that caused these refugees to come to our shores. While I do not seek a vote today on an unconditional amnesty amendment to the Refugee Assistance Act, I believe that Congress has too long neglected its responsibility to decide the question of amnesty for Vietnam war draft evaders and deserters.

In its report on S. 1661, the bill just passed, the Committee on Foreign Relations comments:

> American military involvement in South Vietnam and Cambodia has now ended. The committee hopes that the devisiveness created by this long and tortuous involvement will also be ended and that Americans will unite in opening their arms and their hearts to the refugees who fled from South Vietnam in fear of their safety.

Our vote has shown that we support that sentiment overwhelmingly. But I would also hope that we can extend this same humanity to our own citizens who fled this country, not, many of them, for

fear of their own safety, but because they could not fight in a war they believed to be wrong.

Although precise numbers are difficult to come by, some 55,000 draft resisters and nonregistrants would face legal charges were they to enter or live openly in this country. An estimated 14,000 deserters are still at large, and some 110,000 former servicemen live with the stigma of absenteeism discharges. Certainly, only some of these men acted out of conscience—and undoubtedly, many refused to serve or deserted out of fear, for reasons of personal hardship, or for other motives. But let us look for a moment at those whom the Senate has welcomed and will vote to support as refugees from the tragedy in Indochina.

Many of those now arriving in the United States come under the auspices of prearranged, formal evacuation procedures. A substantial number of others, however, simply managed at the last hour to get themselves into a position to be evacuated or rescued, without prior qualification, screening, or plan. We cannot know their motives, their background, or their previous records, and we do not demand to know these things. Our assistance to these people is not conditioned upon their prior loyalty to the United States, nor upon their honorable military service to Saigon. Their qualifications for refugee status are not determined on a case-by-case basis, nor will they be subject to legal action in this country. We can and must do no less for our own citizens. Just as we have agreed to welcome all who have made it from Vietnam and Cambodia to our shores, so should we welcome the return of our draft evaders and military deserters.

Mr. President, in my past reflections on the amnesty question, I had argued that amnesty should be offered but on a case-by-case basis. I have changed my view and come to reject that approach for the same reasons that we are not considering it in our assistance to the Indochina refugees. It creates a wholly unworkable administrative task, and fosters an arbitrariness which almost necessarily favors the better educated and more affluent. Moreover, we cannot presume to be able to reach back into an individual's past—in the case of some of our war objectors up to 12 years—and even hope to figure out what a given motive or combination of motives might have been. At the small cost of granting amnesty to those who would not serve out of fear rather than conscience, it seems unreasonable to insist on anything other than a general amnesty.

This past March, Senators ABOUREZK, GRAVEL, MCGOVERN, NELSON, and I introduced legislation which would grant a general and unconditional amnesty for those charged with draft evasion or desertion during the Vietnam era. This bill, S. 1145, is but one of several possible responses to this issue. My plea today is straightforward and simple—let us hear the competing claims on the amnesty question, correct our legislation where evidence is persuasive, and, most important, let us act. If our votes today are cast in the spirit of healing the divisiveness of the Vietnam war, we cannot neglect the suffering of those individuals and their families for whom the war is still a dividing force. The word amnesty means to forget, not necessarily to forgive. It requires no admission of right or wrong on anyone's part. Rather, it can help to repair those wounds left by the Vietnam tragedy which can be healed by a human act. It is timely that we help these refugees, as the bill just passed will do. But let us also help our own, as S. 1145 will do.

I ask unanimous consent that an editorial from the Washington Star of May 9, 1975, endorsing unconditional amnesty be printed in the RECORD.

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

UNCONDITIONAL AMNESTY

With the war in Vietnam ended and the United States opening its arms and offering opportunity for a new life to some 100,000 refugees from that unhappy land, the time seems appropriate to take the final step in reclaiming the lives of a nearly equal number of young Americans who, as an act of conscience, chose to evade the draft or desert the armed forces rather than serve in a war they felt strongly against.

We have in the past opposed unconditional amnesty and we still have some problems with it; but we believe the arguments against it are overbalanced by the good that would flow from offering it now. Leaders can talk about putting the war behind us and binding up the nation's wounds, but this never will be truly accomplished until this issue is resolved.

The granting of unconditional amnesty would not mean an admission that those who refused to serve were right or that they acted honorably. Rather it would be a compassionate act by a nation that recognizes human susceptibility to error and the need for forgiveness when the circumstances warrant.

Who has been without mistake in this tragic and divisive episode in American history? Nearly everyone now realizes that it was a cause we either should not have become concerned with or one we should have handled differently once we became involved. Is it right now, when there is so much blame to be shared, that retribution should fall heaviest on a single segment of society? We think not.

Some argue that granting unconditional amnesty would be unfair to those who fought and died and to those who refused to serve but stayed in this country and accepted the legal consequences of their actions. Perhaps it is unfair. But nearly everything about the war was unfair, and one of the unfairest of all was the draft system itself, which allowed so many to escape military service legally in one way or another while others were required to serve.

Certainly there will be uneven applications or miscarriages of justice in proclaiming an unconditional amnesty. There will be some evaders and deserters who will claim their actions flowed from moral opposition to the war when in truth they acted out of cowardice, or because they wanted to buck the system, or for other reasons unrelated to the rightness or wrongness of the war. But better to blanket in a few liars than to commit to exile forever the thousands of others who believed, erroneously or not, that what they were doing was morally right.

One of the ironies is that Americans who refused to fight in Vietnam are forced to remain in exile while some Vietnamese who evaded service in their own military forces are reported among the refugees being brought to this country by the United States government.

It is time, as President Ford has stated frequently, to end recrimination over Vietnam and look to the future. What better time than now for the President or the Congress, or both, to extend to those huddled masses of American exiles living in Canada and elsewhere the right to breathe free in their native land?

Mr. INOUYE. Mr. President, I ask for the yeas and nays on passage.

The ACTING PRESIDENT pro tempore. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. MCGOVERN. Mr. President, will the Senator yield to me momentarily?

Mr. PHILIP A. HART. I yield.

Mr. MCGOVERN. Mr. President, I commend the Senator from Michigan for what I believe to be not only a compassionate statement but one that requires considerable courage.

As the Senator knows, there was a very common practice in South Vietnam, particularly on the part of families who were a part of the upper class, under which for a bribe they were able to get their sons exempted from military service.

I think every observer who was in Vietnam for any period of time was aware of that practice, that if you had enough money you simply greased somebody's palm high in the South Vietnamese army or in the civilian government and your son would be exempted.

Some of our foreign aid funds apparently found their way into that use. So that there was a sizable percentage of draft evaders in South Vietnam, even though it was their country that was primarily at war.

We were supposedly there in the role of assisting them in their struggle, but many young Americans died in that war to take the places of South Vietnamese young men who bought their way out of service through bribes to high officials.

Now, the young Americans about whom the Senator from Michigan is talking, for the most part, are tens of thousands of young boys and young men in this country who were tortured in their consciences as to what they ought to do about a war they personally thought was wrong.

My own son went through this same kind of struggle, not that he was a coward, not that he was lacking in patriotism, but he felt that the war was wrong. He never had to face this decision, because his draft number was high enough so that he was not called. But he went through a great deal of personal self-examination on this question of what he would do if he were called under the draft to participate in a war that he personally believed was not in the interests of the United States.

Tens of thousands of other young Americans who were faced with that decision chose either to go to prison or to go into exile rather than to participate in a war that they believed was wrong.

They were not necessarily conscientious objectors against all wars, but they objected to this war. There was no provision in the law under which that position could be protected. So they took the only course that was open to them,

and either went to jail or went into exile. They did not offer anybody a bribe. They did not try to offer anybody a bribe. They did not try to go to some government official and say, "Let me go out of service and my dad will put up $10,000 or $20,000." They took the harassment and all the other things that were involved, the loneliness, the harsh public attitude toward this decision, and they went into exile.

So at the time when the President of the United States very properly called on all of us not to practice any recriminations, called on us to heal the wounds of the war, and when I think all of us, regardless of where we stood on this war, ought not to be doing anything now to exacerbate the divisions in the country but, as a matter of fact, ought to be trying to heal the wounds, I think the proposal the Senator makes represents eminent commonsense. It represents compassion, it represents the highest values of this country, and I would hope that at the time, as the Senator says, when we are providing a half billion dollars in American money to assist these South Vietnamese refugees who are coming here, some of whom may represent the same young men who bought their way out of service in South Vietnam, we ought to be at least as compassionate toward our own young people here in the United States.

I want to commend the Senator for the thoughtful presentation he has made this afternoon.

Mr. PHILIP A. HART. I am grateful to the Senator from South Dakota. I am grateful for his cosponsorship of the bill that provides unconditional amnesty.

I am afraid we are jeopardizing the little support we have for unconditional amnesty by extending this discussion. So, in knowledge of the urgency for action here, I just want to wind up again by making the plea today that when we say yes to 130-odd thousand Vietnamese and Cambodians, we say, yes, here is a half billion dollars, when are we going to say, "Come home," to our own kids? That is what unconditional amnesty is all about if you want to get into a discussion of priorities of which should come first, although I am delighted to have a chance to vote for what I think should be second, the admission of the Vietnamese.

Mr. FORD. Mr. President, will the distinguished Senator from Hawaii yield for a question? I yield to the Senator from West Virginia.

Mr. ROBERT C. BYRD. I was simply going to ask a question if we could get unanimous consent to vote on passage in not more than 10 minutes.

Mr. FORD. I have three questions.

UNANIMOUS-CONSENT REQUEST TO VOTE ON PASSAGE IN NOT MORE THAN 15 MINUTES

Mr. ROBERT C. BYRD. Could we say not more than 15 minutes? I ask unanimous consent that the vote on final passage occur in not more than 15 minutes from now.

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

Mr. FORD. Will the distinguished floor manager, the Senator from Hawaii, help me a little bit in my calculations. I listened to the distinguished Senator from Alabama as he discussed S. 1661, which we just passed, and somewhere in his comments he said that we did not give this bill the needed study before it came to the floor because of its urgency, and I think I can understand that. But I am particularly interested as to how the cost estimate of the entire operation was arrived at.

For instance, the committee report says that daily maintenance in the staging areas and processing centers is $15 per person per day, which adds up to $450 per month, and that is more than people are now receiving under social security in my State.

Can the Senator explain if the $15 is correct?

Mr. INOUYE. The $15 maintenance has been reduced to $12 a day. The estimate has been brought down to $12. It includes not only food and shelter, but all the other services such as medical services, sanitation services, utilities, et cetera. So at $12 a day it is not a luxury appropriation, I can assure the Senator.

Mr. FORD. The Senator said a few moments ago that some 20,000 of these Vietnamese refugees are now out into society and into homes of those who would be responsible for them; is that correct?

Mr. INOUYE. The American sponsor, be he a person or an institution, would be morally responsible; not legally, but morally responsible.

Mr. FORD. The question I meant to ask, the Senator said so many are, x number of refugees are, now in American society.

Mr. INOUYE. 20,000.

Mr. FORD. How many?

Mr. INOUYE. 20,000.

Mr. FORD. 20,000. I understand that some of the first people released, particularly in California, in other words, those who already had families or sponsors in the United States, have applied for welfare, and they are already on our welfare rolls.

Can the Senator give me an estimate of the cost? Does this come out of the $405 million?

Mr. INOUYE. It comes out of the $100 million appropriated to HEW.

To be a bit more precise, as of yesterday noon the city of Los Angeles received applications for 22 welfare recipients among the refugees.

Mr. FORD. I heard on the radio that 1 day they had 41 applications for welfare relief. Is that 22 added to make 63? Are they applying then for welfare after they were living with families, have been sponsored here in the United States?

Mr. INOUYE. As I indicated, the sponsor is not legally responsible, he is morally responsible.

Let us assume that I am a pastor of a church, and I sponsor two families.

Mr. FORD. I can see the Senator as a pastor.

Mr. INOUYE. After 3 days I might decide that I am without sufficient funds, so I would say, "I am sorry, friends, you will have to go out on the streets." They could go to the city hall and make application for welfare like any other resident of the United States.

Mr. FORD. And so, $100 million of the $405 million will go to HEW to pay for the welfare applicants, is that taken from the 405 or is it in addition to the 405?

Mr. INOUYE. It is $305 million for evacuation, $100 million to HEW. From that amount, approximately $40 million has been set aside for welfare and social services. Then we have, in addition, medicaid, vocational training, and public health.

Mr. FORD. One more question, and then I shall cease.

The Senator said there are approximately 113,000 refugees with 4,000 that possibly could come to make less than 120,000.

I have been listening very closely to those who are representing or speaking for the Vietnamese that are here, and those from Cambodia, and those professional people that are treating them, particularly the medical profession, are saying that an overwhelming majority of those people today, if a vote were taken, would go home.

Does the distinguished Senator from Hawaii have a percentage of the number? Is there any information he might give this Chamber as to how many he anticipates would go back to Vietnam and the reduction of the cost out of the $405 million?

Mr. INOUYE. I am not able to give the Senator any estimate, but last Tuesday, when the subcommittee held its hearings, testimony indicated that 47 Vietnamese had requested passage back to Vietnam.

Of this number 44 were supposedly mistakenly put on a plane and 3 others changed their mind.

Mr. FORD. Did I understand in the Senator's opening remarks that he anticipated that now they are here the percentage would increase with those who would want to return?

Mr. INOUYE. I suppose after a while some may get homesick and decide to return.

Mr. FORD. So this would reduce the cost.

Mr. INOUYE. Not necessarily, because then we would have to pay their passage back according to the amendment made to the authorization bill.

Mr. FORD. I thank the distinguished Senator from Hawaii.

Mr. INOUYE. I thank the Senator.

Mr. MAGNUSON. Mr. President, I would like to say a few words on this bill. They are my personal feelings, but I believe they represent the feelings of many back in my State of Washington.

Let us be sure here that we give special opportunities and incentives to everyone in this country. We have a lot of unfinished tasks before us—some have been shunted aside for years. In my State, for example, the unemployment rate has been running at about 10 percent. I want to be sure that everything is done to solve the problem, not add to it. I want to be sure that all the Vietnamese children that are being screened and treated will serve as a

model to HEW. It has been 7 years since Congress enacted a bill to do this for our own children—and HEW still has not fully implemented it.

None of us knows what conditions the future will bring. One thing is for sure though—we cannot go half way on this. In a few weeks the Labor-HEW bill will be on the floor. Remember what we did today when we discussed that bill on the floor. We are committed now. Remember that when we talk about doctor and nurse training, when we talk about bilingual education and impact-area aid for our schoolchildren. To a certain extent, we are mortgaging the future, and the bill is going to come due no matter what. If the Federal Government does not honor it, then the States and local districts will be overburdened.

I think we want to be sure that the funds we provide today will be effectively used in the months ahead. I would think that the distinguished chairman of the committee (Mr. McCLELLAN) would have assurances from the various agencies and departments, especially HEW, that reporting requirements go with this money. I think we want to be sure that the committee and Congress get regular status reports on exactly how the money is being spent. The reports should clearly identify such things as: How much is going to refugees versus how much for administrative salaries, what special problems they are encountering, and what followup work is being done after resettlement.

What we are doing here today is being called many things by many different people—a nationwide challenge, a gracious act—but let no one forget—the spirit of the American people has never faltered; their faith has never diminished. Those of us who were saddened by what happened in Southeast Asia over the last few weeks can take heart. What we are doing here today should emphasize that the tides of human freedom are in our favor—and they are running strong.

The ACTING PRESIDENT pro tempore. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading of the bill.

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

The ACTING PRESIDENT pro tempore. The bill, having been read the third time, the question is, Shall the bill pass? On this question the yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Delaware (Mr. BIDEN), the Senator from Mississipi (Mr. EASTLAND), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Wyoming (Mr. McGEE), the Senator from New Mexico (Mr. MONTOYA), the Senator from Utah (Mr. MOSS), the Senator from Maine (Mr. MUSKIE), and the Senator from Illinois (Mr. STEVENSON) are necessarily absent.

I further announce that the Senator from Georgia (Mr. NUNN), the Senator from Georgia (Mr. TALMADGE), the Senator from California (Mr. TUNNEY), and the Senator from Alaska (Mr. GRAVEL) are absent on official business.

I further announce that, if present and voting, the Senator from Utah (Mr. Moss), the Senator from Georgia (Mr. NUNN), the Senator from Indiana (Mr. BAYH), the Senator from Alaska (Mr. GRAVEL), the Senator from Wyoming (Mr. McGEE), and the Senator from Illinois (Mr. STEVENSON) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BARTLETT), the Senator from Oklahoma (Mr. BELLMON), the Senator from Nebraska (Mr. HRUSKA), and the Senator from Ohio (Mr. TAFT) are necessarily absent.

I also announce that the Senator from Tennessee (Mr. BAKER) is absent on official business.

I further announce that, if present and voting, the Senator from Nebraska (Mr. HRUSKA) and the Senator from Ohio (Mr. TAFT) would each vote "yea."

The result was announced—yeas 79, nays 2, as follows:

[Rollcall Vote No. 187 Leg.]

YEAS—79

Abourezk	Glenn	Metcalf
Allen	Goldwater	Mondale
Beall	Griffin	Morgan
Bentsen	Hansen	Nelson
Brock	Hart, Gary W.	Packwood
Brooke	Hart, Philip A.	Pastore
Buckley	Hartke	Pearson
Bumpers	Haskell	Pell
Burdick	Hatfield	Percy
Byrd, Harry F., Jr.	Hathaway	Proxmire
	Hollings	Randolph
Byrd, Robert C.	Huddleston	Ribicoff
Cannon	Humphrey	Roth
Case	Inouye	Schweiker
Chiles	Jackson	Scott, Hugh
Church	Javits	Sparkman
Clark	Kennedy	Stafford
Cranston	Laxalt	Stennis
Culver	Leahy	Stevens
Curtis	Long	Stone
Dole	Magnuson	Symington
Domenici	Mansfield	Thurmond
Eagleton	Mathias	Tower
Fannin	McClellan	Weicker
Fong	McClure	Williams
Ford	McGovern	Young
Garn	McIntyre	

NAYS—2

Helms	Scott, William L.

NOT VOTING—18

Baker	Gravel	Muskie
Bartlett	Hruska	Nunn
Bayh	Johnston	Stevenson
Bellmon	McGee	Taft
Biden	Montoya	Talmadge
Eastland	Moss	Tunney

So the bill (H.R. 6894) was passed.

EMERGENCY RAIL TRANSPORTATION IMPROVEMENT AND EMPLOYMENT ACT OF 1975

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now proceed to the consideration of Calendar No. 129, S. 1730. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 1730) to improve the reliability, safety, and energy efficiency of transportation and to reduce unemployment by providing funds for work in repairing, rehabilitating, and improving essential railroad roadbeds and facilities.

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

There being no objection, the Senate proceeded to consider the bill.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a time limit on the bill of 30 minutes, a time limit on the Buckley amendment of 1 hour, a time limit on any other amendment of 30 minutes, and that the agreement be in the usual form, with the time on the bill to be under the control of Mr. HARTKE, on this side of the aisle, and Mr. PEARSON on the other side of the aisle.

The PRESIDING OFFICER (Mr. BROOKE). Is there objection? The Chair hears no objection, and it is so ordered.

Who yields time?

Mr. RANDOLPH. Mr. President, the bill brought to the floor today by the Committee on Commerce and the Committee on Labor and Public Welfare envisions a program which fuses two national priorities—providing employment opportunities and maintaining a national rail transportation system. This legislation is necessary to shake the effects of this recession and provide transportation facilities for the future.

The unemployment problem in this country is devastating. Over 8 million Americans are unemployed, and the rate continues to increase as thousands of workers join the millions already out of work and vainly looking for jobs. This upward trend in unemployment is likely to continue unless we move decisively now.

Our transportation system has been severely impaired by the recession of the last 18 months. The railroads in particular are embarked on a dangerous downward spiral in revenues. This is a tragic situation when emphasis on energy conservation demands an adequate rail transportation system. Railroads play an important role in the transportation network necessary for national economic recovery.

An important factor in the decline of our railroads is the deterioration of the roadbeds and rails themselves. There can be no question that substantial amounts of track have been neglected. It is estimated that 8,000 miles of track should be replaced on a priority basis. One-sixth of all railroad accidents in 1974 were attributable to broken rails.

Of even greater consequence are the slow speeds trains must maintain on some track because of the deteriorated conditions of the roadbeds. Trains cannot operate efficiently at 10 miles per hour. The cost of shipping freight doubles or triples on railroads which operate over tracks with slow orders.

There is no question that this recession has aggravated financial problems for many railroads and has severely limited the already-curtailed maintenance schedules. As revenues have declined, the railroads have laid off employees. One of the first crews to go have been the maintenance-of-way workers. Most crews have been cut by an average of 20 percent, swelling jobless roles by approximately 15,000 people.

Deteriorated roadbeds cannot be re-

stored under these conditions. If we are to have a strong rail network for the future, a program to improve track and other facilities must be approved quickly. Repair work must be done now to have a base for the future rail transportation system.

The $600 million available through section 4 of this measure is for grants to railroads, State and local transportation authorities, and regional commissions for rehiring furloughed railroad maintenance workers and for hiring unemployed persons. It will provide the employment opportunities so urgently needed. And those railroads severely plagued by financial problems may apply for loans, loan guarantees, or grants for materials and equipment to be used on rehabilitation projects approved under section 4.

Given the millions of workers looking for lasting employment and the labor effectiveness of rail and roadbed repair and rehabilitation, it seems proper and necessary that the Government establish a public service program that will meet both needs at the same time. The work of people hired under this program will benefit the Nation through an improved rail system. The increased flow of goods will facilitate economic recovery.

The full amount authorized for the railroad rehabilitation program was provided in the Emergency Employment Appropriations Act contingent on passage of the bill we consider today. This action by the Appropriations Committee was a further indication that members of that committee also recognize the urgent need for action in this area. The Senate Budget Committee indicated its concern by inclusion of funds for the railroad rehabilitation program in the 1976 budget resolution adopted by the Senate.

The bill we consider contains provisions of S. 1436, which I introduced with Senators HARTKE, MCCLELLAN, and BAYH, and S. 1326, which was introduced by Senator JAVITS. Many Senators have joined in cosponsoring these two measures because they share our belief that a sound rail transportation system is fundamental to economic activity in America. I wish to express to Senators MAGNUSON, MCCLELLAN, WILLIAMS, HARTKE, BAYH, HATHAWAY, JAVITS, PEARSON, BUCKLEY, and STAFFORD my appreciation for their support and assistance as this legislation was developed.

I urge that the Members give careful consideration to this measure, for I believe that it will provide a much needed economic stimulus.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. RANDOLPH. I yield.

Mr. WILLIAMS. Mr. President, we are faced with two grave problems in this country that lead to an answer right here in the proposed legislation. The unemployment figures we face in our land right now are more serious than any we have faced since the depression of the 1930's.

We see in our vital transportation systems a near breakdown that presents a great hazard in risk to human life and to cargo. Given the state of the railroads, with the lack of opportunity to maintain them within recent years, the dangerous condition they are in, given the state of unemployment we have, we have put this program together to meet part of both problems—unemployment and a basic need to rebuild our rail systems for safety.

I must take a moment to applaud those who have put this answer together. It comes from all of the logic of those in the United States Senate. We have just heard the knowledgeable Senator from West Virginia, who is one of our great leaders in this body with respect to transportation. We will hear from the Senator from Indiana, who leads us in most of our railroad legislation.

Mr. President, this week the Committees on Labor and Public Welfare and Commerce jointly reported for action by the full Senate a bill entitled the Emergency Rail Transportation Improvement and Employment Act of 1975. Passage and full funding of this bill will achieve what we all must recognize as our No. 1 objective—putting people back to work. Approximately 40,000 jobs are created by this bill. This objective coalesces with another important objective—repair of significant rail roadbeds and other facilities such as train stations.

With the exception of the administration, we have had universal support for our actions on this measure, and with good reason. In a time when more than 9 million people are out of work, it is difficult to comprehend how any reasonable person could oppose a proposition which would put such a significant number of people to work in meaningful and essential jobs. The notion which was propounded by the Administration at hearings we conducted on May 1, that we should delay rail rehabilitation until a comprehensive rail reform package is developed, considered and signed into law, betrays an insensitivity which borders on the incredible.

As the title to this bill indicates, this is an emergency. An intolerably high number of people are out of work, living on unemployment compensation which does not even begin to meet the requirements of a decent standard of living in today's inflated economy. The condition of the Nation's rail facilities, as the industry spokesmen at our hearings frankly admitted, is approaching disastrous proportions. Derailment and other train accidents are increasing dramatically. And the numbers would be even higher if trains were traveling at normal speed instead of 10 miles per hour which because of track conditions is too often the case. The situation demands immediate action. It cannot wait for the months and in all probability years, which will pass before a comprehensive rail reform package can be enacted into law.

Under this program, projects will be funded which best meet the goals of reducing unemployment in areas of high unemployment, of improving seriously deteriorated rail and stations, and of improving facilities which contribute to a balanced rail network, both nationally and regionally. With these goals in mind, this measure will be particularly helpful to my home State of New Jersey. We have some of the most critical rail lines, both from the standpoint of the needs of our State and of the needs of the entire Northeast corridor. And I know only too well that stations and roadbeds are in a miserable state in many locations.

As is made clear in both the bill and our report, in determining what projects to fund, the Transportation Department is to balance the unemployment situation and national and regional rail priorities. Thus if unemployment is acute in an area affected by a particular project, the importance of the rail line or facility to be repaired does not have to be as great to trigger funding. I fully expect, that in view of this selection criteria, a substantial portion of the money made available under this act will go toward alleviating the unemployment crisis and dilapidated state of the New Jersey rail lines.

To get this program rolling quickly, we have imposed strict time limitations on the Department of Transportation. It has 30 days from enactment to adopt guidelines for the railroads to follow in submitting applications for assistance. Testimony from the railroads, developed at the hearings, indicated that they are ready to apply and begin projects immediately. Once an application is filed, the Secretary of Transportation is required to act upon it within 15 days.

We are beginning to hear criticism that Congress is not doing enough to put people back to work quickly. In developing this proposal, members of the Labor Committee and Commerce have worked quickly and efficiently to resolve their differences and place a bill before the full Senate for prompt consideration. I hope that the Senate can continue this effort and pass the legislation without delay.

Certainly, those of us from the Committee on Labor can speak to the need to find constructive ways to put unemployed people in this country to meaningful employment. It all comes together and I think that the clarity of need and the certainty that we have a solid solution can be seen, not only in this legislation we have here, but in the fact that our Committee on Appropriations, anticipating this legislation, at least in the Senate, has moved with an appropriations measure to have the money there and the resources to back it up.

I hope that the Senate will move swiftly, this afternoon, clearly and forcefully, to support this answer to unemployment and rail maintenance for safety.

From the Committee on Public Works and the Committee on Labor, Senator RANDOLPH, again, has led us, through his leadership in this bill, to a good answer for a big problem. So has the Senator from Indiana.

I yield the floor.

Mr. PEARSON. Mr. President, I support S. 1730, as reported by the Committees on Commerce and Labor and Public Welfare. This legislation would establish a supplemental public service employment program to undertake the repair and modernization of essential rail roadbeds and facilities. The bill addresses two primary problems in today's

economy: The massive unemployment problem and the massive deterioration of railroad rights-of-way which has resulted from deferred maintenance of way.

Under the terms of S. 1730, the Secretary of Transportation would be authorized to make grants to States, local transportation authorities, railroads, regional commissions and similar entities for labor costs of essential rail improvement programs.

The bill authorizes $600 million for direct Federal payments of such labor costs.

Additionally, the bill authorizes $100 million which the Secretary of Transportation may use to assist grant recipients in acquiring materials or equipment to complete the rehabilitation program. Finally, the bill authorizes $100 million which may be guaranteed by the Secretary for assistance to railroads in purchasing materials and equipment.

Under the terms of the bill, there would be no effort or authority to require repayment of grants for jobs. The Secretary would have authority, however, to require compensation for any grants issued for the purchase of equipment or materials.

Mr. President, this legislation is carefully drawn to insure that the grants will be used to upgrade only the most essential lines. Light density lines, or candidates for abandonment, would not qualify under the program. The money authorized by this bill will contribute directly to our long-range goals in transportation.

There is no suggestion, Mr. President, that the $700 million in grants, and $100 million in guaranteed loans, authorized by S. 1730 is adequate to do the job. The U.S. Railway Association has estimated, for example, that the Rock Island alone needs $700 million over the next 10 years to complete an effective modernization and rehabilitation program. The Rock Island might qualify for $40 million in grants under this bill, but much more will be required from the private sector if the Rock Island, and other railroads, are to become modern, efficient transportation systems.

Mr. President, I should like to take this opportunity to commend the distinguished junior Senator from New York (Mr. BUCKLEY) on his initiative in developing the concept embodied in S. 1730.

Senator BUCKLEY introduced his bill, S. 967, on March 5, 1975. In less than 3 months, Senator BUCKLEY's idea has been considered by two committees of the Senate, and an original bill has been reported by those same two committees. Today, I trust that the bill will be approved by the full Senate by a substantial vote.

Mr. President, today's timely action on S. 1730 is a tribute not only to the junior Senator from New York, but also to the two committees who considered this legislation thoroughly and promptly.

Mr. JAVITS. Mr. President, is there a time limitation?

Mr. PEARSON. I yield 5 minutes to the Senator from New York.

Mr. JAVITS. Mr. President, I hope not to take that long. First, I join Senator WILLIAMS of my own Committee on Labor and Public Welfare in thanking Senator RANDOLPH for his fine help and cooperation, and Senator HARTKE and Senator MAGNUSON for their fine cooperation in this matter.

Mr. President, may we have the yeas and nays on this measure for final passage?

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. JAVITS. I shall be very brief.

Mr. President, S. 1730, the Emergency Rail Transportation Improvement and Employment Act of 1975, is an urgent and important addition to our national programs to reduce the intolerable level of unemployment that is current gripping the Nation. While it is not a measure that will singlehandedly reduce unemployment numbers to more acceptable levels or reverse the economic decline, it represents a new combination of public service employment with a specific target universally agreed to be one of our country's most pressing substantive domestic ills, the deterioration of the Nation's railroad roadbeds and facilities and the consequent decline of railroad service and efficiency. It is an attempt untried since the great depression to put people directly to work on a significant problem of national scope in a basic industry that can be substantially alleviated with federally funded employment.

This legislation is an outgrowth of a bill I introduced, along with 18 of my colleagues, on March 24 of this year entitled the Special Public Service Employment and Railroad Improvement Act of 1975. It is a tribute to the many Senators participating in the preparation of this important legislation, including Senator RANDOLPH, the distinguished chairman of the Public Works Committee, Senators MAGNUSON and HARTKE, the chairman of the Commerce Committee and the Surface Transportation Subcommittee, respectively, my own chairman of the Labor and Public Welfare Committee, Senator WILLIAMS, and the distinguished Senator from Arkansas (Mr. MCCLELLAN). I also commend the railroad unions and the rail carriers for their splendid cooperation and support. All have contributed significantly to the workability of the bill that is now before us, and the Nation owes each of them a great debt for the speed and cooperation which enabled this measure to come before the Senate in so short a time from its conception.

This legislation will provide an important supplement to the public service jobs program created under the Comprehensive Employment and Training Act of 1973. It does not have the effect of supplanting any of the needed jobs provided under that legislation, but it combines with the public service job concept a direct attack upon the accelerating state of disrepair and inefficiency of our most important transportation network, the railroads.

Our level of unemployment has been intolerable for months, Mr. President, reaching a rate of 8.9 percent last month and showing no immediate signs of leveling off or declining. This bill can almost immediately provide 40,000 needed jobs, in areas where they are needed most—to laid off railroad workers and to long-term unemployed.

Moreover, these jobs will spur the Nation's railroads to increase their maintenance and rehabilitation efforts, resulting in increased orders for equipment such as rail and ties, thus providing further job opportunities in those basic industries so critical to our economic recovery.

In addition, as a further employment incentive, the bill specifically requires that approved projects provide the maximum chances for permanent employment of the individuals hired with these emergency funds. Not only will permanent employment of these workers provide them individually with a continuing livelihood, it will help to continue the increased railroad maintenance effort that this bill will initiate.

The bill is carefully tailored to give to the Secretary of Transportation, the prime agency responsible for administration of this program, considerable discretion to choose, after consultation with the Secretary of Labor, those projects that will, at the same time, bring jobs to areas where they are most urgently needed and rehabilitation to those railroad lines and facilities that are most important to our national rail transportation system and most in need of repair and improvement.

Furthermore, the hiring priorities section of the legislation is specifically designed to provide jobs to those unemployed who are most experienced at the work required and those most in need of employment. That is, the first priority goes to furloughed maintenance-of-way and signal system workers who have been laid off by the railroads. These workers would need no training at all and could immediately begin the task of rebuilding the railroad roadbeds. After this group is offered employment, priority goes to the long-term unemployed—those who have had the most difficulty in securing employment. These include persons who have exhausted their unemployment benefits, and those who have been out of work for at least 15 weeks.

Any jobs that have not been filled by these two groups would be open to others currently unemployed or underemployed persons. Thus, every job would go either to persons who are experienced at such work, which would be of value to the prompt restoration of deteriorated roadbeds, or to unemployed workers who are most seriously and adversely affected by the current recession.

Provision is included for prompt referral of these unemployed workers to the railroad hiring offices utilizing the Department of Labor, the Railroad Retirement Board, State unemployment service agencies, and prime sponsors of manpower programs under the Comprehensive Employment and Training Act of 1973.

Mr. President, the nature of the emergency work required on our Nation's railroads is ideally suited to the public service jobs approach. These projects, unlike basic rail line improvement work, do not

lend themselves to highly mechanized equipment and methods. The principal manpower requirements are for unskilled labor and semi-skilled operators of portable equipment. Most of the work required is highly labor intensive and can be performed by workers with a minimum of on-the-job training.

The basic nature of the work to be performed is restoring the railroad's physical plant to usable standards and halting any further deterioration. The tasks involved include replacement of individual segments of worn rail, replacement of ties, leveling and straightening short stretches of track, restoration of signal systems, repair of grade crossings and repair of wayside facilities. The authorization levels set by the bill require that the Federal funding be a least 85 percent labor intensive—a key component of the public service jobs approach.

The need for this work is nationwide. It is by no means limited to the severely deteriorated lines of the bankrupt Northeast railroads. Every railroad and State will be eligible to submit applications for project approval if the project meets certain minimum requirements of importance to the Nation's rail transportation system.

In addition to the lines of the Northeast-Midwest system that are to be included in a reorganization pursuant to the Regional Rail Reorganization Act, lines will be eligible if passenger service or commuter service is conducted, if the freight service exceeds 5 million gross ton miles per year, or if a State certifies the line's importance to the Secretary. These are the lines most important to the future system on which our railroads must be run; failure to repair and improve these lines today will necessarily lead to greater costs in later years to correct even further deterioration, which is accelerating because of the recession.

While this bill is critical to New York State, both in terms of reducing unemployment and repairing the deteriorated roadbeds, it is equally important to almost every other State in the Nation which depends on railroad service for its essential goods and which has substantial unemployment.

I urge the Senate to pass promptly this emergency legislation, which will not impede the development of a more comprehensive and long-term solution to the problems of railroad capital investment and regulatory structure, but which becomes more urgently needed with every passing day. Our Nation's unemployed and our Nation's railroads cannot wait.

To me, Mr. President, the unique aspect of this legislation is that we have found a way to marry private enterprise—and railroads are private enterprises, though regulated—to the concept of public service jobs. That is its unique attempt.

We have also found a way to deal with solvent and insolvent railroads so no one is eliminated or discriminated against, and to make that consistent with the wage pattern of the unions.

This is a very gifted beginning and it comes in a uniquely appropriate area where action is urgently needed—and incidentally, not only on employment grounds, but, as Senator RANDOLPH has mentioned, very importantly, the railroad workers are suffering excessive casualties—and that is what they are—because of improperly maintained roadbeds. They are hurting and want very much to have an OSHA—that is, an Occupational Health and Safety—program applied to them precisely because of the lack of maintenance to the roads.

Mr. President, the unions have been extraordinarily far-sighted and statesmanlike in embracing this concept. It will, in addition, help them to put back to work many men who were laid off, against the national interest. Here is a unique way in which the private and the public interests, for great public benefit, are married to the interests of workers and management and investors, a very gifted concept. I hope very much that the Senate will approve it. Again, I congratulate all members who had a hand in it.

Mr. HARTKE. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 4 minutes.

Mr. HARTKE. Mr. President, the Committee on Commerce and the Committee on Labor and Public Welfare have reported favorably the Rail Transportation Improvement and Employment Act of 1975 to the floor of the Senate. This joint, cooperative effort between the Labor Committee and the Commerce Committee has resulted in a refined piece of legislation which is the direct response to the Nation's severe unemployment crisis and the widespread deterioration of our railway system.

I should not have to remind those Members present today that the economy of the United States is in the worst condition since the Depression. Unemployment is reaching 10 percent nationally and in many areas far exceeds that figure. In addition to the official count of the unemployed, there are millions more who are not even represented in these shocking figures, and I am sure that my colleagues from the Labor Committee will want to comment on these severe problems. I would like to note that the Senate Committee on Labor and Public Welfare processed legislation aimed at this problem, the Comprehensive Employment and Training Act of 1973. Subsequently, the Emergency Jobs and Unemployment Assistance Act of 1974 was processed by the Labor Committee and provides for additional public work service jobs for State and local government services in health, education, and many other needed areas. As unemployment has continued to rise, it occurred to both myself and a number of other Senators that the twin needs of creating jobs and helping to rehabilitate our badly neglected rail system could be met by one program.

Three bills were introduced in the Senate on this subject—S. 967, S. 1326, and S. 1436. At the same time, Senator MCCLELLAN and Senator MAGNUSON have taken the initiative in the Appropriations Committee to secure the necessary appropriation to fund this significant new program.

Mr. President, I do not have to remind my colleagues here of the incredibly severe deterioration of our Nation's rail transportation system. At the same time that this Nation must look more and more to rail transportation as a key element in providing energy efficient and environmentally compatible transportation for both passengers and freight, our rail system is less and less able to provide that necessary ingredient in our transportation system. While this legislation is in no way designed to be the ultimate answer to the problems of rail transportation in this country, it is a necessary key in the overall solution. It has been estimated by the Association of American Railroads that over 8,000 miles of track would require immediate attention merely to keep them in service. Over 20 million railroad ties ought to be replaced right now. This neglect is reflected in increasing severe rail safety problems, as an ever-increasing toll of lives, injury, and property damage mounts as a result of neglect of railroad rights-of-way. According to the National Transportation Safety Board, in the last decade the number of train accidents caused by broken rails alone has caused over a half billion dollars in property damage. There are many other costs from this deterioration. Many miles of track have become so dangerous that they have had to be shut down entirely for safety reasons. Far more stretches of track are affected by slow orders forcing trains to crawl at speeds of less than 10 miles an hour. These inefficiencies greatly add to the overall costs of freight movement, and strain the resources of already financially pressed rail carriers. As the recession worsens and rail carriers have become even more pressed, they have laid off their maintenance-of-way crews.

While the long-term answer to the problems faced by the rail industry can evolve only as part of a more comprehensive program which attempts to get at the basic inequalities of Government funding for various modes and probably some form of regulatory reform, there is no reason why public service employees should not be working today on these severe problems of our rail industry.

Mr. President, the Senate of the United States is not the only place where the concept of using public service employees on railroad rehabilitation projects has been discussed. The administration had also drafted a bill, and I am informed that the Secretary of Transportation repeatedly tried to get the President to allow him to submit such a bill to the Congress. Unfortunately, the Secretary was unable to convince the President of the wisdom of this program and he had to testify against these proposals in our hearings on May 1. This is extremely unfortunate. Several States have also attempted to use public service employees on rail rehabilitations, but so far have not met with any success. Michigan, for instance, attempted to use money from the Economic Development Assistance Act for rail projects in that State, but did not meet with any success.

Mr. President, I wish to commend the efforts of the members of the Senate Labor Committee, the Senate Appropriations Committee, and the Senate Com-

merce Committee in expeditiously working to produce this legislation. It is badly needed and is directed squarely at two of the most severe problems facing our country today. I would urge all my colleagues in the Senate here today to pass it with an overwhelming vote. The sooner this program is enacted, the more we can take advantage of the construction season that is already upon us. Expeditious action is necessary, and an overwhelming vote today in the Senate will help speed that expeditious action.

Mr. President, the AFL-CIO Executive Council drafted a resolution and statement of policy directed to the chairman of the Committee on Commerce (Mr. MAGNUSON) under date of May 9, with the statement dated May 6, in which they urged both committees to proceed immediately with this legislation. I ask unanimous consent to have it printed in the RECORD.

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

AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATION,

May 9, 1975.

Hon. WARREN G. MAGNUSON,
Chairman, Senate Appropriations Committee, U.S. Senate, Washington, D.C.

DEAR SENATOR MAGNUSON: The AFL-CIO Executive Council at a meeting on May 6 adopted the attached policy statement dealing with the Restoration of Track and Roadbeds.

I think you and your staff will find this statement of interest.

Sincerely yours,

ANDREW J. BIEMILLER,
Director, Department of Legislation.

STATEMENT BY THE AFL-CIO EXECUTIVE COUNCIL ON RESTORATION OF TRACK AND ROADBED

WASHINGTON, D.C., *May* 6, 1975.

Among the important programs to create jobs in the present depressed economy is the restoration of track and roadbed. This program would not only create tens of thousands of direct jobs but would create many more back-up jobs in manufacturing steel rails and roalroad equipment.

Bills are pending in both the House and Senate Commerce Committees to authorize this program. We urge both committees to proceed immediately with this legislation. We also urge the Appropriations Committees to take immediate steps to supply funds for this program.

Mr. HARTKE. Mr. President, I think very little more needs to be said. The fact is that railroad roadbeds are in bad shape. The fact is we need jobs. The fact is we need to put the two together. If private industry had the available capital to do it, they would be doing it. But the railroads are in financial difficulty. The country is paying a high price for railroad inefficiency and accidents.

We are putting this money into jobs and putting it also into the ultimate network of transportation. That is very important. We have a long way to go in the field of transportation. There has been a long period of neglect. Hopefully, we can turn that neglect around now and hopefully, the economy will turn around at about the same time. If we get those two things going together, I think we cannot only have the finest transportation system in the world, but one which will be looked upon in the rest of the world as a standard they would like to emulate.

I know there is one amendment which is going to be offered by the Senator from New York (Mr. BUCKLEY). I think that probably, in the best interest of all of us, we should permit him to proceed with that.

Mr. President, I ask unanimous consent that the following staff members be on the floor during the consideration of this measure: Barry Meyer, Chris O'Malley, Paul Cunningham, Lynn Sutcliffe, Don Zimmerman, and Gary Klein.

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

Mr. BUCKLEY. Mr. President, I add my congratulations to the Committee on Commerce and the Committee on Labor and Public Welfare for the speed with which they have taken up this matter. It is an important bill and, as others have pointed out, S. 1730 represents a composite of, really, three proposals, all aimed at different variations on the same theme, all aimed at focusing Federal funding in a manner that will produce the greatest, quickest effects and the most beneficial, long term benefits in terms not only of jobs, the all-important consideration, but also long term and lasting economic benefits by improving our rail systems.

My own bill, S. 967, which was introduced on March 5, and then legislation offered by my distinguished colleague, the Senator from New York, S. 1326, and finally S. 1436, introduced by the chairman of the Committee on Public Works (Mr. RANDOLPH) and a number of others, all focused on these goals.

The bill under consideration, S. 1730, would authorize $600,000,000 to be used for employing maintenance-of-way workers to rehabilitate track and roadbeds for railroads throughout the country. It also authorizes the Secretary to distribute to eligible railroads up to $100,000,000 in grants for materials and equipment and to guarantee up to $100,000,000 in loans for materials and equipment. I support this legislation as I believe that its goals are sound.

The two major goals of the bill are to put men back to work and to rehabilitate the badly deteriorated tracks and roadbeds of our railroads. This is an especially good area in which to provide funding for public service jobs as such employment has productive, long term possibilities, unlike so many other types of jobs which are often created with public service jobs money. I believed that legislation of this type would be fruitful a few months ago when I introduced my bill, S. 967, which is similar in many respects with S. 1730. There is one major point of variation between the approaches taken in these two bills, however.

S. 967 provided for taking money authorized under section 601 of the Comprehensive Employment and Training Act of 1973 for the employment purposes of this legislation. After consideration of this legislation in the Commerce Committee, I still believe that my approach is superior.

This approach would be fiscally sound as it would not add to the aggregate level of spending of the Federal Government. The President has committed himself to vetoing any bills which would increase the present level of spending. If most of the sponsors of S. 1730 believe as I do that immediate action is necessary in this area, then I believe that we have a better chance of avoiding a veto with this approach.

I, therefore, have offered an amendment to section 11 of S. 1730 which would reduce the authorization in the Comprehensive Employment and Training Act of 1973 from its present level of $2.5 billion to $1.9 billion. I hope that the Senate will give serious consideration to this amendment.

In addition to offering this amendment, I would at this time like to comment on a few other points about the bill. In regard to the grants and loan guarantees for materials and equipment, I would hope that the Secretary of Transportation in distributing the funds would make most of the money authorized for grants available to the bankrupt railroads. It is these railroads which in many cases most need a major rehabilitation of facilities, but because of the rights of their present creditors, they would not be allowed to borrow funds for these purposes. In addition, I see no reason for the Government to provide grants to those financially solvent railroads which are capable of raising the capital needed for this project with a loan guarantee from the Federal Government.

I would also hope that the Secretary would follow closely the priorities established in section 4 for eligible projects. It should at all times be remembered that the major goals of this legislation were to provide employment opportunities in areas with high levels of unemployment and to rehabilitate the most severely deteriorated track and roadbeds.

I hope that the House of Representatives would take immediate action on similar legislation already introduced in that body. If such a program is to be effective, the legislation must be passed swiftly before the maintenance season of the railroads is over.

The PRESIDING OFFICER. Who yields time?

Mr. PEARSON. Mr. President, I yield such time as the Senator from New York may desire.

AMENDMENT NO. 478

Mr. BUCKLEY. Mr. President, I call up my amendment No. 478 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from New York (Mr. BUCKLEY) proposes an amendment to add certain new language.

The amendment is as follows:

On page 15, strike line 17, and insert the following:

"SEC. 11. (a) Section 601 of the Comprehensive Employment and Training Act of 1973, as amended (29 U.S.C. 961) is further amended by striking out '$2,500,000,000' and inserting in lieu thereof '$1,900,000,000'.

"(b) There are authorized to be appropriated not".

This is a very simple provision, Mr. President. What it does, in effect, is transfer $600 million from the public service job authorization and appropriation under the Comprehensive Employment and Training Act of 1973, as amended last year, and use those funds for the purposes set forth in S. 1730. This was the original design in my bill.

It seemed to me that we have in the last few months appropriated very substantial sums for public service employment and that what we ought to be doing now and what we ought to be utilizing this opportunity to do is to focus a portion of those funds in a manner that we know will be truly productive.

There is another consideration that I urge on the attention of the Senate. That is the statement by the President that he intends to veto any bill providing for new spending over and above the limits already agreed upon. What I fear is that if we adopt legislation today that will be subject to a veto, that veto may be sustained on good and sound questions of fiscal policy and, in the process, we may have lost the benefit of the current season when rail rehabilitation ought to be going forward.

Therefore, if my amendment is adopted, because it will do nothing more than transfer appropriated funds under existing legislation from one category to another, we will not be adding to the total spending in fiscal 1976, and therefore will not invite such a veto.

I, therefore, urge my colleagues to accept this amendment; and I believe, too, the vote on it ought to be recorded. I, therefore, 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, how much time is available for opposition?

The PRESIDING OFFICER. Thirty minutes.

Mr. JAVITS. Mr. President, if it is agreeable to the manager of the bill, I claim the time in opposition.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. JAVITS. Mr. President, first let me say that there is no question about Seantor BUCKLEY's good will in this matter. He did introduce the first of these bills, even before my own, and seized upon what I considered a while ago as a gifted concept in finding a way in which there could be a private enterprise link to the public service jobs program.

But I believe that he is really, in this amendment, bearing down with unacceptable strength on an emergency remedy for very serious unemployment.

Here are the facts: Generally speaking, the administration is going along with the program we legislated at the end of last year, which left $1.6 billion of appropriations after the appropriation we made earlier this year for the public service jobs program. It has added nothing to that as yet, though many of us feel very strongly that it should.

The figure toward which Senator BUCKLEY is moving would take out of that pot as an authorization the money which is required for this measure.

The $1.6 billion plus what we have appropriated before provides us with about 330,000 public service jobs. Many of us deeply believe a million are needed under the present day high state of unemployment, and that therefore the administration is about two-thirds short of the goal.

But, Mr. President, this is really sought to be justified by my colleague from New York—and I repeat, there is no question as to his good faith and interest in this program, but we are now dealing with the nitty-gritty of the mechanics of how this would be done, and what pot the money is to come out of—the only real basis upon which he is trying to justify a public service job situation which is already very tight is the danger of a veto.

I would like to point out that what the President spoke of was the spending deficit already agreed upon. He is talking "new programs." This is not a new program.

Second, from everything the President said, we must imply—and I think it is a very fair implication—that he was not referring to the existing emergency. For example, Mr. President, we now have, until June 30, an existing law respecting extra unemployment compensation. I am confident that the President expects to see that continued after June 30. He has himself suggested it.

Now, we may change the terms of that. His estimate may be completely inadequate, on the number of people who are involved or who will be eligible once their State benefits, et cetera, expire, which will increase the amount. I cannot see that the President himself could have contemplated inflexibility in that respect.

Furthermore, we have just passed a $405 million appropriation for relieving the Vietnamese refugees. The President had not the remotest notion, when he made the statement he did, that we would be pulling our people out of Vietnam and that 150,000 Vietnamese would land on the shores of the United States. Again, that is an emergency which we simply have to accept.

In addition, he himself estimated current unemployment as lower than that which confronts us now by about 1 full percentage point. Again, this is an emergency which hits us, which we must deal with whether we will or not.

It seems to me, therefore, when you couple those points with the fact that there is grave insufficiency in the aggregate number in public service employment, which is down about two-thirds from what it really ought to be this amendment does not meet our objective, even though we have made very important accommodations—certainly my colleague from New York obviously does not complain about that in any way—with respect to the operation of the private enterprise system.

This covers solvent as well as insolvent railroads. In the method by which that is done as to the cooperation of the trade unions, they may very well not have been cooperative, if they felt that this represented some loss in the overall effort to relieve long-term unemployment through a diminution of the public service employment program.

It seems to me that this amendment is inappropriate to the objective which obviously we are all trying to serve and, therefore, should be rejected by the Senate.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. JAVITS. I will yield 5 minutes.

Mr. WILLIAMS. Will the Senator yield just a minute, really?

Mr. JAVITS. I yield.

Mr. WILLIAMS. Mr. President, the amendment offered by the junior Senator from New York is contrary to the expressed intent of the Senate, which has already voted to appropriate additional funds for the program in this legislation before us.

I think this is very critical and of decisive importance, in view of the basis for the junior Senator from New York advancing his amendment. The concurrent budget resolution, that has just passed Congress, was fashioned to include these funds.

Mr. President, we need this program, and we need it in addition to other public employment programs.

Accordingly, I join with the senior Senator from New York in strongly urging and recommending that this amendment be defeated.

Mr. JAVITS. Mr. President, I yield myself 1 additional minute.

I think the Senator from New Jersey (Mr. WILLIAMS) has made a critically important point, which is that in the conference report soon to come before us, this $600 million that my colleague from New York (Mr. BUCKLEY) wishes to deduct from the authorization is appropriated, so if we approve that conference report—and that is legislation far along the road—that point is moot. That is the point he is seeking to make in respect to the authorization.

Second, Mr. President, in the budget resolution adopted by the Congress, the $600 million for railroad employment is an element. In short, Congress has already taken it into account in respect to the budgetary limits which it has put upon itself.

I think those are two very important fiscal reasons why this amendment should be rejected.

Mr. DOMENICI. Mr. President, will the Senator yield for a question?

Mr. JAVITS. Of course.

Mr. DOMENICI. I serve on the Budget Committee, as does the junior Senator from New York, and I certainly will not dispute that the money that we are talking about is in there as one of the economic stimulators over the short term and in the amount authorized in this bill.

So, I do not think that matters too much in terms of the amendment of the junior Senator from New York.

I have a couple questions I would like to ask with reference to where the senior Senator from New York and other sponsors of the bill think this program is ultimately going.

As I recalled testimony before the Budget Committee by railroad experts, there were some figures given to us about

the expense of deferred railroad maintenance problems in our country.

I believe one expert said that there were about $9.3 billion in urgent deferred maintenance projects on the railroad systems of America and that somewhere around $8 billion of that was probably railroad-bed maintenance that was deferred and had to be done.

I notice in this amendment the Senator is telling the Secretary of Transportation, as one of the conditions for the grant and for the funding that the projects are completable within 18 months.

Is that correct?

Mr. JAVITS. Yes.

Mr. DOMENICI. I also wonder if you might discuss with me whether it is contemplated that this kind of program will continue on or whether we really look for it as being one of the economic stabilizers during this recessionary time. If it is the latter, I wonder how we expect the railroads to complete that balance they have been unable to do, or if the Senator envisions that this will be turned into a broader-based national program to take care of that.

Mr. JAVITS. I cannot tell that. All I am designing in respect of this program when I introduced the legislation is an additional stimulation in a recessionary, very serious recessionary, period. I state that as a legislative history.

That is the sole purpose of this particular measure. That is why the limitation of 18 months. I do not consider it a precedent. I do not consider it as opening a new door. I do not consider it an underwriting by the Federal Government of the $8 billion rehabilitation bill. I have not got the remotest idea of what will happen. I consider it only a felicitous tool under existing conditions to bring more workers very productively into the employment instead of the unemployment category.

Mr. DOMENICI. We do try in the bill to say to the Secretary that he is to try to find railroad systems that are going to spend a certain amount of money, to try to keep them spending that——

Mr. JAVITS. Exactly.

Mr. DOMENICI. As one of the charges imposed on him, but they will not cut back a deferred maintenance program they are contemplating for kind of a number of years where they have been spending this kind of money; we will have to insist that they continue spending, and this will be an additional tool.

Mr. JAVITS. That is the boilerplate maintenanced effort provision, and we insist upon it.

Mr. DOMENICI. I would want to tell those who are sponsors of the basic bill that there are many economists who have been looking around for projects in this country to take the place of some of the income-maintenance exchange programs of this country which they call unproductive and, for a number of years, some of them have been trying to find where we will help our people with dollars yet have them do productive work for our Nation. I think this may be the beginning of a new look at public-service-type jobs, public employment and public works and income-maintenance exchanges that we are becoming worried about in terms of how much is productive in our society and how much is not. Here is a perfect example of where we are going to use our tax dollars to do something the country desperately needs, as I see it, and pay the people well for doing it.

If we did not do it this way obviously they would be unemployed, and we would try to find other, far less productive, ways to help them. So I certainly commend the sponsors. From what I know, it is an excellent move in the right direction.

Mr. JAVITS. I thank my colleague.

I might say to him that many of us will devote our minds to thinking through, once we get out of this mess, the structural inadequacy in our country which gives us almost a congenital unemployment figure to what is a generally accepted figure of close to full employment, to wit, 4 percent, and here we are playing around with 9 percent becaue we have not yet found a way to deal with what is surplus labor which really should not be.

Mr. DOMENICI. Before I yield back to the senior Senator from New York, I do want to compliment the junior Senator from New York on his initiative in this area, for he was one of the first to introduce legislation to move in the direction of putting people to work in this much needed endeavor of rebuilding our railroad roadbeds which are, in many instances, in a case of total disrepair.

I also want to commend him, whether I agree with him or not in this instance, for his effort to look at the overall budget which, I believe, the Senator is doing, and the junior Senator is saying if we are going to stimulate the economy, if there is a better way than some of the others, he is saying let us take money from the one that he thinks is not productive and put it into one he thinks to be very productive and good. Whether or not it is in the budget is irrelevant, and I compliment him for the premise and for the idea, for we cannot continue to fund every one, although everyone agrees with it and although it is in the concurrent resolution.

This amount is in there, and the junior Senator disagrees with the deficit figure, so once again he is perfectly justified in trying to cause us to take another look.

Mr. JAVITS. I thank my colleague.

The PRESIDING OFFICER. Who yields time?

Mr. PEARSON. I yield such time as remains.

Mr. BUCKLEY. I am speaking on my amendment, so I have what, 20 minutes left?

The PRESIDING OFFICER. Twenty-seven minutes.

Mr. BUCKLEY. I shall not use very many of those.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. BUCKLEY. Mr. President, I want to thank my colleague from New Mexico for his remarks. I believe we all have a common objective.

In terms of the long-run, I would foresee that although this involves a specific grant of Federal funds for an 18-month period, we will in fact be putting 40,000 people to work, and these are people who can be very unskilled. We will be putting them to work in jobs that reach right through this decade and well into the next, because one way or another this Nation will have to restore the integrity of its rail system.

We are in a dangerous stage of disrepair, and we cannot begin to solve many of our problems until we have the rails restored so that trains can run at maximum safety.

The Senator from New Jersey, when he spoke in opposition to my amendment, stated that the Senate had voted to appropriate $600 million additional in order to accommodate that program and, therefore, my fears, at least insofar as the intentions of the Congress were concerned, were mistaken.

I would like to point out, however, that in a conference report dated May 12, 1975, we find that the House has rejected a Senate amendment appropriating these funds. I read from page 16 of the——

Mr. WILLIAMS. Mr. President, will the Senator yield? He does not have to take up his time. I did not say the Congress; I said the Senate. Therefore, we can stop at that point.

Mr. BUCKLEY. I thank the Senator. Anyway we are not certain the amount will be appropriated because the House has spoken its objection.

Second, my colleague from New York stated that he felt—the President's misgivings or indications that he would veto additional spending programs notwithstanding—that he probably would not do so in this case. I have no tremors from the White House to guide my own thinking except for one, and I think it is a very important indication of administration thinking.

When Secretary of Transportation Coleman testified on this measure—on the three bills then being considered—he specifically voiced opposition to the two that would require adding to total spending.

When I called his attention to the fact that my proposal would not add anything to the total Federal expenditures, he said that, under those circumstances, he would find it acceptable, although he did have some questions as to a number of the details.

If Secretary Coleman was correctly reflecting the thinking of the administration, then I believe we do run a significant risk that this measure would be vetoed.

I have great sympathy with what my senior colleague has said about the fact that many people believe that existing public service appropriations do not go far enough, that we ought to double or redouble them.

Well, if so, I think that the Senate ought to face that issue on its own and argue its merits while allowing us to go forward on this particular project which, No. 1, will provide 40,000 of the 330,000 jobs intended to be provided by CETA. But, No. 2, it will also give us the ability to do the necessary job of rehabilitating our rail system while we have the weather to get a good head start on it.

Finally, as we are all very much con-

scious of our energy needs these days, it is a fact that we cannot begin to tap our enormous coal resources on which we will be depending increasingly in the years ahead until we have made major improvements on the rail transportation to the coal mines.

So again, for that reason, I believe we should feel a sense of urgency about this legislation and not needlessly undertake the risk of a veto.

For all these reasons, Mr. President, I urge the adoption of this amendment.

If my distinguished colleague does not have anything more he wishes to say, I am willing to relinquish my time.

Mr. RANDOLPH. Vote.

Mr. JAVITS. Mr. President, just one matter to straighten the record out on this point.

The House last night voted to reject the $600 million item in the supplemental, but I believe it was clear because even supporters of this bill voted for that position, that it was because of the absence of an authorization.

We feel, therefore, all the more reason for moving this afternoon affirmatively to authorize it.

The PRESIDING OFFICER. Does the manager yield the time back?

Mr. McCLURE. Will the Senator yield?

Mr. BUCKLEY. I yield to the Senator.

Mr. McCLURE. Mr. President, first of all, I want to commend the Senator for his initiative.

I remember before he introduced the first bill on this subject, he was talking about how to use constructively the economic stimulus money that might be offered, but I take this time just not for that purpose, but to ask a question of the sponsors of the bill, or others, who might be able to answer with regard to the enhancement of the value of the roadbeds.

I assume that there will be an appropriate directions made, or an appropriate expression made at some point, that this should not enhance the shareholders' value in the hands of private shareholders.

There is a statement in the report to the effect that it can be recouped by reducing the fees paid where it is an Amtrak line. There is also an implica- that the Federal Government may be about to purchase roadbeds, because it talks about recoupment in the event the roadbeds are transferred to a Government entity.

But there is nothing in the report, and I think there should be, at least some legislative record made, that we expect that the Federal expenditure made in roadbeds will not enhance the stock value directly, but should be taken into consideration by regulatory agencies in setting the rates that may be charged on these rails.

Could the sponsors of the legislation perhaps answer the question?

Mr. HARTKE. I think there is adequate protection in the bill for the situation to which the Senator addresses himself. We have covered this in about every way we can. We can only do so much.

In the case of solvent railroads, of course, those things present a little bit different problem. Where they are insolvent, we will move forward with USRA. We have taken every precaution we can. There would be inspection on site and improvements that occurred after that would be readjusted at a later date.

Mr. McCLURE. Well, solvent railroads are not necessarily covered by the language in the report.

I would say to my friend from Indiana that I wish they were, but they are not.

That is the reason I asked the question, because it seems to me that without some appropriate provision in the bill, or at least some legislative record made, then the Federal expenditure in roadbeds will enhance the value of that roadbed which will reflect in increased stock value, and unless it is an Amtrak line or one that the Federal Government takes over, there is no recoupment of Federal investment.

Mr. HARTKE. Let me state to the Senator, of course, here the situation is that we are trying to improve railroad beds and to the extent it goes to a solvent railroad and they get some peripheral effect, if they had the money they would not be doing this in the first place.

So in what we are doing, in a way, there is no question that there is some peripheral benefit to some of the solvent railroads.

Mr. JAVITS. Mr. President, only one point in that respect, we can only do what we can do, as the Senator said. We get into this valuation and we can forget this whole program.

Mr. HARTKE. That is right.

Mr. JAVITS. That is one reason railroad rates are subject to ICC approval, and the legislative history ought to be clear, there should be as an element of rate-making, the addition of the added value brought about by this situation.

I think that is a proper object of the legislative history.

Mr. McCLURE. I thank the senior Senator from New York.

That is precisely the point I was trying to make and I think it is important that the Congress in enacting this legislation, which I shall support, ought to make the point that we are not going to enhance developing the shares in the hands of private shareholders.

I thank the Senator for yielding and the junior Senator for his initiative.

I also support the amendment.

Mr. HARTKE. Mr. President, while I commend the Senator from New York on his leadership in introducing S. 967, I must resist the amendment. As I understand it, this amendment would have the effect of redirecting the funding for existing job stimulation programs under the Comprehensive Employment and Training Act into hiring people for railroad rehabilitation projects. I intend to defer to the members of the Committee on Labor and Public Welfare on the actual merits of this amendment, since it would affect a program that is exclusively within their jurisdiction, but I do think it is important for the Members of the Senate to realize two important things when considering this amendment: First, the Budget Committee has specifically included this item in the priority expenditures of the Budget. The House and Senate recently met in conference and adopted the first concurrent resolution on the budget for fiscal year 1976, and the expenditure of these additional funds is within that concurrent resolution.

Therefore, adoption of this amendment would be inconsistent with the congressional priorities that have been established through the new budget process. The second item for the Senators here today to keep in mind is that the Appropriations Committee also considers this program to be in addition to those funds already earmarked for other job stimulation programs. The Senate in fact has already passed the appropriation for this program. While that appropriation was not agreed to by the House, it is my understanding that the Appropriations Committee has also included this item in the second supplemental, which is due to come before the full Senate soon. Thus it seems to me that adoption of the amendment would be inconsistent with both the action of the Budget Committee, the Appropriations Committee, the Commerce Committee, and I assume the Labor and Public Welfare Committee. Perhaps one of the members of the Labor and Public Welfare Committee would like to inform the Senate of the views of that committee on this amendment?

Mr. BUCKLEY. I am happy to yield back the remainder of my time.

Mr. HARTKE. I yield back my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New York. 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 Indiana (Mr. BAYH), the Senator from Delaware (Mr. BIDEN), the Senator from Mississippi (Mr. EASTLAND), the Senator from Hawaii (Mr. INOUYE), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Wyoming (Mr. McGEE), the Senator from New Mexico (Mr. MONTOYA), the Senator from Utah (Mr. MOSS), the Senator from Maine (Mr. MUSKIE), the Senator from Illinois (Mr. STEVENSON), the Senator from Iowa (Mr. CLARK), and the Senator from North Carolina (Mr. MORGAN) are necessarily absent.

I further announce that the Senator from Alaska (Mr. GRAVEL), the Senators from Georgia (Mr. NUNN and Mr. TALMADGE), and the Senator from California (Mr. TUNNEY) are absent on official business.

I further announce that if present and voting, the Senator from Indiana (Mr. BAYH), the Senator from Iowa (Mr. CLARK), and the Senator from Illinois (Mr. STEVENSON) would each vote "nay."

Mr. HUGH SCOTT. I announce that the Senator from Oklahoma (Mr. BARTLETT), the Senator from Oklahoma (Mr. BELLMON), the Senator from New Jersey (Mr. CASE), the Senator from Michigan (Mr. GRIFFIN), the Senator from Nebraska (Mr. HRUSKA), and the Senator from Ohio (Mr. TAFT) are necessarily absent.

I also announce that the Senator from Tennessee (Mr. BAKER) is absent on official business.

The result was announced—yeas 24, nays 52, as follows:

[Rollcall Vote No. 188 Leg.]

YEAS—24

Allen	Goldwater	Proxmire
Brock	Hansen	Roth
Buckley	Hatfield	Scott, William L.
Byrd, Harry F., Jr.	Helms	Stevens
Curtis	Hollings	Thurmond
Dole	Laxalt	Tower
Fannin	McClure	Weicker
Garn	Packwood	
	Pearson	

NAYS—52

Abourezk	Hart, Philip A.	Mondale
Beall	Hartke	Nelson
Bentsen	Haskell	Pastore
Brooke	Hathaway	Pell
Bumpers	Huddleston	Percy
Burdick	Humphrey	Randolph
Byrd, Robert C.	Jackson	Ribicoff
Cannon	Javits	Schweiker
Chiles	Kennedy	Scott, Hugh
Church	Leahy	Sparkman
Cranston	Long	Stafford
Culver	Magnuson	Stennis
Domenici	Mansfield	Stone
Eagleton	Mathias	Symington
Fong	McClellan	Williams
Ford	McGovern	Young
Glenn	McIntyre	
Hart, Gary W.	Metcalf	

NOT VOTING—23

Baker	Gravel	Moss
Bartlett	Griffin	Muskie
Bayh	Hruska	Nunn
Bellmon	Inouye	Stevenson
Biden	Johnston	Taft
Case	McGee	Talmadge
Clark	Montoya	Tunney
Eastland	Morgan	

So Mr. BUCKLEY's amendment was rejected.

Mr. HARTKE. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. PASTORE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CLARK. Mr. President, S. 1730, the Emergency Rail Transportation Improvement and Employment Act of 1975, has my strong support. As a cosponsor of one of the original bills from which this legislation was fashioned, I want to congratulate the members of the Transportation Subcommittee for combining the best points of several good bills.

The benefits of this legislation to the Nation's railroad network are clear. With over 5,000 accidents a year caused by track deterioration and miles and miles of track either shut down or under go-slow orders, it is obvious that the need for roadbed rehabilitation is urgent and widespread.

Furthermore, the assistance this legislation would make available in the form of manpower, grants, and loan guarantees will be a shot in the arm for such bankrupt railroads as the Rock Island—which is so vital to Iowa—and to other financially troubled roads on the verge of bankruptcy. The bill may provide just the margin of assistance to these endangered railroads to keep them running long enough to develop more permanent solutions to the Nation's railroad crisis.

There may be some who criticize this bill for providing assistance to only one sector of the transportation industry. But this legislation is only a small step in correcting years of Government favoritism to other forms of transport. That favoritism is one of the largest factors in the railroads' present crisis—for decades they have had to find private funds to match enormous Government expenditures in other fields of transportation.

Trucks and buses run on highways in which Federal and State governments have invested over $300 billion, barges use Government maintained waterways, and the airlines benefit from a vast complex of Government-supported airway and airport facilities. That kind of government support has been necessary and worthwhile, but the railroads have not had comparable benefits—they have had to build and maintain their rights of way and terminals. As a result of this imbalance, even the so-called "prosperous" railroads do not have a rate of return adequate to ensure their long-term health. This imbalance has been draining the railroads' resources for years, and we must begin to correct it.

This bill also addresses the continuing and urgent need for public service employment. Economists predict that unemployment will stay at or above 9 percent through the end of this year and at high levels through 1976—roughly the period covered by this bill. The need to expand public service employment programs is obvious—current programs absorb only a few drops from a sea of over 8 million unemployed. The challenge, however, is to expand public employment in ways that create new jobs, generally productive work, and meet real public service needs.

This bill would provide jobs for about 40,000 workers who would otherwise be unemployed and meet the maintenance and rehabilitation needs of the railroads. There is no danger this bill will create "leaf-raking" jobs.

It is rare that a piece of legislation simultaneously tackles the country's most urgent problems as effective as H. 1730 does. I urge the Senate to pass it quickly, and I hope that the House will also act promptly so that this badly needed work can begin this summer.

Mr. HATHAWAY. Mr. President, I would like to address a question to the Senator from Indiana. I notice that in the list of eligibility criteria found on page 8 of the bill, number (5) is the section most likely to provide eligibility to lines in rural States which are of particular significance to the transportation needs of those States. I wanted to ask the Senator if he shared my understanding of this subsection—that the transportation needs of the State or region should be the context in which the determination of whether these lines are "essential" is made. In other words, this section would include a line of great importance in a particular State, even though that line may not be a major factor in the national system.

I am thinking of lines such as the Bangor and Aroostook and Maine Central in Maine as well as similar lines in other States.

Is my understanding of the intent of this subsection correct?

Mr. HARTKE. Yes; I would agree with that statement, provided of course, that the Secretary of Transportation still must concur in the State's designation.

Mr. McCLELLAN. Mr. President, I wish to urge Senate approval of the pending bill S. 1730, the "Emergency Rail Transportation Improvement and Employment Act of 1975." The history of this measure, originally introduced on April 15 as S. 1436 is an excellent example of cooperation between Senate committees to solve national problems. Processing of this bill has been facilitated by the Public Works, Labor, Commerce and Appropriations Committees, their members and staffs. The intent of this bill is to contribute to the solution of two pressing national problems—unemployment and rehabilitation of the Nation's railroad roadbeds and facilities. Estimates are that the funds authorized by S. 1730 would provide 40,000 jobs to begin long deferred maintenance on roadbeds. Improved maintenance can greatly enhance the efficiency and safety of our rail transport network.

The program proposed in S. 1730 is particularly timely. The present recession has imposed severe strains on our railroads. Carloadings are reported to be down as much as 20 percent. This situation obviously means reduced earnings and less capability to undertake much needed maintenance. Federal funds, under these circumstances, can markedly accelerate programs to begin roadbed rehabilitation.

The Senate has already approved appropriations for this maintenance program subject to the passage of the authorizing language contained in S. 1730. Unfortunately, Senate conferees were unable to sustain this appropriation during the conference on H.R. 4481, the emergency employment appropriation measure. However, appropriations for this program have again been included in the Second Supplemental Appropriations bill, H.R. 5899 which will be debated on the Senate floor next week.

Several bills have been introduced in this Congress which would provide Federal assistance for roadbed rehabilitation. S. 1306, which I cosponsored, would provide loan assistance to the Rock Island Railroad of which two-thirds would be required to be expended for track rehabilitation. S. 1730 provides an opportunity to combine the roadbed rehabilitation objective with employment goals and create a maintenance program with general application in the railway industry.

In conclusion, it is important to understand that long-term solutions to railroad problems are not proposed in S. 1436. However, we can begin with this type of legislation to address those problems and continue to work in other areas for long-range solutions. Regulatory reform is needed. Some revision of tax laws as applied to railroads could be proposed for short-term assistance and long-term recovery. Administrative reform is needed to expedite consideration of and decisions on railroad prob-

lems. The States must review their laws and regulations and modify them where practicable to improve the climate in which railroads must operate. All routes must be studied in seeking ways in which the viability of railroads can be improved and their opportunities for recovery enhanced. To do less than to explore all alternatives to massive Federal involvement with attendant expenditure of potentially billions of dollars, is to prejudge the issue of the railroads' survivability as privately owned and operated industries.

Mr. BEALL. Mr. President, as a cosponsor, I rise in support of S. 1730, the Emergency Rail Transportation Improvement and Employment Act of 1975.

S. 1730, is the product of the joint efforts of two committees, the Labor and Public Welfare and Commerce. I have the pleasure of serving on both of these committees. Such cooperative efforts show how committees can overcome jurisdictional problems and move quickly in the public interest. There should be more such efforts where overlapping jurisdiction is involved.

S. 1730 is creative legislation. It recognizes the serious unemployment problem, both in the railroad industry and throughout the Nation, and the critical need of the Nation's rail system, particularly in the Northeast, for the rehabilitation and repair of rails and facilities.

The legislation authorizes $600,000,000 for such projects and an additional $100,000,000 for materials and equipment.

There is little question that the Federal Government will be providing assistance to rehabilitate railroad and facilities. We have no alternative. Rail transportation is essential to the Nation. This measure will enable us to get on with this job immediately and in doing so, it will provide some 40,000 new jobs to help reduce the high unemployment rate.

Grants under S. 1730 can be made to State, local transportation authorities, railroads and regional commissions. Both roadbeds and facilities are eligible.

Mr. President, in addition to the cooperation of two committees, this measure was strongly supported by both the railroad industry and railroad unions. There were some, when this legislation was being talked about, who doubted whether all the parties could reach agreement. I particularly want to commend the railroad unions and their leadership without whose understanding and farsightedness, this legislation would not have made it.

The Nation badly needs more of this cooperative spirit. This legislation shows what constructive action can result when this real spirit of America is harnessed.

In summary, this legislation is emergency legislation. It is aimed at the employment emergency and the sad condition of rail lines and facility. It makes sense on both counts. It should be overwhelmingly adopted by the Senate and the Congress.

PROVIDING JOBS AND REBUILDING THE RAILROAD

Mr. HUMPHREY. Mr. President, as a cosponsor of S. 1730, the Emergency Rail Transportation Improvement and Employment Act of 1975, I wish to speak in support of this much needed legislation. I support fully the dual goals of this legislation to provide job opportunities for our unemployed, and to help rehabilitate this country's deteriorating railroad tracks and rail beds.

I compliment the Senator from Indiana (Mr. HARTKE), and the chairman and members of the Senate Commerce Committee for the dispatch with which they have reported this bill. Their fine efforts demonstrate the urgency with which the Congress must deal with this legislation.

The economy continues to show few if any genuine signs on the horizon that it has "bottomed out" or is headed for recovery. Nationwide unemployment has reached critical levels, demanding urgent action.

The Federal Government must, in my judgment, be prepared to assist those adversely affected by these developments by helping them to find jobs, which will provide them with their most basic human needs such as food, housing, other essential services, and will give people a sense that they are making a contribution through their work.

There is no more urgent need for this economy than to get our people back to work. Jobs are our top national priority. Widespread unemployment, at 8.9 percent of the labor force in April 1975 and still rising, has imposed severe hardships for workers and their families and enormous losses in production. The official count of unemployed is currently 8,176,000 people out of work and looking for new jobs. The Bureau of Labor Statistics also counts over 1.1 million discouraged workers who have dropped out of the labor force and nearly 4 million persons employed in part-time jobs who want and need full-time employment.

This bill would help address and relieve this unemployment situation.

However, next to jobs, one of the most pressing needs of this Nation is to rebuild our national rail system. The Emergency Rail Transportation Improvement and Employment Act is an important step in meeting this need.

But we know that a major rehabilitation of our rail system is required. We must restore our rail system as a lifeline of this Nation. It is incumbent upon Congress to move forward in addressing this further priority agenda. The Rail Rehabilitation and Recovery Act of 1975, S. 1385, which I introduced on April 9, is intended to provide a solution to this most serious crisis facing our national railway system.

It is essential that an effective rail system be established as part of a balanced, integrated national transportation system incorporating energy-effective ways of transporting passengers and freight.

Railroad companies, already plagued with financial difficulties, deferred maintenance of tracks and railbeds in order to make short run savings, but this has become self-defeating. As conditions of the track became worse, increasingly rapid deterioration occurred, and the repair cost became increasingly more burdensome.

Semipermanent "slow" orders force trains to crawl over major segments of their primary routes due to the condition of track and rail bed. There have been an increasing number of derailments—in spite of slow orders. Increasing delays and inconvenience have persuaded shippers and passengers to use other modes of transportation. And, all of this exacerbates the financial problems of the rail companies. The deterioration of tracks and rail beds is a vicious circle, a circle which cannot be ended by routine efforts.

What we are clearly facing is an escalating crisis for our rail transportation system. It is abundantly clear that an inadequate rail system affects our national security and our whole structure of commerce.

I think the country wants a determined effort on the part of this Government, to get back to some fundamental principles. We must give people jobs to help them help themselves. And we must rebuild a sound, efficient rail transportation system.

Mr. President, I urge my colleagues to support this most urgent legislation.

The PRESIDING OFFICER. The bill is open to amendment.

Mr. HARTKE. Mr. President, I yield back the remainder of my time.

Mr. PEARSON. I yield back the remainder of my time.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

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

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Delaware (Mr. BIDEN), the Senator from Iowa (Mr. CLARK), the Senator from Mississippi (Mr. EASTLAND), the Senator from Hawaii (Mr. INOUYE), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Wyoming (Mr. MCGEE), the Senator from New Mexico Mr. MONTOYA), the Senator from North Carolina (Mr. MORGAN), the Senator from Utah (Mr. MOSS), the Senator from Maine (Mr. MUSKIE), the Senator from Illinois (Mr. STEVENSON), are necessarily absent.

I further announce that the Senator from Georgia (Mr. TALMADGE), the Senator from California (Mr. TUNNEY), and the Senator from Alaska (Mr. GRAVEL) are absent on official business.

I further announce that, if present and voting, the Senator from Indiana (Mr. BAYH), the Senator from Iowa (Mr. CLARK), the Senator from Illinois (Mr. STEVENSON), the Senator from Wyoming (Mr. MCGEE), would each vote "yea."

Mr. HUGH SCOTT. I announce that the Senator from Oklahoma (Mr. BARTLETT), the Senator from Oklahoma (Mr. BELLMON), the Senator from Michigan (Mr. GRIFFIN), the Senator from

Nebraska (Mr. HRUSKA), and the Senator from Ohio (Mr. TAFT) are necessarily absent.

I also announce that the Senator from Tennessee (Mr. BAKER) is absent on official business.

I further announce that, if present and voting, the Senator from Ohio (Mr. TAFT) would vote "yea."

The result was announced—yeas 67, nays 10, as follows:

[Rollcall Vote No. 189 Leg.]

YEAS—67

Abourezk	Hart, Philip A.	Nelson
Beall	Hartke	Packwood
Bentsen	Haskell	Pastore
Brock	Hatfield	Pearson
Brooke	Hathaway	Pell
Buckley	Hollings	Percy
Bumpers	Huddleston	Randolph
Burdick	Humphrey	Ribicoff
Byrd, Robert C.	Jackson	Roth
Cannon	Javits	Schweiker
Case	Kennedy	Scott, Hugh
Chiles	Laxalt	Sparkman
Church	Leahy	Stafford
Cranston	Long	Stennis
Culver	Magnuson	Stevens
Dole	Mansfield	Stone
Domenici	Mathias	Symington
Eagleton	McClellan	Tower
Ford	McClure	Weicker
Garn	McGovern	Williams
Glenn	McIntyre	Young
Hansen	Metcalf	
Hart, Gary W.	Mondale	

NAYS—10

Allen	Fannin	Proxmire
Byrd, Harry F., Jr.	Fong	Scott, William L.
Curtis	Goldwater	Thurmond
	Helms	

NOT VOTING—22

Baker	Griffin	Muskie
Bartlett	Hruska	Nunn
Bayh	Inouye	Stevenson
Bellmon	Johnston	Taft
Biden	McGee	Talmadge
Clark	Montoya	Tunney
Eastland	Morgan	
Gravel	Moss	

So the bill (S. 1730) was passed as follows:

S. 1730

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 Rail Transportation Improvement and Employment Act of 1975".

DECLARATION OF POLICY

SEC. 2. (a) FINDINGS.—The Congress finds and declares that—

(1) Adequate and safe rail transportation is essential to the public interest, and jobs which involve repairing, rehabilitating, and improving essential railroad roadbeds and facilities to increase the public service capability of railroads are important public service jobs.

(2) Unemployment can be reduced significantly by stimulating and expediting the repair, rehabilitation, and improvement of the Nation's railroad roadbeds and facilities, because there is a great need for such activity and because such activity is labor intensive.

(b) PURPOSE.—It is therefore declared to be the purpose of the Congress in this Act to authorize the Secretary of Transportation in consultation with the Secretary of Labor to provide financial assistance, from funds appropriated and made available under section 11 and in accordance with the provisions of this Act to eligible applicants, for programs aimed at reducing unemployment and at repairing, rehabilitating, or improving essential railroad roadbeds and facilities.

DEFINITIONS

SEC. 3. As used in this Act, unless the context indicates otherwise, the term—

(1) "eligible applicant" means (A) State or political subdivision thereof, (B) railroad, (C) regional, State, or local transportation authority, or (D) regional commission;

(2) "government" means the Federal Government or the government of a State;

(3) "railroad" means a common carrier by railroad, as defined in section 1(3) of the Interstate Commerce Act (49 U.S.C. 1(3)); the term includes the National Railroad Passenger Corporation, the Consolidated Rail Corporation, and The Alaska Railroad;

(4) "regional commission" means the Appalachian Regional Commission, established pursuant to section 101 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 101), and the Regional Action Planning Commissions, established pursuant to title V of the Public Works and Economic Development Act (42 U.S.C. 3181);

(5) "roadbeds and facilities" means the physical assets of a railroad, other than rolling stock, that are necessary for the actual movement of rolling stock, including, but not limited to, tracks, ties, rails, switches, roadbeds, bridges, yards, stations and terminals, machines for loading and unloading, ferries and shoreside facilities for transporting rolling stock over water, signal systems, grade crossings, train monitoring systems, electrification and other power transmission systems, and structures and equipment necessary to the functioning of any of the foregoing;

(6) "Secretary" means the Secretary of Transportation; and

(7) "State" means any State of the United States and the District of Columbia.

GRANTS FOR EMPLOYMENT IN RAILROAD REPAIR OR REHABILITATION PROJECTS

SEC. 4. (a) GENERAL.—The Secretary shall, in accordance with this Act, provide financial assistance in the form of grants to eligible applicants for projects involving the repair, rehabilitation or improvement of railroad roadbeds and facilities as set forth in section 6 of this Act and that best fulfill the following three objectives:

(1) the reduction of unemployment in areas that are identified by the Secretary of Labor as areas of substantial unemployment;

(2) the improvement of severely deteriorated roadbeds and facilities that (A) constitute a significant risk to public safety or (B) seriously inhibit the expeditious movement of freight or passengers; and

(3) the improvement of roadbeds and facilities that (A) contribute significantly to a balanced national rail transportation system, and (B) meet national or regional transportation needs and policies.

In making such a grant, the Secretary shall obtain adequate assurances that the proposed project substantially meets the goals set forth in section 7 of this Act.

(b) GUIDELINES AND PROCEDURES FOR GRANT APPLICATIONS.—(1) To facilitate the rapid initiation of railroad repair, rehabilitation or improvement projects, the Secretary shall establish and publish within 30 days after the date of enactment of this Act, guidelines and procedures for making and evaluating applications for financial assistance pursuant to this section.

(2) Any such application shall be prepared and submitted to the Secretary pursuant to such guidelines and procedures. Such an application shall include, but need not be limited to, the following information and documentation in support thereof, with respect to the project for which financial assistance is requested:

(A) a description of the roadbed or facility to be repaired or rehabilitated or improved;

(B) a statement as to the number of persons to be employed;

(C) a description of the relationship between the applicant and the involved roadbed or facility, if such applicant does not directly own or control such roadbed or facility;

(D) an evaluation of the involved roadbed or facility, in terms of its present or potential significance for national or regional transportation; and

(E) a description of the way in which the goals set forth in section 7 of this Act will be realized, and the manner in which such realization will be monitored.

The Secretary shall act upon any complete application under this section within 15 days after it has been received.

(c) SUPERVISION OF PRODUCTS.—In administering this Act, the Secretary is authorized to establish objective criteria to aid in determining whether the recipient of a grant made pursuant to this Act is maintaining a good faith level of repair and rehabilitation, on the basis of past experience and the present financial capability of the recipient.

(d) LIMITATIONS.—Grants made to eligible applicants pursuant to this section shall be used solely to pay the wages, and other benefits earned by individuals employed in programs funded by this Act, and shall not be used by such applicants for any administrative expenses incurred with respect to any such programs. Funds made available under this section for roadbed and facility repair and rehabilitation are to be used by eligible applicants in addition to, and not as a partial or total substitute for, or as a replacement for, any other funds that the applicant would have been reasonably expected to utilize in the absence of this Act, for roadbed and facility repair, rehabilitation, and improvement.

EMPLOYMENT PRIORITIES

SEC. 5. The jobs created pursuant to financial assistance provided pursuant to this Act shall, after the recall of furloughed maintenance-of-way and signal system maintenance employees pursuant to applicable collective bargaining agreements, be made available, consistent with other provisions of this Act, to unemployed or underemployed persons as defined by section 701 of the Comprehensive Employment and Training Act of 1973, as amended (29 U.S.C. 801 et seq.). In the selection of such persons, priority shall be given to unemployed persons who, within the 365-day period prior to the date of application (1) have exhausted all rights to benefits, allowances and assistance payable with respect to unemployment under any law or (2) have been unemployed for 15 or more weeks. The Secretary of Labor shall promptly establish such procedures, rules, or regulations as are necessary to provide for referral of eligible persons to eligible applicants receiving funds under this Act by State employment service agencies, by prime sponsors receiving funds under the Comprehensive Employment and Training Act, and by the Railroad Retirement Board. All jobs created under this Act, except those to which furloughed employees are being recalled must be listed with the State employment service at least 72 hours before such vacancies are filled.

ELIGIBLE ROADBEDS AND FACILITIES

SEC. 6. Roadbeds and facilities are eligible for project grants pursuant to section 4 if they:

(1) have been included in the preliminary system plan, or in any subsequent plan, that has been approved by the Board of Directors of the United States Railway Association;

(2) are used in a substantial way in a rail commuter passenger service;

(3) are utilized by the National Railroad Passenger Corporation pursuant to the Rail Passenger Service Act (45 U.S.C. 501 et seq.)

for providing rail passenger service or are part of either the basic system or the experimental routes established pursuant to the Rail Passenger Service Act (45 U.S.C. 501 et seq.), or are utilized by any other railroad providing intercity rail passenger service;

(4) have been subject to track usage of at least 5,000,000 gross ton-miles per mile of road per year, during at least 1 calendar year following January 1, 1970;

(5) have been identified to the Secretary by any State, political subdivision thereof, or regional commission as significantly contributing to improvements in, or the continuation of, essential present or anticipated transportation needs, if the Secretary concurs in such identification; or

(6) are owned by a State or public entity.

GOALS

SEC. 7. In order to receive financial assistance under this Act, a project shall be structured and administered so as to achieve substantially the following goals:

(1) the reduction of unemployment;

(2) the acceleration and expansion of a nationally balanced rail rehabilitation effort designed to improve railroad roadbeds and facilities that meet essential national and regional transportation needs or policies or that will eliminate serious safety hazards involving such roadbeds and facilities;

(3) the coordination of repair and rehabilitation work with other national transportation priorities, such as the elimination of grade crossings and similar safety problems, the improvement of rail passenger service, and the modernization of facilities, including the electrification of appropriate lines.

(4) the substantial completion of such project within 18 months after the date on which work is commenced; and

(5) the maximization of the chances for permanent employment by the railroad of the individuals employed on such projects.

MATERIALS AND EQUIPMENT ASSISTANCE

SEC. 8. (a) GENERAL.—To the extent necessary to carry out a project receiving financial assistance pursuant to section 4 of this Act, the Secretary may provide financial assistance to eligible applicants, in accordance with this section, for the acquisition of materials and equipment necessary and appropriate for such project. Such financial assistance shall not be made available until the Secretary receives adequate assurances that it will not be used, directly or indirectly, as a substitute for financial resources which would otherwise have been expended for such purposes by the applicant. Financial assistance pursuant to this subsection may be provided by the Secretary in the form of guarantees by the United States of the payment of the principal amount of, and the periodic interest obligation on, loans, or in the form of grants, with or without conditions. In the case of a grant under this subsection, which adds, or may add, value to the rail properties or other assets of a railroad other than a Government corporation, the Secretary may require that adequate and binding assurances be made for compensating the Federal Government for any such value added, through a mechanism such as reduced user fees for rail passenger services operated by the National Railroad Passenger Corporation or other compensatory device. In the event of any transfer of railroad roadbeds or facilities to the Government or to any corporation established by the Government, the transferring railroad shall not receive compensation for that portion of the value of such roadbed or facilities which was added by materials and equipment obtained with the proceeds of grants under this section. At any time after the completion of such a project, the Secretary and an affected railroad may enter into a stipulation as to amount of such value added, or as to the absence thereof, and such a stipulation shall be binding in any subsequent negotiation or proceeding.

(b) LIMITATION ON AMOUNT.—The aggregate unpaid amount of outstanding obligations, including principal and interest thereon, that may be guaranteed under this section shall not exceed $100,000,000.

LABOR PROTECTION

SEC. 9. (a) SUBCONTRACTING.—All work in connection with the projects funded under this Act which has been performed by practice or agreement in accordance with provisions of the existing contracts in effect with the representatives of the employees of the classes or crafts involved shall continue to be performed by the applicant's employees including employees on furlough. Such employees shall be paid at rates provided for such work by such contracts. Should the applicant lack a sufficient number of employees, including employees on furlough, and be unable to hire additional qualified employees from among the unemployed and underemployed persons specified under section 5 of this Act, to perform the work required, it shall be permitted to subcontract that part of such work which cannot be performed by its employees consistent with applicable collective bargaining agreements. Applicants shall be required, prior to contracting out work under this subsection, to secure certification from the Department of Labor that there is an insufficient number of furloughed maintenance of way employees, or of unemployed persons referred pursuant to section 5 of this Act, to perform the work required: *Provided*, That work to be performed with financial assistance received under this Act which has not traditionally been performed by employees of the applicant, may continue to be performed by a contractor of the applicant.

(b) WAGES AND BENEFITS.—In the event that work subject to this subsection is contracted after meeting the requirements of subsection (a), wages and benefits paid shall be not less than those provided for in the collective bargaining agreements in effect for similar jobs and classifications: *Provided*, That the applicant shall take such action as may be necessary to insure that all persons employed by any contractor or subcontractor, in the performance of work done with the aid of financial assistance under this Act shall be paid wages and benefits at rates not less than those prevailing on similar work, as determined in accordance with the Service Contract Act (41 U.S.C. 351 et seq.), the Walsh-Healey Public Contracts Act (41 U.S.C. 35 et seq.), or the Davis-Bacon Act (40 U.S.C. 276a), as amended, to the extent that such Acts would be applicable to such work if it were done under contract with the United States. The Secretary of Labor shall have, with repect to such labor standards, the authority and functions provided in such acts and in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267) and section 2 of the Act of June 1, 1934, as amended (48 Stat. 948, as amended; 40 U.S.C. 276(c)). No contract or agreement subject to this subsection for the performance of work receiving Federal financial assistance shall be entered into prior to the obtaining of adequate assurances that required labor standards shall be maintained in the performance of such work and that persons employed, whether by contractor or subcontractor of the applicant, shall be hired in accordance with the requirements and priorities, and procedures set forth in section 5 of this Act.

MISCELLANEOUS PROVISIONS

SEC. 10. (a) RECORDS AND AUDIT.—Each recipient of Federal financial assistance pursuant to this Act, regardless of form, shall maintain such records as the Secretary shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such assistance, the total cost of the program or project in connection with which such assistance was given or used, and such other records as will facilitate an effective audit. The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives shall, until the expiration of three years after the completion of such program or project, have access for the purpose of audit and examination to any books, documents, papers, and records of such receipts which, in the opinion of the Secretary or the Comptroller General, may be related to or pertinent to any such Federal financial assistance.

(b) COST AND BENEFIT ASSESSMENT.—The Secretary is authorized to conduct, or to cause to be conducted, cost and benefit assessment studies of various programs and projects receiving Federal financial assistance pursuant to this Act and of proposed projects to the extent necessary to assure that funds appropriated for purposes of this Act are expended in the manner most cost-beneficial to the people of the United States, except that this provision may not be applied in any way which is likely to delay reduction in unemployment.

(c) REPORTS.—The Secretary shall submit to the Congress and the President periodic reports on his actions taken pursuant to this Act, including statements as to progress made in reducing unemployment and in improving the Nation's rail transportation system in terms of reliability, safety, and energy efficiency.

(d) CONFORMING AMENDMENT.—Section 5108(c) of title 5, United States Code, is amended by adding, immediately after paragraph (11) thereof, the following new paragraph:

"(12) The Secretary of Transportation, subject to the standards and procedures prescribed by this chapter, may place an additional 6 positions in the Federal Railroad Administration in GS-16, GS-17, and GS-18 for the purposes of carrying out his responsibilities under the Rail Transportation Improvement and Employment Act of 1975, and related legislation.".

AUTHORIZATIONS FOR APPROPRIATIONS

SEC. 11. There are authorized to be appropriated not to exceed $600,000,000 to the Secretary for the purpose of providing financial assistance pursuant to section 4, of which not more than $7,000,000 shall be available to the Secretary for administrative expenses in implementing this Act, such sums to remain available for obligation until December 31, 1976. There are also authorized to be appropriated, not to exceed $100,000,000 to the Secretary for the purpose of providing grants pursuant to section 8, such sums to remain for obligation available until December 31, 1976.

TERMINATION DATE

SEC. 12. The authority of the Secretary under this Act, except for his responsibility to monitor uncompleted projects and to carry out his duties under section 10 of this Act, shall terminate on October 1, 1977.

Mr. HARTKE. Mr. President, I move to consider the vote by which the bill was passed.

Mr. RANDOLPH. I move to lay the motion on the table.

The motion to lay on the table was agreed to.

EMERGENCY EMPLOYMENT APPROPRIATIONS, 1975—CONFERENCE REPORT

Mr. McCLELLAN. Mr. President, I submit a report of the committee of conference on H.R. 4481, and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated by title.

The assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4481) making emergency employment appropriations for the fiscal year ending June 30, 1975, 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.

(The conference report is printed in the House proceedings of the CONGRESSIONAL RECORD of May 12, 1975, at page 13733.)

Mr. McCLELLAN. Mr. President, this is the conference report on the emergency appropriation bill which passed the House on March 12 and the Senate on April 25. The bill passed by the Senate contained 62 amendments, and the conferees completed action in the conference last Monday with the conference report being filed that evening. It has been printed in the CONGRESSIONAL RECORD and, of course, the printed report is also available on the desk of each Member.

The amount of the bill passed by the House totaled $5,941,636,000, of which $5,373,000,000 was new budget obligational authority, $485,000,000 in direct and insured loans and $83,000,000 in liquidation of contract authority. The Senate passed bill provided for a total of $6,082,647,000, including $5,504,000,000 in new budget authority, $485,000,000 in loan authority, and $93,000,000 in liquidation of contract authority.

The conference agreement contained in the report before us now represents a compromise total of $5,306,508,000. This is $635,128,000 less than the House bill, and $776,139,000 less than the Senate bill. These figures exclude $700,000,000 proposed by the Senate for rail transportation improvement and employment, which I shall discuss in a few moments.

The $5.3 billion total includes $485,000,000 for direct and insured loans and $92.3 million for liquidation of contract authority.

Mr. President, this is an unusual and unique appropriation measure which is designed to provide for the emergency acceleration of existing Federal programs and projects in order to help increase employment opportunities throughout the Nation. The funds in the bill are directed to helping alleviate the unemployment problem in two ways—first, through the funding of programs such as public service employment to directly create jobs; and second, to provide funds to accelerate Federal construction activities and programs indirectly enhancing employment opportunities.

Last year, about this time, the unemployment rate in our Nation was approximately 5 percent. By mid-fall 1974 it had grown to 6 percent. At the beginning of the year, the unemployment rate climbed further to 7.2 percent, and by the end of January, unemployment had jumped a full percentage point to 8.2 percent. The rate is now 8.9 percent, which is the largest figure since the Great Depression of the 1930's.

The major items contained in the conference report include:

The sum of $1.625 billion for public service jobs;

The sum of $375 million for the job opportunities program of the economic development administration;

The sum of $102,625,000 for economic development assistance and regional action planning;

The sum of $325,425,000 for the acceleration of ongoing construction projects under the Corps of Engineers and Bureau of Reclamation;

The sum of $385 million for the loan program of the Small Business Administration;

There are $73 million for the purchase of vehicles by GSA and the Treasury Department;

The sum of $70.7 million for necessary improvements to Veterans' Administration facilities, including hospitals and other medical facilities;

The sum of $159.9 million in obligational authority and $84 million for liquidation of contract authority for Department of Interior and the Forest Service activities, including construction and improvement of trails and recreational facilities, reforestation and timber stand improvement, fire prevention, fencing, hatchery improvements, et cetera;

The sum of $106 million to accelerate construction of watershed and flood prevention of the Soil Conservation Service;

The sum of $440 million for the construction, repair, alteration and improvements of public buildings throughout the country under the General Services Administration;

The sum of $150 million in obligational authority and an increase of $300 million in the loan level for needed rural water and sewer grants;

There are $458 million for summer youth employment;

The sum of $70 million for the work incentive program;

The sum of $119.8 million for part-time employment under the college-work-study grant program; and

The sum of $30 million for community service employment.

Mr. President, as I mentioned earlier the bill is some $776 million less than the bill passed by the Senate. This amount is largely accounted for by the $700 million Senate amendment to provide funds to improve rail transportation facilities, such as maintenance and rehabilitation of rail rights-of-way and the railroad beds, thereby creating an estimated 30,000 to 35,000 jobs to help put the same number of people back to work. The House conferees were adamant in their position opposing the Senate amendment, because such a program had not yet been authorized even though the Senate amendment provided that the funds would be made available only upon the enactment of authorizing legislation.

The House conferees insisted on their disagreement and, on Wednesday, the full House adopted a motion that the House insist upon its disagreement with the Senate amendment after the House had rejected a preferential motion to concur in the Senate amendment with an amendment which would have provided $200,000,000 for repairing, rehabilitating, and improving railroad roadbeds and facilities. In light of this action, Mr. President, I shall offer a motion for the Senate to recede from its amendment after the disposition of the conference report.

In connection with this matter, however, I call attention to the fact that the Senate Commerce Committee has reported and the Senate has just passed a measure which authorizes a program contemplated by the Senate amendment. This measure is now pending on the Calendar. I also call attention to the membership that the second supplemental appropriations bill, which was reported by the Committee on Appropriations on Wednesday, and is pending on the Calendar, includes an amendment which would provide $700,000,000 for this proposed program. It is expected that this bill will be processed by the Senate in the next few days.

At this point, I yield to my distinguished friend from North Dakota, the ranking minority member of the Committee on Appropriations.

Mr. YOUNG. Mr. President, the distinguished chairman of the Committee on Appropriations has explained the conference report fully. I will support it, although I have some misgivings. The primary reason I am supporting it is because it has some very good provisions in it.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a statement by the distinguished senior Senator from Nebraska (Mr. HRUSKA), who is absent today.

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

STATEMENT OF SENATOR HRUSKA

I oppose adoption of the Report of the Committee of Conference on H.R. 4481, the Emergency Employment Appropriations Act. When this bill was before the Senate for action on April 25, I was among the 14 Senators who voted against its passage.

As a member of the Appropriations Committee, I prefer whenever possible to stand with the Committee. But H.R. 4481 is so flawed both within itself and in relation to the overall federal and national financial situations that I cannot support it.

This measure is labeled 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.

President Ford requested additional funds over two months ago which amounted to $2,042.7 million:

	Million
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 and the Senate more than doubled the President's request by pulling from federal departments and agencies information on programs and funding levels with employment generating potential. It is important that we distinguish clearly between the President's request and the amounts dredged up from the agencies by the House and Senate Appropriations Committee. 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 budget making. But the process can be effective in informing the Congress how best to achieve economic and social 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 employment 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 Senate Committee and the action of the Senate on April 25, Mr. Lynn's efforts were largely in vain. I regret very much 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, I remind my colleagues that the Senate has agreed to the conference report on the First Concurrent Resolution under the new budget reform procedures. We have agreed to total outlays, total new budget authority, a deficit level, a recommended level of federal revenues and an appropriate public debt limit for Fiscal Year 1976. Needless to say, we cannot have it both ways. We cannot adopt this conference report recommending appropriations of more than $5 billion and continue in this fashion through the numerous appropriation bills still to come before us, and stay within the total budgetary and fiscal figures which we have set.

Mr. MAGNUSON. Mr. President, I will make some brief remarks on the adoption of the Labor-HEW chapter of the 1975 Emergency Employment Appropriations Act supplemental, H.R. 4481, by the committee on conference.

The total amount we agreed to in chapter IV is $2,318,150,000. This is an increase of $280,450,000 over the budget requests and $66,650,000 over the House allowance. The biggest item, $1,625,000,000 for public service jobs requested by the administration, was not a matter for discussion in conference, since both House and Senate had previously agreed to this amount.

Overall, the Senate amendments in conference fared well. The Senate was successful in sustaining nearly 60 percent of its increases, taking into account two items which the House agreed to include in the upcoming second supplemental bill: $3,000,000 for the national youth sports program and $10,000,000 for the emergency energy conservation services program.

The Senate conferees succeeded in obtaining a $44 million increase in the summer youth jobs program, for a total of $456 million. This will amount to a 10 percent increase over last year's level in jobs for disadvantaged youth. Approximately 840,000 jobs will be available, compared to 760,000 last year. This should help reduce the staggering 40 percent unemployment rate now being faced by disadvantaged youth.

The House agreed with the Senate to continue the summer youth recreation and transportation programs, providing last year's level of funding, $15,300,000 and $1,700,000, respectively. The original House bill would have abolished these programs.

The House conferees agreed to $30 million for jobs for the elderly programs, an increase of $6 million over the original House bill. Together with the $12 million already appropriated for fiscal year 1975 which the administration has not yet spent, about 12,700 jobs for low-income persons aged 55 and over will be supported.

The House also agreed to Senate language which would avoid layoffs in the Operation Mainstream program, including Green Thumb and Senior Aides projects. It is the intent of this language to permit all States to operate at their full title IX formula, or "hold harmless" level, whichever is higher, for several months into fiscal year 1976. With fiscal year 1976 appropriations that will be included in the regular bill, it is our intent to provide the necessary funding to at least maintain this level for the remainder of fiscal year 1976. This is not intended to preclude the Department from entering into contracts with organizations seeking to operate new Older Americans Jobs programs, such as minority groups, which might necessitate shortening the period that existing projects could be forward-funded into fiscal year 1976.

Hopefully, we will be able to significantly expand Jobs for Older Americans programs in fiscal year 1976. No segment of our population is more deserving of our assistance, since the elderly have been the hardest hit by the combined impact of double-digit inflation and recession. I am submitting for the record a table showing the amounts each State would receive from the $42 million to be available if this bill is enacted, guaranteeing the highest of either the "hold harmless" or title IX formula distribution levels. I am also submitting a table summarizing the Labor-HEW chapter of this bill.

For the Department of HEW, both the House and the Senate had previously agreed to provide in this supplemental $119,800,000 for 250,000 college work-study jobs and $70,000,000 for the work incentive program. The House conferees, however, agreed to Senate language which would allow States to be reimbursed for the Federal share of 1974 work incentive program costs. The House also agreed with Senate language to allow the carryover of surplus student basic opportunity grant funds. This will increase the average student grants next fall from $700 to $785.

Mr. President, I believe it is vital that we act quickly to pass this bill. Time is already running out for local sponsors to be able to plan and effectively utilize funds for Summer Youth programs. Any further delay and it will be too late. Unemployment is at its highest rate in 34 years, and appears to be getting worse. We must act immediately to provide the funds and jobs to turn our economy around.

Mr. President, I urge adoption of chapter IV of the 1975 Emergency Employment Appropriations Act bill.

Mr. President, I ask unanimous consent to have printed in the RECORD the tables to which I made reference.

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

TITLE IX—OLDER AMERICANS ACT, FISCAL YEAR 1975, APPROPRIATION DISTRIBUTION

State	Slots	Funding at highest of formula or hold harmless level
Alabama	201	575,617
Alaska	63	180,417
Arizona	117	335,060
Arkansas	460	1,317,332
California	1,125	3,221,737
Colorado	117	335,060
Connecticut	181	518,341
Delaware	63	180,417
District of Columbia	100	286,376
Florida	617	1,766,943
Georgia	238	681,576
Guam	31	88,776
Hawaii	63	180,417
Idaho	63	180,417
Illinois	639	1,829,946
Indiana	461	1,320,196
Iowa	185	529,796
Kansas	144	412,382
Kentucky	291	833,356
Louisiana	188	538,388
Maine	91	260,602
Maryland	200	572,753
Massachusetts	359	1,028,092
Michigan	461	1,320,196
Minnesota	589	1,686,758
Mississippi	129	369,425
Missouri	333	953,634
Montana	130	372,289
Nebraska	107	306,423
Nevada	63	180,417
New Hampshire	63	180,417
New Jersey	465	1,331,651
New Mexico	63	180,417
New York	1,118	3,201,691
North Carolina	275	787,535
North Dakota	116	332,196
Ohio	591	1,692,486
Oklahoma	230	658,666
Oregon	290	830,492
Pennsylvania	764	2,187,917
Puerto Rico	110	315,014
Rhode Island	75	214,782
South Carolina	130	372,289
South Dakota	171	489,704
Tennessee	236	675,848
Texas	619	1,772,671
Utah	118	337,924
Vermont	82	234,828
Virginia	306	876,312
Virgin Islands	31	88,776
Washington	194	555,570
West Virginia	173	495,431
Wisconsin	512	1,466,248
Wyoming	63	180,417
American Samoa	31	88,776
Trust Territories	31	88,776
Total	14,666	42,000,000

Note: This is a test distribution and does not represent a commitment by the department.

CHAPTER IV, EMERGENCY EMPLOYMENT APPROPRIATION ACT, 1975—LABOR-HEW-RELATED AGENCIES

	Budget request	House bill	Senate bill	Conference agreement
Department of Labor:				
Public service jobs	$1,625,000,000	$1,625,000,000	$1,625,000,000	$1,625,000,000
Summer youth jobs	412,700,000	412,700,000	500,000,000	456,350,000
Summer youth transportation			2,300,000	1,700,000
Jobs for the elderly		24,000,000	36,000,000	30,000,000
Department of HEW:				
College work-study jobs		119,800,000	119,800,000	119,800,000
Work incentives		70,000,000	70,000,000	70,000,000
Related agencies:				
Summer youth sports and recreation			29,000,000	15,300,000
Emergency energy conservation services			10,000,000	
Total	2,037,700,000	2,251,500,000	2,392,100,000	2,318,150,000

Mr. BROOKE. Mr. President, the pending conference report on the Emergency Employment Act supplemental appropriation is designed to strengthen the Nation in its battle against the worst unemployment since the beginning of World War II.

Both the House and the Senate agreed to provide $1.625 billion for public service jobs, more money to employ the old and the young and funds to expand a work-study program for college students.

These and other provisions are included in the section of the bill developed by our Labor-HEW Subcommittee where I serve as ranking minority member. I want to compliment our chairman, Senator MAGNUSON, for his leadership in our conference with the House. I believe we did well because of his efforts.

For example, we succeeded in adding $44 million for the summer jobs for youth program for a total of $456 million. This will provide about 840,000 jobs as against 760,000 provided last year.

All of us know how vital this program is, particularly in large urban areas. Moreover, our consciences will not permit us to neglect the employment needs of our young people who suffer under a 40 percent jobless rate.

In this regard, the conference report also provides $15.3 million, the same level as last year, for the summer youth recreation program, and $1.7 million to transport young people to and from recreation sites and summer jobs.

I am particularly pleased the House agreed to a portion of my amendment to increase funds for a program of part-time jobs for low-income workers age 55 and older.

The amount added in conference is $6 million, which together with $24 million provided by the House and $12 million previously appropriated provide a program level of $42 million.

The $42 million will create about 12,700 jobs for the elderly who too often are the last hired and the first fired during periods of economic downturn.

The House also agreed to our amendment to prevent layoffs in the Operation Mainstream portion of the older workers program while assuring that others who are participating, or will participate, in the program do not suffer as a result.

It is our intention that this mantle of protection for all parts of the program be maintained for up to 9 months of the new fiscal year with the funds available in this bill. After that it is our further intention to maintain at least that level of operations for the remaining months of fiscal 1976 through funds available in the Labor Department appropriation for the coming fiscal year.

I am glad the House also agreed to our amendment to the work incentive program which is funded at the $70 million level in this bill. The amendment permits States to be reimbursed from the $70 million for fiscal 1974 expenses in excess of the grants they received for that year.

Another amendment agreed to by the House permits the carryover of surplus basic opportunity grant money for college students. This action will swell the average grant available to students next fall from $700 to $785.

Our bill also provides $119.8 million for the college work-study program which, like the appropriation for public service jobs, was not a matter of dispute between the two Houses.

I believe our chapter of this bill will make an important contribution to alleviating the unemployment that presently afflicts our Nation.

I urge the adoption of chapter IV of the conference report.

Mr. PACKWOOD. Mr. President, I am not convinced that this emergency employment appropriations bill is the most efficient use of funds for stimulating employment. To quote a senior member of the House Appropriations Committee, the bill is "ineffective at best, and counterproductive at worst" in terms of putting people to work. It appears to me that too large a portion of the funds are used for dead-end jobs.

The Budget Act which passed overwhelmingly in both the Senate and the House last year intended that we have better, clearer controls on spending. If we are going to practice what we preach, we must learn that deficit spending and inflation are prime causes of unemployment. There comes a point when job-creation by fattening the bureaucracy only leads to more inflation and ultimately more unemployment, and is contrary to the spirit of fiscal responsibility.

Mr. President, I voted against the Senate version of the bill as being beyond acceptable limits of government spending. I will vote against the conference report for the same reason.

Mr. McCLELLAN. Mr. President, are there other Senators who wish recognition before I proceed?

Mr. President, I ask unanimous consent that a table showing the conference action on the emergency employment appropriation bill, H.R. 4481, with comparisons to the House and Senate bills be printed in the RECORD.

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

CONFERENCE SUMMARY—EMERGENCY EMPLOYMENT APPROPRIATIONS BILL, H.R. 4481

[In dollars]

Department or activity	Budget estimates, 1975	House bill	Senate bill	Conference agreement	Increase (+) or decrease (—), Conference agreement compared with— Budget estimate	House bill	Senate bill
TITLE I							
CHAPTER I							
DEPARTMENT OF AGRICULTURE							
Farmers Home Administration:							
Agricultural credit insurance fund:							
Soil conservation loans (watershed)		(35,000,000)	(35,000,000)	(35,000,000)	(+35,000,000)		
Operating loans		(150,000,000)	(150,000,000)	(150,000,000)	(+150,000,000)		
Rural water and waste disposal grants		150,000,000	150,000,000	150,000,000	+150,000,000		
Rural development insurance fund:							
Water and sewer facility loans		(300,000,000)	(300,000,000)	(300,000,000)	(+300,000,000)		
Salaries and expenses		6,500,000	6,500,000	6,500,000	+6,500,000		

Department or activity	Budget estimates, 1975	House bill	Senate bill	Conference agreement	Increase (+) or decrease (−), Conference agreement compared with— Budget estimate	House bill	Senate bill
Soil Conservation Service:							
Watershed and flood prevention operations		106,000,000	106,000,000	106,000,000	+106,000,000		
Resource conservation and development		8,750,000	8,750,000	8,750,000	+8,750,000		
Total, Chapter I:							
New budget (obligational) authority		271,250,000	271,250,000	271,250,000	+271,250,000		
Direct and insured loan level		(485,000,000)	(485,000,000)	(485,000,000)	(+485,000,000)		
CHAPTER II							
ENVIRONMENTAL PROTECTION AGENCY							
Abatement and control		350,000	175,000	175,000	+175,000	−175,000	
VETERANS' ADMINISTRATION							
General works programs		70,755,000	70,755,000	70,755,000	+70,755,000		
Total, chapter II: New budget (obligational) authority		71,105,000	70,930,000	70,930,000	+70,930,000	−175,000	
CHAPTER III							
DEPARTMENT OF THE INTERIOR							
BUREAU OF LAND MANAGEMENT							
Management of lands and resources		6,548,000	6,548,000	6,548,000	+6,548,000		
Construction and maintenance		5,295,000	5,295,000	5,295,000	+5,295,000		
Public lands development roads and trails (appropriation to liquidate contract authority)		(2,462,000)	(2,462,000)	(2,462,000)	(+2,462,000)		
Total, Bureau of Land Management		11,843,000	11,843,000	11,843,000	+11,843,000		
U.S. FISH AND WILDLIFE SERVICE							
Construction and anadromous fish		21,496,000	24,647,000	23,066,000	+23,066,000	+1,570,000	−1,581,000
NATIONAL PARK SERVICE							
Operation of the national park system		5,700,000	5,700,000	5,700,000	+5,700,000		
Planning and construction		22,100,000	29,361,000	26,880,000	+26,880,000	+4,780,000	−2,481,000
Road construction (appropriation to liquidate contract authority)		(12,700,000)	(14,650,000)	(13,900,000)	(+13,900,000)	(+1,200,000)	(−750,000)
Total, National Park Service		27,800,000	35,061,000	32,580,000	+32,580,000	+4,780,000	−2,481,000
U.S. Geological Survey							
Surveys, investigations, and research			1,500,000	750,000	+750,000	+750,000	−750,000
Mining Enforcement Safety Administration							
Salaries and expenses			2,775,000	1,250,000	+1,250,000	+1,250,000	−1,525,000
Bureau of Indian Affairs							
Operation of Indian programs		5,000,000	10,000,000	7,500,000	+7,500,000	+2,500,000	−2,500,000
Construction		7,896,000	7,896,000	7,896,000	+7,896,000		
Road construction (appropriation to liquidate contract authority)		(12,000,000)	(12,000,000)	(12,000,000)	(+12,000,000)		
Total, Bureau of Indian Affairs		12,896,000	17,896,000	15,396,000	+15,396,000	+2,500,000	−2,500,000
Total, Department of the Interior		74,035,000	93,722,000	84,885,000	+84,885,000	+19,687,000	
Appropriation to liquidate contract authority		(27,162,000)	(29,112,000)	(28,362,000)	(+28,362,000)	(+1,200,000)	(−750,000)
RELATED AGENCIES							
DEPARTMENT OF AGRICULTURE							
Forest Service							
Forest protection and utilization:							
Forest land management		56,080,000	56,580,000	56,580,000	+56,580,000	+500,000	
Forest research			1,500,000				−1,500,000
State and private forestry cooperation		1,000,000	1,000,000	1,000,000	+1,000,000		
Total, forest protection and utilization		57,080,000	59,080,000	57,580,000	+57,580,000	+500,000	−1,500,000
Construction and land acquisition		18,000,000	21,000,000	19,500,000	+19,500,000	+1,500,000	−1,500,000
Youth Conservation Corps		10,000,000	15,000,000	10,000,000	+10,000,000		−5,000,000
Forest roads and trails (appropriation to liquidate contract authority)		(56,000,000)	(56,000,000)	(56,000,000)	(+56,000,000)		
Total, Forest Service		85,080,000	95,080,000	87,080,000	+87,080,000	+2,000,000	−8,000,000
Health Services Administration							
Indian health facilities		12,574,000	22,453,000	17,676,000	+17,676,000	+5,102,000	−4,777,000
National Foundation on the Arts and the Humanities							
Salaries and expenses			5,000,000	3,000,000	+3,000,000	+3,000,000	−2,000,000
Total, related agencies		97,654,000	122,533,000	107,756,000	+107,756,000	+10,102,000	−14,777,000
Appropriation to liquidate contract authority		(56,000,000)	(56,000,000)	(56,000,000)	(+56,000,000)		
Total, ch. III:							
New budget (obligational) authority		171,689,000	216,255,000	192,641,000	+192,641,000	+20,952,000	−23,614,000
Appropriations to liquidate contract authority		(83,162,000)	(85,112,000)	(84,362,000)	(+84,362,000)	(+1,200,000)	(−750,000)

CONFERENCE SUMMARY—EMERGENCY EMPLOYMENT APPROPRIATIONS BILL, H.R. 4481—Continued

[In dollars]

Department or activity	Budget estimates, 1975	House bill	Senate bill	Conference agreement	Increase (+) or decrease (−), Conference agreement compared with— Budget estimate	House bill	Senate bill
CHAPTER IV							
DEPARTMENT OF LABOR							
Manpower Administration							
Comprehensive manpower assistance		412,700,000	502,300,000	458,050,000	+458,050,000	+45,340,000	−44,250,000
Community service employment for older Americans		24,000,000	36,000,000	30,000,000	+30,000,000	+6,000,000	−6,000,000
Temporary employment assistance	2,037,700,000	1,625,000,000	1,625,000,000	1,625,000,000	−412,700,000		
Total, Department of Labor	2,037,700,000	2,061,700,000	2,163,300,000	2,113,050,000	+75,350,000	+51,350,000	−50,250,000
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE							
Office of Education							
Higher education		119,800,000	119,800,000	119,800,000	+119,800,000		
SOCIAL AND REHABILITATION SERVICE							
Work incentives		70,000,000	70,000,000	70,000,000	+70,000,000		
Total, Department of Health, Education, and Welfare		189,800,000	189,800,000	189,000,000	+189,800,000		
RELATED AGENCIES							
Community services program			39,000,000	15,300,000	+15,300,000	+15,300,000	−23,700,000
Total, related agencies			39,000,000	15,300,000	+15,300,000	+15,300,000	−23,700,000
Total, chapter IV: New budget (obligational) authority	2,037,700,000	2,251,500,000	2,392,100,000	2,318,550,000	+280,450,000	+66,650,000	−73,950,000
CHAPTER V							
DEPARTMENT OF DEFENSE—CIVIL							
DEPARTMENT OF THE ARMY							
Corps of Engineers—Civil							
Construction, general		58,055,000	226,350,000	226,350,000	+226,350,000	+168,295,000	
Flood control, Mississippi River and tributaries			25,000,000	25,000,000	+25,000,000	+25,000,000	
Operation and maintenance, general		48,000,000	22,405,000	22,405,000	+22,405,000	−25,595,000	
Total, Corps of Engineers, Civil		106,055,000	273,755,000	273,755,000	+273,755,000	+167,700,000	
DEPARTMENT OF THE INTERIOR							
Bureau of Reclamation							
General investigations			3,500,000				−3,500,000
Construction and rehabilitation		9,600,000	42,920,000	42,920,000	+42,920,000	+33,320,000	
Upper Colorado River storage project			2,450,000	2,450,000	+2,450,000	+2,450,000	
Colorado River Basin project			2,400,000	2,400,000	+2,400,000	+2,400,000	
Appropriation to liquidate contract authority			(8,000,000)	(8,000,000)	(+8,000,000)	(+8,000,000)	
Operation and maintenance		2,300,000	2,300,000	2,300,000	+2,300,000		
Loan program			1,600,000	1,600,000	+1,600,000	+1,600,000	
Total, Bureau of Reclamation		11,900,000	55,170,000	55,170,000	+55,170,000	+43,270,000	
Total, chapter V:							
New budget (obligational) authority		117,955,000	328,925,000	325,425,000	+325,425,000	207,470,000	−3,500,000
Appropriation to liquidate contract authority			(8,000,000)	(8,000,000)	(+8,000,000)	(+8,000,000)	
CHAPTER VI							
DEPARTMENT OF COMMERCE							
Economic Development Administration							
Job opportunities program		375,000,000	375,000,000	375,000,000	+375,000,000		
Economic development assistance programs			163,250,000	81,625,000	81,625,000	+81,625,000	−81,625,000
Administration of economic development assistance programs			3,500,000	1,750,000	+1,750,000	+1,750,000	−1,750,000
REGIONAL ACTION PLANNING COMMISSIONS							
Regional development programs			42,000,000	21,000,000	+21,000,000	+21,000,000	−21,000,000
Total, Department of Commerce		375,000,000	583,750,000	479,375,000	+104,375,000	+104,375,000	−104,375,000
RELATED AGENCIES							
SMALL BUSINESS ADMINISTRATION							
Business loan and investment fund		210,000,000	210,000,000	210,000,000	+210,000,000		
Disaster loan fund		175,000,000	175,000,000	175,000,000	+175,000,000		
Total, Small Business Administration		385,000,000	385,000,000	385,000,000	+385,000,000		
Total, chapter VI: New budget (obligational) authority		760,000,000	968,750,000	864,375,000	+864,375,000	+104,375,000	−104,375,000
CHAPTER VII							
DEPARTMENT OF THE TREASURY							
Office of the Secretary		2,000,000	2,000,000	2,000,000	+2,000,000		
Federal Law Enforcement Training Center, salaries and expenses		3,500,000	250,000	250,000	+250,000	−3,250,000	
Bureau of Alcohol, Tobacco, and Firearms		6,500,000	6,500,000	6,500,000	+6,500,000		
U.S. Customs Service		52,900,000	24,300,000	52,900,000	+52,900,000		+28,600,000

Department or activity	Budget estimates, 1975	House bill	Senate bill	Conference agreement	Increase (+) or decrease (−), Conference agreement compared with— Budget estimate	House bill	Senate bill
Construction, border stations		3,175,000	3,175,000	3,175,000	+3,175,000		
Internal Revenue Service:							
Accounts collection and taxpayer service		5,000,000	5,000,000	5,000,000	+5,000,000		
Compliance		400,000	400,000	400,000	+400,000		
U.S. Secret Service		6,500,000	3,600,000	5,050,000	+5,050,000	1,450,000	+1,450,000
Total, Treasury Department		79,975,000	45,225,000	75,275,000	+75,275,000	4,700,000	+30,050,000
U.S. POSTAL SERVICE							
Payment to the Postal Service fund		900,000,000		100,000,000	100,000,000	−800,000,000	+100,000,000
INDEPENDENT AGENCIES							
General Services Administration							
Federal buildings fund:							
Construction		25,000,000	25,000,000	25,000,000	+25,000,000		
Alterations and major repairs		340,000,000	340,000,000	340,000,000	+340,000,000		
Real property operations		100,000,000	75,000,000	75,000,000	+75,000,000	−25,000,000	
Total, Federal buildings fund		465,000,000	440,000,000	440,000,000	+440,000,000	−25,000,000	
General supply fund		280,000,000	66,100,000	66,100,000	+66,100,000	−213,900,000	
Total, General Services Administration		745,000,000	506,100,000	506,100,000	+506,100,000	−238,900,000	
Total, chapter VII: New budget (obligational) authority		1,724,975,000	551,325,000	681,375,000	+681,375,000	1,043,600,000	+130,050,000
CHAPTER VIII							
DEPARTMENT OF TRANSPORTATION							
Federal Railroad Administration			700,000,000				−700,000,000
RELATED AGENCY							
U.S. Railway Association	5,000,000	5,000,000	5,000,000	5,000,000			
Total, chapter VIII: New budget (obligational) authority		5,000,000	705,000,000	5,000,000			−700,000,000
Grand total:							
New budget (obligational) authority	2,042,700,000	5,373,474,000	5,504,535,000	4,729,146,000	+2,686,446,000	−644,328,000	−775,389,000
Direct and insured loan level		(485,000,000)	(485,000,000)	(485,000,000)	(+485,000,000)		
Appropriations to liquidate contract authority		(83,162,000)	(93,112,000)	(92,362,000)	(+92,362,000)	(+9,200,000)	(−750,000)

Mr. McCLELLAN. Mr. President, unless some other Senator wishes to make comment or statements on this conference report, if there are no questions, I move the adoption of the conference report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

Mr. McCLELLAN. Mr. President, I ask that the amendments in disagreement be laid before the Senate.

The PRESIDING OFFICER. The clerk will state the amendments in disagreement.

The assistant legislative clerk read as follows:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 8 to the aforesaid bill, and concur therein with an amendment, as follows:

In lieu of the sum named in said amendment, insert: $750,000

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 9 to the aforesaid bill, and concur therein with an amendment, as follows:

In lieu of the sum named in said amendment, insert: $1,250,000

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 37 to the aforesaid bill and concur therein with an amendment, as follows:

In lieu of the sum named in said amendment, insert: $1,000,000

Resolved, That the House insist on its disagreement to the amendment of the Senate numbered 61 to the aforesaid bill.

Mr. McCLELLAN. Mr. President, I move that the Senate concur in the amendments of the House to the amendments of the Senate numbered 8, 9, and 37.

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

The motion was agreed to.

The PRESIDING OFFICER. The clerk will state the remaining amendment in disagreement.

The assistant legislative clerk read as follows:

Resolved, That the House insist on its disagreement to the amendment of the Senate numbered 61 to the aforesaid bill.

Mr. McCLELLAN. Mr. President, I move that the Senate recede from its amendment No. 61.

The motion was agreed to.

ORDER FOR NO ROLLCALL VOTES PRIOR TO 4 P.M. ON MONDAY, MAY 19, 1975

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent on Monday there be no rollcall votes prior to the hour of 4 p.m.

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

CONTINUANCE OF CIVIL GOVERNMENT FOR THE TRUST TERRITORY OF THE PACIFIC ISLANDS

Mr. ROBERT C. BYRD. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 326.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill to amend section 2 of the act of June 30, 1954, as amended, providing for the continuance of civil government for the Trust Territory of the Pacific Islands, as follows:

Page 1, line 7, strike out "$65,650,000:"." and insert: "$75,000,000"."

Mr. ROBERT C. BYRD. Mr. President, the purpose of S. 326 is to increase the authorization ceiling for fiscal year 1975 for the activities of the civil government of the Trust Territory of the Pacific Islands and to authorize the appropriation of $1,500,000 to fund the transition of the Mariana Islands District from the Trust Territory government to a new commonwealth status as a territory of the United States if such new status is approved by the Congress.

The Committee on Interior and Insular Affairs, which has jurisdiction over the administration and status of the Trust Territory reported S. 326 as an emergency bill to provide needed fuel and medical supplies. As reported from the committee, S. 326 did not include several items requested by the Department. The committee was concerned over the public works-capital improvement program on Micronesia, and elected to report those items which were critically needed for health and safety and defer other items until after a series of oversight hearings could be held.

The committee has no objection to the additional sums added by the House. They are in agreement that new field trip ships are needed and have been assured that the deficiencies observed in the prototype *Micronesian Princess* have been corrected.

As a result of the oversight hearings, the Department of the Interior is estab-

lishing a task force on the Trust Territory of the Pacific Islands. This task force will hopefully provide the Congress with the information which we need if we are to fulfill our obligations under the trusteeship agreement and provide for the welfare of the Micronesian peoples.

Mr. President, I ask unanimous consent that a copy of a letter from the Acting Director of Territorial Affairs to the chairman of the Committee on Interior and Insular Affairs be printed in the RECORD.

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

U.S. DEPARTMENT OF THE INTERIOR,
Washington, D.C. May 8, 1975.

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

DEAR MR. CHAIRMAN: This is to advise you that the Department of the Interior is establishing, under the chairmanship of the Director of Territorial Affairs, a Task Force on the Trust Territory of the Pacific Islands. The Task Force will have wide ranging duties and will be made up of representatives from the Office of Program and Budget, Office of Management, Bureau of Reclamation, and Office of Audit and Investigation. Representatives of other interested agencies of the Department and Executive Branch will be brought into the work of the Task Force on an as needed basis. Task Force duties will include:

1. Assessing the adequacy of existing capital improvements,
2. Reviewing Trust Territory capital improvement program for the years 1975 through 1980 with an eye toward overall program objectives and project priorities,
3. Assessing contracting procedures,
4. Investigating acquisition and use of foreign excess property,
5. Reviewing the current Departmental and Trust Territory action regarding Trust Territory property recordkeeping and accountability and financial management systems and
6. Recommending personnel training procedures for continued infrastructure maintenance.

As you may be aware, we anticipate that Mr. Fred M. Zeder will soon be the new Director of Territorial Affairs. As such, he will be chairman of the Task Force on the Trust Territory of the Pacific Islands. His initial trip to the Trust Territory, presently scheduled for late May 1975, will be devoted in large part to reviewing the capital improvement program. It is projected that persons representing a number of disciplines will accompany Mr. Zeder.

Due to the urgent need for a FY 1976 Trust Territory authorization, the Task Force will issue an initial report devoted to the FY 1976 CIP. In the meantime, and at the request of Dr. Daniel Dreyfus, we are enclosing the current priority listing of the FY 1976 projects in the lowest 30 percentile of priority with a banding showing the lowest 10 percentile.

Subsequent to issuing its initial report on the FY 1976 projects, the Task Force will address the broader issues under consideration in a more comprehensive report.

Sincerely yours,

EMMETT M. RICE,
Acting Director of Territorial Affairs.

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate concur in the amendments by the House.

The motion was agreed to.

ORDER PLACING S. RES. 110 ON THE CALENDAR OF GENERAL ORDERS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Senate Resolution 110, a resolution coming over under the rule and appearing on the calendar entitled "Resolutions and Motions Over, Under the Rule" be placed on the Calendar of General Orders.

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

ORDER FOR ADJOURNMENT UNTIL 11 A.M. MONDAY, MAY 19, 1975

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until the hour of 11 a.m. on Monday next.

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

ORDER FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS ON MONDAY, MAY 19, 1975

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday next, after the two leaders or their designees have been recognized under the standing order, there be a period for the transaction of routine morning business of not to exceed 30 minutes with statements limited therein to 5 minutes each.

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

ORDER TO PROCEED WITH THE CONSIDERATION OF S. 846 ON MONDAY, MAY 19, 1975

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at the conclusion of routine morning business on Monday next, the Senate proceed to the consideration of Calendar No. 69, S. 846, a bill to authorize the further suspension of prohibitions against military assistance to Turkey, and for other purposes.

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

Mr. ROBERT C. BYRD. Mr. President, would the Chair state the terms of the agreement on that measure, please?

The PRESIDING OFFICER. Four hours on the bill, 1 hour on amendments of the first degree, 30 minutes on amendments to the second degree, and so forth, and it be in the usual form.

Mr. ROBERT C. BYRD. I thank the Chair.

AUTHORIZATION FOR MEASURES TO BE INTRODUCED TODAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Senators may be authorized to introduce bills and/or resolutions today at any time prior to the hour of 4:30 p.m.

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

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene on Monday at 11 a.m. After the two leaders or their designees have been recognized under the standing order there will be a period for the transaction of routine morning business of not to exceed 30 minutes, with statements limited therein to 5 minutes each.

At the conclusion of routine morning business the Senate will proceed to the consideration of S. 846, a bill to authorize the further suspension of prohibitions against military assistance to Turkey, and for other purposes. There is a time agreement on that measure. At least one rollcall vote will occur on final passage of the bill. No rollcall votes will occur prior to the hour of 4 p.m.

As to Tuesday, the Senate will take up H.R. 5899, the supplemental appropriation bill. Rollcall votes will occur on amendments thereto and/or on final passage of that bill. Also S. 182 with respect to the appointment of Alexander P. Butterfield to the retired list of the Regular Air Force will be taken up on Tuesday if not on Monday.

By Wednesday, if other items on the calendar, that I have not mentioned at this point, and which have been cleared for action by that time, have been disposed of, as well as any conference reports—which are privileged matters, of course, and can be called up at any time—and the possible override of a Presidential veto of the surface mining bill, if such veto were to occur, the Senate would then proceed with debate on the military procurement authorization bill.

However, no rollcall votes on the military procurement authorization bill will occur next week. A time agreement has been entered into with respect to the military procurement authorization bill. The major details thereof are as follows:

On Monday, June 2, upon reconvening following the Memorial Day holiday, the Senate will continue with debate on the military procurement authorization bill with no rollcall votes to occur that day.

On Tuesday, June 3, debate on the bill will continue, with the possibility of rollcall votes beginning on amendments, if the general debate has been concluded by that time.

Rollcall votes on amendments to the bill will definitely begin if not on Tuesday, then on Wednesday at no later than the hour of 12 noon.

Final passage of the military procurement authorization bill will occur no later than 6 p.m. on Friday, June 6, which means that final passage can occur earlier, even on Thursday, circumstances permitting.

No nongermane amendments will be in order and no amendments will be in order that are not filed by or before the hour of 6 p.m. on Wednesday, June 4.

The following amendments, and the time allotted on each, are scheduled to be taken up in the order stated:

(a) Ceiling amendment (2 hrs.).

(b) Possible second ceiling amendment (1 hr.).

(c) Counter-force amendment (4 hrs.), with consent already granted for a live quorum without time for the quorum call being charged.

(d) Minuteman III amendment (1½ hrs.).

(e) Site defense amendment (1½ hrs.).
(f) B–1 bomber (2 hrs.).
(g) AWACS (2 hrs.).
(h) SLCM (1 hr.).
(i) AABNCP (1 hr.).
(j) SAM–D (2 hrs.).
(k) C–141 stretch-out (1 hr.).
(l) F–15 (2 hrs.).
(m) Patrol frigates (1 hr.).
(n) Sanguine/Seafarer (1 hr.).
(o) Shipbuilding overruns (1 hr.).
(p) War reserves for allies (1 hr.).
(q) Overall military and civilian manpower levels (1 hr.).
(r) Increase from 13 to 16 divisions (1 hr.).
(s) Increase from 22 to 26 tactical air wings (1 hr.).
(t) Feed and Forage Act (1 hr.).
(u) Any other amendment in the first degree (1 hr.).
(v) Second degree amendments (30 minutes).

ADJOURNMENT UNTIL 11 A.M. MONDAY, MAY 19, 1975

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until the hour of 11 a.m. on Monday next.

The motion was agreed to; and at 3:40 p.m., the Senate adjourned until Monday, May 19, 1975, at 11 a.m.

NOMINATIONS

Executive nominations received by the Senate May 16, 1975:

CORPORATION FOR PUBLIC BROADCASTING

The following-named persons to be members of the Board of Directors of the Corporation for Public Broadcasting for the terms indicated:

For the remainder of a term expiring March 26, 1976:

Robert S. Benjamin, of New York, vice Irving Kristol, resigned.

Virginia Bauer Duncan, of California, vice Thomas B. Curtis, resigned.

For the remainder of a term expiring March 26, 1978:

Amos B. Hostetter, Jr., of Massachusetts, vice Theodore W. Braun, resigned.

For a term expiring March 26, 1980:

Joseph Coors, of Colorado, vice Albert L. Cole, term expired.

Lucius Perry Gregg, Jr., of Illinois, vice James R. Killian, Jr., term expired.

Lillie E. Herndon, of South Carolina, vice Frank Pace, Jr., term expired.

Donald E. Santarelli, of Virginia, vice Robert S. Benjamin, term expired.

W. Allan Wallis, of New York, vice Jack J. Valenti, term expired.

IN THE ARMY

The Army National Guard of the U.S. officers named herein for appointment as Reserve commissioned officers of the Army under the provisions of title 10, United States Code, sections 593(a) and 3392:

To be major general

Brig. Gen. James Sprague Brooks, [redacted] Adjutant General Corps.

Brig. Gen. Clarence Binder Shimer, [redacted] Adjutant General Corps.

To be brigadier general

Col. James Compton Clem, [redacted], Adjutant General Corps.

IN THE MARINE CORPS

The following-named officers of the Marine Corps for temporary appointment to the grade of lieutenant colonel:

Ray D. Ammon
Burk Andrews
Reginald E. Armstrong
Gene E. Bailey
Richard W. Bailey
Ross T. Bailey
Robert M. Balch
Albert P. Barry
Harry L. Bauknight
William R. Belcher
Alphonse A. Bernotas
Jay N. Bibler
Leroy A. Bickley
Malcolm T. Bird
Samuel E. Black
Gordon O. Booth
Gerald W. Boston
Robert L. Bowersox
George H. Braman, Jr.
James B. Brandon III
Robert V. Brennan
Frank J. Breth
Billy R. Bridgewater
Bruce G. Brown
James R. Brown, Jr.
Jimmy L. Brown
James J. Bruce
Charles G. Bryan
William J. Burrows
Orlando L. Busby, Jr.
Robert A. Carnes
William R. Carroll
David L. Cartwright
John A. Chancey
Harold H. Clark
John T. Cline
Carl G. Collins
Donald R. Comer
Daniel B. Cone
Michael H. Conner
Harlan C. Cooper, Jr.
Jimmie A. Creech
Thomas J. Dalzell
Robert L. Daniels
Laurence Delmore III
Clifton L. Deornellas
Albert K. Dixon II
Terry C. Drew
Dave G. Drewelow
David S. Drum
Marcel J. Dube
Edward J. Dyer, Jr.
Henry L. Eisenson
Jerry W. Elliott
Gerald A. Enos
James P. Faulkner
Angelo Fernandez
Donald Festa
Raymond F. Findlay, Jr.
Walter M. Fitts
Charles A. Fleming
John G. Flynn
Joseph F. Flynn
David J. Frie
John R. Fritsch
Louis C. Gapenski
John T. Garcia
James F. Gazzale
Royall W. Geis
Michael S. Gering
Jerrald E. Giles
William Gilfillan III
Alec Gillespie
James E. Givan
Johnny B. Gobble, Jr.
Glen Golden
Edward L. Green
Robert E. Hamilton
Ray L. Hanle, Jr.
Larry B. Hannah
Kenneth P. Harrison
John D. Haynes
Conrad W. Heinzerling
Philip M. Hinkle
Donald B. Hirsch
Normal W. Huddy, Jr.
Earnest Jarvis
Charles M. Johnson
Ward B. Johnson, Jr.
Clyde J. Johnston
Richard K. Joiner
Warren D. Kalas
Charles W. Kappelman
Ronald J. Kaye
Gordon W. Keiser
Floyd H. Keller
Jerry L. Kershner
Denis J. Kiely, Jr
Robert F. King
George A. Kupets
Gerald F. Kurth
Carroll M. Lacroix
Gary M. Larson
Raymond G. Leidich
Francis J. Lennartz IV
James B. Leonard, Jr.
Rodney R. Letchworth
Ronald M. Losee
Francis A. Losik
Morris W. Lutes
James E. Masters
Thomas P. McBrien
Albert J. McCarthy, Jr.
William T. McFall
John J. McMenamin, Jr.
Jack D. McNamara
Thomas F. Meehan
Ben A. Meharg
Robert H. Melville
Frederick H. Menning
Roland S. Merrill
Philip C. Mikkelson
Joe E. Miller
Frank E. Millner
William S. Moriarty
Robert S. Morris, Jr.
Rudolf M. Nebel
Robert V. Nicoli
Edmund P. Noll
Leon E. Obenhaus
Johesph J O'Brien
Thomas R. O'Donnell
Michael G. O'Neill
Victor F. Pacheco
Richard J. Pereira
Thomas J. Power
Roger L. Redelman
John H. Reece
Robert L. Reed
James E. Reilly
William H. Rever, Jr.
Eugene P. Richter, Jr.
James W. Rider
Jon A. Rindfleisch
Edward M. Hingley, Jr.
Rermon J. Rivella
Carson N. Robinson
John A. Rooke
John J. Rozman
Roger K. Ryman
Robert B. Savage, Jr.
Frederick J. Schober
Richard H. Schwartz
Herbert L. Seay
Wiley J. Sellers
William D. Seymour
Thomas H. Shannon
David V. Shutter A.
James D. Simpson
Malcolm E. Smith, Jr.
William J. Smith
Harry L. Solter, Jr.
James P. Souders
James E. Strawn
James D. Strickland, Jr.
James V. Sullivan
Robert E. Swartwood, Jr.
Orson G. Swindle III
Richard E. Theer
Michael W. Tierney
James H. Tinsley
Kenneth R. Town
John M. Tuttle
Leon D. Tyrrell
James M. Updyke
Roger D. Walters
Harold T. Ward, Jr.
Michael J. Wasko, Jr.
Thomas L. Watkins
Edward M. Weber
Herman B. West, Jr.
Marvin A. Westphal
Joel I. Westfall
Robert G. Whaley
Faustin E. Workus, Jr
Richard K. Young
Thornton L. Youngman
Jack R. Zellich

The following named women officers of the Marine Corps for permanent appointment to the grade of lieutenant colonel:

Carol A. Ray
Wanda R. Silvey

The following named officers of the Marine Corps Reserve for temporary appointment to the grade of lieutenant colonel:

John L. Macfarlane
Enos S. Olin

CONFIRMATIONS

Executive nominations confirmed by the Senate May 16, 1975:

IN THE AIR FORCE

The following officer to be placed on the retired list in the grade indicated under the provisions of section 8962, title 10 of the United States Code:

To be general

Gen. Lucius D. Clay, Jr. [redacted] FR (major general, Regular Air Force), U.S. Air Force.

IN THE ARMY

The following-named officers for temporary appointment in the Army of the United States to the grade indicated, under the provisions of title 10, United States Code, sections 3442 and 3447:

To be brigadier general

Col. Jack N. Merritt, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Louis C. Menetrey, [redacted], Army of the United States (major, U.S. Army).

Col. Guy S. Meloy III, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. William J. Hilsman, [redacted], Army of the United States (major, U.S. Army).

Col. Hiram K. Tompkins, [redacted] Army of the United States (lieutenant colonel, U.S. Army).

Col. William B. Burdeshaw, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Richard D. Lawrence, [redacted] Army of the United States (lieutenant colonel, U.S. Army).

Col. Maxwell R. Thurman, [redacted] Army of the United States (lieutenant colonel, U.S. Army).

Col. Edmund R. Thompson, [redacted] Army of the United States (lieutenant colonel, U.S. Army).

Col. Jack L. Hancock, [redacted] Army of the United States (lieutenant colonel, U.S. Army).

Col. Ernest A. Vuley, Jr., [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Harry M. Roper, Jr., [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Richard W. Anson, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. William E. Carlson, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Robert L. Wetzel, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Story C. Stevens, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Robert L. Schweitzer, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Edward C. Peter, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Weldon F. Honeycutt, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Robert L. Moore, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Roderick D. Renick, Jr., [redacted], U.S. Army.

Col. John B. Oblinger, Jr., [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Jerry R. Curry, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. John W. Seigle, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Charles E. Canedy, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Joseph N. Tenhet, Jr., [redacted], U.S. Army.

Col. Nathaniel R. Thompson, Jr., [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Grayson D. Tate, Jr., [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Robert S. Young, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Stan R. Sheridan, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. John C. Bard, [redacted], Army of the United States (major, U.S. Army).

Col. Gerald Childress, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Donald M. Babers, [redacted], Army of the United States (major, U.S. Army).

Col. Robert L. Bergquist, [redacted], Army of the United States (major, U.S. Army).

Col. Maurice D. Roush, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Elvin R. Heiberg III, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Tom H. Brain, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Richard S. Fye, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Lynwood B. Lennon, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Albert B. Akers, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Loyd P. Rhiddlehoover, Jr., [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Phillip Kaplan, [redacted], U.S. Army.

Col. Alan A. Nord, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Joseph C. Racke, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. John D. Bruen, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. John M. Shea, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. John H. Johns, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Frank E. Serio, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. William C. Louisell, Jr., [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Robert C. Gaskill, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Edward B. Atkeson, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. William D. Lewis, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Elton J. Delaune, Jr., [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. James E. Freeze, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Victor A. Defiori, [redacted], U.S. Army.

Col. William J. Andrews, [redacted], U.S. Army.

To be brigadier general, Women's Army Corps

Col. Mary E. Clarke, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

IN THE NAVY

Vice Adm. Thomas R. Weschler, U.S. Navy, for appointment to the grade of vice admiral on the retired list, pursuant to the provisions of title 10, United States Code.

The following-named officers of the Navy for permanent promotion to the grade of rear admiral:

LINE

Lando W. Zech, Jr.
John B. Berude
Reuben G. Rogerson
Thomas B. Russell, Jr.
Cyril T. Faulders, Jr.
Elmer T. Westfall
Robert P. McKenzie
Paul C. Boyd
Henry P. Glindeman, Jr.
Charles S. Williams, Jr.
James R. Sanderson
Edward P. Travers
Gordon R. Nagler
William H. Ellis
Robert F. Schoultz
Ralph H. Carnahan
Robert H. Blount
Gerald E. Synhorst
Ralph M. Ghormley
Carl T. Hanson
John T. Coughlin
James B. Stockdale
Harold G. Rich
William J. Crowe, Jr.
George P. March
Robert S. Smith
Jeremiah A. Denton, Jr.
Richard A. Paddock
Donald P. Harvey
Roy F. Hoffmann
John D. Johnson, Jr.
William H. Harris
Robert K. Geiger
Robert H. Gormley
Kenneth G. Haynes
James H. Foxgrover
Kenneth M. Carr
Ernest E. Tissot, Jr.
Paul A. Peck
William J. Cowhill
Carlisle A. H. Trost
Albert L. Kelln

MEDICAL CORPS

William J. Jacoby, Jr.
Robert G. W. Williams, Jr.
Paul Kaufman
Robert C. Laning
Robert L. Baker
William M. Lukash

SUPPLY CORPS

John C. Shepard
Carlton B. Smith
Thomas J. Allshouse
James E. McKenna
James R. Ahern

CHAPLAIN CORPS

John J. O'Connor

CIVIL ENGINEER CORPS

Robert F. Jortberg

DENTAL CORPS

George A. Besbekos

Rear Adm. Edward W. Cooke, U.S. Navy, having been designated for commands and other duties determined by the President to be within the contemplation of title 10, United States Code, section 5231, for appointment to the grade of vice admiral while so serving.

IN THE AIR FORCE

Air Force nominations beginning Donald C. Anderson, to be first lieutenant, and ending James J. Zbylut, to be second lieutenant, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on May 7, 1975.

Air Force nominations beginning Barry S. Abbott, to be second lieutenant, and ending Forest D. Williams, to be second lieutenant, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on May 5, 1975.

IN THE NAVY

Navy nominations beginning Donald Lewis Abbey, to be lieutenant commander, and ending Shirley Ann Yucha, to be lieutenant commander, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on April 28, 1975.

Navy nominations beginning William B. Branson, to be commander, and ending James A. Carlisle, to be lieutenant, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on April 28, 1975.

IN THE MARINE CORPS

Marine Corps nominations beginning Dirk R. Ahle, to be second lieutenant, and ending Charles W. Hehl, to be second lieutenant, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on April 28, 1975.

WITHDRAWAL

Executive nomination withdrawn from the Senate May 16, 1975:

NATIONAL FIRE PREVENTION AND CONTROL ADMINISTRATION

John L. Petersen, of Illinois, to be Administrator of the National Fire Prevention and Control Administration, which was sent to the Senate on April 14, 1975.

EXTENSIONS OF REMARKS

INTRODUCTORY STATEMENT FOR GATEWAYS CITIES ASSISTANCE BILL OF 1975

HON. ANTONIO BORJA WON PAT

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1975

Mr. WON PAT. Mr. Speaker, today I have introduced legislation which will be known as the Gateway Cities Assistance Act of 1975. This measure has been specifically drafted to authorize Federal assistance to those areas of our country who have high concentrations of foreign-born residents and is especially pertinent in light of the recent influx of over 150,000 refugees from Southeast Asia.

Under the provisions of this measure, any city in the United States or its territories who has 3 percent or more of its total population comprised of non-U.S. citizens who have resided in that locality for 6 months or more can qualify for Federal aid in the amount of $1,000 per person. The funds received will be used by these communities to offset the additional expenditures often required to help permanent resident aliens assimilate in the local population.

Since immigration and refugee policy