1974, revoked the rule, and issued substitute regulations that become effective Nov. 1, 1975. The new rules, OSHA says, will adequately "protect" employees.

"The universal requirement of "no-hands-in-dies" was determined as not being technologically possible at present, and the costs of modifying, or replacing presses, tools, and dies would be prohibitive. It was also determined that injury data does not support the need for the restriction," an OSHA statement said.

OSHA's ruling, as published in the Federal Register Dec. 3, 1974, said that "adequate operator protection" could be assured by a single safeguarding device (other than "no-hands-in-dies") and that "redundant" safeguarding—that is, requirement of a second or third back-up device would not "meaningfully" increase worker safety.

In addition, OSHA said that "no hands in dies" would make "many short production runs economically infeasible."

The situation at the moment, according to Peter Phillipes of Covington & Burling, attorneys for the tool builders, is that there is virtually no meaningful safety standard for existing power presses and will not be until Nov. 1, 1975. New installations have to conform to a portion of the standard issued on Dec. 3, but it won't be fully applicable until Nov. 1, 1975.

The powerful presses, which all including OSHA concede expose the operators to extreme hazards, are widely used in industry to shape not only metal, but wood, plastics and glass. There are no good national statistics on the accident rate, a fact that OSHA relied upon in its revocation ruling.

But according to George Taylor, executive secretary of an AFL–CIO board on safety standards, the 1970 legislation creating OSHA obligates it to prove, when it revises a standard, that it is providing better safety protection.

"But OSHA caved in to the Chamber of Commerce. It's as simple as that," Taylor said in an interview. Taylor also insists, contrary to OSHA claims, that the cost of modifying power presses is relatively low, and that increased productivity would amortize the modification costs over a few years' time.

A machine tool builders' representative conceded that there might be some power presses that could not be modified to fit a "no-hands-in-dies" requirement. But he rejected the suggestion at OSHA that the machine tool industry is pressing for the tighter requirement so that it can sell more tools.

John H. Stender, assistant secretary of labor for occupational safety and health, said in an interview that under the law, "we can't lay controls on top of controls, and still say it's feasible. We have to deal with what's feasible."

Stender said workers on power presses usually get paid on a piecework basis, and said that many of them object to the "no-hands-in-dies" rule because it limits their earnings. "Of course," Stender added, "employers like to get as much out of the machines as they can, too."

Although revoking the "no-hands-in-dies" regulation, OSHA said that its new rules are "strict," including requirements that improve "failsafe" controls and a new requirement for monitors that "will improve the reliability of the braking system" of the presses.

Stender said that he made the decision to revoke the "no-hands-in-dies" ruling on the basis of the record accumulated during OSHA hearings, involving 300 submissions, 90 exhibits, and more than 700 pages of testimony.

Asked why it would not be better to have the extra protection of "no-hands-in-dies," in addition to other safeguards, Stender said: "By imposing two safeguards, you are imposing unnecessary standards. It's like putting eight wheels on a car."

Last week, the AFL–CIO and the National Machine Tool Builders Association went to court in an effort to get the "no-hands-in-dies" rule restored.

In a brief filed against the Labor Department and Stender in the U.S. Court of Appeals for the Third Circuit by the AFL–CIO, supported by a friend-of-the-court brief of the tool builders, it is charged that OSHA has replaced a "strict national consensus standard with a more lenient standard."

The briefs argued that Stender's revocation of the "no-hands-in-dies" rule "falls woefully short of the statutory requirement" of the act setting up OSHA.

"Safety improving devices (whether associated with hands in dies or hands out of dies) will cost money, but Congress has made the decision that these costs do not outweigh the economic and social costs of continued injuries," the brief says.

In response to OSHA's claim that guards and other protective devices can make the machine as safe as those in which the hands do not enter the die, the brief quoted UAW Vice President Douglas Fraser as follows:

"Logic tells me that if you never expose your hands to the die, it has to be safer. . . . The fact that you don't put your hands in the dies at any time, it seems to me makes it impossible to suffer an amputation."

In its revocation ruling, OSHA contended that the accident statistics "are not helpful" in determining whether the "no-hands-in-dies" rule is more effective than an assortment of other safety devices and guards.

OSHA relied on a 1969 statistical study by the Liberty Mutual Insurance Co., which examined 389 "high-cost" accidents to support this conclusion. Using the same study, the AFL–CIO and tool builders make the opposite claim.

The machine tool builders also assert that most of the accidents are caused either by human error or alteration of tools, which bypass built-in safety measures in order to "get more" out of the machine. They suggest that both the companies shaping material and workers operating machines have been guilty of this.

Nonetheless, the builders say, they are hit with the major cost of liability settlements, since state laws generally limit employer responsibility.

They cite as an example the case of a worker in New Jersey who lost two fingers in a 36-ton mechanical power press. Originally, it was equipped with a mechanical foot treadle, which operated the device if it were depressed 3 to 4 inches. Eventually, the employer modified the press so that an electrical foot switch operated the press. The accident happened when the employee slipped, and as he fell, his hand entered the die area and his foot hit the switch.

In that case, the worker got $3,600 in workmen's compensation, sued the builder, and was awarded $187,000 in a jury judgment against the builder of the original tool.

IMMEDIATE CONGRESSIONAL ACTION REQUIRED TO PREVENT CHAOS ON JULY 1, 1975, IN MEDICAID PROGRAMS

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 10, 1975

Mr. KOCH. Mr. Speaker, as you know, congressional authority to disregard social security income in computing medicaid eligibility expires on June 30, 1975. Legislation is now being considered which would extend this eligibility, and I strongly urge that our colleagues do whatever possible to assure its immediate enactment.

Those living on fixed incomes face insurmountable problems in today's inflationary economy, and particularly the elderly poor. It is indeed unfortunate that in many cases the aged poor lose their supplemental security income benefits as a result of social security increases, and fail to reap any of the intended benefits. It would be inexcusable if these individuals and others in similar situations were to now lose their medicaid benefits. For many, it may be a matter of life or death.

Medicaid offices are already beginning to send notification of discontinuance of benefits. It is crucial that this extension be enacted immediately, if at all possible, so that social security recipients in this category are not unnecessarily alarmed.

SENATE—*Wednesday, June 11, 1975*

(Legislative day of Friday, June 6, 1975)

The Senate met at 8:30 a.m., on the expiration of the recess, and was called to order by Hon. QUENTIN N. BURDICK, a Senator from the State of North Dakota.

PRAYER

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

Trust in the Lord with all thine heart; and lean not unto thine own understanding. In all thy ways acknowledge Him, and He shall direct thy paths.—Proverbs 3: 5, 6.

Our Father God, as Thou hast given us the morning light of this new day so give us also the morning blessing which shall fill the whole day with joy and beauty.

May our burdens be lightened and our judgments be wiser because Thou art with us. May our relations one with the other in this place be in the spirit of Him who walked among men doing good.

When night comes may we look back upon a day when we have loved Thee and sought first Thy kingdom and that righteousness which exalts a nation.

In the name of Christ, we ask it. Amen.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

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

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., June 11, 1975.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. QUENTIN N. BURDICK, a Senator from the State of North Dakota, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. BURDICK 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 Tuesday, June 10, 1975, be approved.

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

QUORUM CALL

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

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

The second assistant legislative clerk proceeded to call the roll.

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

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

ORDER OF BUSINESS

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

JOINT CONGRESSIONAL OVERSIGHT OF U.S. INTELLIGENCE-LAW ENFORCEMENT COMMUNITY

Mr. WEICKER. Mr. President, over 10 months ago, along with the distinguished Senator from Tennessee (Mr. BAKER), I introduced legislation to establish a joint congressional oversight committee to police the U.S. intelligence-law enforcement community.

Mr. President, that legislation, along with very similar legislation on behalf of other Senators, has actually had hearings before the Senate Government Operations Committee. So it is not a question of introducing anything new. Rather, it is my intention here this morning to urge the Senate to act.

I have heard that it is the present intention—that may be too strong a word, but rather it is being discussed—that such legislation should not be enacted until after the deliberations and the conclusions of the Church committee.

I might add I heard the same comment made when the Rockefeller Commission was established.

It is my purpose this morning to urge that the Senate act now. There is no reason in the world why these two activities cannot go on simultaneously—the factfinding, which is the responsibility of the Church committee, and the establishment of an Oversight Committee of the Congress—because, indeed, there is not one Member of this body that can assure the American people that the abuses they read about in the Rockefeller report are not going on right now again. I would hope they are not. I suspect they are not. But we can give no guarantee, and we will not be able to give such a guarantee, until we enact effective congressional oversight.

An overwhelming body of evidence has been compiled documenting abuses by the FBI, the CIA, and other intelligence agencies. I think the time has come, in addition to factfinding, to act upon the facts we already have. There is no reason why the Senate Select Committee on Intelligence Activities cannot proceed with its investigation while a permanent committee is established.

In fact, given the time-consuming nature of the legislative process, I might add that were we to actually start the ball rolling on legislation to create an Oversight Committee, we would probably end up at the same point together, with the Church committee having completed its work and with the Oversight Committee actually being the law.

On the other hand, if we wait until the Church committee concludes, then it will be another year after that before anything is put into place.

Therefore, I rise to reiterate my strong belief that the Congress must establish a permanent oversight capability. To delay establishment of such a committee until next March, as some suggest, is totally unacceptable. Unless Congress acts to establish accountability, no amount of factfinding is worth a damn.

For many years, the American intelligence community has taken the Congress for granted; has treated our citizenry more like an audience than as participants in the Government. Congress has a duty to insure accountability of the vast intelligence establishment. Accountability cannot be achieved without meaningful congressional oversight—oversight that has constancy, purpose, and power to control the purse strings of the agencies.

The Congress has the opportunity to act—to exercise leadership. The legislation, which we reintroduced on January 23 of this year, would establish a joint committee of 14 members evenly divided between the House and Senate, chosen by the leadership. In order to insure a fresh outlook to these agencies, we would encourage the leadership of both Houses to consider some form of rotating membership.

Most importantly, the joint committee would have the primary authorization and legislative authority over all the activities of: the CIA, FBI, Secret Service, Defense Intelligence Agency, and National Security Agency, as well as other surveillance activities or operations of other departments.

No longer will the budgets of the CIA or the NSA be submerged in the Defense Department appropriations bill. No longer will the Congress write blanket authorizations for law enforcement/intelligence agencies.

For example, since 1971, the FBI's budget has risen dramatically. In 1971, the FBI's operating budget was $294 million. In 1975, the Congress appropriated over $440 million for the FBI. In every fiscal year, the agency got what it asked for—and often more. However, during this same period, there was little congressional scrutiny of the FBI's policies and practices. In fact, the House and Senate Judiciary Committees, which have jurisdiction over the FBI, held only 3 days of oversight hearings on the agency. Prior to the impeachment inquiry, neither the House nor the Senate Judiciary Committee held any oversight hearings on the FBI.

Furthermore, this legislation would consolidate the congressional oversight function into one committee with broad powers to demand full accountability.

The present system of fragmented oversight responsibilities dispersed among four standing committees has proved to be inadequate. The very nature of these intelligence agencies is in direct contradiction to the concept of a free society. Recognizing that fact and that they are also necessary, I submit that we cannot allow the oversight of an intelligence agency to be an ancillary function of a standing committee. Effective oversight of the law enforcement/intelligence community is a full-time job. Too much is at stake to rely on the existing system. Unless Congress effectively exercises its oversight responsibilities, our constitutional democracy is vulnerable to continued subversion.

On December 9 and 10, 1974, the Subcommittee on Intergovernmental Relations held hearings on legislative proposals to strengthen congressional oversight of this Nation's intelligence agencies. Since that time, I have continued to push for expeditious consideration of this pending legislation.

We have scrutinized these proposals in committee. The time to act is now. The facts are on the table. The Rockefeller Commission's findings that the CIA engaged in "plainly unlawful" conduct over its 28-year history simply adds to a massive public record already replete with abuses by these intelligence agencies. The important question is: Faced with this litany of abuses, what will be the congressional response? For our system of checks and balances to work, Congress as an equal and coordinate branch of government must develop a capability to control the intelligence community.

I am pleased that the Rockefeller Commission has endorsed the recommendation which was set forth by Senator BAKER and myself in the final report of the Watergate Committee. It adds to the growing recognition for the need of some basic improvement in the congressional oversight system.

Mr. President, if we fail to enact this needed reform by the end of this year, it is my firm belief that we will revert to business as usual and future generations will remain unprotected from the nightmare that we knew as Watergate.

The nightmare will also present itself in the form of reports relative to the CIA and other law enforcement and intelligence agencies.

I cannot emphasize the point strongly enough that there are really two parts to the legislative oversight function: that of factfinding and that of action relative to the facts discovered. We have been woefully negligent in the latter duty. Everybody wants to move on an investigation in this country, but no one wants to legislate and do the dreary work necessary to make sure that these horror shows do not occur again.

I cannot too strongly urge that we act, that we not wait any longer. Our business is to protect the American people, to protect their privacy and their individual liberties and rights. That is not something that can wait until March of 1976. It should be done in June of 1975. Indeed, it should have been done in June of 1974.

The fact is that the law enforcement and intelligence community has way overstepped its bounds. I know, for instance, the interest that people have shown relative to the raising of a Russian submarine by the CIA. No one questions that type of activity as being necessary. Everyone tends to overlook the larger issue of the involvement of the CIA with our free enterprise system. It is deeply involved with the entire corporate world of the United States of America. That is the type of matter which ought to be of concern to us.

I now yield to my distinguished colleague and good friend, the Senator from Tennessee (Mr. BAKER), who was probably the first to report the overstepping of the bounds that had occurred, and who, with me, now believes and has believed for a long time that legislative action is just as important as factfinding.

Mr. BAKER. Mr. President, I thank my colleague from Connecticut for his remarks. I thank him for the opportunity to share this time this morning in the well of the Senate, discussing a matter that has been of great interest to me and to him, which has grown in interest and importance to the people of this country and which I predict will be of even more currency and importance, and will receive greater attention, in the months just ahead.

I especially pay tribute to the Senator from Connecticut for his efforts to do something about the reports of improper activities of intelligence and law enforcement organizations over the last year or so. As he correctly points out, Watergate would mean nothing at all in the context of the entire history of this country if we did not learn from it, if we did not provide against its recurrence, and if we did not profit from our mistakes, from the deeds that have been brought so painfully to the attention of the country. He has been in the vanguard of those who propose legislation, who propose remedies, who proposed that we do more than engage in a preliminary examination of our inadequacies and of our unfortunate past experiences, and this proposal is no exception.

Therefore, it is a great pleasure and indeed my privilege to join with him in a specific proposal to accommodate what we believe to be the requirements of a strong, sound intelligence community on the one hand, and one that is responsible and responsive on the other—a proposal to create a Joint Committee on Intelligence Oversight.

It would be easy enough, as indeed we have in the years past, to say that the CIA belongs, after all, to the executive department, and therefore is uniquely a Presidential asset; that particularly in view of the nature of its undertakings, it is impossible, therefore, to share in a meaningful way responsibility for the operations and workings of the CIA with Congress, or even with the courts, because of the feeling that that sharing might produce leaks, and that, in turn, would destroy the so-called cover of the intelligence operations, and deprive the President of that extraordinary so-called personal asset.

I disagree. I have the privilege of serving on the Joint Committee on Atomic Energy, a committee which deals with secrets of the highest order and the greatest sensitivity, and which has, since the dawn of the nuclear age, shared with the President the most fundamental tenet of America's credible retaliatory capacity—our nuclear arsenal. I have seen that joint committee function. It is a legislative committee as well as an oversight committee. I have seen it function, and function effectively. I have seen it deal with matters of extraordinary sensitivity. And I have seen it keep secrets. Without exception, there has never been a leak of national security sensitive material from the Joint Committee on Atomic Energy.

I think that experience negates the proposition that Congress cannot keep a secret. It can keep a secret; and if it can, it must. If Congress sets about the proper structuring of its oversight responsibilities and its legislative organization, it can share with the President the oversight of this important and, I believe, essential national asset, the intelligence capability of the country.

So, Mr. President, I rise today in support of legislation which has experienced approximately 25 years growth and maturity and whose time has surely arrived. As my colleagues may recall, on September 19 of this past year, my distinguished colleague from Connecticut and I introduced S. 4019, a bill to create a Joint Committee on Intelligence Oversight. This legislation, the so-called Baker-Weicker bill, was the product of Senator WEICKER's and my service on the Select Committee on Presidential Campaign Activities. This bill subsequently was reintroduced during this, the 94th Congress, as S. 317 and enjoys the support of 28 Members of the Senate.

My original concern regarding congressional oversight of the Federal intelligence community stems in large part from the investigation of CIA activities conducted by the minority staff of the Senate Watergate Committee. The recommendation of the Watergate Committee that congressional oversight of the intelligence community be strengthened, as well as my own recommendation calling for the creation of a Joint Committee on Intelligence Oversight, were based on the knowledge before the committee and in the public domain in July of 1974. Since that time, the compelling need for rejuvenated congressional oversight has been rendered immediate by more recent disclosures and revelations. It is hardly necessary to recite the troublesome accounts of questionable domestic and foreign operations conducted by the CIA, the FBI, the IRS, the Postal Service, and the military. Currently, we find ourselves confronted by allegations of CIA participation in assassinations of foreign leaders, as well as the oft-discussed instances of substantial CIA domestic activities. Some of these domestic activities have been labeled by the report of the Rockefeller CIA Commission, which was released yesterday, as "plainly unlawful and * * * improper invasions upon the rights of Americans."

I believe that, in view of these recent disclosures, allegations, and reports, the Congress must immediately reassure the people of this country that the American intelligence and law enforcement community is under somebody's control. And I find that this immediate need is best supplied by the speedy enactment of the Joint Committee on Intelligence Oversight Act, as introduced by Senator WEICKER and myself.

I am pleased that the need for the creation of a new congressional oversight capability is shared by: First, a substantial number of my colleagues, including the distinguished majority leader, who introduced legislation in 1953, 1954, and 1955, to establish a Joint Committee on Central Intelligence; second, the Rockefeller CIA Commission which recommended to the President that he should urge the Congress to establish "a Joint Committee on Intelligence to assume the oversight role"; third, apparently President Ford in light of his remarks during his Monday news conference; and fourth, a series of witnesses appearing before intelligence oversight hearings conducted by the Subcommittee on Intergovernmental Relations, chaired by Senator MUSKIE, during December of last year.

As a member of the Senate Select Committee on Intelligence Activities, I am particularly sensitive to the select committee's charge to report to the Senate recommendations to improve executive and legislative control of intelligence and related activities. In view of these recent developments, however, I believe that the creation of a permanent Joint Committee on Intelligence is an idea which has fully matured and which requires implementation.

We have become painfuly aware of the actual and potential abuses resulting from domestic intelligence gathering, surveillance, political spying, questionable foreign intelligence operations, and the like. I believe that this awareness mandates that Congress, as soon as possible, increase its watchdog capability for domestic surveillance activities, and for foreign intelligence operations. The Rockefeller Commission agrees, the President seemingly agrees, a substan-

tial number of our colleagues agree, former intelligence officials agree, and I believe the public agrees that the Congress must strengthen and regularize its oversight of the intelligence community. Moreover, by the time the Congress completes further hearings and deliberations on this legislation and by the time it passes both Houses and is presented to the President, I believe that it will dovetail nicely with the report and recommendations of the Church committee.

I wish to carefully point out the distinction between this measure and the ongoing inquiry of the Select Committee on Intelligence Activities. A Joint Committee on Intelligence Oversight is a prospective, permanent solution to achieve effective congressional oversight of the several intelligence functions of the Government, and is designed to insure an appropriate balance between the requirements of democracy and the requirements of a sufficient intelligence capability to insure security and national defense. When doubts arise, as they have, regarding the propriety of certain intelligence operations, the Congress, the people's branch of Government, must be privy to those requirements and make an intelligent balancing judgment.

Mr. President, I find that our current oversight arrangement does not meet this function. Thus, I believe that it is time to face up to the almost overwhelming and virtually incontrovertible fact that a new oversight capability is required, and that the Congress must proceed accordingly.

I hope and expect that the appropriate jurisdictional committees will consider carefully the Baker-Weicker proposal, which is modeled on the Joint Committee on Atomic Energy, in supplying this requirement; and I have great faith that this legislative effort will not follow in the pattern of those 150 intelligence oversight bills that have been introduced previously and have remained unenacted into the law of the United States.

Mr. President, I conclude by once again expressing my admiration to the Senator from Connecticut and my appreciation for his efforts in this respect and for his joining with me in this effort to create legislative oversight and to demonstrate in the creation and exercise of this oversight function that Congress, as a coordinate branch, must share with the White House the responsibility for the oversight function; and in the belief that we have got to get to the bottom of the investigations now under way—to take up the President's mandate and challenge to continue this investigation, but to do it in a discreet, honorable, and honest way that does not do jeopardy to the CIA or to this country.

I think the important thing for the future is to put in place institutional arrangements to continue legislative oversight for the future. I hope the jurisdictional committees will act promptly on this matter, and will have in place and ready to function a Joint Committee for Intelligence Oversight as soon as the so-called Church committee has completed its work and been discharged from its responsibilities.

Again I thank my colleague for yielding.

I ask unanimous consent to have printed in the RECORD an editorial from today's New York Times dealing with this subject.

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

"OPERATION CHAOS" * * *

Instead of the whitewash that many critics had predicted, the Rockefeller Commission's report on the domestic activities of the Central Intelligence Agency is a trenchant, factual and plain-spoken document. It presents an appalling picture of illegal and improper actions conducted against American citizens in a wide range of activities and over a long period of time.

The National Security Act of 1947 establishing the C.I.A. explicitly forbade the agency from exercising any "police, subpoena, or law-enforcement powers or internal security functions." Although the word "foreign" is nowhere used in the statute, it was clearly understood that the C.I.A. was to engage only in collecting foreign intelligence.

Yet when domestic turmoil began to develop in the mid-sixties in campus demonstrations, rebellions in the black slums and the widespread protest movement against the Vietnam war, the C.I.A. under Richard Helms responded to the pressure from President Johnson to investigate domestic dissidents in the hope of finding embarrassing links to Communist countries.

No such links were ever found, but the White House pressure to pursue this will-o-the-wisp greatly intensified during the first four years of the Nixon Administration. It would be laughable if it were not sinister that the C.I.A.'s code name for this wholly illegal investigative project was "Operation Chaos."

It is horrifying to learn that the C.I.A. had undercover contacts monitor the meetings of groups such as the Southern Christian Leadership Conference and the Washington Urban League. It maintained files on nearly a thousand organizations. By August, 1973, when C.I.A. Director Colby virtually halted this project, "the paper trail left by Operation Chaos included somewhere in the area of 13,000 files on subjects and individuals," the report discloses. Linked to this was a computer system containing an index of over 300,000 names and organizations, almost all of them of United States citizens and organizations unconnected with espionage.

Mr. Helms and the high officials of the Johnson and Nixon Administrations with whom he dealt were well aware that they were breaking the law. Thus, in submitting to Henry Kissinger a report on "Restless Youth," Mr. Helms wrote in a covering memorandum early in 1969 that a section on American students was "extremely sensitive" because the whole area was outside the agency's charter.

For twenty years beginning in 1953, the C.I.A. surveyed mail between this country and the Soviet Union, opening several thousand letters each year. This, too, was in clear violation of the law and was finally halted at the insistence of the Chief Postal Inspector.

Like the Federal Bureau of Investigation under the late J. Edgar Hoover, the C.I.A. in selected instances engaged in wiretapping and burglary—sometimes on its own and sometimes in collaboration with the F.B.I.

What emerges from this report's account of Operation Chaos and of mail interception, wiretapping and other misconduct is the picture of an embryonic police state. The press disclosures that forced this Presidentially directed inquiry by the Rockefeller Commission and the further investigations to come by the Senate and House committee have served to alert the nation to a development profoundly dangerous to constitutional democracy.

CIA REFORM

The revelations in the Rockefeller report demonstrate the unwisdom of freeing the Central Intelligence Agency from all the normal legal and institutional procedures that serve to review and restrain the exercise of power by ordinary government agencies. The law establishing the C.I.A. placed total reliance upon the good judgment of the President and the C.I.A. director.

Even at the outset, in the Truman and Eisenhower Administrations and under the canny leadership of Allen Dulles, this reliance proved insufficient to prevent some illegal activities such as the extensive mail interception program. Under later Presidents this control system totally failed.

The recommendations of the Rockefeller Commission, sound as far as they go, largely add up to imposing the restraints that help control other bureaucracies. It urges that Congress seriously consider making the C.I.A.'s budget "at least to some extent" a matter of public knowledge, instead of concealing it—as is now done—in fictitious items listed in various departmental budgets. Quite apart from all the obvious dangers such loose practice presents, it does not even seem to meet the explicit requirements of the Constitution.

The agency has not only been largely immune from the inquiries of the General Accounting Office, Congress's investigatory arm, but also has felt free to mislead the Office of Management and Budget, the President's agent for fiscal control. Amending the law and executive orders to make it clear that the C.I.A. can no longer escape normal budgetary control, would do much, all by itself, to uncover and perhaps prevent the expenditure of large sums of money on illegal operations.

The C.I.A. has traditionally had an understanding with the Attorney General that the agency would investigate any criminal charges against its own employes and not refer them to the Justice Department. The commission is right to urge that this "gentleman's agreement" be abrogated and that the Justice Department reassume its proper prosecutorial role.

The President's Foreign Intelligence Advisory Board and the Congressional supervisory committees have all failed in their trust. Had they been vigilant and aggressive the shocking misdeeds now being exposed could never have occurred or would soon have been curbed. The commission wisely recommends that the powers of the advisory board be strengthened and that Congress at long last establish a joint committee on intelligence, but not too much reliance can be placed on either of these reforms.

In this dangerous world, the United States must have a well-run agency to gather information about foreign nations, especially those that may have hostile designs. The excesses and aberrations of the C.I.A. do not erase that necessity, nor do they cancel out the useful work the agency has performed at times in assessing various critical international situations.

The challenge to President Ford and to Congress is to devise institutions and procedures strong enough and supple enough to enable the C.I.A. to perform its essential overseas tasks without simultaneously swirling out of control and becoming a covert menace to the very freedoms it is supposed to be protecting.

* * * ASSASSINATION PLOT

The best way to avoid suspicions of a cover-up is not to cover up. President Ford's explanations for withholding those portions

of the Rockefeller Commission's report concerning allegations of political assassinations only compound the injury already inflicted by massive leaks and innuendo on this sordid issue.

It is no excuse to say, as the President did, that the subject is "extremely sensitive." Indeed it is, which is why a full and authoritative statement is the only way to prevent half-truths and gossip from acquiring a life and credibility of their own. For the President simply to refer darkly to unspecified incidents of the "past fifteen or twenty years" is in itself a veiled indictment susceptible to misuse for partisan political purposes.

The President personally broadened the Rockefeller Commission's assignment to include the reports of United States involvement through C.I.A. in the ugly business of plotting the murder of foreign rulers. Whatever facts the commission's inquiry established should now be made public, along with whatever additional material emerges from the independent investigations now being made by two Congressional committees.

In the absence of such disclosure, Mr. Ford's statement that "I am totally opposed to political assassination" is more fatuous than reassuring.

ROUTINE MORNING BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there be a brief period for the conduct of routine morning business, with a time limitation of 3 minutes attached thereto as to individual Members.

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

MESSAGES FROM THE PRESIDENT

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

EXECUTIVE MESSAGES REFERRED

As in executive session, the ACTING PRESIDENT pro tempore (Mr. BURDICK) laid before the Senate a message from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

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

APPROVAL OF A BILL

A message from the President of the United States stated that on June 9, 1975, he had approved and signed the following bill:

S. 1842. An act for the relief of Dr. Arturo Bomolan Dela Rosa.

MESSAGES FROM THE HOUSE

At 11 a.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the joint resolution (H.J. Res. 492) making urgent supplemental appropriations for summer youth employment and recreation for the fiscal year ending June 30, 1975, and for other purposes, in which it requests the concurrence of the Senate.

ENROLLED BILL SIGNED

The message also announced that the Speaker has signed the enrolled bill (S. 441) to amend the Forest Pest Control Act of June 25, 1947.

The enrolled bill was subsequently signed by the Vice President.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

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

FINAL DETERMINATION OF THE INDIAN CLAIMS COMMISSION

A letter from the Chairman of the Indian Claims Commission transmitting, pursuant to law, a report of its final determination in respect to the Indian claim of the *Bay Mills Indian Community, et al.* v. *the United States* (with accompanying papers); to the Committee on Appropriations.

REPORT TO THE PUBLIC DEFENDER SERVICE BOARD OF TRUSTEES

A letter from the Chairman of the Board of Trustees of the Public Defender Service for the District of Columbia transmitting, pursuant to law, the annual report of the Public Defender Service Board of Trustees for fiscal year 1974 (with an accompanying report); to the Committee on the District of Columbia.

PROPOSED ACT OF THE COUNCIL OF THE DISTRICT OF COLUMBIA

A letter from the Chairman of the Council of the District of Columbia transmitting, pursuant to law, a copy of a proposed act to declare the birthday of Dr. Martin Luther King, Jr., to be an official holiday (with accompanying papers); to the Committee on the District of Columbia.

REPORT OF THE OFFICE OF CIVIL DEFENSE OF THE DISTRICT OF COLUMBIA

A letter from the mayor of the District of Columbia transmitting, pursuant to law, a report of the Office of Civil Defense of the District of Columbia for the fiscal year 1974 (with an accompanying report); to the Committee on the District of Columbia.

REPORT OF THE SECRETARY OF LABOR

A letter from the Secretary of Labor transmitting, pursuant to law, the report of the Secretary of Labor on the administration of the Welfare and Pension Plans Disclosure Act of 1974 (with an accompanying report); to the Committee on Finance.

REPORT OF THE OFFICE OF MANAGEMENT AND BUDGET

A letter from the Deputy Director of the Office of Management and Budget transmitting, pursuant to law, a report entitled "More Effective Public Service: The First Report to the President and the Congress by the Advisory Council on Intergovernmental Personnel Policy" (with an accompanying report); to the Committee on Government Operations.

REPORT OF THE OFFICE OF MANAGEMENT AND BUDGET

A letter from the Deputy Director of the Office of Management and Budget transmitting, pursuant to law, a report entitled "Vocational Education: Staff Development Priorities for the 70's" (with an accompanying report); to the Committee on Labor and Public Welfare.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

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

S. 584. A bill to amend title 5, United States Code, to correct certain inequities in the crediting of National Guard technician service in connection with civil service retirement, and for other purposes (Rept. No. 94–189).

By Mr. CANNON, from the Committee on Rules and Administration, without amendment:

S. Con. Res. 44. A concurrent resolution to provide for the appointment of a Joint Committee on Arrangements for the Commemoration of the Bicentennial of the United States of America (Rept. No. 94–190).

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that today, June 11, 1975, he presented to the President of the United States the enrolled bill (S. 441) to amend the Forest Pest Control Act of June 25, 1947.

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. EAGLETON (for himself and Mr. MATHIAS):

S. 1913. A bill to amend the District of Columbia Policemen and Firemen's Retirement and Disability Act. Referred to the Committee on the District of Columbia.

By Mr. BENTSEN:

S. 1914. A bill making appropriations for the Domestic and International Business Administration, Department of Commerce, for the fiscal year ending June 30, 1976. Referred to the Committee on Appropriations.

By Mr. TAFT:

S. 1915. A bill to facilitate improved Government efforts to encourage the preservation of existing housing and neighborhoods. Referred to the Committee on Banking, Housing and Urban Affairs.

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

S. 1916. A bill to authorize the Secretary of Agriculture to carry out rural conservation employment projects in rural areas of substantial unemployment. Referred to the Committee on Agriculture and Forestry.

By Mr. FONG:

S. 1917. A bill for the relief of Pedro Dela Cruz Aqui;

S. 1918. A bill for the relief of Rodolfo Evangelista Corpuz;

S. 1919. A bill for the relief of Hermogenes Laguesta Rana; and

S. 1920. A bill for the relief of Lucilo Mejia Balaoen. Referred to the Committee on the Judiciary.

By Mr. JACKSON (for himself and Mr. FANNIN) (by request):

S. 1921. A bill to amend the act of October 15, 1966 (80 Stat. 915), as amended, establishing a program for the preservation of additional historic properties throughout the Nation, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

By Mr. JACKSON (for himself and Mr. MAGNUSON):

S. 1922. A bill to amend the Act of July 7, 1970 (84 Stat. 409) to authorize appropriations to the Secretary of the Interior without reference to the agencies involved. Referred to the Committee on Interior and Insular Affairs.

By Mr. PACKWOOD (for himself, Mr. McGEE, Mr. HUMPHREY, Mr. LAXALT, and Mr. DOMENICI):

S. 1923. A bill to amend the act entitled "An act to require the protection, management, and control of wild free-roaming horses and burros on public lands," approved December 15, 1971. Referred to the Committee on Interior and Insular Affairs.

By Mr. HUDDLESTON:

S. 1924. A bill to amend the tobacco marketing quota provisions of the Agricultural Adjustment Act of 1938. Referred to the Committee on Agriculture and Forestry.

By Mr. BARTLETT:

S.J. Res. 96. A joint resolution proposing an amendment to the Constitution of the United States providing for the reconfirmation by popular vote of certain Federal judges. Referred to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BENTSEN:

S. 1914. A bill making appropriations for the Domestic and International Business Administration, Department of Commerce, for the fiscal year ending June 30, 1976. Referred to the Committee on Appropriations.

Mr. BENTSEN. Mr. President, I am today introducing legislation that will strengthen this country's export capability by continuing certain export expansion programs in the Department of Commerce which the administration has proposed to reduce. Although our trade balance has improved in the past few months, we should be making every effort to expand exports rather than reduce them.

In the President's proposed fiscal year 1976 budget, the Commerce Department's export expansion budget has been cut by $8.08 million. This is a small reduction but one that would jeopardize $2 billion of U.S. export sales annually, 140,000 jobs in U.S. industry, approximately $3.2 million in GNP, and $.84 billion in tax receipts. Over 10,000 American companies would be affected, about half of which are small- and medium-sized businesses, those which have the most difficulty in breaking into the export market.

American business, and in turn the entire economy, benefit substantially from the trade fairs, trade center shows, trade missions, and other promotions of U.S. consumer goods organized by the U.S. Commerce Department in both developed and developing countries. In addition, the Commerce Department has an extensive computer system which gathers information pertaining to potential purchasers abroad of U.S. products, which information is in turn made available to American businessmen. A series of Commerce Department programs designed to encourage U.S. business to enter the export market are particularly helpful to small businesses which would not otherwise consider exporting. It is clear that with the proposed reduction in export services, the export position of this country will be substantially damaged. It is projected that this cutback would result in a 65 percent reduction of U.S. trade fairs; a 48 percent reduction of trade missions; a 47 percent reduction of instore promotions of consumer products; a 55 percent reduction of commercial presence fairs; a 10 percent reduction in scope of trade center exhibitions and the loss of over 85,000 sales leads which these programs could be expected to generate.

Mr. President, the relationship between exports and jobs is too often overlooked in this country; 3.5 million American workers depend on exports for their jobs and every additional billion dollars of real U.S. exports creates approximately 70,000 new U.S. jobs. The administration's proposed budget reduction would affect the jobs of some 140,000 U.S. workers. With the 8.9 percent rate of unemployment we are experiencing today, we cannot tolerate yet a further increase in the unemployment statistics.

During the current recession, exports have been the best performing sector of the economy. We should, consequently, continue to look to exports to offset our increasing import requirements, particularly for energy. In addition, export markets serve as vital offsets to slumping domestic markets by keeping factories at or near full production. By expanding its exports, a company can spread certain fixed costs over a large number of units of output, reducing its unit costs of production.

Mr. President, it is interesting to compare expenditures on export expansion activities of our major trading competitors with those of the United States. The latest data available reflect that the United States ranks fourth in direct export promotion expenditures and had the lowest percentage increase from 1973 to 1974 of the world's major exporting nations. Both in 1973 and 1974 the United States ranked next to last in direct export promotion expenditures per $1,000 of manufactured goods exports and between 1973 and 1974 had the greatest percentage decrease of expenditures per $1,000 of exports.

Mr. President, I was a cosponsor of the Budget Reform Act which is, I believe, a long overdue and major step toward improving congressional control over Federal expenditures. I believe that we must move to cut the fat out of the Federal budget but reducing our export expansion programs is not the way to go about it.

Mr. President, there is much that needs to be done to strengthen the role of the United States in international markets. And there is much that needs to be done to streamline the way foreign economic policy decisions are made. The Congress and the executive branch should be working more closely on a whole range of foreign economic policy issues, particularly those relating to international trade. My bill is an important first step toward improving our foreign trade capability and I urge the Senate's support for it.

By Mr. TAFT:

S. 1915. A bill to facilitate improved government efforts to encourage the preservation of existing housing and neighborhoods. Referred to the Committee on Banking, Housing and Urban Affairs.

HOUSING PRESERVATION ALTERNATIVES ACT OF 1975

Mr. TAFT. Mr. President, today I am introducing the Housing Preservation Alternatives Act of 1975.

This bill is necessary because we Americans are not doing enough to conserve a vast resource and investment—our 70 million unit existing housing stock, 30 million of which are over 25 years old. The bill's purpose is to propose several methods by which the Federal Government can stimulate a great deal of housing conservation and preservation with a small amount of money, by providing incentives for the use of private and State and local government financing for this task.

Since coming to the Senate, and particularly in my 3 years of service on the Housing and Urban Affairs Subcommittee, I have urged strongly that our Federal Housing policy devote more attention and resources to the conservation of the existing housing stock. The high cost of building new housing, the scarcity of urban land on which new housing can be built, environmental problems, and energy problems all are impediments to a policy relying almost solely on new housing construction. This is particularly true in connection with the subsidized housing programs, which sometimes have placed low-income families in new housing that the average American who is supposedly too rich for the programs cannot afford. On the other hand, housing conservation and rehabilitation programs keep the supply of possible housing from shrinking through deterioration or abandonments, help allow citizens to stay in the urban neighborhoods they have lived in for years, allow some buildings to be saved which add to the charm and diversity of appearance of our urban areas, and sometimes stave off the need for more comprehensive Government investments of an urban renewal nature by combatting neighborhood deterioration at an early stage.

While several of my amendments along these lines became law as part of the Housing and Community Development Act of 1974, including an amendment to our national housing goal which declares it official Government policy that more attention and resources need to be devoted to housing and neighborhood conservation, these amendments have not had much practical effect as yet on Federal housing policies. As I documented at the time Senator CRANSTON, myself, and others introduced legislation to extend and amend the 3-percent Federal housing rehabilitation loan program—section 312—early in this Congress—S. 1212—that lack of effect is totally consistent with our past dismal record in the housing and neighborhood conservation and preservation field.

Most of the controversy on housing preservation this year has concerned that proposed extension of the section 312 program. I was naturally pleased that as part of the Emergency Middle-Income

Housing Act, the Senate passed the legislation we had introduced virtually intact. These provisions extended the program for 3 years at an annual authorization level of $150 million, raised the program's interest rate for borrowers who could afford to pay more than 3 percent, and proposed a new method of financing under which only the true costs of the program—an allowance for losses and administrative costs plus the differential between the program's subsidized interest rate and treasury borrowing costs—would need to be appropriated, rather than the entire outlay amounts.

Unfortunately, the conference committee dropped both substantive changes and extended the program for 2 years at a level of only $35 million per year, plus the use of any funds coming in from loan repayments. I know that the Senate conferees fought hard to obtain those provisions and I commend them for that fight. The House conferees apparently had such a closed mind on section 312 that they would not even consider changes to make the program more efficient and less costly per unit of housing rehabilitated, such as the interest rate increase.

This program level, if it becomes law, appears to be high enough to be significant. However, it is so slow that HUD may have to make some tough and almost arbitrary decisions in allocating the funds, although the Senate committee report should provide some guidance. In view of this result and the need for the Senate's proposed substantive changes, I feel that S. 1212 as introduced continues to deserve consideration.

A far brighter spot in the housing conservation and preservation picture is HUD's preliminary figures on the use of community development funds. According to these estimates, communities have decided to use about $200 million of the block grant money for housing rehabilitation. That amount is more than twice as large as the section 312 program ever has been in any year, and thus some have argued it illustrates the lack of any need for section 312 and similar programs. I cannot buy that argument at this time, because the tremendous funding demands on community development applications make it likely that even this amount is far below our housing conservation demands and needs. Many communities with such needs have not been able to receive community development money. There also remain a good number of States in which constitutional provisions may prevent or delay the use of community development funds in this manner. In addition, it may be possible to use section 312 allocations and other approaches as incentives for the development of effective local programs of this nature, as the Senate committee report on section 312 suggested.

Rather than indicating that the Government need do no more in this area, the large amount of funds going to rehabilitation within the community development pot indicates to me that our citizens at the grassroots level have been able to recognize a need to which Federal officials have not been sufficiently responsive. No development could be more in the spirit of the community development block grant philosophy, and the Federal Government should be willing to take actions which reinforce and facilitate programs based on these local judgments. That is exactly what the provisions of this bill are designed to do.

Section 1 of the bill is its title, while section 2 contains its findings and purpose. Some of the proposals would be implemented at a demonstration level, while others are changes in present statutes which can be implemented fully. However, all the proposals share the potential of stimulating private and local government financing of housing conservation and rehabilitation with a small amount of Federal outlays.

Section 3 would amend the FHA title I home improvement loan program. This is the unsubsidized program of insurance for home improvement loans, which operates through the financial institutions. Presently, in the case of a loss under this program, the financial institution is insured for 90 percent of the amount and must pay to HUD the other 10 percent. Section 3 would waive that 10 percent coinsurance requirement in cases where the insured loan is combined with a subsidy of at least $2,000 from city or State funds. The subsidy would have to be related to a city's approved community development program and its purpose would be to allow citizens who otherwise could not afford to do so to undertake housing repairs or rehabilitation. The local government also would have to agree to reimburse the Secretary for 20 percent of any insurance loss encountered under this section. That requirement would give the community an interest in the soundness of the Federal Government-insured rehabilitation loan.

This provision is designed to facilitate programs which combine local grants and federally insured private loans. Of course, a home improvement loan with Federal insurance generally carries a lower interest rate than a noninsured loan. Thus, the provision would provide a means for communities to "leverage" private funds in support of housing conservation, at the lowest interest rates possible. In addition to allowing communities to stretch the effective usage of their community development funds, the provision would promote a closer working relationship between local governments concerned about deteriorating neighborhoods and the financial institutions responsible for the mortgage and home improvement loans to those areas. I have been extremely concerned that in most cities, this relationship has been almost nonexistent despite its obvious importance as communities try to encourage neighborhood conservation and preservation.

Section 4 would provide for a Federal demonstration of the same program, so that its usefulness and any drawbacks could be demonstrated nationally and it could be assessed systematically. Additionally, it authorizes HUD to illustrate the feasibility of making grants or advances in connection with any other type of private financing, including other types of FHA-insured loans, for the purpose of financing housing repairs, improvements and rehabilitation with private capital to the extent feasible. The maximum amount of demonstration grant money to be expended in this manner could not exceed $15 million in any fiscal year, which is adequate but considerably less than the amounts specifically authorized for various demonstrations in the past.

Section 5 of the bill is patterned on a proposal which passed the Senate in the last Congress but did not become law. That section would allow HUD to insure against part of its losses a revolving rehabilitation loan fund administered by a State or local government or an approved nonprofit agency. For example, HUD might agree to insure such a fund for losses only up to a given amount or percent of outstanding loan amounts in any year, or for a portion of any losses exceeding those amounts. The provisions are written flexibly, so that HUD could determine the most beneficial way to use the statute. However, in all cases the entity administering the loan fund would have to share in the risk of losses.

A loan program could be eligible for this insurance only if it involves significant financial participation by a State or local government, the program is consistent with any applicable community development plan for the area, the persons aided cannot afford or obtain private financing, and the program meets whatever requirements concerning the nature of the loans involved, including requirements concerning the nature of the neighborhoods involved, that the Secretary determines necessary so that the insurance guarantee will be acceptable as a special risk.

The Secretary also would have to be satisfied, to the extent practicable, that the guarantee will result in larger housing preservation programs, not just support preservation actions which would have been taken anyway. I realize that this is sometimes a very difficult judgment for HUD to make, but I believe that there are ways of doing it. For example, a proposed major expansion in the portion of community development funds used for this purpose might be evidence that the guarantee would be fostering a greater preservation effort. Of course, one of the reasons the program is proposed at a demonstration level is to determine whether such requirements seem to be workable.

The aggregate amount of outstanding loans in revolving funds partially insured under this provision would be limited to $15 million at the beginning of fiscal 1977 and $35 million at the beginning of fiscal 1978. At an average of $5,000 per rehabilitation loan, which may be low, these amounts would support loan funds involving 3,000 loans nationwide and 7,000 loans nationwide per year respectively. Thus, the program obviously is at the demonstration level and HUD should use

it accordingly, by doing all it can to test the program's potential.

It should be made clear at this point that this proposal would involve minimal expense to taxpayers. The loan amounts I have just mentioned would only be partially insured and thus are far greater than HUD's maximum potential loss liability. Furthermore, only a small fraction of the amounts insured would be likely to result in losses. It is thus extremely doubtful that at the program levels I am proposing, the losses would run as high as even $5 million.

Loss amounts also would be counterbalanced, at least to a major extent, by the payment of insurance premiums. I believe that this low projected cost and the possibility that this program could marshal considerable local public and private money in support of housing conservation together constitute a compelling argument that this approach be tried.

Under section 6 of the bill, section 223 (f) of the National Housing Act would be limited in the future to activities which fulfill its intended purpose of promoting housing conservation and preservation. This provision, which evolved from an amendment Senator CRANSTON and I offered to the Housing and Community Development Act of 1974, authorizes the FHA to insure mortgages covering existing multifamily housing projects. However, by interpreting "existing" so broadly that projects just completed are covered, HUD has developed an insurance program for newly built projects pursuant to this section.

The purpose of that HUD program is to help obtain permanent financing for many of the projects which have had trouble obtaining it during the recent period of inflation, credit squeeze, and housing depression. HUD contends that by facilitating the permanent financing of these projects, funds may be freed which can be used to support new construction.

I do not doubt that the housing market can benefit from such assistance, at this difficult time for housing and the multifamily sector in particular. This help can come at little cost to the Government if care is used in underwriting such projects so that insurance losses are minimal. For these reasons, I have not demanded a stop to the section 223(f) new projects program even though it certainly goes beyond our legislative intent for the provision.

However, while the program is tolerable to me on a one-time temporary and unanticipated basis. I do not believe it would be good policy to allow the use of section 223(f) again in this fashion.

Congress generally has insisted that FHA insurance only be given for new construction where the Government has been involved from the beginning, to insure that various public goals are met. These goals are embodied in an affirmative marketing policy for rentals, the Davis-Bacon Act provisions governing construction wages, environmental requirements, cost certification requirements, and under some FHA programs, "affirmative action" employment programs. Under the section 223(f) new projects program, most of these requirements cannot be or are not applied because the projects are already built and largely rented at the time insurance is granted.

HUD has recognized that the availability of section 223(f) on a regular basis would undermine these normal FHA procedures. Thus, the new projects program has been limited to projects which already had been started at the time the program was announced, so that it could not possibly apply to parties who would have anticipated its use and waited for it rather than complying with the normal FHA insurance requirements. However, even if any future use of the new projects program eventually were structured the same way, the possibility of such a program might lead lenders and developers to anticipate it and lobby for it, rather than working out their problems or going the normal FHA route. Such a program also always would contain the inequity of allowing FHA insurance to be granted to some entrepreneurs who did not have to comply with FHA requirements, while most have been forced to do so and might have incurred higher project costs because they did. Furthermore, I do not think that the benefits of the new projects program in terms of increasing industry liquidity outweigh the disadvantages of allowing circumvention of the normal FHA requirements so clearly that we are compelled to keep this option on the books. If a future emergency situation in the multifamily financing sector appears to require the use of this kind of program once again, Congress can always pass special legislation.

I have been concerned about the Federal Housing Administration's lack of effectiveness during the past few years and I feel that its unsubsidized operations need to be reviewed. There is probably plenty of room for improvements which could make the FHA more effective in improving the financing situation for multifamily projects. However, I do not believe that a permanent section 223(f) "as diverted" passively should be accepted as the improvement we desire.

HUD is aware of these arguments and, I think, is generally in sympathy with them. Thus, the agency has made clear that the section 223(f) new projects program is to be a "one-shot" occurrence. However, I believe that this decision ought to be locked in by law. Otherwise, we leave open the possibility that some administration in the future might either give in to considerable industry pressure or decide on its own for political or other reasons to reinstitute the new projects program.

Therefore, section 6 of the bill would provide that in the future, only projects which are at least 3 years old would be eligible for insurance under section 223 (f). However, the new projects program now in effect would be allowed to run its course.

Of course, this action to preclude the future use of section 223(f) for new projects does not guarantee its use for the purposes its authors intended. I still believe that this section can be a valuable tool for preserving existing housing. The authority to insure purchased mortgages covering existing projects can help facilitate the transfer of these projects to more sympathetic or competent landlords. It can also increase older apartments' economic viability indirectly, by providing an assurance that financing will be possible if the landlord chooses to sell them in the future. This could lead to a perception of such projects as better investments, and encourage landlords to treat them accordingly as far as maintenance and repairs are concerned.

The purchase and refinancing authority also could be used to finance moderate housing rehabilitation, by allowing a stretching out of the length of existing mortgages. The insurance authority could help make money available for this purpose without necessarily increasing the monthly payment burden of the mortgagor. It was this aspect of insurance for refinancing in particular which received a great deal of attention as the legislation was being discussed. Because it appeared to be a unique means of allowing landlords to repair their buildings without dictating monthly expense increases which so often force rents upward.

It was also pointed out throughout the debate on this legislation that the FHA has authority to insure the refinancing of single family existing housing already and that this authority should be used if possible in similar ways, although there are institutional impediments to this approach. Others pointed out that in some cities, many mortgages on property located in older areas have a short term with a balloon payment due at the end. The section 223(f) approach was considered a possible means of facilitating the financing of those balloon payments.

Although HUD has concentrated on the temporary new projects program thus far, the staff involved state that it is the agency's intention eventually to use the statute along the lines it was originally intended. Insurance transactions in declining neighborhoods certainly are often risky and HUD will have to move with prudent administrative caution. But nevertheless the agency should move ahead in this direction. In view of the great need to preserve these housing units, the statute's potential to help do so should be explored thoroughly.

Section 7 of the bill would authorize HUD to explore the feasibility and undertake demonstrations where appropriate of other measures by which the Government can encourage housing and neighborhood conservation and preservation. The subjects specifically included for further exploration are measures to develop a secondary market for home improvement and rehabilitation loans, the possible innovative use of mortgage insurance, and measures to render the refinancing of existing mortgages a more economical means of housing preserva-

tion. For example, there may be methods of reducing the front-end charges on the refinancing of a single-family mortgage so that obtaining repair money through a mortgage stretchout can be made more feasible.

Section 8 would require, not later than March 31, 1978, a report of the activities carried out pursuant to this act and an evaluation of all demonstrations, programs, and measures designed to encourage housing and neighborhood preservation. These measures specifically would include tax measures and housing preservation measures taken under section 223(f). HUD also would be asked to make recommendations concerning future Government policy for encouraging housing and neighborhood preservation. An interim report would be required 1 year earlier, so that it could be considered in conjunction with the possible extension of the community development program and section 312.

This legislation is not introduced as a replacement for present housing rehabilitation programs although the viability of some new approaches is likely to be demonstrated. Section 312 will always be the cheapest method of providing low-interest housing rehabilitation loans, because the Federal Government can borrow at a lower interest rate than other borrowers. The bill simply recognizes that the Federal Government's programs cannot and will not accomplish the preservation task alone, and proposes to facilitate greater involvement of other funds, governments, and organizations in this task. I estimate that the bill will have a Federal cost of at most $25 million annually. I am confident that its economic and social benefits, based upon the amount of housing preservation and rehabilitation it generates, will far surpass that cost.

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. 1915

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 "Housing Preservation Alternatives Act of 1975".

FINDINGS AND DECLARATIONS; PURPOSE

SEC. 2. (a) The Congress—

(1) reaffirms its finding that policies designed to contribute to the achievement of the national housing goal have not devoted sufficient attention and resources to the preservation of existing housing and neighborhoods;

(2) reaffirms its declaration that, if the national housing goal is to be achieved, a greater effort must be made to encourage the preservation of existing housing and neighborhoods; and

(3) declares that in view of this situation, promising alternative means of encouraging such preservation should be developed and assessed promptly.

(b) It is the purpose of this Act to authorize the Secretary of Housing and Urban Development (hereinafter referred to as "the Secretary") to develop and implement alternative means of encouraging the preservation and rehabilitation of existing housing and neighborhoods, on a scale which is at least sufficient for assessment purposes but which does not involve an excessive amount of new Federal outlays, and to report his evaluations and recommendations for future housing and neighborhood preservation policy to the Congress.

LEVERAGING OF LOCAL FUNDS

SEC. 3. Section 2(a) of the National Housing Act is amended by inserting before the period at the end of the first paragraph the following: "(or 100 per centum of such loss if (A) such loan, advance of credit or purchase is accompanied by a subsidy or grant of at least $2,000 to the owner or lessee of such real property in conjunction with any applicable approved community development program under title I of the Housing and Community Development Act of 1974, for the purpose of enabling such owner or lessee to undertake housing repairs, improvements or rehabilitation, and (B) the State or unit of general local government supplying such subsidy or grant agrees to reimburse the Secretary for an amount equal to 20 per centum of any such loss)".

DEMONSTRATION ASSISTANCE FOR HOME IMPROVEMENT LOANS

SEC. 4. Title I of the National Housing Act is amended by adding at the end thereof the following new section:

"DEMONSTRATION GRANT ASSISTANCE

"SEC. 10. (a) The Secretary is authorized to undertake a program to demonstrate the feasibility of making grants or advances in connection with private financing, in order to enable homeowners to finance housing repairs, improvements, or rehabilitation with private capital to the extent feasible and without paying an excesive percentage of their monthly incomes for housing expenses, as determined by the Secretary. For this purpose, the Secretary is authorized to make grants or advances in connection with property improvement loans covered by insurance under section 2 of this title, or in connection with other private financing of housing repairs, improvements, or rehabilitation (including financing insured pursuant to this Act) upon such terms and conditions as he may prescribe subject to the limitations of this section.

"(b) The cost of repairs, improvements, rehabilitation facilitated by any grant or advance made under this section shall not exceed the maximum insurable amount for a property improvement loan which is insured pursuant to section 2 of this title.

"(c) To the extent practicable, the Secretary shall carry out the provisions of this section through the financial institution which makes the loan in connection with which the grant or advance is made. The Secretary is authorized to utilize local public and private agencies where feasible to assist in the administration of this section.

"(d) Grants or advances under this section may not be made after March 31, 1978. For the purpose of making grants or advances pursuant to this section, there are authorized to be appropriated not to exceed $15,000,000 in any fiscal year."

PORTFOLIO INSURANCE FOR REHABILITATION LOAN FUNDS

SEC. 5. Title I of the National Housing Act is further amended by adding at the end thereof the following new section:

"REHABILITATION FUND INSURANCE

"SEC. 11. (a) The Secretary is authorized upon such terms and conditions as he may prescribe to enter into contracts to insure revolving rehabilitation loan funds administered by State or local governments, or by public or private nonprofit agencies or organizations approved by the Secretary for purposes of this section, against part of the losses which such funds may sustain as a result of loans or advances of credit from the funds pursuant to loan programs which meet the requirements of this section. To the maximum extent practicable, the Secretary shall provide insurance pursuant to this section only in cases where he is satisfied that such insurance will result in a significantly larger rehabilitation program.

"(b) A loan program which meets the requirements of this section shall—

"(1) involve significant financial participation in the rehabilitation program by a State or local government;

"(2) involve loans to finance rehabilitation of predominantly residential property in a manner consistent with any approved community development plan under title I of the Housing and Community Development Act of 1974 for the community involved;

"(3) provide loans to persons who cannot obtain or afford private financing; and

"(4) meet such requirements concerning the nature of the loans involved, including requirements concerning the nature of the neighborhoods involved, as the Secretary determines necessary so that any guarantee pursuant to this section will be acceptable as a special risk.

"(c) The Secretary is authorized to establish and collect such insurance premiums or other fees or charges as he determines to be necessary in connection with the administration of this section. Any contract for insurance under this section shall be the obligation of the Special Risk Insurance Fund.

"(d) The aggregate amount of outstanding loans in revolving funds partially insured against losses under this section may not exceed $15,000,000, at the beginning of fiscal year 1977, and may not exceed $35,000,000, at the beginning of fiscal year 1978."

LIMITATION ON INSURANCE PROGRAM FOR EXISTING MULTIFAMILY PROJECTS

SEC. 6. The first sentence of section 223(f) of the National Housing Act is amended by inserting before the period at the end thereof the following: ", except that a mortgage covering a project, the construction of which commenced after June 30, 1974, may not be insured prior to the expiration of 3 years after the completion of construction".

OTHER MEASURES TO FACILITATE HOUSING PRESERVATION

SEC. 7. The Secretary shall explore the feasibility and undertake demonstrations, where appropriate, of innovative measures by which the Federal Government can encourage the preservation of existing housing and neighborhoods other than the measures authorized by sections 3, 4, and 5 of this Act. Such measures shall include, but are not limited to—

(a) measures to develop a secondary market for home improvement and rehabilitation loans;

(b) the innovative use of mortgage insurance; and

(c) measures to render the refinancing of existing mortgages as a more economical means of housing preservation.

REPORT

SEC. 8. (a) Not later than March 31, 1978, the Secretary shall submit to Congress a report of the activities carried out pursuant to this Act. Such report shall include the Secretary's evaluation of such activities and of other domonstrations, programs, and measures designed to encourage the preservation of existing housing and neighborhoods (including tax measures, which the Secretary shall review in cooperation with the Secretary of the Treasury, and section 223(f) of the National Housing Act), and the Secretary's recommendations concerning future government policy for encouraging such preservation.

(b) Not later than March 31, 1977, the Secretary shall submit to Congress an interim report which contains a description and evaluation, to the extent practicable, of the activities carried out pursuant to this Act.

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

S. 1916. A bill to authorize the Secretary of Agriculture to carry out rural conservation employment projects in rural areas of substantial unemployment. Referred to the Committee on Agriculture and Forestry.

RURAL UNEMPLOYMENT: PUBLIC CONSERVATION JOBS

Mr. CLARK. Mr. President, today I am introducing, with the Senator from South Dakota (Mr. ABOUREZK), legislation to provide public service conservation jobs for the rural unemployed. This program will be established under the Rural Development Act of 1972, and it will help alleviate the chronic unemployment that is all too prevalent in rural America.

For too long, this country has been plagued by economic woes: 10 percent unemployment, depleted life savings, lost health insurance, and home mortgages are only a few of the manifestations of the economic recession. The unemployment rolls have reached a 25-year high; but even that figure does not disclose the actual dimensions of the problem, because it does not include those individuals who are underemployed or those who simply have given up looking for a job.

In rural areas, the unemployment rate and its related problems are much more severe than in the rest of the country. For example, the unemployment rate for rural nonfarm residents for the first quarter of this year was 9.8 percent, and the unemployment rate for farm residents—usually extremely low—has risen to 4.4 percent. Right now, some 2½ million residents of nonmetropolitan America are without jobs, and that is more than a quarter of the Nation's total.

In the past, unemployment rates in rural areas have been lower than the national average. But that no longer is the case. The disparity between urban and rural life grows larger every day. Workers in the country receive about 20 percent less for their labors than do urban workers, half of the Nation's poor live in rural America, and two-thirds of America's substandard housing can be found in the countryside. The litany of problems could go on and on, the point is this: conditions in rural areas can and should be corrected, and the Federal Government has an obligation to help rural people catch up with the rest of the country.

Congress has begun to address some of the country's economic problems. Legislation to prevent the loss of health insurance and a family's home both are awaiting enactment by the Congress, and a $6.1 billion emergency job appropriations bill was approved. Unfortunately, the President vetoed that bill, and the House failed to override it. However, even if the emergency job appropriations bill had become law, rural areas would not have received much help from it. Most of the public service jobs were for urban residents—very few of the benefits would have been realized in rural America.

That is why this legislation to establish public service conservation jobs is so important. It specifically provides jobs and more disposable income for rural residents. At the same time, it would help preserve this country's natural resources by employing individuals in activities like soil conservation projects, reforestation, and park preservation. This is not intended to be an emergency bill. Rather, it has been drafted to become a permanent part of the Rural Development Act to come into operation when unemployment in a rural area reaches an unacceptable level.

In recent months, there have been some encouraging indications that businesses and industry are beginning to move to rural areas. If it continues, this trend could be very helpful, providing rural jobs and bolstering the rural economy. Right now, it is too early to know whether this will continue, but whether or not it does, the prospect for creating a large number of new jobs is not very promising.

That is one reason Congress enacted the Concentrated Employment Training Act—CETA—and has been considering other legislation to create jobs and employment opportunities. The need for jobs and manpower training is critical. Yet, the response from the Government has not been encouraging. The administration vetoed the emergency jobs appropriations bill, and the House of Representatives failed to override the President's action. The Secretary of Labor has not used the discretionary money in his control under CETA to deal with rural employment problems. And, the basic programs of the rural manpower service will be abolished on June 30 if the administration's plans are carried out.

All of these actions will increase the serious problems facing rural America.

The legislation we are introducing today will directly assist rural Americans. This bill will not set up a new agency. It will be administered by the U.S. Department of Agriculture and cooperating State agencies already established in rural areas. It will supplement and complement CETA and other existing manpower programs.

Job creation is essential to a healthy economy, whether it is in rural or urban America. And, it has been demonstrated time and again that jobs created through public employment are ultimately less costly and less inflationary on the economy than many other governmental "solutions" to unemployment problems. And like the CCC of the 1930's, it has direct and tangible public benefits.

This legislation will help complete needed conservation projects in rural areas that have been deferred for too long. More than 3 million acres of national forest lands need reforestation, and another 13 million acres require improvements to increase yields and prevent forest fires. There are vast amounts of public land that require various kinds of treatment for insect and disease control. Soil conservation is another area that needs immediate attention. And many people could be employed in conservation, preservation, and development of other natural resources.

Under this legislation, Federal and State Governments could cooperate on a number of projects, including work on existing cost sharing programs for tree planting, disease and insect control, farm planning, and other forms of technical assistance. In many States, special cover could be planted to protect wildlife. And, the agriculture conservation program, the water bank program and the forestry incentives program could be used to put many people back to work.

All of this will help insure future generations that America's resources are not depleted or destroyed.

One does not have to travel very far into the national forests and to many parts of America to see the constructive accomplishments of the Civilian Conservation Corps. The CCC helped develop and preserve our natural resources, and this legislation could begin to renew those efforts in much the same manner. Because much of the construction accomplished by the CCC now is in disrepair, there is a demonstrated need for renewed conservation projects. But right now there is no money available in the Federal budget for these kinds of endeavors. This bill would provide an opportunity to start them again, and to put our unemployed rural residents back to work.

Under this legislation, any rural area—as defined by the Consolidated Farm and Rural Development Act—which has experienced unemployment of over 6 percent for 90 days or more would be eligible for a rural conservation project. To be eligible for employment, individuals would have to be over 18, residents of these areas, and unemployed for a period of at least 30 consecutive days.

The work will be administered by the Secretary of Agriculture on land and facilities under the Department's jurisdiction and the Secretary must give priority to projects that can be substantially completed within 12 months.

There is a total of $160 million requested for each of the next 2 fiscal years for the program and that amount would provide jobs to thousands of rural residents.

Mr. President, our current economic conditions have had a devastating effect on both urban and rural areas. That cannot be denied. Efforts to decrease the number of unemployed and underemployed people must be addressed to all areas of the country, and rural America cannot be left behind or ignored.

As a report for the first national Conference on Rural America concluded, "(r)ural America trails the Nation's metropolitan areas in virtually every social and economic indicator the statisticians have come up with." Now is the time to change that trend, and that is why we are introducing this legislation.

The purpose of the Rural Development Act of 1972 is rural job creation. It was designed to implement the expansion of rural financial and economic strength—and the subsequent increase of rural incomes.

This bill will fill in some of the existing gaps in that legislation, and I believe the Rural Development Act will be stronger for this addition.

Mr. President, rural people have the right to work—the same right that all the people in this Nation share. If Americans cannot find outlets for their labor in private industry, then it is the Government's responsibility to see to it that they are employed in a way that will meet national interests and goals.

I ask unanimous consent that a report, authored by Tim Karter and published by the Rural Housing Alliance and Rural America, Inc., on employment and training programs, be printed in the RECORD, together with the text of the bill.

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

MANPOWER PROGRAMS AND METROPOLLYANA—THE FEDERAL NONRESPONSE TO THE NEEDS OF RURAL AND SMALL TOWN PEOPLE IN EMPLOYMENT AND TRAINING PROGRAMS

(By Tim Karter)

Rural America trails the nation's metropolitan areas in virtually every social and economic indicator the statisticians have come up with.[1] The data on earnings and employment are no exception. The median earnings of employed persons in nonmetropolitan areas is roughly one-fifth below that for employed persons in metropolitan places, and though the precise degree of disparity changes slightly, it is characteristic of every major occupational category.[2] This is not surprising since the proportion of the metropolitan population which has completed high school is 78 percent, while less than 70 percent of the nonmetropolitan population in the same age group (25 to 29) has done so.

FARM WORKERS ARE MORE LIKELY TO BE UNEMPLOYED

Agriculture provides employment for a significant number of persons living in rural America, and according to the U.S. Department of Labor's Employment and Earnings Bulletin for February, 1975, the unemployment rate for agricultural labor in 1974 was 7.3 percent, compared with a national unemployment rate of 5.6 percent for the same year. In January, 1975, the agricultural labor unemployment rate was 14.7 percent compared with a national unemployment rate of 9.0 percent unadjusted for seasonal factors.

RURAL JOBLESSNESS IS MORE CHRONIC

Unemployment in nonmetro areas is more chronic. More than 20 percent of the nonmetro unemployed in 1970 reported having been that status for 15 weeks or more. Only 17 percent of metro unemployed had been out of work as long as 15 weeks.

UNEMPLOYMENT FIGURES HAVE ANTI-RURAL BIAS

Finally, these official statistics confirming the usual metro/nonmetro disparities can safely be regarded as understating the case. There is a serious question, for example, whether the sample survey used in preparing month-to-month and year-to-year unemployment figures—those on which the allocation of substantial portions of manpower program funding is based—is not biased toward the larger urban areas. Whether or not this is the case, the definitions involved result in an understatement of the employment problem in rural areas.

DEFINITION OF UNEMPLOYED

Labor force data are reported by the Bureau of Labor Statistics in its Monthly Report on The Employment Situation. This survey counts as employed all civilians who, during the survey week, did any work for pay or profit (minimum of an hour's work) or worked 15 hours or more as unpaid workers in a family enterprise, and all persons who were not working but who had jobs or businesses in which they were temporarily absent for non-economic reasons (ill, bad weather, vacation, labor-management dispute, etc.). Unemployed persons comprise all persons not working during the survey week who made specific efforts to find a job within the previous four weeks (such as applying directly to an employer, or to a public service employment service, or checking with friends) and who were available for work during a survey week (except for temporary illness).

HIDDEN UNEMPLOYMENT

There are two aspects of this which mask the importance of unemployment and underemployment and its far greater prevalence in rural areas and small towns. Self-employed persons and unpaid family workers—both of which are considered "employed"—frequently work less than full time (as is evidenced by the use of 15 hours per week as the standard for "employment" of an unpaid family worker). They represent underemployment or "hidden unemployment" as it is sometimes called. Both categories of workers are about twice as prevalent in nonmetro areas than in metro areas.[3]

Consequently, if the government modified its definition of unemployment to measure "real" unemployment among self-employed persons and unpaid family members, rural levels of unemployment would be expected to rise substantially, whereas urban unemployment would be expected to rise moderately.

RURAL MANPOWER SERVICE NEEDS ARE GREATER

In short, the per capita needs for manpower services for unemployed and economically disadvantaged persons is much greater in rural areas than in urban areas. With higher unemployment rates and lower income levels, proportionately more rural persons should be expected to be enrolled in manpower programs which are directed toward the unemployed and economically disadvantaged. Furthermore,—all other things being equal—with lower educational levels, per capita expenditures for trainees in manpower programs should be higher in rural areas than in urban areas. As is true of other fields of social legislation, however, the Federal programs have been developed with the urban areas primarily in view and the result has been a pattern of discrimination against rural and small town areas.

EVOLUTION OF FEDERAL MANPOWER POLICIES AND PROGRAMS

Federal manpower concern and activities is largely a 20th Century phenomenon, and can trace its beginning to the Smith-Hughes Act of 1917 which established a Federal-State program of vocational education. The shortage of skilled workers during World War I spurred Congressional approval of this Act and its authorization of Federal aid to broad categories of vocational education. The approval of specific vocational categories, such as establishing agricultural vocational courses in rural areas to meet the needs of farmers, was essentially a State Vocational Education responsibility. (The State vocational education structure was relied upon heavily during the initial period of the Manpower Development and Training Act of 1962. Many vocational programs under MDTA were approved primarily because the Vocational Education Agencies had available equipment, space and personnel. And in many rural areas, vocational agricultural programs were the major, and at times the only, vocational courses available; hence the prevalence under MDTA in rural areas of vocational programs to train "Farm Mechanics", and "Farm Hand, General", even though agricultural employment had been declining for decades.)

BIAS EXISTED FROM THE BEGINNING

Federal manpower services received a major stimulus during the depression of the 1930's. The Wagner-Peyser Act of 1933 established the Federal-State Employment Service System to provide a more effective mechanism for matching workers and jobs. The Employment Service included a separate system for rural manpower services called the Farm Labor Service. Unfortunately, the full range of manpower services were not made available to the rural population, as the Farm Labor Service concerned itself primarily to satisfy the needs of farmers for farm workers. The failure of the Farm Labor Service to deliver a full-range of manpower services to the rural population, particularly minority farm workers, led to an Administrative Action in 1971 against the Secretary of Labor by the National Association for the Advancement of Colored People on behalf of rural residents and migrant farmworkers charging discriminatory actions in the delivery of manpower services. The background on this administrative action and the judge's decision are described later in this study.

The depression also brought Government action in three other areas of current importance in manpower policy:

Provision for income maintenance for unemployed and retired workers under the Social Security Act of 1935.

Establishment of national minimum wage and child labor standards for large segments of the work force under the Fair Labor Standards Act of 1938.

Creation of work opportunities for unemployed, impoverished youth and adults—through several temporary programs, including the Civilian Conservation Corps and the National Youth Administration. The accomplishments and shortcomings of these programs helped in the planning of the Job Corps, the Neighborhood Youth Corps, and other current work-training programs.

The next major forerunner of present manpower policy was the Servicemen's Readjustment Act of 1944—the GI Bill of Rights. This Act continued a tradition of recognizing the country's obligation to its war veterans which dates back to the American Revolution, but it was unprecedented in its emphasis on meeting these obligations through government-financed education and training rather than merely monetary compensation.

A more direct move toward an active manpower policy came two years later, with the Employment Act of 1946. This act was born from memory of the depression and the fear—soon proved to be unfounded—that the war's end would bring a serious recession and raise unemployment to intolerably high levels once again.

The Act made the achivement of "maximum employment, production and purchasing power" a concern of the Federal Government. But it contained no *mandatory* provision for achieving this goal. For a decade after its passage, Government action to forward its objective consisted mainly of fiscal and monetary measures to mitigate economic downturns.

The recession of 1957–58 brought unemployment to its highest levels since the

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1930's. The unemployment rate reached 6.8 percent in 1958, more than half again as high as the year before. Nor did the rate decline satisfactorily with economic recovery. Unemployment averaged 5.5 percent in both 1959 and 1960. The recession which began late in 1960 brought the rate up again to 6.7 percent the following year.

Along with the persistently high overall rate of unemployment came an increasing amount of long-duration unemployment, entailing great hardship for large numbers of workers and their families. The heavy impact of unemployment upon youth and minority groups, among the uneducated and unskilled, and in many depressed geographic areas also added to the demand for remedial action.

A new federally supported attack on these problems began with the Area Redevelopment Act of 1961. This Act provided for financial and technical assistance to business expansion in areas of substantial and persistent unemployment. Another feature of great significance from a manpower viewpoint was the provision for occupational training projects for unemployed workers in these redevelopment areas, with subsistence allowances to support the workers and their families during training. Because of limitations on its funding and coverage, the ARA had a limited impact, but it furnished guidelines for more comprehensive training and economic development legislation.

COMES MDTA—1962

Passage of the Manpower Development and Training Act (MDTA) of 1962 was the chief legislative step toward formulation of a national manpower policy. This Act, which was passed with strong bipartisan support, established a nationwide program of occupational training for the unemployed. It called for and underwrote a significant expansion in manpower research. And it required annual reports by the Secretary of Labor to the President, and by the President to Congress, on manpower requirements, resources, utilization, and training.

FATAL DEFECT

MDTA provided vocational training for unemployed persons in occupational areas which had a "reasonable expectation of employment." This "reasonable expectation of employment" greatly restricted the number and type of vocational training programs in areas with high levels of unemployment. In rural areas, for example, the initial programs—few as they were—trained persons in agricultural skills, since these were often the only requests received by the Farm Labor Service.

Early experimental work in MDTA identified a number of services required by the "hard-core" which restricted their entry into MDTA programs or made it difficult for them to succeed, such as outreach, work orientation, special counseling, basic and remedial education, transportation and mobility services, work try-outs, on-the-job training, job development and placement, child care services, bonding, health services and emergency financial assistance over and above regular MDTA allowances. The manpower programs financed under the Economic Opportunity Act of 1964 expanded the scope of services to include these additional services, and to make them available not only to the unemployed, but also to the "poverty population". Including the "poverty population" as an eligible group was critical to rural people, since so many rural poor are self-employed and unpaid family workers, and therefore they are not classified as "unemployed". Furthermore, other rural poor, namely farmworkers, have had trouble convincing manpower agencies that they were "unemployed" and thus eligible to participate in manpower training programs.

The Economic Opportunity Act also provided service programs for the poor, such as Head Start, adult education and health services, and these became important manpower programs for the rural poor because they emphasized the direct employment and training of the poor in delivering such services.

MORE METRO AIDS

The Demonstration Cities and Metropolitan Development Act of 1966 provided substantial sums for manpower programs, but these were directed to the urban slums. The name of the program was changed later to "Model Cities," to avoid any direct reference to urban "demonstrations" or riots. Regardless of what it was called, the Model Cities program was a response to the special and pressing need to alleviate the problems of the urban slums that made headlines on a continuous basis. The special problems of rural areas were not brought to the attention of the public as often nor as dramatically and so the restless poor in urban areas received a special program, but not the rural poor.

WIN—1967

The 1967 amendments to the Social Security Act established a special manpower program for employable persons in Aid to Families with Dependent Children called WIN (Work Incentive). Total education, training, social and related services were to be made available to WIN participants to make them employable and thus reduce welfare costs. The WIN program requires the availability of a broad range of social and manpower services needed by WIN recipients, the ability to coordinate such services, and available jobs; these requirements obviously restrict program activities in rural areas, which often lack resources and jobs.

EEA—1971

The Emergency Employment Act (EEA) of 1971 created a program of transitional public service jobs for veterans, unemployed and underemployed persons. EEA funds are paid directly to State and local governments to provide employment and training opportunities in public service areas, including the delivery of social services.

CETA—1973

The most significant manpower development in recent years was the passage of the Comprehensive Employment and Training Act of 1973 (CETA). The scope of services in CETA encompasses all services previously provided in MDTA, OEO, EEA programs, including education, training, on-the-job training, work tryouts, supportive services, public employment and Job Corps. The persons to be served include the unemployed, underemployed and the economically disadvantaged. Decisions over program mix, categories of programs, and persons to be served are made by State and local officials. The critical factor for rural areas is that the amount of manpower funds for rural programs is decided by a formula included in the law, and not by manpower officials. The adequacy and equity of the formula as it affects rural areas is discussed later in this paper.

FEDERAL AWARENESS OF RURAL MANPOWER NEEDS

Federal officials responsible for developing manpower policies and for deciding on the allocation of MDTA funds and other manpower funds have known of the special needs of the rural population for manpower services. Indeed, Department of Labor publications over the past decade discussed this special need of the rural population for manpower services and described the special efforts being made to meet that need. For example, the Department of Labor is responsible for preparing an annual *Manpower Report of the President* describing manpower programs, policies, problems and trends. An examination of these Manpower Reports of the President over the past decade illustrates this Federal awareness of the special needs of the rural population for manpower services.

YEAR AFTER YEAR

The 1964 Manpower Report of the President identified rural workers as the first of the disadvantaged workers to be served by MDTA.

"The disadvantaged workers of the United States—*rural workers*, Negroes and other minority groups, younger workers, older workers—whose predicament is the major element in our national problems of unemployment and poverty, are the subject of the following chapters."

The 1965 Manpower Report of the President discussed some of the particular problems facing farm workers.

"The final chapter, on *Farmworkers*, deals with the adjustments farm people have had to make because of the long-term drop in farm manpower requirements; with the low wages, irregular work, and sub-standard living conditions which have been the lot of most hired farmworkers; and with the major progress made in 1965 in increasing job opportunities for American farmworkers, as sharp restrictions were imposed on the use of farmworkers from other countries."

The 1967 Manpower Report of the President discussed the lack of equitable manpower services in rural areas compared with urban areas.

"The dispersion of the poor in rural areas has hidden the extent of rural poverty and also greatly increased the difficulties of remedial action. Education and training are less available to rural than urban youth. And programs for the rural poor have been slower to develop and have continued to be less well-financed than those for the urban poor."

By 1971, the Manpower Report of the President included a critical evaluation of the needs of the rural areas for manpower programs and discussed analytical dilemmas facing the development of such programs.

"A revolution in farm production practices, coupled with the elimination of many small farms, has cut agricultural employment by more than half since World War II—contributing heavily to rural poverty and stimulating rural-to-urban migration. Advances in farm technology are continuing and will probably eliminate many additional jobs in the next few years. Thus, the problems of underemployment and poverty will continue to be acute among migratory and other seasonal farm laborers as well as operators of small farms.

"Improvement of labor standards and social insurance protections in farmwork is an immediate need, calling particularly for extension of unemployment insurance to agricultural workers. *A second need is for educational and manpower services in rural areas more nearly comparable to those available in cities and suburbs.* (Emphasis added) So far, rural residents have not shared equitably in such services, largely because of the difficulties involved in serving a scattered population."

DEMONSTRATIONS—NOT EQUITY

Repeatedly, the Report promised "increased efforts to find solutions" to these special problems of rural areas. In fact, the Department has launched several demonstration projects relative to rural and small town needs. One of these, the Smaller Communities Program, dates back to Fiscal '59. A decade later, however, it had not been extended to more than 3 percent of the nation's nonmetropolitan counties.[4]

Footnotes at end of article.

Another demonstration project, in Ottumwa, Iowa, utilized a system of satellite offices to serve a multicounty region. This was dubbed Area Concept Expansion (ACE) and expanded to other states—but only to eleven by late 1972.[5]

PAST PROGRAM PATTERNS

Despite this awareness of special rural needs and despite intermittent attempts to develop mechanisms for responding to those needs, all of the available data confirm the metropolitan bias of past manpower programs. Federal outlay data for FY '70 published by the Senate Committee on Government Operations showed metropolitan areas receiving 77 percent of the $1.5 billion in funding for manpower training and employment programs by the Departments of Labor and HEW and the Office of Economic Opportunity. Adjusting for population, this works out, the report noted, to $8 per capita in metro areas and only $5 in nonmetro areas. In *rapidly declining* nonmetro counties, per capita outlays for manpower training and development were only *one-third* as large as in rapidly declining metro counties.[6]

The annual special analyses prepared by the Office of Management and Budget have reflected a similar pattern, with 85 percent or more of Federal assistance for manpower and employment security programs reported as going to metropolitan areas in FY '66, FY '68 and FY '69, and almost 80 percent estimated for Fiscal 1973.[7]

And, within the Labor Department itself, rural enrollment in programs is conceded to be low. The figures for FY '72 are presented below.[8]

ESTIMATED RURAL ENROLLMENT IN SELECTED MANPOWER PROGRAMS, FISCAL YEAR 1972

	New enrollment, fiscal year 1972	Estimated rural enrollment	
		Number	Percent
Total	1,532,800	323,600	21.1
Institutional	150,600	29,200	19.4
National contracts (OJT)	24,800	6,500	26.2
Neighborhood Youth Corps:			
In-school	186,000	28,850	15.5
Out of school	65,000	20,400	31.4
Summer	759,900	174,600	23.0
Operation Mainstream	31,400	17,400	55.4
Concentrated employment program	84,700	18,800	22.2
JOBS	82,800	10,350	12.5
Work incentive program	120,600	14,350	11.9
Public service careers:			
Plan A	10,500	550	5.1
Plan B	11,200	900	8.1
Plan C	5,300	1,700	32.0

Source: Office of Financial Management Information Systems, DRA; Manpower Administration, Department of Labor, Jan. 8, 1973.

An earlier analysis, of FY '68 enrollment, had similarly found that only 24 percent of enrollment in work experience and training programs was accounted for by rural enrollees. It also reported that "the average spent on each rural enrollee was only one-fourth of the average spent on each urban enrollee."[9] (A major reason for this is the fact that summer employment in the Neighborhood Youth Corps, a program with a low average cost, accounts for about half of all rural enrollment). Looking at it in a slightly different manner, the Department reported that in FY '70, manpower programs served a little over 10 percent of the urban residents in need but only 8 percent of the rural residents in need.[10]

FINALLY NAACP SUES

The failure of Federal manpower services to equitably serve one portion of the rural constituency has even been officially certified in formal administrative and judicial proceedings. In early 1972, the Western Region of the National Association for the Advancement of Colored People and fifteen other organizations filed an Administrative Action against the Secretary of Labor on behalf of rural residents and migrant farmworkers charging discriminatory actions in the delivery of manpower services. At issue was the accessibility and quality of service provided farmworkers by the Rural Manpower Service (RMS) and the United States Employment Service (USES). A Special Review Staff (SRS) was assigned by the Assistant Secretary for Manpower to investigate the complaints. SRS substantiated a sufficient number of the charges to cause the U.S. Department of Labor to take a new look at its capabilities for fulfilling its mandate under the Wagner-Peyser Act which had established the USES in June, 1933.[11] As amended, the Act requires that the USES and the States cooperate in establishing and maintaining a national system of public employment offices. The Secretary of Labor determined that establishing and maintaining a "national system" meant that insofar as possible each citizen should have access to the full range of manpower services provided by the tax-supported Manpower Administration (MA). Consequently, he prescribed a new policy of "equity of access" consisting of 13 points. The Secretary's 13 points redirected USES emphasis to serving rural residents and farmworkers.

Impatient with the lack of speed and penetration of the implementation process, particularly at regional and State levels, 88 farmworkers and 17 agencies filed Civil Action 2010–72 against the Secretary of Labor et al. in the District Court in the District of Columbia. The action declared that the defendant officials had knowingly granted funds to State Employment services in violation of the Constitution and laws of the United States and had operated the USES in violation of the Fifth Amendment of the Constitution, Title VI of the Civil Rights Act of 1964, the Wagner-Peyser Act, and the Department's own regulations and instructions. On May 31, 1973, Judge Charles Richey of the U.S. District Court for the District of Columbia issued a declaratory judgment and injunction order. He found that the Department of Labor has "a constitutional, statutory, and regulatory obligation to demand that Federal and State agencies that serve migrants and farmworkers provide them with the full level of services, benefits, and legal protections as guaranteed by the Fifth Amendment to the Constitution, the Wagner-Peyser Act, Title VI of the Civil Rights Act of 1964, and the respective implementing regulations."[12]

RHETORIC FLOWS

Indeed, the U.S. Department of Labor acknowledges this lack of equitable manpower services in rural areas. The 1974 Manpower Report of the President stated that "In the past, rural workers and employers have not had as easy access to Employment Service services as those in cities, largely because of the practical difficulties involved in serving a clientele scattered in relatively low-population areas. The ES has been endeavoring for years to correct the imbalance and improve services to rural residents, including farmworkers and migrants."[13]

Thus, after nearly four decades of operating a broad range of employment services and a decade of operating manpower training programs, the U.S. Department of Labor was found not to be providing equitable services in rural areas, and acknowledged it. If there is any expectation at the Department that the shift to a special revenue-sharing approach resulting from the Comprehensive Employment and Training Act of 1973 will make things dramatically different, that expectation does not extend to the Office of Management and Budget. Its estimate for Fiscal '75 is that nonmetropolitan areas will receive only one-fourth of "comprehensive manpower assistance" funds and only one-fifth of the total Federal aid for manpower and employment security.[14]

CAUSES OF URBAN/RURAL IMBALANCE IN FEDERAL MANPOWER EXPENDITURES

There are many reasons why rural areas have not received their proportionate share of manpower programs. In some cases the reasons can be traced directly to the legislation. In other cases administrative actions cause the discriminatory practices against rural areas.

Some programs are designed by legislation to operate exclusively in urban areas. For example, the model cities manpower program was *designed* basically as a big city program with a scattering of projects in small towns of under 25,000 people. In this case, the urgent need for social service programs in urban areas, particularly to reduce social tensions that might cause riots, encouraged the Congress to pass the legislation.

In some cases, legislative requirements introduce discrimination against rural areas. The "reasonable expectation of employment" requirement in the MDTA law is a case in point. In order to avoid training unemployed people for the sake of training, the Congress specified that there must be a "reasonable expectation of employment" in an occupation before a training project operates. Unfortunately many rural areas have had rising levels of unemployment due to mechanization and other technological advances in agriculture, forestry and mining, and hence they lack shortage occupations which show a "reasonable expectation of employment." Subsequent amendments to the MDTA act added mobility allowances, which enabled some rural areas to train people locally and then move them to jobs in other communities, or to move unemployed rural persons immediately to such other communities for both training and employment.

There are other subtle reasons why manpower officials have not developed and funded an equitable proportion of manpower programs in rural areas. One reason has to do with money. Rural programs are far more expensive than urban programs. Because of distances involved in operating rural programs, rural programs require more staff members; outreach, counseling, job development and other activities require more travel time in rural areas than in urban areas. Furthermore, transportation costs are also higher on rural projects. The lower educational levels of the rural population, the number of non-English speaking persons that live in rural areas, and the smaller proportion of the rural unemployed with vocational experiences, greatly increases the length of any manpower training program and hence, greatly increases the per capita costs of rural manpower programs. Manpower officials interested in developing and operating rural programs have to fight for and explain the need for higher per capita expenditures for rural manpower programs than for urban programs. Consequently, officials with the option of financing programs in either urban or rural areas are more likely to finance the "cheaper" urban projects.

TO THOSE WHO HAVE

The bureaucratic problems involved in designing, developing and operating rural manpower programs also contribute to the unwillingness or inability of manpower officials to spend an equitable share of funds in rural areas. For example, successful manpower pro-

Footnotes at end of article.

grams often require counseling services, education and vocational training services, health and child care services, transportation services, and other manpower related services. In urban areas, manpower planners can depend on the existence of such services within the existing city structure. In rural areas, however, such assumptions cannot be made. Consequently, many rural manpower officials are hesitant to spend any time or funds developing and planning manpower programs until they coordinate with other agencies of government to develop and finance other vital services.

Related to this is the factor cited by a Congressional Research Service study.[15] Much of the allocation of current manpower programs in favor of urban areas is said to be due to the sheer inability of certain rural areas lacking trained and experienced personnel to submit organized plans and projects which qualify for Federal assistance. Moreover, there is sometimes a complete lack of knowledge on the part of some rural government officials as to what assistance is available. *These problems could be further complicated under manpower revenue sharing.* [Emphasis added.]

The establishment of a separate organizational unit to provide manpower services in rural areas—the Farm Labor Service—also contributed to proportionately fewer manpower programs in rural areas. Since the Farm Labor Service was concerned primarily with the employment needs of farmers, they concentrated their activities on recruiting farm workers for unskilled or semi-skilled farm jobs. Limited effort was placed by the Farm Labor Service on providing overall manpower services—especially manpower training—to the rural population, as was brought out in the NAACP court case described above.

THE MEANING OF CETA FOR RURAL AREAS

The Comprehensive Employment and Training Act (CETA) of 1973 drastically changes the policies and procedures for approving the expenditure of Federal manpower funds. CETA provides for a decentralized comprehensive manpower services program for economically disadvantaged, unemployed and underemployed persons. Specific categorical manpower programs under provisions of the Act (such as MDTA, NYC, Mainstream, New Careers, OIC, SER, and Jobs) are being replaced by a system of providing Federal allotments to State and local governmental Prime Sponsors.

This is not all bad news for rural areas. Under CETA, allotments of funds will be based on a legislative formula, and, hence, the amount of funds alloted to rural areas for manpower services will no longer be completely subject to administrative decisions.

Thus CETA represents a step in the right direction. But there are elements in the formula selected that continue the pattern of discrimination against rural areas.

BIASED FORMULA

One-half of the funds allotted to each State and area will be allotted on the basis of manpower allotments of the State in the preceeding fiscal year. Consequently rural areas will continue to be shortchanged because of the historical bias in manpower programs that concentrated expenditures in urban areas.

MORE BIAS

37½ percent of the funds will be allotted on the basis of unemployment. On the surface this seems to be an equitable factor, but as discussed earlier, the methods used to measure unemployment do not accurately measure unemployment in rural areas.

12½ percent of the funds allotted will be allotted on the basis of poverty. Such a poverty index probably represents one of the most equitable mechanisms to use to ensure equity for rural people. Yet this represents only ⅛ of the allotment formula.

MORE BIAS

Even more serious is the limited definition of governments eligible to be "prime sponsors" and thus direct recipients of CETA funding. These must have a population of at least 100,000—which confines eligibility to approximately 275 of the nation's more than 3,000 counties.[16] Smaller counties must either join with a larger county or with one of the roughly 150 cities eligible as "prime sponsors", or else depend on the state for its funds. Governors, it should be noted, are *not* required to re-allocate their funds as a prime sponsor to smaller jurisdictions in accordance with the formula which determined the initial allocation.[17]

SUMMARY

Rural areas have a greater per capita need for manpower services than urban areas, and this need is recognized by Federal manpower officials. However, rural areas have never received an equitable share of manpower funds. The lack of jobs in rural areas, the dispersion of the rural population, the greater cost of operating rural programs, the lack of resources, facilities and personnel, and the complex problems facing rural manpower planners, are only some of the reasons explaining why rural areas have not received their equitable share of manpower funds.

The new manpower law, CETA, places decision-making power over manpower programs in the hands of State and local officials, and allocates funds for all communities—rural and urban—on the basis of a formula in the law. Administrative actions can no longer deprive rural communities of needed manpower funds. While the CETA allocation formula guarantees some manpower funds for all rural communities, the formula itself does not provide an equitable share of funds for rural areas. One-half of the formula for allocating CETA funds is based on the manpower allotments of the preceding year. Rural areas that were underfunded last year will be similarly underfunded next year. And this underfunding will continue as long as the present CETA formula is in effect. Three-eighths of the CETA funds will be allotted on the basis of unemployment. Present methods of measuring unemployment do not accurately measure "real" unemployment levels in rural areas, as analyzed above. Consequently, seven-eighths of the formula used for allocating CETA funds discriminates against rural areas.

RECOMMENDATIONS

Recommendations for improving the financing of manpower services in rural areas, or for that matter, any other service to rural areas, must begin with the Congress. Past experience has clearly demonstrated that administrators of public programs cannot be expected to provide equitable services in rural areas compared with urban areas when decision-making over the location of programs is left entirely or primarily at the discretion of administrators.

Congressional action is required to make certain that laws make it mandatory for administrators to provide equitable services in rural areas. This will require to following:

The design of programs that by definition have to serve rural communities or rural people. This includes programs for small farmers, migrant and seasonal farm workers and for American Indians on Indian reservations.

Other programs of a national scope should include a financial formula for allocating funds between urban and rural areas according to criteria which will provide equity to rural areas. Poverty data are recommended as the type of data that will insure equity of funding for rural areas. It is recommended, therefore, that legislative formulas for allocating funds between rural and urban communities rely as much as possible on poverty data. Unemployment levels grossly understate the true level of unemployment in rural areas. Consequently, unemployment levels should not be used as a factor allocating funds betwen urban and rural areas, until there is a change in the method of counting unemployment to accurately measure unemployment among self-employed persons and unpaid family members. Prior expenditures should also be avoided as a factor allocating funds between rural and urban areas, since there is ample evidence of past discrimination against rural areas, and an expenditure allocation factor would perpetuate such discrimination. Indeed, the CETA allocation formula needs to be evaluated and revised to give greater importance to poverty data.

If allocation formulas are not included in the law as a means of sharing program funds between rural and urban areas, the Congress should include special requirements in the law to encourage administrators to provide equitable services in rural areas, such as: minimum percentages of program funds that must be spent in rural areas; special technical assistance funds for rural areas for program planning and development; a statement of Congressional awareness that rural programs may cost more per capita than urban programs.

FOOTNOTES

[1] This is hardly to be wondered at since, as St. Augustine tells us, "Se nutriunt omnia [everything feeds on itself]."

[2] These statistics are from *Current Population Reports* p. 23, No. 37, "Social and Economic Characteristics of the Population in Metropolitan and Nonmetropolitan Areas: 1970 and 1960."

[3] See Table 115, "General Social and Economic Characteristics," *1970 Census of Population.*

[4] Senate Hearings, *Department of Labor. . . . Appropriations,* FY '71, pp. 1036–37.

[5] Raymond Schmitt, *Manpower Training and Employment Programs Serving Rural America* (Committee Print, Senate Agriculture Committee), p. 16.

[6] *The Economic and Social Conditions of Rural America in the 1970's,* Part 3, "The Distribution of Federal Outlays Among U.S. Counties" (Committee Print, Senate Government Operations Committee), pp. 40, 42 and 51–52.

[7] See Special Analysis N, *Special Analyses, Budget of the United States Government,* various years.

[8] Reproduced from Schmitt, *op. cit.,* p. 10.

[9] Janet Derr, *Rural Social Problems, Human Services, and Social Policies,* Working Paper 4: Employment and Manpower (Social Welfare Research Institute, University of Denver), pp. 5–7, citing Department of Labor, "Rural Manpower", Draft Issue Paper No. 5, May, 1970.

[10] 1971 Manpower Report of the President, p. 130, cited in *ibid.,* p. 7.

[11] Special Review Staff, Manpower Administration, *Review of the Rural Manpower Service,* "overall findings" at pp. 5–11.

[12] NAACP v. Brennan, 360 F. Supp. 1006 (D. D. C. 1973).

[13] *Manpower Report of the President,* 1974, p. 60.

[14] *Special Analyses, op. cit.,* Fiscal Year 1975, pp. 212 and 216.

[15] Schmitt, *op. cit.,* p. 5.

[16] May 1974 memo prepared by Barbara Hunting, National Association of Counties, for Senator Dick Clark, Chairman, Senate Rural Development Subcommittee.

[17] *Ibid.* The Governor is required to establish a manpower advisory council representative of the area to be served, but he is specifically advised by the Labor Department "not to delegate total operational responsibility for the program to towns and counties in the essentially rural areas."

S. 1916

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Rural-Development Act of 1972 (86 Stat. 657), as amended, is amended by redesignating title VI, and all references thereto, as title VII, by redesignating sections 601 through 606, and all references thereto, as sections 701 through 706, respectively, and by inserting after title V the following new title:

"TITLE VI—RURAL CONSERVATION EMPLOYMENT PROJECTS

"FINDINGS

"SEC. 601. The Congress finds and declares that—

"(1) unemployment levels are seriously high and widespread in many rural areas of the United States;

"(2) these rural areas include lands and facilities of the National Forest System as well as other lands and facilities under the administrative jurisdiction of the Secretary of Agriculture, public forests and other agricultural lands and facilities under the administrative jurisdiction of States and other non-Federal governmental units, and privately owned forest, range, and farm lands;

"(3) there are large backlogs of needed conservation work and other work of a public nature requiring large amounts of labor and relatively small capital investments within these rural areas;

"(4) rural conservation employment projects on public and private lands and at other facilities within rural areas could quickly provide employment and related benefits for thousands of unemployed rural residents, significantly contribute to the management of many rural lands by reducing the large backlogs of conservation work, allow the completion of other projects of a public nature, and stimulate private businesses in rural America; and

"(5) the Department of Agriculture has the experience, procedures, and field organizations needed to effectively administer rural conservation employment projects on lands and at facilities under its administrative jurisdiction and to provide financial and technical assistance to States and other cooperators for such projects.

"PURPOSE

"SEC. 602. It is the purpose of this title to provide employment for unemployed rural residents through rural conservation employment projects within rural areas of substantial unemployment.

"DEFINITIONS AND CONDITIONS

"SEC. 603. (a) For the purposes of this title—

"(1) The terms 'rural' and 'rural area' shall have the same meaning ascribed to such terms by section 306(a)(7) of the Consolidated Farm and Rural Development Act.

"(2) The term 'area of substantial unemployment' means any area of sufficient size and scope to sustain a rural conservation employment project, as determined by the Secretary of Agriculture, and which has had, for 90 consecutive days or more, a rate of unemployment equal to or in excess of 6.5 per centum, as determined by the Secretary of Labor.

"(3) The term 'rural resident' means any person who is a permanent resident of a rural area of substantial unemployment.

"(4) The term 'rural conservation employment project' means any project, carried out within a rural area of substantial unemployment, which (A) provides a significant increase in employment opportunities for rural residents; (B) is administered by the Secretary on lands or at facilities under his administrative jurisdiction, or for which the Secretary provides financial and/or technical assistance in cooperation with any State, Commonwealth, territory, possession, trust territory, public agency, organization, or individual; (C) is within the Secretary's authority and responsibility as set forth in existing law; and (D) accelerate or otherwise further existing programs of the Department of Agriculture.

"(5) The term 'Secretary' means the Secretary of Agriculture.

"(b) Individuals shall be eligible for employment under this title if they—

"(1) are rural residents;

"(2) have attained eighteen years of age; and

"(3) have been unemployed for a period of at least 30 consecutive days.

"PROJECTS ON FEDERAL LANDS AND AT FEDERAL FACILITIES

"SEC. 604. (a) Under such regulations as he may prescribe, the Secretary is authorized to employ, from funds appropriated pursuant to section 607(a) of this title, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service and to pay without regard to the provisions of chapter 51 of subchapter III of chapter 53 of such title 5 relating to classification and General Schedule pay rates, individuals meeting the eligibility requirements of section 603(b) to carry out rural conservation employment projects on lands and at facilities within the National Forest System and on other lands or at other facilities under his administrative jurisdiction.

"(b) In carrying out his responsibilities under this section, the Secretary shall—

"(1) determine the areas under his administrative jurisdiction which are within rural areas of substantial unemployment;

"(2) determine and select appropriate work projects for individuals employed under this section, giving priority consideration to projects that (A) are highly labor intensive, (B) have work plans or for which work plans could be readily developed, (C) could be initiated promptly, and (D) could be substantially completed within 12 months after initiated;

"(3) determine rates of pay, hours, and other conditions of employment of individuals employed under this section; except that no person employed under this section may be paid a wage higher than the prevailing rate of pay for permanent, full-time employees of the Department of Agriculture doing comparable work or $10,000 per year, whichever is lower.

"(4) provide, directly or by contract and without regard to chapter 57 of title 5, United States Code, such transportation, lodging, and subsistence, and supplies and other services and equipment as he may deem necessary or appropriate for individuals employed under this section to carry out their duties; and

"(5) promulgate regulations to insure the safety, health, and welfare of individuals employed under this section.

"(c) Individuals employed under this section shall not be deemed to be Federal employees other than for the purposes of chapter 171 of title 28, United States Code, and chapter 81 of title 5, United States Code.

"(d) Individuals shall be employed under this section without regard to race, color, religion, sex, or national origin.

"(e) Existing but unoccupied Federal facilities and surplus or unused equipment, or both, of all types including military facilities and equipment may be used by individuals employed under this section, where appropriate and with the approval of the Federal agency involved.

"COOPERATIVE PROJECTS

"SEC. 605. (a) The Secretary is authorized, from funds appropriated and made available under section 607(b) of this title, to extend the provisions of this Act to lands and facilities owned by States and other non-Federal governmental units and to lands in private ownership, within rural areas of substantial unemployment, by accelerating those cooperative programs within his administrative jurisdiction, under existng law, which can best provide rural conservation employment projects.

"(b) In determining which cooperative programs shall be accelerated under subsection (a) of this section and in making the allocations of funds under subsection (c) of this section, the Secretary shall give priority consideration to those cooperative programs which can best provide rural conservation employment projects that—

"(1) are highly labor intensive;

"(2) have work plans or for which work plans could be readily developed;

"(3) could be initiated promptly; and

"(4) could be substantially completed within 12 months after initiated.

"(c) Whenever funds are made available by the Secretary under this section for the acceleration of any cooperative program such program shall be administered in accordance with all applicable provisions of law authorizing such program, except provisions relating to—

"(1) requiring allocation of funds among the States;

"(2) limits upon the total amount of Federal financial assistance for any period; and

"(3) the maximum Federal contribution to any State or local government, whenever the Secretary determines that any non-Federal contribution cannot reasonably be obtained by the State or other cooperator concerned.

"(d) Payments to cooperators under this section may be made in advance or by way of reimbursement and at such intervals and on such conditions as the Secretary shall determine.

"(e) Individuals employed with funds appropriated for carrying out the purposes of this section shall—

"(1) meet the eligibility requirements of section 603(b);

"(2) be employed without regard to the personnel laws, rules, and regulations applicable to full-time employees of the State or other cooperator, except such laws, rules, and regulations, if any, relating to tort claims or compensation for injuries which occur while engaged in work pursuant to this section;

"(3) be employed without regard to race, color, religion, sex, or national origin;

"(4) not be paid a wage higher than the prevailing rate of pay for permanent, full-time employees doing comparable work for the State or other cooperator or $10,000 per year, whichever is lower; and

"(5) not be deemed to be Federal employees for any purpose.

"LIMITATIONS ON USE OF FUNDS

"SEC. 606. Not more than 25 per centum of the funds made available for any rural conservation employment project under this title may be expended for non-labor costs.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 607. (a) There are authorized to be appropriated for carrying out the provisions of section 604 of this title $40,000,000 for the

fiscal year ending June 30, 1975, and $40,000,000 for the fiscal year ending June 30, 1976.

"(b) There are authorized to be appropriated for carrying out the provisions of section 605 of this title $120,000,000 for the fiscal year ending June 30, 1975, and $120,000,000 for the fiscal year ending June 30, 1976.

"(c) Notwithstanding any other provision of law, funds appropriated to carry out the provisions of this title for the fiscal year ending June 30, 1975, shall remain available for obligation until June 30, 1976, and such funds appropriated for the fiscal year ending June 30, 1976, shall remain available for obligation until September 30, 1977."

Mr. ABOUREZK. Mr. President, I want to commend my colleague from Iowa, Senator DICK CLARK, for his statement and for introduction of this vitally needed legislation. Once again, Senator CLARK has demonstrated his leadership in the Senate on behalf of rural people. I am honored to be a cosponsor of this timely and important legislation.

Those of us from the rural areas are almost constantly irritated by programs of the Federal Government which were conceived and designed primarily for problems of the urban areas.

There is another America, rural America. What happens in rural America affects in hundreds of ways the quality of life in urban America. To ignore rural America, as we frequently do in devising many Federal programs, effects to a substantial degree the quality of life in urban America. All of our fool and most of our natural resources come from rural America.

Even the method by which we compute the number of unemployed is designed for the people of urban America and not for rural America. Thousands of Indians who are unemployed in South Dakota are not included in these statistics, is but one example of the shortcomings of this procedure.

But even those figures show how serious the situation has become. A year ago in April, South Dakota had 9,600 people unemployed. This April, 18,600 people are unemployed with 18 counties having unemployment rates of more than 7 percent. We have 195,300 people working in South Dakota. Our population is 665,507. Very nearly one of every two people must work in my State to provide the basic necessities of life. There are only seven cities in South Dakota with a population of more than 10,000. Based on the ratio of the number of people in the State and the number employed, the April unemployment figures are the equivalent of all of the people in three of these cities being unemployed.

That situation exists in virtually all of rural America. If the unemployed in my State were concentrated in just three larger cities of our State, with all of the people in those cities being unemployed, I doubt very much if Senator MCGOVERN and I could get into our offices any day of the week.

Senator CLARK described the type of vitally needed conservation work that could be accomplished by this bill.

Footnotes at end of article.

Let me illustrate the type of work that cries to be done by the Black Hills of South Dakota.

There is hardly a person in this Nation that does not know about our Black Hills. Millions have been there. It is a national resource that should be provided tender loving care. The resource that makes the Black Hills the national attraction that they are, providing enjoyment for millions of Americans, are the forests.

We have ignored for decades important, vitally needed conservation work in the Black Hills.

In preparation of a bill that I introduced earlier, I asked the Forestry Service to provide me information on what work should be done in the Black Hills.

Our beautiful forests in the Black Hills, on the Federal, State, and private lands, are in trouble. They are becoming literally sick from what we call "bugs and dog hair."

The bugs, the mountain pine beetles, have infested more than 2,000,000 trees of the Black Hills. Millions of trees have already been destroyed. The epidemic is increasing rapidly. What we are doing now to stop this epidemic is simply not enough. Work control needs to be done on 250,000 acres.

The dog hair—the everyday phrase that is used to describe the stagnated stands of timber—2,000 trees per acre where there should be only 500 per acre—is a problem throughout most of the hills area.

Bugs and dog hair are the critical problems that must be dealt with on an emergency, crash basis. Other important conservation work needs to be done as well, but is not so critical.

About 2 months ago, I requested the U.S. Forest Service in Washington, Denver, and in Custer to prepare for me an estimate of work that could be done by public service employees on projects to control the mountain pine beetles and on forest stand improvement work projects.

The Forest Service estimates that 500 man-years of work are necessary to control the pine beetle in the Black Hills.

Five hundred men, working full time, could get a good start on the thinning operations needed in the area.

Of those 18,600 people unemployed in South Dakota there are great numbers of them that would jump at the opportunity to work in just these two types of projects in the Black Hills. Many of them live within commuting distance from where they would work.

That situation, Mr. President, can be duplicated in thousands of cases throughout all rural America, not just in our forests, but on our public lands, in our national parks, and on the land that we need to raise food for the Nation and the world.

This legislation is needed for all of America. I hope that the Congress will act promptly and provide money to put people in rural America back to work on these conservation projects.

An analysis of the Federal Budget which I did for the recent Rural America Conference found that only 17 percent of Federal outlays for employment and manpower training go into nonmetropolitan areas, although such areas account for more than 30 percent of the Nation's unemployed even in periods of relatively high economic activity. Another paper prepared for that same conference, "Manpower Programs and Metropollyana" by Tom Karter, went into more detail on the question of discrimination against rural areas in Federal manpower statistics and programs. I would like to insert the first two pages of Mr. Karter's paper at the close of my remarks, and I would like to quote at this point just one paragraph from his summary of the problem:

> Rural areas have a greater per capita need for manpower services than urban areas, and this need is recognized by Federal manpower officials. However, rural areas have never received an equitable share of manpower funds. The lack of jobs in rural areas, the dispersion of the rural population, the greater cost of operating rural programs, the lack of resources, facilities and personnel, and the complex problems facing rural manpower planners, are only some of the reasons explaining why rural areas have not received their equitable share of manpower funds.

Among other things, the legislation Senator CLARK and I are sponsoring can help to offset this inequity—while at the same time investing in those resources which are located in rural America but are a part of the entire Nation's heritage.

Mr. President, I ask unanimous consent that an excerpt from Mr. Karter's paper be printed in the RECORD.

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

MANPOWER PROGRAMS AND METROPOLLYANNA

THE FEDERAL NON-RESPONSE TO THE NEEDS OF RURAL AND SMALL TOWN PEOPLE IN EMPLOYMENT AND TRAINING PROGRAMS

Rural America trails the nation's metropolitan areas in virtually every social and economic indicator the statisticians have come up with.[1] The data on earnings and employment are no exception. The median earnings of employed persons in nonmetropolitan areas is roughly one-fifth below that for employed persons in metropolitan places, and though the precise degree of disparity changes slightly, it is characteristic of every major occupational category.[2] This is not surprising since the proportion of the metropolitan population which has completed high school is 78 percent, while less than 70 percent of the nonmetropolitan population in the same age group (25 to 29) has done so.

Farm workers are more likely to be unemployed

Agriculture provides employment for a significant number of persons living in rural America, and according to the U.S. Department of Labor's Employment and Earnings Bulletin for February, 1975, the unemployment rate for agricultural labor in 1974 was 7.3 percent, compared with a national unemployment rate of 5.6 percent for the same year. In January, 1975, the agricultural labor unemployment rate was 14.7 percent compared with a national unemployment rate of 9.0 percent unadjusted for seasonal factors.

Rural joblessness is more chronic

Unemployment in nonmetro areas is more chronic. More than 20 percent of the nonmetro unemployed in 1970 reported having been that status for 15 weeks or more. Only

17 percent of metro unemployed had been out of work as long as 15 weeks.

Unemployment figures have anti-rural bias

Finally, these official statistics confirming the usual metro/nonmetro disparities can safely be regarded as understating the case. There is a serious question, for example, whether the sample survey used in preparing month-to-month and year-to-year unemployment figures—those on which the allocation of substantial portions of manpower program funding is based—is not biased toward the larger urban areas. Whether or not this is the case, the definitions involved result in an understatement of the employment problem in rural areas.

Definition of unemployed

Labor force data are reported by the Bureau of Labor Statistics in its Monthly Report on The Employment Situation. This survey counts as employed all civilians who, during the survey week, did any work for pay or profit (minimum of an hour's work) or worked 15 hours or more as unpaid workers in a family enterprise, and all persons who were not working but who had jobs or businesses in which they were temporarily absent for non-economic reasons (ill, bad weather, vacation, labor-management dispute, etc.). Unemployed persons comprise all persons not working during the survey week who made specific efforts to find a job within the previous four weeks (such as applying directly to an employer, or to a public service employment service, or checking with friends) and who were available for work during a survey week (except for temporary illness).

Hidden unemployment

There are two aspects of this which mask the importance of unemployment and underemployment and its far greater prevalence in rural areas and small towns. Self-employed persons and unpaid family workers—both of which are considered "employed"—frequently work less than full time (as is evidenced by the use of 15 hours per week as the standard for "employment" of an unpaid family worker). They represent underemployment or "hidden unemployment" as it is sometimes called. Both categories of workers are about twice as prevalent in nonmetro areas than in metro areas.[3]

Consequently, if the government modified its definition of unemployment to measure "real" unemployment among self-employed persons and unpaid family members, rural levels of unemployment would be expected to rise substantially, whereas urban unemployment would be expected to rise moderately.

FOOTNOTES

[1] This is hardly to be wondered at since, as St. Augustine tells us, "Se nutriunt omnia [everything feeds on itself]."

[2] These statistics are from *Current Population Reports* P-23, No. 37, "Social and Economic Characteristics of the Population in Metropolitan and Nonmetropolitan Areas: 1970 and 1960."

[3] See Table 115, "General Social and Economic Characteristics," *1970 Census of Population.*

By Mr. JACKSON (for himself and Mr. FANNIN) (by request):

S. 1921. A bill to amend the act of October 15, 1966 (80 Stat. 915), as amended, establishing a program for the preservation of additional historic properties throughout the Nation, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

Mr. JACKSON. Mr. President, by request, I send to the desk, on behalf of myself and the Senator from Arizona (Mr. FANNIN), a bill to amend the act of October 15, 1966 (80 Stat. 915), as amended, establishing a program for the preservation of additional historic properties throughout the Nation, and for other purposes.

Mr. President, this draft legislation was submitted and recommended by the Department of the Interior, 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. 1921

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 108 of the Act of October 15, 1966 (80 Stat. 915), as amended (16 U.S.C. 470), is further amended by changing the first sentence to read as follows:

"To carry out the provisions of this title, there are authorized to be appropriated $24,400,000 for fiscal years 1976, 1977 and 1978".

By Mr. JACKSON (for himself and Mr. MAGNUSON):

S. 1922. A bill to amend the Act of July 7, 1970 (84 Stat. 409) to authorize appropriations to the Secretary of the Interior without reference to the agencies involved. Referred to the Committee on Interior and Insular Affairs.

Mr. JACKSON. Mr. President, today I am introducing in behalf of Senator MAGNUSON and myself, legislation to amend the Act of July 7, 1970 (Public Law 91-307) which authorized the Secretary of the Interior to construct, operate, and maintain the Touchet Division of the Walla Walla project, Oregon and Washington.

The amendment would eliminate from the act the requirement that costs of the project associated with fish and wildlife enhancement be appropriated to the Fish and Wildlife Service for subsequent transfer to the Bureau of Reclamation.

This requirement for transfer of funds was initially an amendment to the authority legislation offered in the House of Representatives. It was unusual in that it required a high degree of cooperation and coordination between the Fish and Wildlife Service and the Bureau of Reclamation during their respective budgeting processes. The cooperation and coordination has never developed and 5 years later, there has been virtually no progress on the Touchet Project.

The project is of vital interest to the farmers, recreationists, and residents of the area. If the intent of Congress in the original act had been fulfilled, the project would be nearing completion. I hope that this amendment will end the confusion surrounding the allocation of appropriations thereby allowing a prompt and timely start on the construction of the project.

By Mr. PACKWOOD (for himself, Mr. MCGEE, Mr. HUMPHREY, Mr. LAXALT, and Mr. DOMENICI):

S. 1923. A bill to amend the Act entitled "An Act to require the protection, management, and control of wild free-roaming horses and burros on public lands," approved December 15, 1971. Referred to the Committee on Interior and Insular Affairs.

THE WILD HORSES AND BURROS AMENDMENTS ACT

Mr. PACKWOOD. Mr. President, today, with my colleagues, Senators MCGEE, HUMPHREY, LAXALT, and DOMENICI, I am pleased to introduce legislation which will enable the Department of Interior to more adequately manage the populations of wild horses and burros.

Since passage of the Wild Free-Roaming Horse and Burro Act of 1971 the population of wild horses has increased greatly. The National Advisory Board for Wild Free-Roaming Horses and Burros, established under the act, has formally and unanimously declared the dramatic population increase to have:

Resulted in overgrazing and severe damage to the ecological balance of the public lands, and whereas if populations are allowed to continue to increase, this damage will become extreme.

The difficulty in managing these herds of wild horses and burros is twofold. First, the present populations cannot be effectively controlled by rounding up the excess numbers of animals; and secondly, the herds are scattered over 50 to 60 million acres of Buerau of Land Management Lands, and 10 million acres of Forest Service lands.

Present statutory restrictions prohibit the use of any motorized vehicles and aircraft for managing these animals. This leaves very few opportunities open for successfully corraling the excess number of animals. I believe that the use of helicopters to carefully nudge and slowly move these herds is both humane and needed. Although one's initial response to the thought of using helicopters to roundup horses and burros might be negative, there are minimal threats posed to the animals by the helicopters. In fact, this management practice has been strongly endorsed by the National Advisory Board for Wild Free-Roaming Horses and Burros, and the highly respected Oregon Environmental Council.

This bill would also insure that the captured animals are well and humanely treated upon sale or donation to individuals or organizations. It would eliminate any trespass fee which might have been charged owners who had been unable to recapture their animals and reopen horse and burro claim filings for 90 days after the enactment of this bill.

The purpose of the legislation I am offering today is only to allow the more effective management of these animals, to protect and enhance the Nation's rangelands and wildlife.

Further, the waiver of the trespass fee provided in this bill will encourage those owners of animals to take back their animals, once they are captured and not penalize the owners for their inability to recapture their animals under the strong restrictions presently in effect.

Mr. President, I ask unanimous con-

sent 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. 1923

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Congress hereby finds that the population of wild free-roaming horses and burros have increased dramatically and that such increases in equine populations have resulted, in part, in overgrazing and damage to the ecological balance of the public lands. The Congress further finds that, if such horses and burros are allowed to continue to increase, such damage will become more severe. On the basis of such findings, the Congress declares that the aforementioned problem gives emphasis to the urgent need to manage and conserve the Western rangelands as a resource for food production and other wildlife preservation.

(b) This Act may be cited as the "Wild Horses and Burros Amendments Act".

SEC. 2. The Act entitled "An Act to require the protection, management, and control of wild free-roaming horses and burros on public lands", approved December 15, 1971, is amended by adding immediately after section 3 thereof the following new section:

"SEC. 3A. (a) Notwithstanding any other provision of this Act or of any other law, the Secretary, in managing wild free-roaming horses and burros in a manner designed to achieve and maintain a thriving natural ecological balance on the public lands, shall be authorized, from time to time, to carry out a program or programs involving the capturing of such number of such horses and burros as the Secretary determines necessary to maintain such balance and the selling or donating of such animals so captured to individuals or organizations. No such horses or burros shall be so sold or donated unless the Secretary has first determined that such horses and burros shall receive humane treatment.

"(b) In carrying out his duties and functions (including management) under this Act, the Secretary shall be authorized, notwithstanding any other provision of law, to utilize helicopters, and motor vehicles (as defined in section 47 of title 18, United States Code), except that motor vehicles shall be used only for ground support purposes. In no case, however, shall such helicopters and motor vehicles be so used except under the direct supervision of the Secretary or his duly authorized official or employee or pursuant to an agreement entered into under section 6 of this Act.".

(b) Section 8(a) of such Act of December 15, 1971, is amended by inserting immediately after clause (6) thereof the following new clause:

"(7) utilizes or permits to be utilized any wild free-roaming horse or burro for medical testing or research purposes,".

(c) Notwithstanding any other provision of law or regulation issued pursuant thereto, any person claiming ownership of a horse or burro on the public lands, which horse or burro was on such lands on the date immediately preceding the date of the enactment of this Act, shall, during the 90-day period following such date of enactment, be entitled to file a claim with the Secretary for the return to the claimant of such horse or burro. If, on the basis of such claim or other evidence or data, the Secretary approves such claim, the Secretary is authorized to return such horse or burro to the claimant without payment by such claimant of any trespass or other fee, penalty, or charge.

SEC. 3. Section 47(a) of title 18, United States Code, is amended by inserting immediately after "Whoever" a comma and the following: "except as authorized by section 3A of the Act entitled 'An Act to require the protection, management, and control of wild free-roaming horses and burros on public lands', approved December 15, 1971 (85 Stat. 649),".

By Mr. HUDDLESTON:

S. 1924. A bill to amend the tobacco marketing quota provisions of the Agricultural Adjustment Act of 1938. Referred to the Committee on Agriculture and Forestry.

Mr. HUDDLESTON. Mr. President, the burley tobacco producers of this country in the past have been prohibited from leasing burley tobacco quotas to nonquota farms. The Agricultural Stabilization and Conservation Service has amended 7 CFR part 726 to permit the transfer of burley tobacco quotas without regard to whether the receiving farm has a burley quota. Up until this change transfers of burley quotas have been permitted within the same county only if each farm had a burley quota.

I opposed the administrative change of part 726 to permit leasing-in by nonquota farms. The change would allow dilution of the qualified voters in burley referendums and potentially allow nonproducers to become eligible to vote in referendums.

Flue-cured tobacco, by statute, can only be leased to farms holding an allotment of the same kind of tobacco. This regulation has been extended to burley by administrative action.

Amending 7 CFR part 726 was opposed by the Kentucky Farm Bureau, the Burley Farmers Advisory Council, and the Burley Auction Warehouse Association. All are in agreement that changing the existing regulations to permit leasing to nonquota farms serves only to erode the burley tobacco program.

Mr. President, I introduce today a bill that would amend the Agricultural Adjustment Act of 1938 to prohibit the leasing of burley tobacco to nonquota farms. I ask 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. 1924

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 319(g) of the Agricultural Adjustment Act of 1938, as amended, is further amended by inserting the words "having a current burley tobacco farm poundage quota" immediately following the words "transferred to other farms in the same county".

By Mr. BARTLETT:

S.J. Res. 96. A joint resolution proposing an amendment to the Constitution of the United States providing for the reconfirmation by popular vote of certain Federal judges. Referred to the Committee on the Judiciary.

Mr. BARTLETT. Mr. President, today I have introduced a joint resolution to amend the constitution to provide the people a periodic voice in whether or not their Federal district judges should be retained in office.

Under our present Federal judicial system, a prospective Federal judge is nominated by the President—usually upon the recommendation of U.S. Senators—and confirmed or rejected by the U.S. Senate.

Upon being confirmed Federal judges, "both of the Supreme and inferior courts, shall hold their offices during good behavior." This provision of the Constitution has been interpreted to mean that, short of impeachment, our Federal judges hold their offices for the remainder of their life.

Fortunately in the main, our Federal judges are highly competent professionals who only serve the public and the judicial system. In recent years Presidents and the Senate have been far more demanding in the caliber of nominations to these esteemed positions. The use of the American Bar Association to pass judgment on the qualifications of a nominee has prompted Senators and Presidents to be much more circumspect in the selection process. As a matter of statistics, fewer and fewer nominees to the Federal bench are being returned with a "not qualified" label.

But in spite of this greater sensitivity, Federal judges are still appointed who are either not qualified or sometime during their tenure become unqualified.

Unfortunately the few who do slip by can give a bad name to the entire system, and presently very little can be done to remedy the problem.

As I have pointed out, the only existing remedy for an unqualified or incompetent judge is through the process of impeachment—and this is no remedy at all.

In the first place, impeachment results in the disruption of the entire legislative process. The process requires impeachment by the House of Representatives and trial by the Senate. In this day and age the Congress is not going to take time away from its other pressing duties to conduct an impeachment of some obscure Federal district judge. As a matter of fact, in our Nation's history only nine Federal judges have been impeached by the House and only four have been convicted by the Senate. We have not had a judicial impeachment since 1936.

The proposed amendment I have introduced would require all Federal district judges to periodically go before the people for their approval or rejection. Presently the judicial branch of Government is the only bastion where the people have absolutely no say in the selection process. Although overruled by his peers, Thomas Jefferson was long an advocate of involving the people in this process.

During my term as Governor of Oklahoma as a result of serious scandals in our State supreme court, we passed into law a modified Missouri plan for the selection and retention of judges. In conjunction with the adoption of this

plan, which included the nonpartisan election of judges and retention or rejection periodically by the voters, I instituted a voluntary judicial nominating commission.

This series of steps went a long way toward restoring to Oklahomans faith in their judiciary.

Mr. President, the proposal I have introduced, while not solving all the problems in our judicial system, will prove valuable in three respects:

One. It will provide a reasonably simple means of ridding the system of highly unqualified or incompetent judges.

Two. The voters of the United States will have a say in the selection of their judges. The criticism can be made that the voters might reject an able judge because of an unpopular decision. While that possibility exists, the voters have that same possibility in regard to members of Congress as well as the President. But more often than not, the people are right. Thomas Jefferson said:

> It is a misnomer to call a government republican, in which a branch of the supreme power is independent of the nation.

Three. It will provide a bridle on even the most competent judge who might tend to lose his humility and become arrogant with his virtual autonomy.

Under my proposal each district judge after having served 8 years would go before the voters of his judicial district to be either retained or removed. The judge would have no opponent. He would run strictly on the basis of his record, and the people could retain or reject him based on that record. The process would be repeated every 8 years thereafter.

I urge the Judiciary Committee to begin hearings on this proposal as well as the other similar bills which have been introduced this session. The fact that we have lived under the present law for 200 years does not justify 200 more years of putting up with thorns in the system.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 6

At the request of Mr. WILLIAMS, the Senator from Montana (Mr. METCALF) was added as a cosponsor of S. 6, the Education for All Handicapped Children Act.

S. 153

At the request of Mr. HANSEN, the Senator from Minnesota (Mr. HUMPHREY) was added as a cosponsor of the bill (S. 153) to amend part B of title XI of the Social Security Act, professional standards review, to provide for the review of dental services by dentists.

S. 1438

At the request of Mr. MCINTYRE, the Senator from Tennessee (Mr. BAKER) was added as a cosponsor of the bill (S. 1438) the National Health Care Act of 1975.

S. 1729

At the request of Mr. BAYH, the Senator from Iowa (Mr. CULVER), the Senator from Vermont (Mr. LEAHY), and the Senator from New Jersey (Mr. CASE) were added as cosponsors of S. 1729, a bill to amend title II of the Social Security Act to eliminate the special dependency requirements for entitlement to husband's and widower's insurance benefits, to provide benefits for widowed fathers with minor children, to make certain other changes so that benefits for husbands, widowers, and fathers will be payable on the same basis as benefits for wives, widows, and mothers, and to permit the payment of benefits to a married couple on their combined earnings record where that method of computation provides a higher combined benefit.

S. 1804

At the request of Mr. HANSEN, the Senator from Wyoming (Mr. MCGEE), the Senator from Montana (Mr. METCALF), the Senator from Illinois (Mr. STEVENSON), and the Senator from Alaska (Mr. STEVENS) were added as cosponsors of the bill (S. 1804) to amend the Internal Revenue Code of 1954 to exclude from gross income the amount of certain cancellations of indebtedness under student loan programs.

S. 1864

At the request of Mr. JACKSON, the Senator from Illinois (Mr. STEVENSON), the Senator from Iowa (Mr. CULVER) the Senator from Utah (Mr. MOSS), and the Senator from Minnesota (Mr. HUMPHREY) were added as cosponsors of the bill (S. 1864) the Automobile Fuel Economy and Research and Development Act of 1975.

S. 1877

At the request of Mr. HANSEN, the Senator from Wyoming (Mr. MCGEE) was added as a cosponsor of the bill (S. 1877) to provide for the duty-free entry of binder twine and baler twine made of manmade fibers.

SENATE JOINT RESOLUTION 84

At the request of Mr. JAVITS, the Senator from Arizona (Mr. FANNIN) and the Senator from Nebraska (Mr. CURTIS) were added as cosponsors of Senate Joint Resolution 84, to authorize the President to proclaim National Hobby Month.

SENATE RESOLUTION 152

At the request of Mr. DOLE, the Senator from Nevada (Mr. LAXALT) was added as a cosponsor of Senate Resolution 152, a resolution requiring all standing committees of the Senate (other than the Committees on Appropriations and Budget) to conduct special oversight activities relating to their areas of jurisdiction and to report to the Senate thereon, no later than December 31, 1975.

AMENDMENTS SUBMITTED FOR PRINTING

ADDITIONAL STAFF MEMBERS FOR SENATORS—SENATE RESOLUTION 60

AMENDMENTS NOS. 561 THROUGH 565

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

Mr. GRAVEL submitted five amendments intended to be proposed by him to the resolution (S. Res. 60) authorizing each Member of the Senate to employ additional assistants to work on matters pertaining to committees on which Senators serve.

AMENDMENTS NO. 566 AND NO. 567

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

Mr. CANNON submitted two amendments intended to be proposed by him to the resolution (S. Res. 60), supra.

AMENDMENT NO. 568

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

Mr. CRANSTON (for himself and Mr. Brock) submitted an amendment intended to be proposed by them, jointly, to the resolution (S. Res. 60), supra.

AMENDMENTS NO. 569 AND NO. 570

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

Mr. CANNON submitted two amendments intended to be proposed by him to the resolution (S. Res. 60), supra.

AMENDMENTS NOS. 571 THROUGH 573

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

Mr. PACKWOOD submitted three amendments intended to be proposed by him to the resolution (S. Res. 60), supra.

AMENDMENTS NOS. 574 THROUGH 576

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

Mr. BROCK submitted three amendments intended to be proposed by him to the resolution (S. Res. 60), supra.

AMENDMENTS NO. 577 AND NO. 578

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

Mr. ALLEN submitted two amendments intended to be proposed by him to the resolution (S. Res. 60), supra.

URGENT SUPPLEMENTAL APPROPRIATIONS FOR SUMMER YOUTH EMPLOYMENT AND RECREATION—HOUSE JOINT RESOLUTION 492

AMENDMENT NO. 579

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

Mr. MAGNUSON (for himself, Mr. BROOKE, Mr. CHILES, Mr. JACKSON, Mr. PASTORE, and Mr. BAYH) submitted an amendment intended to be proposed by them to the joint resolution (H.J. Res. 492) making urgent supplemental appropriations for summer youth employment and recreation, and for other purposes.

Mr. MAGNUSON. Mr. President, I would like to make a few brief remarks concerning House Joint Resolution 492, urgent supplemental appropriations for summer youth employment and recreation.

The bill contains the amounts for summer youth programs agreed to by the conferees on the original Emergency Employment Act supplemental which was vetoed and sustained. This includes $456,350,000 for approximately 840,000

summer youth jobs for the disadvantaged; and $15,300,000 and $1,700,000, respectively, for the summer youth recreation and transportation programs.

The summer youth jobs program provides employment in public institutions such as schools, libraries, and local governments. Unemployment among disadvantaged youth is now over 40 percent. Without these funds, it may reach 50 percent this summer.

The summer youth transportation program provides transportation to job locations for disadvantaged youth involved in the summer youth jobs and recreation programs, matching last year's level of funding.

The summer youth recreation program provides recreational opportunities for millions of disadvantaged youth, ages 8 to 14, who are mostly too young to work. This is the same as last year's level of funding.

The conference report on the vetoed bill contained specific provisions which also apply to the summer youth portion of this bill, namely:

First. The Department is expected to distribute funds for the summer youth employment program according to the formula under title I of the Comprehensive Employment and Training Act, adjusted to insure that no area receives less enrollment opportunities from this source than were provided for the summer of 1974.

Second. The Department shall not require prime sponsors to provide matching funds for any part of these supplemental summer youth employment funds.

Mr. President, I am also convinced that this joint resolution should be amended to include at a minimum the $2.3 billion agreed to by the conferees for the Labor-HEW chapter of the vetoed $5.3 billion Emergency Employment Act supplemental. Among the other essential items that should be given favorable consideration is the Youth Conservation Corps, for which $10 million was agreed to by the conferees on the vetoed bill.

On June 6, 1975, Senator BROOKE and I, joined by Senators CHILES, PASTORE, CASE, SCHWEIKER, and BAYH, wrote to Chairmen MCCLELLAN and MAHON expressing our viewpoints in detail on this matter, and I ask unanimous consent to have printed in the RECORD copies of those letters.

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

U.S. SENATE,
Washington, D.C., June 6, 1975.

Hon. GEORGE H. MAHON,
Chairman, Committee on Appropriations, U.S. House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: It appears that Congress will immediately be considering appropriation measures to substitute for the Emergency Jobs Supplemental that was vetoed and sustained.

We believe any new Emergency Jobs Appropriations bill should include, or be amended to include, at a minimum, the following items:

Public service jobs	$1,625,000,000
Summer youth jobs	456,350,000
Summer youth transportation	1,700,000
Summer youth recreation	15,300,000
Jobs for the elderly	30,000,000
Work incentives	70,000,000
College work-study jobs	119,800,000

It is obvious, at this late date, that we must pare down the $5.3 billion bill vetoed by the President. We are suggesting a replacement measure of about half that size, to take care of the most urgent needs. For the most part, the items we are suggesting are simply to restore last year's level of funding, or to prevent reductions in the current level of services. A similar proposal has been suggested by Congressman Michel. The items we suggest are budget requests sent to us by the President or amounts agreed to in the original bill by both Houses of Congress.

The unemployment figures for May were released today, showing unemployment has risen to a grim 9.2 percent. This means more than 8,500,000 persons are out of work and looking for jobs. In addition, a million more persons have given up looking for work and are not even counted in the official unemployment rate. It is, therefore, clear unemployment today is really in excess of a staggering 10 percent.

It is essential that the $1,625,000,000 for public service jobs be included, just to continue the current 310,000 level of persons enrolled, who would otherwise be layed off starting in July. To avoid sparking potential conflict between youth and adults competing for jobs, a new bill should include jobs for both.

It is important that funding for two companion programs accompany the Summer Youth Jobs program, as in past years: the Summer Youth Transportation and Recreational Support programs. At least last year's level of funding should be provided in both cases: $1,700,000 necessary to transport disadvantaged youth to their summer jobs; and $15,300,000 to provide millions of disadvantaged youth too young to work with recreational opportunities.

The $30,000,000 for jobs for the elderly will prevent layoffs of current enrollees; our elderly citizens have been the hardest hit by the current unemployment situation and deserve special attention. These funds, together with $12,000,000 in the regular 1975 bill, would support 12,700 jobs for the elderly.

The $119,800,000 for the work-study program would provide 250,000 jobs for low-income college students. An estimated 33 States have exhausted their work-study funds; without these funds, many would have to seek employment through the general labor market where one out of every ten workers is already unemployed.

For the Work Incentive program, $70,000,000 is needed to continue providing jobs and training for welfare recipients. About 30 States have exhausted their supply of funds.

Unemployment is already at its highest level in 34 years, and must not be allowed to climb still higher. It would be a false economy, indeed, not to provide funds to create jobs, only to pay billions more for unemployment benefits and welfare. Already, we are being compelled to appropriate a supplemental including an additional *$5 billion* for mandatory aid to the jobless and $1.7 billion for increased welfare costs.

We believe we must put our priorities in place and provide more work, not more welfare, to get our economy back on an even keel. Time is of the essence; we must act with utmost speed to pass a new Emergency Employment Appropriations bill that will be acceptable to the President.

Sincerely,

EDWARD W. BROOKE,
Ranking Minority Member, Subcommittee on Labor-Health, Education and Welfare,

WARREN G. MAGNUSON,
Chairman, Subcommittee on Labor-Health, Education, and Welfare,

LAWTON CHILES,
JOHN O. PASTORE,
BIRCH BAYH,
CLIFFORD P. CASE,
RICHARD S. SCHWEIKER.

U.S. SENATE,
Washington, D.C., June 6, 1975.

Hon. JOHN L. MCCLELLAN,
Chairman, Committee on Appropriations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: It appears that Congress will immediately be considering appropriation measures to substitute for the Emergency Jobs Supplemental that was vetoed and sustained.

We believe any new Emergency Jobs Appropriations bill should include, or be amended to include, at a minimum, the following items:

Public service jobs	$1,625,000,000
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Summer youth transportation	1,700,000
Summer youth recreation	15,300,000
Jobs for the elderly	30,000,000
Work incentives	70,000,000
College work-study jobs	119,800,000

It is obvious, at this late date, that we must pare down the $5.3 billion bill vetoed by the President. We are suggesting a replacement measure of about half that size, to take care of the most urgent needs. For the most part, the items we are suggesting are simply to restore last year's level of funding, or to prevent reductions in the current level of services. A similar proposal has been suggested by Congressman Michel. The items we suggest are budget requests sent to us by the President or amounts agreed to in the original bill by both Houses of Congress.

The unemployment figures for May were released today, showing unemployment has risen to a grim 9.2 percent. This means more than 8,500,000 persons are out of work and looking for jobs. In addition, a million more persons have given up looking for work and are not even counted in the official unemployment rate. It is, therefore, clear unemployment today is really in excess of a staggering 10 percent.

It is essential that the $1,625,000,000 for public service jobs be included, just to continue the current 310,000 level of persons enrolled, who would otherwise be layed off starting in July. To avoid sparking potential conflict between youth and adults competing for jobs, a new bill should include jobs for both.

It is important that funding for two companion programs accompany the Summer Youth Jobs program, as in past years: the Summer Youth Transportation and Recreational Support programs. At least last year's level of funding should be provided in both cases: $1,700,000 necessary to transport disadvantaged youth to their summer jobs; and $15,300,000 to provide millions of disadvantaged youth too young to work with recreational opportunities.

The $30,000,000 for jobs for the elderly will prevent layoffs of current enrollees; our elderly citizens have been the hardest hit by the current unemployment situation and deserve special attention. These funds, together with $12,000,000 in the regular 1975

bill, would support 12,700 jobs for the elderly.

The $119,800,000 for the work-study program would provide 250,000 jobs for low-income college students. An estimated 33 States have exhausted their work-study funds; without these funds, many would have to seek employment through the general labor market where one out of every ten workers is already unemployed.

For the Work Incentive program, $70,000,000 is needed to continue providing jobs and training for welfare recipients. About 30 States have exhausted their supply of funds.

Unemployment is already at its highest level in 34 years, and must not be allowed to climb still higher. It would be a false economy, indeed, not to provide funds to create jobs, only to pay out billions more for unemployment benefits and welfare. Already, we are being compelled to appropriate a supplemental including an additional *$5 billion* for mandatory aid to the jobless and $1.7 billion for increased welfare costs.

We believe we must put our priorities in place and provide more work, not more welfare, to get our economy back on an even keel. Time is of the essence; we must act with utmost speed to pass a new Emergency Employment Appropriations bill that will be acceptable to the President.

Sincerely,

EDWARD W. BROOKE,
Ranking Minority Member, Subcommittee on Labor-Health, Education and Welfare,

WARREN G. MAGUSON,
Chairman, Subcommittee on Labor-Health, Education, and Welfare,

LAWTON CHILES,
JOHN O. PASTORE,
BIRCH BAYH,
CLIFFORD P. CASE,
RICHARD S. SCHWEIKER.

Mr. MAGNUSON. Mr. President, I believe it would be a mistake to handle the urgent needs of our unemployed in a piecemeal fashion, when we can just as easily enact a bill meeting the immediate needs of our adult and elderly jobless citizens as well. None of these items can wait for consideration in the fiscal year 1976 Labor-HEW appropriations bill, since layoffs are imminent without supplemental funding.

I agree essentially with Congressman MICHEL and other cosponsors of H.R. 7612, making emergency employment appropriations for fiscal year 1975. Although far from perfect, this bill includes the most essential funds for not only summer youth programs but jobs for adults and the elderly, as well as work incentive and college work-study funds.

As a result of my amendment, it appears the House Appropriations Committee may report a continuing resolution which would specifically include all of the items agreed to by the conferees in the Labor-HEW chapter of the vetoed jobs bill. This would consist of: $1.625 million for public service jobs, extending for another year the current enrollment level of about 31,000 persons under several legislative authorities; $42 million for community service employment for the elderly, including enrollees now in the Operation Mainstream/Green Thumb program; $119,800,000 for 250,000 college work study jobs; and $70 million for the Work Incentive program, which provides employment and training for welfare recipients, as well as $10 million for the Civilian Conservation Corps in the Agriculture Department. If these items are included in continuing resolution, I may consider withdrawing this amendment.

It would be a false economy, indeed, not to provide funds to create jobs, only to pay out billions more for unemployment benefits and welfare.

I agree that we must act with utmost speed to pass a new emergency employment appropriations bill. Further delay would not only prolong the tragedy for millions of Americans out of work but would be economically unsound.

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

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

AMENDMENT No. 579

On page 2, after line 10, insert the following:

COMMUNITY SERVICE EMPLOYMENT FOR OLDER AMERICANS

For an additional amount for "Community service employment for older Americans", to carry out title IX of the Older Americans Comprehensive Services Amendments of 1973, $30,000,000: *Provided*, That, notwithstanding any other provision in law, amounts contained herein, together with amounts heretofore appropriated for "Community service employment for older Americans" may be expended to continue projects now being conducted as part of the National Operation Mainstream program authorized by title III of the Comprehensive Employment and Training Act of 1973 (Public Law 93–203).

TEMPORARY EMPLOYMENT ASSISTANCE

For an additional amount for "Temporary employment assistance", $1,625,000,000, to remain available until December 31, 1975.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

OFFICE OF EDUCATION

HIGHER EDUCATION

For an additional amount to carry out work-study programs authorized by part C of title IV of the Higher Education Act, $119,800,000, of which $60,000,000 shall remain available through September 30, 1975 and $59,800,000 shall remain available through June 30, 1976: *Provided*, That funds appropriated in the Departments of Labor, and Health, Education, and Welfare Appropriations Acts for the fiscal years ending June 30, 1974, and June 30, 1975 (Public Laws 93–192 and 93–517) for the work-study program under part G of title IV of the Higher Education Act of 1965, which have been granted to an eligible institution whose allocation exceeds the amount needed to operate a work-study program during the period for which those funds are available, shall remain available to the Commissioner for making grants to other eligible institutions until the end of the fiscal year succeeding the fiscal year for which such funds are appropriated: *Provided further*, That any amounts appropriated for basic opportunity grants for the fiscal year ending June 30, 1974, which are in excess of the amount required to meet the payment schedule announced for the academic year 1974–75, shall remain available for payments under the payment schedule announced for the academic year 1975–76.

SOCIAL AND REHABILITATION SERVICE

WORK INCENTIVES

For an additional amount for "Work Incentives", $70,000,000, for carrying out a work incentives program as authorized by part C of title IV of the Social Security Act, including registration of individuals for such program, and for related child care and supportive services, as authorized by section 402 (a) (19) (G) of the Act, including transfer to the Secretary of Labor, as authorized by section 431 of the Act, which, together with the previously authorized current year appropriation, shall be the maximum amount available for transfer to the Secretary of Labor and to which States may become entitled, pursuant to section 403(d) of such Act, for these purposes, for the current fiscal year and for any period in the prior fiscal year provided the prior fiscal year expenditures are claimed on quarterly statements of expenditures reecived by the Secretary of Health, Education, and Welfare prior to February 1, 1975.

DEPARTMENT OF AGRICULTURE

YOUTH CONSERVATION CORPS

For an additional amount for "Youth Conservation Corps", $10,000,000, to remain available until the end of the fiscal year following the fiscal year for which appropriated: *Provided*, That $5,000,000 shall be available to the Secretary of the Interior and $5,000,000 shall be available to the Secretary of Agriculture.

NOTICE OF HEARINGS

Mr. MONDALE. Mr. President, I wish to announce that the final joint hearings on the Child and Family Services Acts, S. 626 and H.R. 2966, have been scheduled by the Senate Subcommittee on Children and Youth, the House Select Subcommittee on Education, and the Senate Subcommittee on Employment, Poverty, and Migratory Labor for June 16, 17, 19, and 20.

A highly respected and impressive group of witnesses will testify at these hearings. I urge my colleagues and members of the public to attend and carefully consider the testimony that will be presented.

Because of the large number of requests our subcommittees have received for copies of the witness list, I ask unanimous consent that it be printed in the RECORD.

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

WITNESS LIST FOR JOINT HEARINGS ON THE CHILD AND FAMILY SERVICES ACTS S. 626—H.R. 2966.

Monday, June 16, 1975, 9:30 a.m., 2175 Rayburn Building.

Witnesses will include: Congresswoman Bella Abzug; Representatives of the National Governor's Conference; Anne Klein, New Jersey Commissioner of the Department of Institutions and Agencies; Representatives of the U.S. Conference of Mayors and the National League of Cities; Ms. Frieda R. Mitchell, Chairperson, United Communities for Child Development, Inc., Frogmore, South Carolina; Honorable Hannah D. Atkins, House of Representatives, State of Oklahoma; Dr. Wilson Riles, Superintendent of Public Instruction, California Department of Education, Sacramento, California; John Himelrick, Interagency Council for Child Development Services, Office of the Governo

Charleston, West Virginia; David Flagherty, Secretary of Human Resources & Chairman of the South, Eastern Human Services Institute, Raleigh, North Carolina.

Tuesday, June 17, 1975, 9:30 am, 2175 Rayburn Building.

Witnesses will include: The Honorable Caspar W. Weinberger, Secretary of Health, Education, and Welfare accompanied by Stan Thomas, Assistant Secretary of Human Development, Terrel Bell, Commissioner of Education, Dr. Theodore Cooper, Assistant Secretary for Health, and Jack Young, Assistant Secretary Controller; Kenneth Kenniston, Chairman and Executive Director of the Carnegie Council on Children.

Thursday, June 19, 1975, 9:30 am, 4232 Dirksen Building.

Witnesses will include: A Panel of Congressmen including Congressman Parren J. Mitchell of Maryland, Congressman Gunn McKay of Utah and Congressman Jim Weaver from Oregon; two witnesses recommended by Senators Buckley, Taft, and Laxalt; Betty Caldwell, Director of the Center for Early Development and Education, University of Arkansas; Urie Bronfenbrenner, Professor, Department of Human Development and Family Services, Cornell University.

Friday, June 20, 1975, 9:30 am, 2175 Rayburn Building.

Witnesses will included: Joyce Hatton, President, New World, Inc., Lansing, Michigan; Representatives of the American Federation of State, County and Municipal Employees; Mr. Ben Shappard, M.D., President, Dade County School Board, Florida; Owen Peagler, Chairman, National Advisory Council for the Education of Disadvantaged Children; Donald W. Whitehead, Federal Co-Chairman, Appalachian Regional Commission; Dr. Robert Mendelsohn (Pediatrician) Assistant to the Executive Vice President, Michael Reese Hospital, Chicago; Panel of witnesses including Eileen Fox, Urban Affairs Department, Banker's Trust, New York; Carole Lubin, United Neighborhood House of New York; James Solar, Executive Director, Union Settlement Association, New York; Aileen Wittenstein, Member of United Neighborhood Houses Board of Directors; Jeanette Perkins, mother of two retarded children served by Lowe Memorial Day Care Center; Eleanor Bailey, Business Agent for Metropolitan North Postal Worker's Union, AFL-CIO; Alice Lee, Director of After-School Day Care Centers operated by Chinatown Planning Council.

NOTICE OF HEARING

Mr. PHILIP A. HART. Mr. President, I wish to inform those who may be interested that the Antitrust and Monopoly Subcommittee on Tuesday, June 17, will open hearings on S. 489. This bill, whose chief sponsor is the junior Senator from South Dakota (Mr. ABOUREZK) would prohibit petroleum producers or refiners and natural gas producers from owning an interest in other energy sources.

ADDITIONAL STATEMENTS

BUSING, INTEGRATION, AND QUALITY EDUCATION

Mr. TALMADGE. Mr. President, I have long maintained that we have come full circle on the issue of school desegregation. It is also becoming increasingly evident that the issue has more to do with social adventurism than with promoting quality education.

In 1954, the U.S. Supreme Court held that the Constitution forbids schoolchildren to be assigned to public schools on account of their race. Then came forced school busing, which does precisely what the Supreme Court said could not be done.

Thus, we have come full circle because the principal criteria for assigning children to schools far removed from their homes and busing them great distances across cities or school districts is race.

It has nothing to do with quality education. It has nothing to do with improving instruction in the classroom. Forced school busing is purely and simply a matter of trying to achieve some artificial racial balance conceived by some Federal court or some bureaucrat.

As William Raspberry, the Washington Post columnist, pointed out:

> Busing hasn't solved anything because busing can't solve anything except transportation problems. And transportation never was the issue.

And now, the man who conceived the notion of school busing has also come full circle. In 1966, in a study which greatly influenced Federal courts and the U.S. Office of Education, Prof. James R. Coleman, of the University of Chicago, thought busing was a marvelous idea.

Professor Coleman now concedes that forced school busing has been a failure. Rather than improving education and advancing the cause of human relations between the races, according to Professor Coleman, it has been detrimental to these causes.

I suppose this gives strength to the idea that hindsight is better than foresight. This may be true, but when the Government undertakes to deal with peoples' children and to virtually revolutionize educational systems, I for one would wish that more foresight would be exercised.

The time is long overdue to stop the idiocy of forced school busing. It is time to stop using schoolchildren as pawns in sociological experimentation.

Mr. Raspberry discussed Professor Coleman's views, past and present, on school busing in a column in today's edition of the Washington Post.

I commend it to members of the Senate 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:

BUSING, INTEGRATION, AND QUALITY EDUCATION

(By William Raspberry)

With the recent capitulation of Prof. James R. Coleman (he of the celebrated Coleman Report), hardly anyone is left to defend big-scale busing for the purpose of school integration.

It was Coleman, now a sociologist at the University of Chicago, whose 1966 study, undertaken for the U.S. Office of Education, provided the rationale for the massive busing programs of the past 10 years.

The heart of the Coleman Report was its finding that black children in integrated classrooms perform better than their counterparts in all-black classrooms.

And since he also found that the performance of white children was not diminished by racial integration, it was hard to resist the conclusion that America ought to move as quickly as it could to see to it that every black child had the benefit of integrated education. And what quicker way could there be than the instant integration of massive busing?

Well, Dr. Coleman has taken another look, and his new conclusion—expressed in an April speech before the American Educational Research Association and in a recent interview with the National Observer—is that busing is killing integration, not promoting it; that America's largest cities are becoming more rigidly segregated as a direct result of busing.

According to Coleman, it is implementation, not theory, that has gone awry.

"The theory is that children who themselves may be undisciplined, coming into classrooms that are highly disciplined, would take on the characteristics of their classmates and be governed by the norms of the classrooms, so that the middle-class values would come to govern the integrated classrooms.

"In that situation, both white and black children would learn.

"What sometimes happens, however, is that characteristics of the lower-class black classroom—namely a high degree of disorder—come to take over and constitute the values and characteristics of the integrated school. It's very much a function of the proportion of lower-class pupils in the classroom."

I do wish Coleman had taken the bother to explain that black and lower-class are no more synonymous than are white and middle-class. But, then, he might also have pointed out that in the large cities, where busing constitutes the largest problem, the lower-class populations are getting bigger and—as the cities themselves become less white—also blacker.

And because blacks are concentrated in the larger urban areas. court-ordered desegregation has tended to speed the process that sends whites fleeing to the suburbs while the central cities become blacker, Coleman said.

Nor does he believe that metropolitan-wide busing is the answer.

"I believe it's not entirely lower-class blacks that middle-class whites are fleeing," he said. "They are fleeing a school system that they see as too large, as unmanageable, as unresponsive, to find a smaller, more responsive system. If the systems is made even larger, covering the whole metropolitan area, many parents will find ways to escape it, either by moving even further out or by use of private schools."

It is principally in the very large cities that busing is having its resegregating effect, Coleman noted. "In cities smaller than the size of, say, Indianapolis, desegregation does not seem to have the same consequences."

For the big cities, with the big problem, Coleman is convinced white flight will continue, at least among those with the financial means to flee, unless solutions are devised that can attract the active cooperation of middle-class families.

But what, exactly, is it that we're seeking a solution to? If we had asked ourselves that question, and insisted on an honest answer, maybe we wouldn't be dealing with massive busing now.

Are we seeking a solution to racial segregation generally? Then, why pick on the schools instead of the neighborhoods, where the real segregation is maintained?

Is the problem inadequate education for poor children? But who could have believed—Coleman notwithstanding—that problem could be solved by transporting whole classrooms from one neighborhood to another?

It is unequal distribution of resources that we are trying to correct? Then, why don't

we go after them instead of going after integration?

Busing hasn't solved anything because busing can't solve anything except transportation problems. And transportation never was the issue.

Coleman believes the courts were badly mistaken to rely on his report as the rationale for wide-scale busing—or for anything else. For what was at issue before the courts was a question of constitutional rights; Coleman's report formed, at most, a basis for changing educational policy.

Coleman himself sees the folly of trying to combine the two areas.

"Consider what would have happened if the report had said that *segregated* classrooms improve pupil performance," he told the Observer. "Would the courts have been justified in ordering busing to create racial *imbalance?*

"Of course not. Courts are taking a very precarious path when they make research results about the achievement consequences of school integration a basis for reorganizing a school system. That's not their function, in my view."

Nor in mine.

TIME IS RIPE FOR A GOLD BICENTENNIAL COIN

Mr. HATFIELD. Mr. President, on July 4 of this year, a remarkable piece of legislation goes into effect. For the first time in our history, a circulating coinage design has been changed to commemorate a national event. The reverse side of the quarter, half dollar, and dollar will be changed to reflect themes emblematic of the Bicentennial of the American Revolution.

The 93d Congress is responsible for the legislation authorizing those coins and the special silver legal tender issues that were created for sale to coin collectors and all Americans.

Yet the celebration of the Bicentennial is incomplete. The coinage changes are not fully adequate. A gold commemorative coin should be issued for the Bicentennial, honoring 200 years of American freedom with a legal tender that was used when independence was won.

This is not aimed at remonetizing gold. The coin I am speaking of is intended as a collector's item. Its face value would be far below its bullion content, and the coin would sell for above its face value, not unlike the silver Bicentennial coins Congress authorized in the last session.

There is no reason why the United States should not have a gold Bicentennial coin. When the original legislation was being framed, Americans did not enjoy the right to own gold. Thus, although the Senate passed a bill authorizing a gold coin, the House would not correspondingly act.

There were perhaps a number of valid objections to a gold Bicentennial coin last year. Surely, there can be none now. Mr. President, I would like to call to your attention an interesting commentary on gold Bicentennial coinage by Mr. David L. Ganz which appeared in a recent issue of Numismatic News Weekly.

This article, in two parts, goes into the background of several previous proposals, and then goes on to rebut previous arguments advanced within the administration opposing such a coin. I ask unanimous consent that the two parts of this article be printed in the RECORD at this time.

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

PROPOSING THE AUTHORIZATION OF A GOLD COIN: WRITING A FINAL CHAPTER TO THE BICENTENNIAL

(By David L. Ganz)

Production presses for Bicentennial coinage will soon be rolling. The reverse of the quarter, half dollar, and dollar coins entering circulation will bear designs emblematic of two centuries of American experience. Special silver-clad coins of the same design also will be available to collectors of Bicentennial memorabilia.

What remains to be done to highlight the Bicentennial celebration is for Congress to authorize the United States Mint to strike a gold commemorative coin honoring a unique event to our lifetimes. For Congress to fail to do so would seriously shortchange both the Bicentennial observance, and the American people participating in the tribute to 200 years of American freedom.

Striking a gold coin would be entirely appropriate to both the events being commemorated, and to the method adopted thus far for celebration. A precious metal silver series of coins has been authorized by Congress. There is no reason why 45 million gold pieces could not be manufactured to join an identical quantity of silver coins that must be struck.

Precious metals have a long history of involvement with U.S. coinage. Although the last gold coins were struck in 1933, and circulating silver coins were last minted in 1969, both metals were manufactured going back to the earliest coinage of the 13 colonies after they became the United States of America.

In his classic "Report on the Establishment of a Mint," Secretary of the Treasury Alexander Hamilton noted on Jan. 28, 1791, that both "1 gold piece equal to a . . . Dollar" and "1 Silver piece, which shall also be a unit or dollar" should form the basis of the American currency system that had yet to assume reality.

Since that day, gold and silver have both played an important part in the economic life of the United States. The gold rush of 1848 helped to settle the West and bring California into the Union; the silver in the Comstock Lode helped to foment a political battle that helped shape the last quarter century of 19th Century American history.

In the 20th Century, the world went briefly on a gold standard, then a gold-exchange system, and finally one in which gold was given a role of importance in international monetary transactions in a world of Special Drawing Rights, or "paper gold." Silver, meanwhile, gained a major role in industrial development in this country.

By presidential order, and congressional affirmance, gold left the actively circulating domestic currency system in 1933. Silver took some time longer to make its exit. The Coinage Act of 1965 caused most of it to end its active coinage role and, once the One Bank Holding Company Act of 1970 was passed, the 40 percent silver-clad Kennedy half dollar—the last circulating silver coin—went by the boards.

In the interim between 1970 and the introduction of silver Bicentennial coinage, a 40 per cent silver-clad Eisenhower dollar has become the only American representation of a precious metal coin. This does maintain a sequence of precious metal production of coinage dating back to the manufacture of Martha Washington's silver service into pattern coinage.

When Bicentennial coinage proposals were first introduced in Congress in early 1971, the legislators never doubted that precious metals were required to make an appropriate tribute to 200 years of freedom. Early in the first session of the 92nd Congress, Sen. Frank Church (D-Idaho) proposed the use of silver in this capacity.

Church called for the striking of a minimum of 225 million sets of two or more proof and uncirculated silver coins—sufficient quantity for each American to be able to acquire a unique tribute. Then Representative (now Senator) James A. McClure (R-Idaho) teamed up with Sen. Peter H. Dominick (R-Colo.) with similar silver coin proposals.

Gold coin proposals were hard to come by in 1971. The reason was clear: It was illegal for Americans to own gold bullion, and almost all gold coined after 1960. Additionally, in June, 1971, the dollar was still convertible into gold at the old fixed rate of $35 per troy ounce. Use of American gold reserves for a coin was unthinkable.

By the middle of May, 1972, plans were advancing within the Treasury for numismatic commemoration of the Bicentennial. Although it was not known at the time, the coin and medal aspect of the Bicentennial celebration would wind up being the only real success coming from governmental involvement in the planning for the event.

As this planning went on, Mint Director Mary T. Brooks had independently decided that precious metal commemoration of the Bicentennial was desirable. In an unpublished 1972 interview, recently quoted in "The Numismatist," monthly publication of the American Numismatic Association, Mrs. Brooks came out strongly in favor of a gold Bicentennial coin.

"I'd love to strike a gold Bicentennial coin," the mint director said on May 8, 1972. "No more wonderful way could be found to commemorate our Bicentennial than with a gold coin." One key reason for this feeling was obviously the deep feeling of historic identification between gold and the growth of this nation.

Other events, however, began to intervene. The dollar had been devalued once, with gold rising from a fixed $35 rate to $38 and higher on the secondary "free market." On May 9, 1972, the price of gold jumped to $44 an ounce on the free market, and Mrs. Brooks formally requested that her remarks be withdrawn for fear of unduly prejudicing the price.

Even as this was happening, Sen. Mark O. Hatfield (R-Ore.) was proposing a gold coin be struck for the Bicentennial. His approach was two-fold: Unique commemoration of an event of momentous importance, and the unshackling of our gold reserves by using them in a circulating coin. A story to that effect was published in Numismatic News Weekly on May 16, 1972.

Hatfield acted early in the 93rd Congress in furtherance of this idea, and ultimately, the Senate would pass his proposal for a gold Bicentennial coin. It was, however, dropped in conference with the House, which refused to go along with the proposal, opting instead for silver-clad pieces.

Even after the Treasury Department's proposal for Bicentennial coinage was introduced in March, 1973, some members of Congress seemed to think that it fell short of the desired commemorative result, because of the absence of precious metals.

Sen. James McClure said it was his feeling there was no reason "not (to) commemorate the Bicentennial in a manner that the nation did itself—in gold and silver." Hatfield, not satisfied with the initial proposal, thought "a more appropriate celebration would be with gold coins," and then proceeded to act on the statement.

Rep. Steve Symms (R-Idaho) said he could only term the failure to use gold in a Bicentennial coin "a penny-ante approach which Americans will regret for the next 100 years."

Rep. Philip M. Crane (R-Ill.) similarly called for striking of a Bicentennial gold coin.

Dramatic events were to nearly cause a gold Bicentennial coin to be authorized in conjunction with the silver clad pieces ultimately created by the Bicentennial legislation. It was passed by the Senate after a floor fight led by Senators Hatfield, McClure and Dominick.

In the House, however, gold proponents were not able to gain as much ground, particularly because Federal Reserve Chairman Arthur F. Burns and Undersecretary of the Treasury Paul Volcker both opposed a coin or anything else that would give the impression that the United States desired anything less than total demonetization of gold.

Both men wrote letters to the chairman of the House Banking Committee, Rep. Wright Patman (D-Tex.) in which they warned of potentially damaging consequences to the United States if a gold coin were authorized, struck and circulated. Dr. Burns hinged his arguments on the probably adverse impact on the nation's balance of payments.

Volcker was more broad in his attack. "We doubt the wisdom of enacting any legislation at this time which pertains to the private ownership of gold—whether in the form of bullion or coin," he wrote on July 13, 1973. Because the balance of his arguments are those which would still be the basic reason for opposition to gold coinage, they are summarized from their original source: House of Representatives Report 93-391 at pages 8-9.

"Congressional action requiring the minting of gold coins would be particularly unfortunate," Volcker noted. "It would give rise to unprecedented speculation and uncertainty . . . as to the intentions of our Government with respect to the role of gold in the future monetary system. The issuance of gold coins by the U.S. government would be viewed abroad as an attempt to reemphasize the monetary importance of gold."

Continuing, Volcker stated that it was the Treasury view that "the issuance of gold coins . . . would be a misuse of the Nation's gold reserve." Finally, he said, "it would be impossible to produce a coin of quality which would appropriately commemorate the American Revolution and, at the same time, could be sold at prices within the means of the average American."

The rationale for this, Volcker explained, was that "a coin that could be minted and sold at prices which would make them accessible to the average American would either contain a negligible amount of gold or would be very small in size." And, he concluded, "In either event, we do not believe that it would be an impressive commemorative of such a historical occasion as the Bicentennial."

There was no consideration of this view in the Senate, which went ahead and passed the Hatfield gold coin proposal. In the House, Rep. Crane called Volcker's views "untenable." Nonetheless, they carried both Houses after a joint conference committee agreed to delete the gold coin.

On Dec. 31, 1974, however, the key rationale behind Volcker's actions was knocked to the ground. Americans gained the privilege of owning gold in any form—including coin and bullion—for the first time in 40 years. With the coming of private gold ownership came a new reason for favoring a gold Bicentennial coin.

Treasury and Federal Officials Scramble To Explain Inadvisability of Br' Gold Coin

Gold coinage to commemorate the Bicentennial of the American Revolution had been introduced to Congress, and both the Treasury Department and the Federal Reserve responded with their rationale as to why it was not desirable for the United States to issue gold coinage for the first time in 40 years.

PART TWO OF TWO PARTS

Dr. Arthur F. Burns, Federal Reserve chairman, indicated there could be a pronounced, deleterious effect on the nation's balance of payments, particularly if the coinage proposal were linked to private gold ownership. The reason? Federal Reserve studies apparently indicated that massive purchases of gold abroad would be made by Americans.

Paul A. Volcker, then Undersecretary of the Treasury for Monetary Affairs, and soon to become President of the Federal Reserve Bank of New York wrote a more ingenious brief outlining his reasons against issuance of a gold coin. He believed it would lead to price speculation in the precious metal, to the erroneous impression that the United States was remonetizing gold and do little more than misuse the nation's gold reserve.

Moreover, Volcker indicated that even if these arguments could be surmounted, the high price of gold would make it "impossible to produce a coin of a quality which would appropriately commemorate the American Revolution" and simultaneously be at a price low enough to make it readily available to most Americans.

Any coin that could be minted, this argument went, would either have a very small amount of gold ("negligible") or be so tiny in size as to be an inappropriate tribute to an event that will be unique to our lifetimes.

Today, nearly two years after Volcker and Dr. Burns spoke out against a gold coin, factual realities and perceptions have changed dramatically. Now, just a little more than a year before the 200th anniversary of the proclamation of the Declaration of Independence, there is no reason why a gold piece could not be struck to commemorate the American Revolution bicentennial.

BALANCE OF PAYMENTS

The foremost concern expressed by Dr. Burns was that the American balance of payments position might be damaged severely by authorizing private gold ownership and concurrently allowing the striking of a gold Bicentennial commemorative coin. In mid 1973, this position may have had sound basis. Today, it does not.

In 1973, the 40th anniversary of the suspension of private gold ownership was observed. During that period of nearly half a century, gold had been stable in price for all but a limited period at $35 an ounce. From 1968 onward, a free market competed with the official price and it rose and fell so rapidly that Dr. Burns probably felt it would attract speculative elements who would make massive purchases abroad.

These quantities, it was felt, would have severely damaged the American balance of payments at a time when the trade balance, for the first time in the 20th century, had been in the red. This would have put pressure on the dollar and created inflationary dangers at home, or so the economic rationale went.

Petrodollars were not even contemplated at that point, nor was a period of inflation in which much of the world finds prices advancing at double-digit levels for a prolonged period of time. The balance of payments argument was simply based on a hypothetical assumption that Americans would make massive purchases abroad and create a dollar drain.

SPECULATIVE PRICES

Volcker's argument about price speculation, of course, did come true—quite unlike the idea advanced by Dr. Burns. It was this very fluctuation, apparently, that kept the Burns hypothesis from coming true. Purchasers were scared off by the massive upswing and decline of the market in so short a time.

Prices are a good deal higher today than they were in 1973, but this is of little consequence. Gold today has a stable value that fluctuates somewhere between $150 and $185 an ounce, give or take 10 per cent, and apparently world governments (and individual purchasers) have little trouble dealing with it on that basis.

Stable or fixed prices are not necessary to deal in gold any more than they are for any other commodity such as silver, coffee, sugar, or beets. Those requiring long-term assurances of commodity availability have the futures markets open to them—both in the United States and in Canada—to create the necessary stability.

Were the decision made to issue a gold coin for the Bicentennial, rising and falling gold prices would be of little import, provided the coin was manufactured with the intent of selling it to collectors. Then, its issue price could be set above its gold content valuation, just as the silver-clad Bicentennial coin sets are.

If this alternative is not an attractive one, there are other options available. The coin could contain one measure of gold and a much higher valuation or denominative worth. This is no different than the current cupronickel clad quarter, which contains about two cents worth of raw materials, circulating at a 25-cent value.

DEMONETIZED GOLD

On Aug. 15, 1971, the United States took an irrevocable step. By slamming down the gold window and ending the convertibility of the dollar, the process that will one day lead to the unconditional demonetization of gold was begun.

There will always be strategic uses for gold, industrial needs for the precious metal, and perhaps some minor role in the reformed international monetary system. It seems clear, however, that the United States is firmly committed to a course of gold demonetization and promotion of the Special Drawing Right unit, or "paper gold."

Rationale for this is multifold. In summary, let it be said that there is simply not sufficiently plentiful reserves of gold to adequately service the international monetary order as the numeraire of the system. For similar reasons, the dollar had to be retired from its role as keystone to the order.

Mere issuance of a gold coin, not sold at face value and primarily intended for collectors—both of coins and memorabilia—hardly seems to be an auspicious way to reintroduce gold as a monetary element. Use of silver in the Bicentennial collector coins certainly did not signal its reintroduction as a key monetary element.

Use of gold in a Bicentennial commemorative coin, on the other hand, would call attention to the rich history of gold in relation to the development of the American republic, its traditional use as a coin first recommended in Alexander Hamilton's Report on the Establishment of a Mint for the United States.

What it would do is focus interest in gold as a precious metal that most people now hold in the form of jewelry. A Bicentennial coin made of gold would be a museum piece for every American home. It most assuredly would not mark the remonetization of gold.

PROPER USE, SUITABLE COINS

It seems there is little that could be more appropriate than to use a small portion of our gold reserves—perhaps as little as two per cent—for the striking of a gold Bicentennial coin. Reserves now total about 276 million troy ounces. The quoted percentage amounts to approximately 5-½ million troy ounces.

Leaving 98 per cent of the reserves intact, this 5.52 million ounce holding has a "book value" of $42.22 an ounce, making it worth about $233 million. Its actual cost to the government, using the old $20.67 figure (which is what it was carried at for many

years on the books) is about $114.1 million. At current market prices of about $175 an ounce, the two per cent of our national gold reserves have a worth of about $966 million.

Assuming that this minor gold hoard were turned into coins, a considerable seigniorage could be exacted, provided base values and cost were established for the mint from the very beginning of the operation. Prices could also be set sufficiently high so as to prevent melting of the coins for their precious metal content.

Consider, for example, the possibilities of a three-coin gold series—designed to match the similar silver-clad collector's sets in number, but with different portraits and emblems. The most obvious model could be the coinages authorized by the Monetary Convention concluded at Paris on Nov. 6, 1885, which formed the Latin Monetary Union.

Latin union denomination	Legal fineness	Legal weight	Diameter	U.S. coin equivalent	U.S. coin diameter	Proposed denomination	Retail price
5 francs	.900	1.6129	17 mm	Dime	17.91	$12.50	$20
10 francs	.900	3.2258	19 mm	Cent	19.05	25.00	40
20 francs	.900	6.4516	21 mm	Nickel	21.21	50.00	80

Source: U.S. coinage data from 1973 Report of the Director of the Mint p. 54. Latin union data from 1900 Report of the Director of the Mint p. 699.

The three denominations offered in that Treaty are the 5, 10 and 20-franc coins. Specifications for the pieces are set fourth on the chart accompanying this column, with comparisons made to existing U.S. coinage to aid in size and design potentialities. It is important to remember that the Latin Union did strike, and circulate coins of these descriptions for more than 30 years.

Key ingredients to this proposal are that the melting point of each of the coins is approximately $400 an ounce for gold. Until gold reaches that point, it does not become profitable for the coins to be melted for their bullion content.

Assuming that this proposal were adopted as it stands, the government would stand to profit to the tune of more than $1 billion. The reason is that the gold involved in the coinage is quite minimal: The 20-franc piece contains only .18668 fine troy ounces of gold; the 10-franc coin bears .09334 troy ounces, and the 5-franc piece just .04667.

If the government were to sell the coins both individually, and in sets, here is a possible breakdown as to what might happen. Assume, first of all, that a set of three coins with a face value of $87.50 is offered for sale at $140. The coins individually are available at the "retail prices" shown on the chart.

A total of .32669 troy ounces of gold is involved in the sale. With gold valued on the free market at an assumed price of $175 an ounce, that means that the purchaser has bought $57 worth of gold coin for $140. The profit, therefore, is not hard to see in terms of the overall program. Variances from the suggested pieces in the table can also be constructed, using a "melting point" of well below $400 an ounce.

Gold Bicentennial coinage is something for everyone. For the collector of coins, it would be a precious metal commemoration of a unique once-in-a-lifetime event. For most Americans, it could be an opportunity to share in their national heritage. For the Treasury and the Federal Reserve, there is a need to change their positions which no longer correspond to realities.

Mr. HATFIELD. Mr. President, I urge that strong consideration be given by this body to the gold Bicentennial coinage legislation now before it. S. 1712, and the identical H.R. 7235, afford a means of commemoration of a unique event—our Bicentennial—in a fitting manner.

Once again, let me urge prompt consideration of gold Bicentennial legislation. It is one tribute to 200 years of freedom that no American will forget.

FINANCIAL STATEMENT BY SENATOR LOWELL WEICKER, JR.

Mr. WEICKER. Mr. President, I ask unanimous consent that a joint statement of assets and liabilities of my wife and myself as of December 31, 1974, be printed in the RECORD.

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

WIENDIECK & Co.,
CERTIFIED PUBLIC ACCOUNTANTS,
Greenwich, Conn., June 9, 1975.

Hon. LOWELL P. WEICKER, Jr.,
Senator from Connecticut,
Washington, D.C.

DEAR SENATOR WEICKER: Pursuant to your request we have prepared the enclosed joint statement of assets and liabilities for you and Mrs. Weicker as of December 31, 1974. Where applicable this statement is based on estimated values as more fully explained in the accompanying notes.

The items contained therein were determined in accordance with generally accepted auditing standards and the application of such other auditing procedures as we considered necessary in the circumstances.

In our opinion the aforementioned statement presents fairly your assets and liabilities at December 31, 1974.

Respectfully submitted,
WIENDIECK & Co.

SENATOR AND MRS. LOWELL P. WEICKER, JR.

STATEMENT OF ASSETS AND LIABILITIES

December 31, 1974

ASSETS

	Value
Cash	$1,892
Marketable securities (Schedule 1 and Notes 1 and 4)	48,883
Cash value of life insurance	3,881
Interest in W-Ventures, partnership (Investment Club)	2,407
Automobiles	3,900
Household furnishings, paintings, jewelry, personal property	72,000
Accumulated deductions for Civil Service retirement	20,019
Real Estate	
Residence (Greenwich, Conn.) pledged on mortgage note	219,750
Residential property (Alexandria, Virginia) pledged on mortgage note	135,000
Condominium (Coloney Beach & Tennis Club, Sarasota, Florida) pledged on mortgage note	50,000
Contingent asset (Notes 2 and 3)	
Total assets	557,732
Liabilities	
Accounts payable	9,447
15% tideover checking account loan (monthly payments of $417 plus interest)	5,000
7½% demand loans (monthly interest-voluntary reductions) (Note 4)	34,000
7½% mortgage, maturing in 1998, secured by residence (annual amortization and interest payments amount to $8,868)	97,708
8¾% mortgage, maturing in 2004, secured by residential property in Alexandria, Va. (annual amortization and interest payments amount to $8,969)	$94,609
8% mortgage, maturing in 1998, secured by Condominium at the Colony Beach and Tennis Club, Sarasota, Fla. (annual amortization and interest payments amount to $3,979)	42,351
8% promissory note due May 1, 1979, secured by residential property in Alexandria, Va	30,000
8% demand loan	15,000
Total liabilities	328,115
Excess of assets over liabilities	229,617

The Notes to the Statement of Assets and Liabilities are an integral part of this statement.

SCHEDULE 1

MARKETABLE SECURITIES

	Shares	Market value
Stock:		
Ace Publishing Co	384	$1,536
American Brands, Inc	100	3,025
American Express Co	100	2,600
Colonial Penn Group, Inc., common	100	2,475
Friendly Ice Cream Corp	525	6,694
Garfinckel, Brooks Bros., Miller & Rhodes, Inc	125	875
General Signal Corp., common	133	3,159
Heublein, Inc	160	3,220
Hewlett-Packard Co., common	50	3,006
International Business Machines	10	1,680
Maryland Cup Corp., common	200	2,250
Marriott Corp., Inc	129	871
Merck & Co., Inc., common	50	3,319
National Airlines, common	175	1,334
Pacific Power & Light	100	1,400
Xerox Corp	25	1,281
Total		38,725
	Face value	**Market value**
Bonds:		
A.R.A., Services, Inc. 4⅝ percent conv. deb. due 1996	$2,000	$1,200
Heublein, Inc. 4½ percent conv. deb. due 1997	6,000	3,060
Maryland Cup 5⅛ percent conv. deb. due 1994	7,000	3,955
Zapada 4¾ percent conv. deb. due 1988	3,000	1,943
		10,158
Total		48,883

NOTES TO THE STATEMENT OF ASSETS AND LIABILITIES

Note 1—Marketable Securities

The amounts shown represent the market value at December 31, 1974 as represented by the quoted closing or latest bid prices.

Note 2

Senator Weicker is a beneficiary of certain trust funds which produced an income of $9,600 in 1974. In one instance he has the power of appointment but cannot inherit the principal. In connection with the other trusts, he does not have the power of appointment. One trust fund permits him to

take down 10% annually which amounted to $15,000 in 1974. The value of this trust on December 31, 1974 was $116,344.

Contingencies within certain other trusts preclude the actuarial determination of a present value. He is not a trustee and has no control over investments of any trust.

Note 3

Mrs. Weicker is a beneficiary of a trust established for her mother and aunt which provides income of roughly $1,000 a year to her. Upon her mother's death, Mrs. Weicker would inherit one-third of her mother's interest. As of December 31, 1974, the value of Mrs. Weicker's one-sixth share amounted to approximately $28,000.

Note 4

As of December 31, 1974, the following securities were held as collateral for the demand loans:

	Shares	Market value
Stock:		
Maryland Cup Corp., common	200	$2,250
Marriott Corp., Inc	129	871
Friendly Ice Cream Corp	315	4,016
Merck & Co., Inc., common	50	3,319
Colonial Penn Group Inc., common	100	2,475
Hewlett-Packard Co., common	50	3,006
National Airlines, common	175	1,334
Pacific Power & Light	100	1,400
International Business Machines	10	1,680
Xerox Corp	25	1,281
Total		21,632
	Face value	Market value
Bonds: Heublein, Inc. 4½ percent conv. deb. due 1997	$5,000	2,550
Total		24,182

NEED FOR A NEW PANAMA CANAL TREATY

Mr. McGEE. Mr. President, I would like to call the attention of my colleagues to a position paper recently adopted by the Women's National Democratic Club here in Washington, D.C. The paper focuses its attention upon the current negotiations between the United States and the Republic of Panama over a new treaty for the Canal Zone.

I commend the Women's National Democratic Club for their thoughtful consideration of this issue, reflected in their paper, which I am inserting in the RECORD today.

In discussing the need for a new Panama Canal Treaty, the organization noted:

We believe the 1903 treaty does not adequately reflect today's reality. In order to protect the interests of the United States we believe that it is essential that the treaty be be revised as soon as possible. To this end we support the signing and ratification of a treaty along the lines of the Statement of Principles signed in February, 1974 by Secretary Kissinger and Foreign Minister Tack.

In their conclusions, the club noted that:

Economically and militarily, the Canal is a convenience to the U.S., not a necessity. To Panama its efficient, continuous operation is imperative. Politically, the revision of the Canal treaty is a delicate matter which, if mishandled, could jeopardize our use of the Canal and its future expansion. It could also further damage our already poor relations with Latin America and reduce our influence elsewhere by tarnishing our image as a responsible world leader.

We believe that generosity now is the best way to assure continued U.S. access to the Canal and participation in any future expansion. Failure to act in such a way will indicate to the world at large that we are still advocates of "Big Stick Diplomacy" and power politics, and that, regardless of what we might say, we are not yet ready to assume a role of mature, moral leadership.

Once again, the Women's National Democratic Club is to be commended for the thoughtful contribution they have made to the debate on the Panama Canal Treaty negotiations. It is obvious their primary concern was a factual consideration of all issues involved in the efforts to negotiate a new treaty. I ask unanimous consent that the paper be printed in the RECORD.

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

WOMAN'S NATIONAL DEMOCRATIC CLUB,
Washington, D.C.

NEED FOR A NEW PANAMA CANAL TREATY

In 1903 the U.S. and Panama agreed to a treaty which 1) granted the U.S. "the use, occupation and control" in perpetuity of a piece of land running through Panamanian territory for the construction, operation and defense of a ship canal; 2) gave the U.S. jurisdiction over the zone "as if it were sovereign" . . . "to the entire exclusion by the Republic of Panama of any such sovereign rights, power or authority"; and 3) provided for an initial U.S. payment of $10 million and an annual annuity of $250,000. Commenting on the treaty in a letter to Senator Spooner, Secretary of State, John Hay, wrote early in 1904, "We shall have a treaty . . . vastly advantageous to the United States, and, we must confess . . . not so advantageous to Panama. . . . You and I know too well how many points there are in this treaty to which a Panamanian patriot could object."

Since then many changes have taken place in the United States, Panama and the rest of the world. These changes and events, such as the development of nuclear weapons, Vietnam, increasing awareness of the economic interdependence of the nations of the world, and detente, mean that what was politically, economically or militarily advantageous in 1903 may not be so in 1975.

We believe the 1903 treaty does not adequately reflect today's reality. In order to protect the interests of the United States we believe that it is essential that the treaty be revised as soon as possible. To this end we support the signing and ratification of a treaty along the lines of the Statement of Principles signed in February, 1974 by Secretary Kissinger and Foreign Minister Tack (attached).

What Does the Canal Mean to the United States?

Economically, the Canal benefits the U.S. by shortening shipping times and reducing transportation costs since it is cheaper to ship goods through the Canal than to send them across the U.S. However, it should be pointed out that in terms of the United States' gross national product, the portion of the economy affected by the Canal is not that large. A report submitted to the Commission on U.S.-Latin American Relations estimates that only nine per cent of the total value of U.S. exports and imports transited the Canal in 1972. But, it should be noted that the Canal's ability to facilitate trade and reduce costs is somewhat limited by the design of modern ships. An increasing number of them will be too large to fit through the present Canal.

Militarily, the Canal permits the rapid movement of naval ships from one U.S. coast to another. The destruction of the Pacific fleet at Pearl Harbor, and the need to get part of the Atlantic fleet rapidly to the Pacific, are regularly cited as illustrative of the military importance of the Canal. However, should we be involved in a war with a superpower, it would probably be a nuclear war, in which case the Canal would be largely irrelevant. Should we become involved in some type of limited conflict—perhaps providing supplies—we would certainly use the Canal if we needed to get goods from one coast to the other. But, because the Canal is conceded to be impossible to protect and could be closed with the use of relatively unsophisticated weapons, we could not rely exclusively on it and would need to have alternate means of transportation from coast to coast.

From the point of view of domestic politics, the Canal has become a rallying point for many groups including the Amercian Legion and the Veterans of Foreign Wars. They consider the Canal Zone U.S. territory, ignoring the words in the treaty which grants the U.S. rights and powers "*as if* it were sovereign." Almost seventy years ago Secretary of War, William H. Taft, in testimony before the Senate Committee on Interoceanic Canals stated: "(Article III of the Panama Canal Treaty) is peculiar in not conferring sovereignty directly upon the United States, but in giving to the United States the powers which it would have if it were sovereign." Opponents of change also believe the Canal is vital to U.S. security and that we are the only country competent to operate and defend it. In addition, many American labor unions are strongly opposed to any change because they believe it might jeopardize the rights of American workers in the Zone. However, these rights are one of the topics being negotiated. U.S. negotiators are well aware of the concerns of American workers in the Zone.

Internationally, the Canal has also become a political symbol. In this instance, though, it has become a symbol of a big country pushing around a little one. Panama has taken the issue to the Organization of American States and to the United Nations Security Council where she has received substantial support for her position. The Canal's inclusion as an item in the 1973 Bogota meeting, which provided the agenda for the Foreign Ministers' Meeting the next year in Tlatelolco, Mexico, provides the most recent public evidence of the unanimity of feeling of the Latin American nations on this subject. Failure to appreciate the international importance of this issue at a time when greatly increased economic interdependence demands the maintenance of good relations with friends, who also happen to be suppliers of needed raw materials and purchasers of U.S. goods, could threaten these supplies and purchases.

What Does the Canal Mean to Panama?

From an economic point of view, Panama's geography is her major natural resource, just as oil is Venezuela's. The isthmus has been used as a transit point for as long as there have been people in Panama. It is estimated that the Canal, directly and indirectly, accounts for 20 per cent of Panama's GNP. Panama is pushing for greater participation in the management of this resource, just as other countries have sought to exercise greater control over their natural resources. As it is now, the Canal Company is free to make all decisions concerning the Canal and Zone without consulting Panama.

Among other things, Panama would like to put to work some of the unused land in the ten-mile wide Zone. Archbishop McGrath of Panama, in a speech to the Carnegie Endowment for International Peace last year, cited the following figures: 68 per cent of the Zone land is reserved for military purposes although most of it is not used; 3.6 per cent is used for Canal installations; 3.2 per cent is used for miscellaneous purposes; 25 per

cent is not utilized. He also pointed out that "For this entire territory, including fourteen military bases . . . the U.S. has paid an annual $1.9 million as compared to $20 millions it pays for three bases in Spain. . . ." The Zone, as currently drawn, stands in the way of the natural expansion of Panama's two major cities. Then, too, the Panamanians have projects, planned or under way, to build a pipeline, conveyor transport system, container ports, etc., which they can and will construct outside the Zone if necessary, but which would be cheaper to build on locations inside the Zone

Militarily, the Canal is not important to Panama while it is to the U.S. Not being a military power, Panama does not have the need to move large quantities of men, ships and arms rapidly from coast to coast. The subject of the military importance of the Canal always brings up the question of the defense of the Canal. Many Americans contend that Panama cannot adequately defend the Canal. They overlook the fact that the Canal is simply vulnerable and no one can "adequately" defend it from a determined attack. For example, the 1970 report of the Atlantic-Pacific Interoceanic Canal Study Commission said that if Gatun Lake were emptied by simple breach of its dam, the Canal could be out of operation for as long as two years awaiting sufficient rainfall to refill the lake. Critics also overlook the fact that if any country should be determined to try to defend the Canal, and to ensure that it continues to operate efficiently, it would be Panama because the Canal is Panama's major resource. While the U.S. would be inconvenienced if the Canal were shut, Panama would be seriously hurt. The Canal is vital to Panama. Moreover, the proposed revision of the treaty retains for the U.S. the primary responsibility for the defense of the Canal.

In terms of domestic Panamanian politics, the Canal is *the* issue. Regardless of who is in power in Panama, or what political persuasion this person represents, the Canal will be the major political issue until such time as a revised treaty acceptable to Panama is signed. U.S. intransigence, or another near miss such as in 1967, could create serious problems for the area's disability. Further riots would be a distinct possibility. Should fighting take place in Panama between U.S. military and Panamanians, the situation would undoubtedly be compared to Vietnam. The reaction inside the U.S., and in the rest of the world, would be very negative. The U.S. does not need additional domestic or international problems.

Mention was made earlier of the efforts of other countries to regain control of their natural resources. Assumption of this control by the host country has become an inevitable trend in the world. It is one of the realities to which we must adjust. The longer the treaty revision is postponed, the stiffer will become the Panamanians' demands, and the harder it will be for the government of Panama to maintain flexibility in its negotiations. By procrastinating we will be forced to give more. And such a treaty will be harder to get ratified by the Senate. Now we have an opportunity to reach a mutually beneficial arrangement. Time truly is of the essence.

CONCLUSIONS AND RECOMMENDATION

Economically and militarily, the Canal is a convenience to the U.S., not a necessity. To Panama its efficient, continuous operation is imperative. Politically, the revision of the Canal treaty is a delicate matter which, if mishandled, could jeopardize our use of the Canal and its future expansion. It could also further damage our already poor relations with Latin America and reduce our influence elsewhere by tarnishing our image as a responsible world leader.

We believe that generosity now is the best way to assure continued U.S. access to the Canal and participation in any future expansion. Failure to act in such a way will indicate to the world at large that we are still advocates of "Big Stick Diplomacy" and power politics, and that, regardless of what we might say, we are not yet ready to assume a role of mature, moral leadership.

Because we believe it is in the interest of the United States to continue to have access to the convenience of the Canal, to be able to participate in any future expansion, and to indicate to the world our responsibility and mature leadership, we believe the United States should move quickly to sign a treaty with Panama along the lines set out by the Statement of Principles. This means that the new treaty would:

Grant the U.S. the rights and facilities and lands necessary to continue operating and defending the Canal;

Return to Panama jurisdiction over its territory; recompense Panama fairly for the use of its territory; and arrange for the participation by Panama, over time, in the Canal's operation and defense;

Have a fixed duration and not be in perpetuity; and provide the basis for an expansion of the Canal capacity in Panama that may eventually be needed.

In addition, any arrangement should assure the protection of the interests of U.S. citizens in the Zone and retired Zone employees.

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

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

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

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

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

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

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

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

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

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

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

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

ADMINISTRATION'S VIEWS ON S. 6—EDUCATION FOR ALL HANDICAPPED CHILDREN ACT

Mr. STAFFORD. Mr. President, as the ranking Republican member of the Subcommittee on the Handicapped, I have been requested by the Secretary of Health, Education, and Welfare to make his views on S. 6, the Education for all Handicapped Children Act, known to my colleagues.

I, therefore, ask unanimous consent that Secretary Weinberger's letter to the distinguished minority leader (Mr. HUGH SCOTT) be printed in the RECORD.

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

THE SECRETARY OF HEALTH,
EDUCATION, AND WELFARE,
Washington, D.C., June 9, 1975.

Hon. HUGH SCOTT
Minority Leader, U.S. Senate,
Washington, D.C.

DEAR SENATOR SCOTT: As the Senate moves toward consideration of S. 6, the "Education for All Handicapped Children Act," I would like to share with you the Administration's views concerning this measure.

As you know, the Federal effort in improving educational services to the handicapped has increased rapidly in the past decade. Not only has the obligation level risen over ten times, but the scope of programs has broadened considerably. From a narrow program in 1964 spending $20 million on traditional education, primarily for the blind and deaf, Office of Education programs for the handicapped have grown to a level of more than $338 million in fiscal 1976.

Office of Education funds currently support a broad measure of activities directly related to education of the handicapped, including training for teachers and administrators; demonstration and dissemination of exemplary programs; identification and diagnosis of handicapped children; and direct aid to programs for the severely handicapped, deaf-blind, and children in state institutions.

In addition, the Office of Education is distributing $100 million in FY 1975 under

the provisions of Part B of the Education of the Handicapped Act, as amended in 1974 by P.L. 93–380. This provision, popularly known as the "Mathias Amendment", offers funds to States for the initiation, expansion and improvement of their own special education programs.

Historically, the responsibility for the education of children has rested with the States. A substantial body of litigation continues to clarify the State role in the financing and administration of education, including the education of the handicapped. Accordingly, it is clear to us that the ultimate responsibility for education rests with the States, not the Federal government.

There appears to be every evidence to indicate that States are currently planning to meet that responsibility. State plans received by he Office of Education indicate that the majority of States have established a goal of providing full educational opportunities for handicapped children by 1980 or earlier.

While the Federal role in financing the education of the nation's children remains secondary, prohibiting discrimination against handicapped children in education is a specfic Federal responsibility. Legislation passed by the Congress in the past two years gives the Executive Branch authority to enforce both the elimination of all discrimination against the handicapped in Federally assisted programs and activities (Section 504 of the Vocational Rehabilitation Act of 1973) and specific requirements for approving State plans to provide special education (Sections 612 and 615 of the Education Amendments of 1974).

I want to emphasize that both the Department and the Office of Education are taking these responsibilities seriously. Regulations to ensure State compliance with these statutes will be issued in the near future.

S. 6 would extend the Federal government's responsibilities for the education of handicapped children far beyond the current areas of capacity building and insurance of equality of opportunity. The authorization for State "entitlements" under S. 6 for FY 77 is estimated to be about $1.2 billion; this figure would increase to $2.1 billion in FY 79.

As I noted above, the FY 75 appropriation level for Part B of the Education of the Handicapped Act, which S. 6 replaces, is $100 million. To hold out the promise of "entitlements" which are nearly twelve times as great as the current appropriations level is to offer an impossibility.

Our objections to S. 6 as reported by the Labor and Public Welfare Committee are not limited to the possible new burden on the Federal Treasury, however.

This bill would impose major new administrative burdens on Federal, State and local education officials.

For example, S. 6 would require that every State agree to provide a "free appropriate public education" to all handicapped children age 3 to 18 not later than September 1, 1978, and to children age 3 to 21 by September 1, 1980, although a State would not have to provide services to persons age 3 to 5 and 18 to 21 if such services were inconsistent with State law or practice, or a court order, respecting public education. Even in those cases where the exemption would be allowed, however, a State would have to ensure education through age 17. Yet, most States currently have compulsory attendance laws which extend only through age 16. Only thirteen States require attendance beyond this age, and one State has no compulsory attendance law.

A second example of a major new burden is the requirement that the State assure that an individualized planning conference will be held at least three times a year for every handicapped child in the State. Local educational agencies would have to maintain an individual written record of each of these conferences. Using the estimate contained in S. 6 of seven million handicapped children (although there is some dispute about this figure), we come to a total of 21 million conferences and documents each year. These conferences would be required for all handicapped children, although there is little evidence to indicate that these sessions are the most effective way to provide services to handicapped children. The cost of conducting and recording these conferences will inevitably be great and will reduce the funds otherwise available to provide educational services.

Our third significant difficulty with S. 6 as reported is the delegation to a new "compliance entity" of authority which currently belongs to State and local educational agencies and school boards. This new body would be authorized to (1) conduct compliance reviews of State and local educational agencies; (2) receive complaints and hold hearings; (3) make findings based on these hearings; (4) assure correction of violations by SEA's and LEA's; and (5) inform the U.S. Commissioner of Education if corrective actions were not taken. We see no reason to create this quasi-judicial citizens group in order to ensure rights which are already adequately protected by existing administrative and judicial procedures.

In addition to these three major objections, we are troubled by several other provisions of S. 6.

These include the creation of a new statutory task force to coordinate HEW programs for the education of handicapped children; the requirement that OE develop uniform financial reports (this effectively requires the creation of a uniform accounting procedure); a provision which allows the Commissioner to waive language which prohibits supplanting of State funds with Federal funds; and a requirement that certain items be evaluated by 1977 which we probably will not be able to measure for at least five more years.

These are our specific objections to S. 6. I want to be clear, however, on the question of our continuing commitment to the education of the handicapped.

Our argument with S. 6 is one related to the respective roles of Federal, State, and local governments.

We believe that the provisions of Part B of the EHA, which will become effective on July 1 of this year, properly set out the responsibilities of the Federal government in this area.

Sincerely,

CASPAR WEINBERGER,
Secretary.

OPEC IS STARTING TO FEEL THE PRESSURE

Mr. PHILIP A. HART. Mr. President, a curious aspect of the American reaction to the OPEC cartel has been the remarkable way various groups have been able to find in the cartel the things they want to find. Some claim to see it as a sort of avenging angel smiting the American consumer for his profligate consumption habits. Others see it as a force for redistributing the world's wealth in a more equitable manner. And there are those who consider it a justification for frantic rattling.

The most interesting reaction comes from the international oil companies who seem to be responding with unseemly awe and admiration. After decades of claiming instability to be the curse of the industry, they have been quick to proclaim the cartel immutable.

In the face of all these rather self-serving claims, it has been difficult to get a really clear view of what OPEC is really about. Fortunately, Mr. Louis Kraar in an article in this May's Fortune magazine has made an admirable contribution to a more accurate understanding of the matter. In a quite dispassionate manner he describes what OPEC is, what it does, and who does it. One is left with a picture of a very successful but not very strong cartel. The most important point Mr. Kraar makes, in my view, is that the international oil companies are essential to the functioning of the cartel. OPEC has never been able to deal with the problem of apportioning production among its members. Without the companies to perform this function, the cartel would quickly collapse.

It is hard for me to share Mr. Kraar's optimism over the cartel's collapse in the near future. I see no reason why the major companies cannot continue to perform the apportioning function even in the face of greater surplus. I think OPEC's confidence in this is reflected in the recent discussions about further price increases.

I ask unanimous consent that the article entitled "OPEC Is Starting To Feel the Pressure" be printed in the RECORD.

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

OPEC IS STARTING TO FEEL THE PRESSURE

(By Louis Kraar)

A year and a half ago, a group of underdeveloped nations carried off a revolution that will surely rank as one of the epochal events of the twentieth century. In a matter of months, the Organization of the Petroleum Exporting Countries achieved the most radical transfer of economic and political power ever to occur without war. All of a sudden, the mighty economies of the U.S., Western Europe, and Japan seemed to be at the mercy of this seemingly invincible cartel, whose decisions could affect everyone who drove a car, heated a home, or fueled a factory. Befitting their new international status, OPEC's representatives sat down in Paris last month with delegates of the leading industrial nations to bargain as equals about the future of the world's energy supplies.

The revolution has happened, and it will not be repealed. But it is time to take a more realistic, less panicky, look at where it will lead. The fact is that OPEC's incredible success and aura of omnipotence hide an inherent instability. Looked at coolly, the organization is a loose, casually managed coalition of disparate nations scattered over three continents and a large island archipelago (Indonesia). The thirteen members share a sense of injury from what they regard as past exploitation, but they have little else in common. Practically the only action they ever fully agree upon is raising the price of crude oil. And even in doing that they act haphazardly, amid a clash of fundamentally differing national goals. The largest producer, Saudi Arabia, cannot sensibly spend all its money and usually argues for lower prices, while the second largest, Iran, has a virtually insatiable appetite for more revenues.

During the past few months, OPEC has been undergoing a severe test of its cohesion and strength. In fact, there are now signs of stress that could crack the cartel within the next several years. Some members have already started shaving prices slightly by stretching out credit terms. The cartel may

remain powerful for some time, but its long-term prospects are no better than those of the old Standard Oil Trust in the late 1800's.

A POTENTIALLY LETHAL DEFICIENCY

OPEC is struggling mainly to preserve its spectacular recent gains. The lightning escalation of petroleum prices by climbing more than fivefold in the past year and a half—has deepened economic recession in every industrial state. The recession, in turn, has helped cause the first drop in consumer demand for oil. By late summer, OPEC members all together are expected to be pumping only about 25 million barrels daily—25 percent less than before the 1973 Arab boycott and nearly 40 percent below their total capacity. The organization has frozen prices until September, and is busily trying to keep its members in line.

Though widely considered the most effective cartel in modern times, OPEC has a nagging deficiency that could prove lethal during a period of slack demand for its oil. The group has never been able to agree on and stick to a formal program for sharing production among nations whose individual goals have proved almost impossible to reconcile. Inside the organization's closed councils, the members have been discussing a "contingency plan" to get output quotas for each country. But the mere notion of production quotas sharply divides them.

The danger of the cartel's collapsing haunts private meetings of the OPEC Economic Commission, a planning body that periodically draws together senior officials from member nations. The commission's own minutes, which Fortune obtained, reveal the depth of concern.

During a meeting in September to discuss quotas, the minutes report, most members expressed fear of "a dangerous race of price cuts as every producer tries to maintain his share in a limited market." But Indonesian and Nigerian representatives asked that their countries be excused from any cutbacks because they desperately need the money to finance development. Being poor nations with large populations, they want to squeeze all the money they can out of their relatively small crude reserves, and squeeze it as fast as they can. Saudia Arabia objected to the group's even discussing the idea of determining its output. Though the wealthy Saudis could afford considerable cuts in production, they believe that they must retain exclusive control of their own vast reserves to achieve their political goals in the Middle East.

Lacking a formal scheme for sharing cutbacks, OPEC has improvised a temporary means to prevent its self-destruction. In effect, the group is letting the major oil companies allocate the reductions among the producing countries. No collusion appears to be taking place between OPEC and the corportations, and none is necessary. The companies want to protect their future access to crude in all the countries, so they try to spread their purchases among the producers as equitably as possible. OPEC has taken several steps to make it easier for the corporations to follow this policy and thus to support the cartel. For one thing, Saudi Arabia and Iran, which used to pressure the companies to take more and more of their nations' crude, have discontinued this kind of pressure. The cartel members have also eliminated price differentials that used to make one country's oil economically more attractive than another's.

For example, early this year, Abu Dhabi and several other members lost sales in the soft market because they charged high prices for crudes that were low in sulfur content or close to markets in Europe. To put each member on a more equal competitive basis, OPEC quietly decided that the price differentials should be substantially reduced or eliminated. As a result, Saudi Arabia and Iran are now permitting their production to be cut back, and several smaller producers are regaining some of the market they had lost because of premium prices.

THE SPECTER OF GLUT

The system of maneuvering the oil companies into allocating cutbacks has not solved OPEC's problems, but has merely postponed the crisis. If consumer demand fails to pick up this fall, several producing countries that are desperate for more money could well start pressing the companies to take more of their petroleum. Algeria and Iraq, among others, are eager to increase their production and are likely to cheat a bit on prices. And within several years, OPEC's market may shrink even more than it has so far, while its total producing capacity will probably continue to expand. The present high prices are encouraging the development of oil in areas outside the cartel's control and are bound to stimulate a search for alternative forms of energy.

A penetrating assessment of the cartel's troubles was offered recently by Iran's Interior Minister, Jamshid Amouzegar, a courtly U.S.-educated engineer who is OPEC's most candid spokesman. If the glut of oil grows, he said, the producers will be confronted by "a whole new situation . . . Then there would have to be agreement on sharing cutbacks among our members, or OPEC would be shattered."

ABSOLUTE MONARCHS WITH CONVERGING INTERESTS

To fully appreciate OPEC's weaknesses, it helps to reexamine how the cartel originally engineered its price revolution. Rather than following a grand design, OPEC first seized complete control over pricing by clever improvisation and fortuitous timing. Only an extraordinary confluence of economic and political conditions enabled the producers to attain such enormous power. Their success, Amouzegar admits, "was not a matter of careful calculation, but more of chance." Indeed, no one was more surprised than the OPEC members themselves when their collective moves worked so well.

For years the two largest producers had been fundamentally at odds with each other. The Shah of Iran urgently sought a huge increase in prices in order to finance the creation of a well-armed industrial state. But Saudi Arabia's King Faisal feared his rival's drive for power across the Persian Gulf. Less ambitious and more cautious than the Shah, he acted within the cartel as a force for price restraint. Then, in the autumn of 1973, the interests of the two absolute monarchs converged as the Arab-Israeli war erupted.

As leader of the Moslem world, Faisal was not only passionately desirous of seeing Jerusalem freed from Israeli rule, but fearful that his failure to exert influence would allow radical Arab states to dominate the region, and perhaps subvert his kingdom. Before the war, he had tried to persuade the U.S. to tone down its support of Israel. In the summer of 1973 he warned oil-company executives that if America failed to heed his urgings, "you will lose everything." Finally, he decided that his only choice was to cut off oil production. In tightening the supply, the Saudi king created an opportunity for the Shah, whose oil reserves seemed likely to peak out within a couple of decades. Shahanshah Mohammad Reza Pahdavi now had a chance to reap the wealth of his dreams.

Meanwhile, circumstances in the consumer countries also happened to be ideal for the OPEC revolution. For the first time in recent history, all the industrial nations were on a simultaneous economic upswing. Their expansion outpaced available energy supplies and the international oil companies had no spare capacity outside the Middle East. Inflation rapidly mounted; a wave of labor strikes swept Western Europe.

By an uncanny coincidence, the government in every major industrial state was weak and preoccupied with survival. The Watergate crisis, of course, absorbed the attention of American leaders. Britain's Conservative regime had suffered two by-election defeats. French President Georges Pompidou struggled with the illness that would soon claim his life. Japanese Prime Minister Kakuei Tanaka fought sagging confidence in his leadership.

Tipped off by the Saudis in advance, the oil companies warned Washington of the impending embargo. On October 12, five days before the boycott, the chairmen of Exxon, Texaco, Mobil, and Standard Oil of California sent a memo to the White House advising that "a major petroleum supply crisis [was likely] in the event of further evidence of increased U.S. support of the Israeli position." But Washington apparently did little to attempt to avert the boycott. Instead, Nixon angered the Saudis by announcing that he was resupplying Israel with military equipment to replace its war losses.

Knowing that the Arab boycott was coming, the producer countries hurriedly met in Kuwait and proclaimed their first unilateral price increase, an unprecedented rise of 70 percent. "From that time," says Amouzegar, "the oil companies lost the power to determine price, either by themselves or through negotiations."

The OPEC members were absolutely amazed by the feeble response from the consuming nations. Though the Arab "oil weapon" proved relatively ineffective in actually curtailing supply, it created a psychology of shortage. In the scramble to obtain an adequate flow of petroleum, no Western nation so much as officially protested the producing countries' assertion of the power to set prices by fiat. "They got away with it," says the chief executive of one oil company, "because the day of gunboat diplomacy is gone."

HOW THE CARTEL REALLY WORKS

Since the successful revolution, tensions within OPEC have persisted, but each of the most active members brings qualities to the organization that have helped it survive. The strategic vision and ambition come mostly from the Shah of Iran. Venezuela contributes the largest cadre of trained technocrats, who have long pondered ways to wring higher profits from their own nation's dwindling reserves. And the self-righteous rhetoric is supplied mainly by Algeria and Libya, who like to depict OPEC as the vanguard of the Third World's movement toward "a new economic order."

Politics, not economics, dominates the organization's decision making. In fact, no thorough economic analysis has undergirded any of OPEC's daring moves. Neither the organization nor its members are equipped to perform sophisticated economic studies. But, as Amouzegar notes, "this sort of analysis isn't necessary." Instead, the respective government ministers dicker among themselves to set prices. They differ not only in their national goals, but in their perceptions of what consumer nations will tolerate. Sometimes bitter arguments break out, but more often the members bargain like rug merchants in the outdoor bazaars of the East.

According to the organization's rules, OPEC can act only when there is unanimous agreement. But the members cannot agree unanimously even on such matters as the selection of a secretary-general to head the professional staff. To prevent paralysis, the group inevitably compromises. Although the secretary-general is supposed to serve for three years, the members decided that a

mere majority could elect a man to fill the post, provided he served for only two years.

Compromises on other issues do not come quite so easily. The members differ on prices and practically everything else. The radical Libyans, for example, ordinarily avoid speaking directly to the conservative Saudis in OPEC meetings. Even for those members who are on speaking terms, there is no common language. Interpreters must simultaneously translate discussions into Arabic, French, Spanish, and English. Representatives generally avoid taking votes by talking and talking, until a consensus can be reached.

The dynamics of conflict and compromise dramatically unfolded at OPEC's meeting of December, 1973, barely two months after the group had hiked prices by 70 percent. The Iranians sensed that the group could practically set prices at will, and the other members came to Tehran to plot the next action. Iran and the ideologically militant producers, Libya and Algeria, wanted to push prices as high as possible. But the Saudis felt that ramming through another big increase would debase the political message they had hoped to communicate by the embargo. And several smaller sheikdoms nervously worried that going too far might provoke an American military response.

While the Shah wanted money, he also wanted to keep the cartel together. Ultimately, he proposed a compromise midway between the low Saudi proposal and the highest level of the radicals. That raised prices 130 percent. The Shah rationalized the compromise by saying the new price was equivalent to the cost of alternative sources of energy, an explanation that OPEC simply adopted. "This was based on some very rough calculations," admits Amouzegaer. "That's how it all started."

A POLICY OF DECEPTION

The almost relentless rise of prices since then has been executed through similar political processes. For instance, last summer in Quito, Saudia Arabia's Petroleum Minister, Ahmed Zaki Yamani, tried to stave off another price increase by threatening to put an additional three million barrels a day on the market. But Iran, Venezuela, and other producers countered by proclaiming that they would cut back their collective production by an equal amount. The tough talk brought yet another compromise, a modest price increase.

During the past year, OPEC has been cleverly deceptive. Instead of proclaiming across-the-board price increases, the group gradually ratcheted prices up nearly 50 percent last year by raising taxes and royalties. The tactics were sometimes so sneaky that the members could publicly claim that the increases were really decreases.

The cartel painstakingly works up elaborate public justifications for higher prices, but only *after* its decisions are made. Composing words to fit the music is a task for the OPEC Secretariat in Vienna. The Secretariat's headquarters reflects little of the new opulence of the member nations. It occupies two floors of an ordinary downtown office building, most prominently marked by a sign for Texaco, which is also located there. OPEC has a professional staff of thirty, including just seven economists, drawn from the member countries. They work in austere offices with drab furniture and walls adorned by a few glossy photographs of oil fields. Their budget this year is only $4.5 million.

CAN MADISON AVENUE HELP?

Talking with Secretariat officials is like viewing the industrial world through the wrong end of a telescope. As an article of faith, they maintain that oil prices are not really high, but simply have been adjusted from artificially low levels. "There's a new reality," asserts one senior official, "and Americans have got to accept that they cannot continue the same life-style in the future." The case is argued with earnest and passionate rhetoric, but few current facts and figures. The economists are still busily assembling data to support their arguments.

OPEC is anxiously looking for ways to counteract its widespread image in the West as an evil, disruptive cartel. Its officials even resent the fact that the organization is called a cartel. They have seriously discussed engaging a Madison Avenue agency to help spread a more benign view. As a first step, OPEC has bought space in newspapers, including the New York *Times* and the Washington *Post*, to run the full communiques issued by its ministers. "Those American cartoons of sheiks sitting on the sand counting their money are racist," argues one petroleum minister. "We do not want to be taken as fools and stupid people, but this is the publicity we get."

To brush up OPEC's brief, the organization has installed as its secretary-general a calm, diplomatic Nigerian engineer. Chief Meshach Otokiti Feyide took over in January from an Algerian, Dr. Abderrahman Khene, who personified his government's polemical style and socialist politics. The title "chief" was bestowed upon Feyide by his tribe, the Obanla, but his resemblance to the stereotyped African ends there. He took a postgraduate degree at London University's Imperial College of Science and Technology and worked in Nigeria's oil ministry.

As OPEC's official envoy, Feyide travels around Vienna in a chauffeured white Mercedes limousine, and the Austrian government grants him such diplomatic privileges as tax exemption and the right to use codes for communications. The Secretariat was originally stationed in Geneva, but left in 1965, largely because the Swiss refused to endow OPEC's officials with diplomatic prerogatives.

Over tea in his Vienna office, Feyide is delighted to tell a visitor how OPEC determines prices. "Our people won't just wake up in the morning and say that prices should be this or that," he says. "We do *try* to make decisions on an economic basis." But thus far, he acknowledges, OPEC economists supply oil ministers with only very rough calculations of market conditions for use in pricing. To provide better guidance for future decisions, the Secretariat has hired Western consultants "because we want the facts."

Feyide also needs facts to justify the cartel's actions when they are under strong attack from consuming nations. He acknowledges that producers and consumers may disagree in their conclusions. "Of course, it is the interpretations—what people do with facts and how they use them—that will be different," he declares.

The secretary-general pauses to sip his tea, and continue in a cultured British accent: "In absolute terms, yes, prices are rising. But we are just correcting for our loss of purchasing power." Feyide cites an example he uses to explain OPEC to his own children: "Suppose in 1971 it cost the price of one barrel of oil for the train fare from Lagos to Kano. But the next year, the train fare goes up 50 percent. Then I must get that much more for my oil. It's that simple."

Of course it isn't that simple, but Feyide's mode of thinking is understandable, given OPEC's origins. Even today, officials in the Secretariat invariably begin conversations by citing the "challenge" that initially united the producing nations: two unilateral reductions in the posted price of oil, announced by the companies in 1959 and 1960. For a decade the organization accomplished little because petroleum was abundant and the members could never agree on production controls. Says Mahjoob Ahmed Hassanain, a Saudi who is director of the OPEC Economics Division: "All through the Sixties, crude-oil prices remained at a standstill, while the prices of all manufactured goods were increasing."

TELLING THE CONSULTANTS WHAT TO SAY

Hassanain's argument has some validity, but since that period the cartel has far more than made good any loss of purchasing power. From 1955 through 1974, the income of producer governments from a barrel of oil increased nearly tenfold, while the prices of all goods in world trade roughly doubled. Though Hassanain received his Ph.D. at the University of Pittsburgh and most of his colleagues studied in America, they mistrust Western data on the value of petroleum. OPEC officials contend that in the past year inflation and the declining value of the dollar have cut the producers' purchasing power by about 30 percent. The Secretariat is trying to compile an index to prove its point.

OPEC has committed more than $2 million for outside economic analyses. It does not hesitate to tell its consultants the conclusions it wants. The Secretariat, for instance, assigned the Economist Intelligence Unit of London to study the effect of recent increases in crude prices on the balance of payments of consumer countries. According to the minutes of an OPEC committee meeting, Secretariat officials thought that the consultants' preliminary figures implied there would be no adverse impact. "And this should therefore be clearly stated as one of the main findings of the report," the committee concluded. (The Economist Intelligence Unit insists that it has maintained "a totally independent, professional position.")

Regardless of the outsiders' conclusions, OPEC selects data to confirm the wisdom of what petroleum ministers have decided through political bargaining. For example, a confidential Secretariat report to members examines the contribution oil prices have made to global inflation by running through a range of conclusions drawn by various consultants. In the end, however, the memo simply tosses aside all the figures and calls the issue "highly philosophical and political."

Nevertheless, a good deal of the Secretariat's effort these days is seriously aimed at peering into the future. Battelle, an American think tank, has been hired to develop what Hassanian calls "a systematic approach to establish the real value of crude oil." It is building a mathematical model to compare the relative values of various kinds of crude oil and natural gas with other sources of energy expected to be on the market during the next fifteen years. The ambitious model includes assumptions about future consumer demand and the supply of substitutes for OPEC oil. Ultimately, cartel officials hope to feed all the factors into a computer and let it grind out guidance on pricing, from this year until 1990.

THE BEGINNING OF THE END

But OPEC's ability to dictate prices is most unlikely to last that long. The combination of slower growth in consumption, plus the exploitation of new oil sources, coal, nuclear power, and other forms of energy, could well mean that OPEC's share of the oil market will cease to expand within the next three to five years. After that it should decline, ending the cartel's control over the world oil market. Private and government analysts who study the economics of oil generally conclude that OPEC will begin cracking by 1980. Those who place great weight on OPEC's internal political tensions expect the beginning of the end to come sooner.

The cartel's survival hinges on the willingness of its members to withhold production, but as recent events show, even the wealthiest nations are quickly dismayed when their income drops. Abu Dhabi, with the world's highest per capita income, found itself pinched for cash early this year when its sales unexpectedly declined. The tiny sheikdom could not meet its commitments to aid

poorer Arab lands, and Petroleum Minister Mani Said Utaiba openly assailed other OPEC members for failing to assume their share of the cutbacks. "Those revenues are like drugs," observes a U.S. government specialist. "Oil countries get used to the injections of money and then they have got to have them."

Those producer countries with substantial populations are spending all the revenues generated at present prices. They have embarked on ambitious military and economic development programs, which their leaders are reluctant to curtail. The Shah of Iran's proliferating commitments for education, the latest weapons, and even chunks of West German industry, will probably put his country into debt within two years. Algeria and Ecuador are running into the red, while Indonesia and Nigeria are expanding capacity to increase earnings. None of these nations will find it easy to reduce production.

Theoretically, it would be possible for the sparsely populated Arab lands, such as Saudi Arabia, to absorb most of the future cuts. But political and emotional rivalries prevent the cartel from apportioning sacrifices rationally. Over the long run, the Saudis are certainly not going to cut output proportionately more than their rival, the Shah. Iraq has enormous rserves it wants to exploit, but Saudi Arabia and Iran distrust Baghdad's close ties to Moscow and are unlikely to trim production to help the Iraqis gain a much larger share of the market. Nevertheless, Iraq is now installing capacity that could nearly double its output by 1977.

For a while, OPEC probably can manage the task of prorationing production. But each successive cutback will doubtless encourage cheating on quotas and chiseling on prices. Moreover, there are minimum levels below which production cannot drop without a loss of pressure in the wells and a deterioration of potential capacity. And Kuwait must keep pumping at least 60 percent of its present daily output of 2.1 million barrels in order to supply the natural gas required by its public utilities, port facilities, and refinery.

Production cuts could be made palatable to the producers if OPEC raised prices again, thus preventing a big decline in revenues. And price increases might stick until competing energy supplies reach the market. In fact, some American authorities predict that another price hike is practically certain. One government official calls this "the big rip-off scenario": the producers try to wring all the money they can out of consumers in anticipation of the inevitable break in prices.

PUTTING ON A BURNOOSE

Fortunately for the consuming nations, the cartel is restrained somewhat by Saudi Arabia, which has the largest proven reserves anywhere and is the most frequent dissenter to proposals to raise price. Already inundated with money, the Saudi believe higher prices will only encourage faster development of substitutes, which could, as one OPEC official notes, "eventually keep Saudi oil resrves permanently shut in underground." The Stanford Reearch Intitute, hired by the Saudi government, has privately advised the kingdom that its long-term interest would be better served by a lower price.

On the other hand, though Saudi Arabia has the productive capacity to break the cartel price, its leaders have political interests that make them virtual captives of their partners in OPEC. The Saudis like to remind the West of their potential to lower prices, for it adds muscle to the Arab effort to recover Israeli-held territory. But if they acted alone to cut prices, even a Middle East settlement, that might jeopardize Saudi Arabia's leadership role among Arab nations—and the survival of its regime.

Crown Prince Fahd Bin Abdul Aziz, the dominant figure since Faisal's assassination, is acutely aware of the threat from radical Arabs, and he has a standing army of only 36,000 to defend a nation with about one-fourth the land area of the U.S. "Put on a burnoose and look at the world as seen from Riyadh," advises a Washington official who, figuratively, at least, has often done so himself. "You know good and well that the American's aren't going to chase you off the throne, because they could get something worse. But if you deny your OPEC partners their chance to acquire great wealth, the Libyans, Algerians, and even wilder ones outside the club might topple you."

Nevertheless, the Saudis like to remind everyone that OPEC's survival still depends on them. Earlier this year, they sold a little over 1 percent of their annual production to Spain on lenient credit terms, effectively discounting the cartel price and warning other OPEC members against trying to force up prices in a soft market. Beyond that, Saudi Arabia is continuing to expand capacity, at a cost of more than $1 billion this year alone. Possessing all that capacity—already 11.5 million barrels daily—is somewhat like possessing a nuclear doomsday button: rival producers can imagine the consequences if they get out of line.

THE CONSUMER STRATEGY

Previously in disarray, eighteen industrial nations finally have banded together to confront OPEC. They are demonstrating considarably more strength than during their initial encounter with the cartel. Having devised a joint strategy in the new International Energy Agency, they have already made solid efforts to tighten the pressure on the producers by building up emergency stockpiles and enforcing conservation, especially in Europe and Japan. For the long run, the consuming nations have pledged, at least in principle, to invest substantial sums in alternative energy sources over the next ten years and to protect or ensure the investments against competition if the cartel dramatically lowered prices.

While oil prices cannot be talked down, senior American officials maintain that the united actions of consumer governments can change market conditions sufficiently to force OPEC to back down. As Assistant Secretary of State Thomas Enders candidly explains: "What we are doing now is getting enough market power to hasten OPEC's demise and to make sure it happens within an acceptable time frame."

The governments of the consumer nations are in effect offering the cartel a choice: to accept a significant price reduction now in return for stable prices over a long period, or to run the risk of a more dramatic break in prices when alternative sources are developed. "The longer OPEC waits," Secretary of State Henry Kissinger claims, "the stronger our bargaining position becomes."

Strategists in Washington talk in terms of persuading OPEC to cut the price from the present level of more than $10 per barrel to $6 or $7. If OPEC accepts the offer, American officials say, the U.S. should continue to develop other energy sources anyway, if only to keep them on standby as insurance against another embargo or price increase. Details of the U.S. proposal, including such matters as how the consuming countries would guarantee stable prices to the oil producers, have yet to be spelled out. But Washington is clearly willing to pay some price to eliminate the strategic danger of political and economic blackmail from the oil-producing states.

THEY WANT TO JOIN THE RICH MAN'S CLUB

To speed OPEC's retreat and allow its members to withdraw with a sense of dignity, the U.S. is thinking about offering several other incentives. Officials say they could do more to facilitate the transfer of technology to the oil producers, through such bodies as the joint economic commissions already established with Iran and Saudi Arabia. The commissions encourage the purchase of American goods, of course, and this can increase the buyers' dependency on the U.S. (as has happened in the case of arms sales in the Mideast). Officials are also talking about making it easier for OPEC members to invest in the industrial countries. And they are willing, if somewhat reluctantly, to discuss the Shah of Iran's scheme for indexing petroleum prices to a reliable indicator of general inflation rates.

The face-saving gain most vital to many OPEC leaders would probably be a larger role in the councils that they see as important in formulating international economic policy, including the World Bank and the International Monetary Fund. Amouzegar says that negotiations between producers and consumers will succeed "if everyone remembers that you don't need blond hair and blue eyes to belong to the rich man's club." American policymakers recognize such grievances, but, as one pointedly asserts: "Joining the club requires that the producers act responsibly, and that includes an immediate price reduction."

The consumer challenge appears to be gathering force as the months pass. OPEC has been patching together a response ever since last March, when it called the kings, sheiks, and presidents of its member countries to a meeting in Algiers. In a characteristic display of dissension, five heads of state sent representatives rather than attend themselves. The leaders defended their past actions in a "solemn declaration" filled with rhetorical flourishes and later published in an ad. And somewhat brazenly, without the slightest cognizance of their own irony, they warned the united front of consuming nations against erecting artificial barriers "to distort the normal operations of the laws of supply and demand." Obviously, OPEC wants to hang on as long as possible before beating its inevitable retreat.

A SHRINKING MARKET STRAINS THE CARTEL

The first drop in demand for oil since World War II has forced OPEC to reduce its output. Excess capacity among producers is at its highest level ever. Even after the recession, demand is expected to grow at a reduced rate of 3 percent a year or less until 1980.

In a study for the Ford Foundation, Edward Fried suggests the production cuts principal members must make by 1980 and 1985 to keep prices up in a modestly growing market. Fried says some countries (e.g., Indonesia) are unlikely to reduce output greatly because they need the revenues; others will have to bear a disproportionate share of the cutbacks. By Fried's reckoning, for example, Saudi Arabia may have to limit exports to about one-quarter of its potential in 1985.

HOLDING DOWN EXPORTS TO PROP UP PRICES

[Millions of barrels daily]

	1980		1985	
	Oil available for export	Restricted exports	Oil available for export	Restricted exports
Venezuela	3.0	2.5	3.0	2.0
Ecuador	.5	.5	.7	.5
Saudi Arabia	15.0	6.0	20.0	5.5
Iran	9.0	5.5	9.0	5.0
Kuwait	3.0	2.0	3.0	1.5
Libya	3.0	2.0	3.0	1.5
Iraq	5.0	3.0	6.0	4.0
Nigeria	3.0	2.5	4.0	3.0
United Arab Emirates	4.0	1.5	6.0	1.5
Algeria	1.5	1.5	2.0	1.5
Qatar	.7	.5	.7	.5
Indonesia	2.0	1.5	2.5	2.0

WAR POWERS RESOLUTION MEETS INITIAL TESTS

Mr. JAVITS. Mr. President, the war powers resolution has been tested under

fire three times in rapid succession in recent weeks and has come through these initial tests very well, in my judgment. At the request of Representative ZABLOCKI, who was the principal sponsor of this legislation in the House of Representatives, on June 4 I made a comprehensive statement reviewing the workings of the war powers resolution in these initial tests, during hearings conducted under Representative ZABLOCKI's chairmanship before the International Security and Scientific Affairs Subcommittee of the House International Relations Committee.

I think it would be useful to make the text of my statement available to all Members of the Senate, and to the people. Accordingly, I ask unanimous consent that the text of my statement of June 4, 1975, before the Zablocki subcommittee be printed in the RECORD.

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

WAR POWERS RESOLUTION MEETS INITIAL TEST

(Testimony of Senator Jacob Javits)

Within the past eight weeks, the War Powers Resolution (P.L. 93-148) has been tested under fire three time in rapid succession. I believe that this unique legislation has stood-up well in its initial tests; and that this is an opportune time to examine with some care just what the initial tests reveal about the War Powers Resolution.

First, I think it is important to note that P.L. 93-148 has been accepted by the Executive Branch as the central legislation defining the legal parameters of Presidential initiative in the introduction of the Armed Forces into hostilities, as well as the correlation of such actions with the powers and responsibilities of the Congress. President Ford's compliance with the law is in welcome contrast to his predecessor's unsuccessful effort to veto it.

Second, our initial experiences show that improved procedures are required, both within the Executive Branch and the Congress, to assure smooth and effective implementation of this legislation.

Third, it seems clear that while the Executive Branch has accepted the requirement of compliance with the War Powers Resolution, the Congress must be vigilant, alert and active to assure that the spirit as well as the letter of the law is observed. If Congress sits back passively and merely awaits Executive fulfillment of the reporting requirements of the law, the key policy decisions will continue to be monopolized by the Executive Branch, as they were in the decades leading up to enactment of the War Powers Resolution.

Fourth, the initial test runs have shown that the consultation provisions of the law is the pressure point most vulnerable to circumvention and manipulation. A major portion of my remarks is devoted to this problem.

Section 3 of the War Powers Resolution states that: "The President in every possible instance shall consult with the Congress before introducing United States Armed Forces into hostilities . . .". It is clear that, with respect to the Mayaguez incident, advance consultation with the Congress by the President fell far short of the intentions of those who drafted the legislation and those who voted overwhelmingly for it in both Houses of Congress.

To a disturbing extent, consultations with the Congress prior to the Mayaguez incident resembled the old, discredited practice of informing selected members of Congress a few hours in advance of the implementation of decisions already taken within the Executive Branch. It is unclear whether this relapse was from force of habit or was calculated to test the mettle and resoluteness of the Congress.

It seems to me that the time has come to establish a crucial distinction, if the War Powers Resolution is to meet the nation's expectations of it. A distinction must be made between the historic custom of giving advance notice to the Congressional leadership of major Presidential decisions, and the prior consultations requirements of the law. The prior consultations required under the law should be conducted with the committees having legislative jurisdiction—meeting in their formal capacities as committees of the Senate and House of Representatives. If the President wishes to conduct the consultations personally, as he did in one instance with the Senate Foreign Relations Committee, the committee as a matter of courtesy can meet the President at the White House. Otherwise, I believe that it is incumbent upon the President to send his designated representative or representatives to appear before the Senate Foreign Relations Committee and the House International Relations Committee, in full and timely manner, to consult in the full sense of that term.

The President would not be bound in any legal sense by the advice he received in the course of consultations with the committees. But, he would be rash to wholly discount it because any actions he may take after consultation are subject to Congressional review, which under the terms of the law can range from disapproval to full endorsement.

It is important to recall at this point that the consultation process is not an authorization process. The War Powers Resolution itself deals only with emergency instances where the President introduces United States Armed Forces into hostilities in the absence of a Declaration of War by Congress. Even if his introduction of troops into hostilities is pursuant to a prior authorizing statute or resolution (not constituting a Declaration of War), such introduction is subject to the review and cut-off provisions of Sections 4-7 of the War Powers Resolution. Moreover, the instances in which the President, as Commander-in-Chief, can introduce U.S. Armed Forces into hostilities without a Declaration of War are set forth in Section 2(c) of the law.

In my judgment, our experience with the Mayaguez incident demonstrates the wisdom of separating the consultation process from the Congressional review or authorization process. Facts which were not revealed to the Congress in the unsatisfactory consultation process concerning the Mayaguez, but which have subsequently come to light, raise profound questions concerning the military actions taken in connection with securing release of the ship and the crew. For instance, we have learned that the amphibious assault by our Marines was conducted against the *wrong* island, 20 minutes *after* the crew had been released. The lives of 41 U.S. servicemen were lost in connection with the release of 39 crew members. Bombing missions were conducted against an oil refinery and aircraft on the Cambodian mainland both known to our government to be nonoperational. In addition, it appears that the standard warning being given to all ships of the risk of being stopped in those waters was not given to the Mayaguez.

In circumstances somewhat similar to the Mayaguez incident, the Congress in August 1964 passed the Tonkin Gulf Resolution. The provisions of the War Powers Resolution were drafted with that regrettable experience in mind. Specifically, the decision to give Congress a full 60 days in which carefully to consider the emergency introduction of U.S. Armed Forces into hostilities by the President was designed to avoid hasty and emotional action by the Congress in ratifying Presidential action without sufficient information.

Our initial experiences with the War Powers Resolution indicates that obtaining full and timely information from the Executive Branch is a difficult and complicated procedure even with the statutory sanctions contained in the law. Under the law there are at least three distinct and supplementary mechanisms for the Congress to obtain required information from the Executive Branch. First, there is the prior consultation process. As noted, this was unsatisfactory with respect to the Mayaguez incident, although it was somewhat more satisfactory respecting the Cambodia and Vietnam evacuations—but largely as a result of clear demand and follow-up by the responsible committees of the Senate and House. Second, there is the information required to be submitted in the reports to the Congress by the President under Section 4 of the law. Third, Section 4(b) requires that: "The President shall provide such other information as the Congress may request. . . ."

It is my firm conclusion that the Congress can only obtain the information it requires by acting formally through the committees having legislative jurisdiction with respect to the War Powers Resolution. This applies in the first instance to the prior consultation process.

Our experience in the Senate Foreign Relations Committee shows that the staff has an important role in obtaining and evaluating information necessary for committee members to act in an informed and considered way. Only with the assistance of diligent, disciplined professional staff can the committees of Congress hope to cope on equal terms with the large bureaucracy which supports the President and his cabinet secretaries in matters of war, peace and diplomacy. Moreover, I believe it would be useful for the Senate Foreign Relations Committee and the House International Relations Committee to consider means by which there can be greater staff coordination between the two committees on matters respecting the War Powers Resolution. Perhaps this could be done on an informal but regularized and standing basis.

The President has now submitted four reports under the War Powers Resolution. These reports deserve scrutiny because, in my judgment, they contain ambiguities which could prove to be most troublesome in foreseeable future circumstances. By chance, the first three instances bringing the War Powers Resolution into play have concerned the rescue of American citizens. In each instance, the rescue was completed prior even to the 48-hour period within which the President is required formally to report to the Congress. Since the introduction of U.S. Armed Forces into hostilities in each instance was terminated before the receipt of the Presidential report, formal consideration of the reports has in each instance been mooted by the circumstances.

Nonetheless, there are three aspects of these reports on which I wish to comment. First, I note the ambiguous wording of the reports, which seem to follow a pattern established in the first report and not fully appropriate to the circumstances. The initial report, submitted April 4, was essentially an informational report in compliance with Section 4(a)(2). Such reports, dealing with the deployment of combat-equipped forces short of introduction into hostilities, do not trigger the subsequent provisions of the bill.

However, the three subsequent reports, submitted respectively on April 12, April 30, and May 15, concern the introduction of U.S. Armed Forces into hostilities in connection with: a) the evacuation of Phnom Penh; b) the evacuation of Saigon; and c) the release of the Mayaguez ship and crew.

Each of these three reports is, within the parlance of the War Powers Resolution, a 4

(a)(1) report; a 4(a)(1) report triggers the subsequent provisions of the War Powers Resolution by setting in motion the 60-day clock.

In my judgment, the Executive Branch should have clearly and properly labeled the three 4(a)(1) reports. I do not wish to impute motives for this deficiency. But I believe it is timely to remind the Executive Branch—as was made clear during the floor debate on the Conference Report—failure properly to label a report required to be submitted under Section 4, or even a failure to submit a required report, will in no way delay or frustrate the triggering of the 60-day clock and the provisions of Sections 4 through 7 of the law.

Second, I believe that the format and mode of delivery of the four initial reports received under the War Powers Resolution to be questionable in law and unsatisfactory. Each of the reports has been cast in the form of a personal letter from the President to the Speaker of the House and the President Pro Tempore of the Senate. They are brief to the point of being in minimal compliance with the content requirements set forth in the law. Furthermore, as if to imply that these required reports are informal, personal letters to the Speaker and President Pro Tempore in their individual capacities, the reports have been delivered to the personal places of abode of the Speaker and the President Pro Tempore, rather than to their official offices in the Capitol. (In one instance, the report to the Speaker, as recipient for the House of Representatives, was sent to him in Peking, China where he happened to be visiting.)

Third, as indicated above, the four reports received so far under the War Powers Resolution have been almost worthless from an informational point of view. They do not suggest a readiness within the Executive Branch to provide the full and timely disclosure of relevant facts and judgments which the reporting provisions of the law were designed to elicit. And, they do not provide an adequate informational basis for informed Congressional action. I hope and trust that these deficiencies will be corrected in any future occasions.

In conclusion, it is my judgment that the War Powers Resolution has worked in the first, rather elementary and non-controversial trial runs to which it has been subjected. But clearly there are no grounds for Congressional, or national, complacency. The War Powers Resolution will work only as well as the Congress and the Executive Branch make it work. We in Congress must further perfect our own organizational and implementation procedures. We must be assertive of the duty to exercise our responsibilities and prerogatives, while being restrained and responsible in the exercise of our judgments. And the Executive Branch, in my judgment, must be more forthcoming and conscientious both with respect to the prior consultation procedures and the reporting requirements.

As a final point I wish to take note of the ironic coincidence that each of the first three incidents triggering the War Powers Resolution concerned the protection and rescue of American citizens. I say ironic because this issue, while dealt with explicitly in the original Senate bill, is not clearly dealt with in the final legislation which emerged from the conference. Section 2(c) of the legislation as enacted, in declaring the instances in which the President has authority to introduce U.S. Armed Forces into hostilities in the absence of a Declaration of War, makes no mention of the rescue of American citizens as the Senate bill had it. I think this was a regrettable omission and in my judgment the lgeislative history of the War Powers Resolution, as well as previous constitutional practice and doctrine, support the view that the emergency powers of the President include, as a sole addition to the categories set out in Section 2(c) of P.L. 93-148, the authority to employ the Armed Forces in the rescue of American citizens if legitimately required by the circumstances.

This is not just an academic point. In April, the State Department submitted a legal memorandum to the Senate Foreign Relations Committee asserting that the President has the authority *on his own* to evacuate foreign nationals, in limited numbers, while evacuating Americans if this can be done "without materially changing the nature of such an effort".

This view was decisively rejected by the Senate and, according to my understanding, also by the House. The rejection of this assertion was contained in the adoption by each House of the separate versions of the Vietnam Contingency Act of 1975. The conference report was also passed overwhelmingly in the Senate but for reasons which I do not fully comprehend the conference report ultimately was rejected by the House. Nonetheless, it is my understanding that debate in the House on the conference report prior to its rejection clearly demonstrates that the House did not agree with the Executive Branch assertion of a Presidential authority to evacuate foreign nationals. Unfortunately, through a legislative anomaly, the legal and constitutional need for a Congressional authorization for the evacuation of large numbers of Vietnamese, has not been completed. I think it is unfortunate that this loose end has been left hanging. The deficiency lies with the Congress in this instance and I trust that we will avoid such regrettable anomalies in the future. I also trust that the Executive Branch will not seek to establish this anomaly as precedent for the expansion of Presidential authority.

RENOMINATION OF L. J. "LUD" ANDOLSEK AS A MEMBER OF THE CIVIL SERVICE COMMISSION

Mr. MONDALE. Mr. President, it was with great pleasure that I learned that President Ford has decided to renominate Mr. L. J. "Lud" Andolsek as a member of the Civil Service Commission.

Commissioner Andolsek has a long and dedicated association with my State. Since his days as a student at St. Cloud State College in St. Cloud, Minn., the Commissioner has performed valuable service to the citizens of Minnesota. After coaching hockey in St. Cloud, he became, successively, project supervisor, assistant regional director, regional director, special assistant to the State director, and area director of the Minnesota National Youth Administration.

In 1951, "Lud" came to Washington as administrative assistant to Congressman John A. Blatnik. He served in that capacity, and on the staff of the Public Works Committee, until 1963. He performed important service to the House, the Congress, the people of Minnesota, and the general public.

In 1963, Mr. Andolsek was nominated to the Civil Service Commission as one of its Commissioners. He has been renominated to successive terms and will serve another 6-year term as a result of President Ford's nomination.

As a member of the Commission, Commissioner Andolsek has served as an example of what is best in the Civil Service. As a dedicated worker, a fair and impartial decisionmaker, and an exemplary public servant, "Lud" Andolsek is without parallel.

I am pleased that President Ford has chosen to renominate Commissioner Andolsek. I wish him a successful term. I recommend this exceptional public official to my colleagues in the Senate.

ECONOMIC AS WELL AS SOCIAL CONCERNS IN "REDLINING"

Mr. HELMS. Mr. President, the Committee on Banking, Housing, and Urban Affairs has reported S. 1281 which would require thrift institutions to make public the areas where they are lending depositors' funds as a means of forcing mortgage lenders to make loans within imaginary redlined areas of the city. Proponents of S. 1281 contend that concerted refusal of mortgage lenders to lend money in redlined areas is responsible for the deterioration of innercity neighborhoods.

David G. Schuchat, a Washington realty broker, wrote in the Washington Post on May 31, 1975, that many years ago when savings and loan associations were organized, their purpose was to enable neighbors who had excess money to pool it for lending to other neighbors to buy homes. Mr. Schuchat notes that times have changed and S. & L.'s are no longer neighborhood organizations. When savings and loans were first organized, communities were much more homogeneous than they are today. Now, one may have a savings account in an association many miles from where he lives. In addition, savings and loans have few, if any, offices in declining areas.

According to Mr. Schuchat, there are good reasons why lenders try to make mortgage loans on sound properties in good neighborhoods to borrowers who are expected to be able to make the mortgage payments. As Mr. Schuchat sees it, few prospective borrowers who may be expected to be able to make mortgage loan payments, buy houses in deteriorating neighborhoods. Thus, redlining is done by the public. Finally, Mr. Schuchat asks the question whether you would be willing to lend your own savings on a mortgage loan in a declining neighborhood?

Mr. President, there are many aspects to the problem of redlining that still need to be studied and analyzed before the Senate takes action on permanent legislation in this area. While I do not advocate the Government pool for mortgage loans that Mr. Schuchat mentions, I do believe that his article provides an additional insight into the question. For the benefit of my colleagues in the Senate, I ask unanimous consent that Mr. Schuchat's Washington Post article be printed in the RECORD.

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

"RED LINING" IN LENDING AND SOURCES OF SAVINGS

(By David G. Schuchat)

A Senate committee has been investigating "red lining" by mortgage lenders in Washington. What is red lining by lenders? It is a reluctance to make mortgage loans within an imaginary red lined area of the city.

Insurance companies had also been accused of red lining; not writing property insurance coverage within certain areas of the city. Insurance companies found a disproportionate

number of claims came from high-risk areas. Mortgage lenders believe a disproportionate number of losses will occur on loans made on properties within high risk areas.

Senate investigators contend that certain areas of the city are deteriorating because savings and loans will not lend on properties in those areas. Thus the savings and loans are said to be responsible for the continued deterioration of some inner city areas.

Many years ago when savings and loan associations were organized, their purpose was to enable neighbors who had excess money to pool it for lending to other neighbors to buy homes. Senate investigators say the savings and loans have strayed from their original purpose. Their study shows that District savings and loans lend relatively little money on D. C. properties. In other words, it's no longer a matter of neighbors lending to neighbors.

Times have changed since savings and loans were first organized. S and Ls are no longer neighborhood organizations. You may have a savings account in an association many miles from where you live and also many miles from where you work. Some people have never been in the office of the savings and loan where they have their savings account. When savings and loans were organized, communities were much more homogenous than they are today. Home ownership is also much more widespread.

The Senate study concentrated on lending. It found D.C. savings associations made a very small portion of their loans in the certain red-lined areas. The study did not go further and determine from what areas savings accounts were generated. Savings and loans have few, if any, offices in these declining areas. Some S-L people contend that, if the Senate had studied the source of savings and loan funds, it would find a greater correlation between where savers live and where mortgage loans are made.

There are some who may draw the conclusion from the Senate study that the nonlending is a racial matter. However, other cities with nowhere near the concentration of black citizens experience the same problem as Washington. Not as many mortgage loans are made in deteriorating neighborhoods. Even in times when there is plenty of mortgage money available, lenders try to make mortgage loans on sound properties in good neighborhoods to borrowers who are expected to be able to make the mortgage payments. Unfortunately, few prospective borrowers who may be expected to be able to make mortgage loan payments buy houses in deteriorating neighborhoods.

Red-lining is done by the public. Few people want to rent or buy in deteriorating neighborhoods. This is the cause of the lack of demand for housing in certain areas. This lack of demand reduces values and makes lending in these areas risky.

There may be very sound social reasons for lenders to make mortgage loans in these inner city neighborhoods. But should they be expected to take the risks? The government dealt with the casualty insurance problem by forming a pool for insurance companies and spreading the risks among them. Maybe this is what should be done for mortgage loans.

The problem can be regarded in personal terms. Would you lend your own savings on a mortgage loan in an undesirable neighborhood? If the answer is no, should a savings and loan lend your money in these neighborhoods?

David Schuchat is a Washington realty broker who writes regularly for realty publications.

CHILES DISCLOSES INCOME TAX RETURN AND FINANCIAL STATEMENT

Mr. CHILES. Mr. President, when I came to the Senate in 1971, I adopted a policy of making public my financial status so that anyone who desired could be aware of my financial interests and could utilize that information in judging my performance as a Senator.

I felt then—and do now even more strongly—that such personal financial disclosure by public officials is vitally important to regaining public confidence in the integrity of those who conduct the people's business. Therefore, I have each year voluntarily made public the finances of my wife and I. In addition I have sponsored and cosponsored financial disclosure legislation since early 1971 and am currently a cosponsor of S. 192 introduced by Senator WEICKER in January of this year. I continue to hope such legislation will gain congressional approval soon.

At this time, Mr. President, I am again voluntarily submitting a statement of the financial status of my wife and myself. This includes our joint income tax return for 1974 and a statement of holdings.

I ask unanimous consent to have printed in the RECORD the statement of financial status for my wife and myself and our joint income tax return for 1974.

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

U.S. SENATE,
Washington, D.C., June 11, 1975.

Hon. FRANCIS R. VALEO,
Secretary of the Senate,
The Capitol,
Washington, D.C.

DEAR MR. SECRETARY: My purpose in writing is to send to you a copy of the joint income tax return filed by my wife and myself for the year 1974 and a statement of financial status. This statement includes holdings and liabilities and is compiled as of the end of December, 1974.

ASSETS

Cash in check and savings accounts approximately, $3,000.00.

Stocks and other securities (See Schedule A).

Real estate (See Schedule B).

Miscellaneous assets (See Schedule C).

LIABILITIES

Accounts payable, $836.00.

Notes payable, $130,000.00.

Most sincerely,

LAWTON CHILES.

SCHEDULE A

SHARES OF STOCK AND OTHER SECURITIES

Unlisted securities

Lake Bonny Properties, Inc. (⅓ equity), 875.

Industrial Development, Inc., 5.

Wild Animal Kingdom, 5,000.

National Medical Properties, 3,500.

Over-the-counter stock

Lakeland First Mortgage Corp. (⅓ equity) less liabilities, 4,728.

Founder's Financial Corp., 23,153.

Hardwicke Companies, Inc., 7,200.

Listed securities

American Telephone & Telegraph, 200.

American Home Products, 200.

Marcor, Inc., 1,020.

SCHEDULE B

REAL ESTATE

The Colonial Building, 910 S. Florida Ave., Lakeland, Fla. Completed August 1966; 6 units, 5000 sq. ft. Lot—100' x 135'. ½ ownership. Mortgage—$39,820.96.

Red Lobster Inns—½ ownership of buildings and property which are leased to the restaurant corporation (in which I have no interest): Red Lobster Inn, Lakeland, Fla., Completed January 1968 with addition November 1968. Mortgage—$145,290.40. Red Lobster Inn, Daytona Beach, Fla., Completed June 1969. Mortgage—$203,249.34. Red Lobster Inn, Tampa, Fla. Completed June 1969. Mortgage—$110,950.89. Red Lobster Inn, St. Petersburg, Fla. Completed October 1969. Mortgage—$206,111.31. Secondary financing obligation on two of four units: $34,800.17. From above properties, income received in 1974 was $81,701.04.

Manatee County, Fla. Property. An undivided ½ interest in the N.W. ¼ of S.W. ¼ of Sec. 34, Township 34 South, Range 18 East. 40 acres in submerged land in Manatee County.

Real Estate Mortgage Receivable. James I. Black, Jr. et ux—16⅔ ownership.

Residence: 940 Lake Hollingsworth Drive, Lakeland, Fla. Mortgage, $32,341.14.

Residence: 3807 North Woodstock Drive, Arlington, Virginia. Mortgage, $55,008.87.

Residence: Casa Del Mar, Apt. 10–C, 4621 Gulf of Mexico Drive, Longboat Key, Fla. Mortgage, $21,976.94.

Real Estate Contracts Receivable: Max Leider, et ux—16⅔ ownership. William M. Skipper, Jr., Trustee—16⅔ ownership.

SCHEDULE C

MISCELLANEOUS ASSETS

Furnishings.

June 1969. Mortgage—$203,249.34.

U.S. INDIVIDUAL INCOWE TAX RETURN—1974

Lawton M. and Rhea G. Chiles, Federal Building, Lakeland, Florida 33801.

County of residence: Polk.

Your social security number, [redacted].

Spouse's social security no., [redacted].

Occupation: Yours, U.S. Senator; Spouse's, Housewife.

Filing Status, Married, filing joint return.

Exemptions: Regular 6a Yourself, b Spouse.

c. First names of your dependent children who lived with you: Lawton III, Rhea Gay, Edward.

7. Total exemptions claimed, 5.

8. Presidential Election Campaign Fund. Do you wish to designate $1 of your taxes for this fund? Yes. If joint return, does your spouse wish to designate $1? Yes.

INCOME

9. Wages, salaries, tips, and other employee compensation, $42,500.00.

10a. Dividends, $3,508.37.

(If gross dividends and other distributions are over $400, list in Part 1 of Schedule B.)

11. Interest income, $633.12.

12. Income other than wages, dividends, and interest, $77,435.32.

13. Total, $124,076.81.

14. Adjustments to income, $3,524.23.

15. Subtract line 14 from line 13, $120,552.58.

TAX, PAYMENTS AND CREDITS

16. Tax, check if from: Tax Rate Schedule X, $34,651.21.

17. Total credits, $1.28.

18. Income tax, $34,649.93.

19. Other taxes, $1,042.80.

20. Total (add lines 18 and 19), $35,692.73.

21a. Total Federal income tax withheld (attach Forms W–2 or W–2P to front) $10,791.64.

b. 1974 estimated tax payments (include amount allowed as credit from 1973 return), $17,300.00.

c. Amount paid with Form 4868, Application for Automatic Extension of Time to File U.S. Individual Income Tax Return, $1,910.80.

22. Total (add lines 21a, b, c, and d), $30,002.44.

BALANCE DUE OR REFUND

23. If line 20 is larger than line 22, enter BALANCE DUE IRS, $5,708.75.

Your signature, Lawton M. Chiles.

Preparer's signature (other than taxpayer), Thomas E. Cox, May 29, 1975.

Penalty for Underpayment, $18.46. (See form 4863 attached).

29. Net gain or (loss) from sale or exchange of capital assets (attach Schedule D) ($1,000.00).

31. Pensions, annuities, rents, royalties, partnerships, estates or trusts, etc. (attach Schedule E) $78,435.32.

38. Total, $77,435.32.

41. Employee business expense (attach Form 2106 or statement) $3,542.23.

43. Total adjustments, $3,524.23.

44. Adjusted gross income, $120,552.58.

45. (a) If you itemize deductions, check here and enter total from Shedule A, line 41 and attach Schedule A, $31,620.17.

46. Subtract line 45 from line 44, $88,-932.41.

47. Multiply total number of exemptions claimed on line 7, by $750, $3,750.00.

Taxable income. Substract line 47 from line 46, $85,182.41.

51. Foreign tax credit, $1.28.

54. Total credits, $1.28.

55. Self-employment tax, $1,042.80.

61. Total, $1,042.80.

APPLICATION FOR AUTOMATIC EXTENSION OF TIME TO FILE U.S. INDIVIDUAL INCOME TAX RETURN—1974

Name, Lawton M. & Rhea G. Chiles, 2107 Dirksen Senate Office Bldg., Washington, D.C. 20510.

Your social security number, [redacted].

Spouse's social security number, [redacted].

1. Total tax you expect to owe for 1974, $30,000.00.

2. Federal income tax withheld, $10,789.20.

3. 1974 Estimated tax payments, $17,300.00.

5. Total, $28,089.20.

6. Balance due, $1,910.80.

Signature and Verification—Lawton M. Chiles, April 15, 1975; Rhea G. Chiles, April 15, 1975.

SCHEDULES A AND B—ITEMIZED DEDUCTIONS AND DIVIDEND AND INTEREST INCOME—1974

Name(s), Lawton M. & Rhea G. Chiles.

Your social security number, [redacted].

SCHEDULE A—ITEMIZED DEDUCTIONS

Medical and dental expenses

1. One half (but not more than $150) of insurance premiums for medical care. (Be sure to include in line 10 below), $150.00.

10. Total, $150.00.

Taxes

12. Real estate, $1,162.72.

13. State and local gasoline, $264.00.

14. General sales, $548.10.

16. Sales tax—auto, $123.00.

17. Total, $2,097.82.

Interest expense

18. Home mortgage, $1,657.52.

19. First National Bank of Lake, $9,473.32; National Permanent, $3,756.73; Gulf Life, $2,709.00; Fla. Nat. Bank, $57.82; Sears, $25.00.

20. Total, $17,679.39.

Contributions

21. a. Cash contributions for which you have receipts, cancelled checks, etc., $3,986.10. See schedule, $1,783.00.

24. Total, $5,769.10.

Miscellaneous deductions

Entertainment, $5,923.86.

Total, $5,923.86.

Summary of itemized deductions

35. Total medical and dental, $150.00.

36. Total taxes, $2,097.82.

37. Total interest, $17,679.39.

38. Total contributions, $5,769.10

40. Total miscellaneous, $5,923.86

41. Total deductions, $31,620.17

SCHEDULE B—DIVIDEND AND INTEREST INCOME

Dividend income

1. Gross dividends (including capital gain distributions) and other distributions on stock. (List payers and amounts—write (H), (W), (J), for stock held by husband, wife, or jointly).

Founders Financial, W, $621.65.
Founders Financial, H, $499.60.
Lakeland 1st Mortg., H, $472.80.
American Home, W, $233.10.
Amer. Tel. & Tel., W, $632.00.
Marrar Inc., W, $969.70.
Rayal Trust Co., H, $12.60.
Lawyers Title, H, $226.92.
James L. Black, H, $35.00.
James L. Black, W, $5.00.

2. Total of line 1, $3,708.37.

6. Dividends before exclusion, $3,708.37.

Interest income

7. Interest includes earnings from savings and loan associations, mutual savings banks, cooperative banks, and credit unions as well as interest on bank deposits, bonds, tax refunds, etc. Interest also includes original issue discount on bonds and other evidences of indebtedness (see instructions on page 13). (List payers and amounts).

Prudential Life, $52.33.
Lieder & Nally, $580.79.

8. Total interest income, $633.12.

SCHEDULE OF OTHER CHARITABLE CONTRIBUTIONS

Florida House, $983.00.
Young Life, $245.00.
Children's Hospital, $100.00.
Recording for the blind, $100.00.
Salvation Army, $100.00.
Boy Scouts, $25.00.
Eye Bank, $40.00.
D.A.V., $50.00.
WETA, $125.00.
New Life, $15.00.
Total, $1,783.00.

SCHEDULE OF CONGRESSIONAL REIMBURSEMENTS AND EXPENSES

REIMBURSEMENTS:

Travel, $5,563.79.
Official expense, $13,312.82.
Total reimbursements, $18,876.61.

EXPENSES:

Travel, $7,614.08.
Official expenses, $11,786.76.
Cost of living, Washington, D.C.,* $3,000.00.
Total expenses, $22,400.84.
Excess expenses over reimbursements $3,524.23.

* See attached affidavit.

AFFIDAVIT

I hereby certify that I was in a travel status in the Washington area, away from home, in the performance of my official duties as a Member of Congress, for 168 days during the taxable year, and my deductible living expenses while in such travel status amounted to $3,000.00.

LAWTON CHILES.

CAPITAL GAINS AND LOSSES—1974

5. Net short-term gain or (loss) ($32,000.00).

65 L–N Installment Sale, 1973 Collections at $84. 13%, $125.88.

71 S–Q Installment Sale, 1973 Collections at $88. 13%, $540.94.

7. Capital gain distributions, $801.00.

11. Net gain, $1,467.82.

12(b). Long-term capital loss carryover attributable to years beginning after 1969 ($1,593.00).

13. Net long-term gain or (loss), ($125.18).

14. Combine the amounts shown on lines 5 and 13, and enter the net gain or loss here, ($32,125.18).

16. If line 14 shows a loss—(iii) If amounts on line 5 and line 13 are net losses, enter amount on line 5 added to 50% of amount on line 13, ($32,062.59).

16(b). Enter here and enter as a (loss) on Form 1040, line 29, the smallest of: (iii) Taxable income, as adjusted (see Instruction K), ($1,000.00).

CAPITAL LOSS CARRYOVER—1974

POST-1969 CAPITAL LOSS CARRYOVERS

Section A.—Short-term capital loss carryover

1. Enter loss shown on your 1973 Schedule D (Form 1040), line 5, $33,000.

2. Enter gain shown on your 1973 Schedule D (Form 1040), line 13. If that line is blank or shows a loss, enter a zero, $0.00.

3. Reduce any loss on line 1 to the extent of any gain on line 2, $33,000.

4. Enter amount shown on your 1973 Form 1040, $1,000.

5. Enter smaller of line 3 or 4, $1,000.

6. Excess of amount on line 3 over amount on line 5, $32,000.

Section B.—Long-term capital loss carryover

7. Line 4 less line 5, $0.00.

8. Enter loss from your 1973 Schedule D (Form 1040), $1,593.

9. Enter gain shown on your 1973 Schedule D (Form 1040), line 5. If that line is blank or shows a loss, enter a zero, $0.00.

10. Reduce any loss on line 8 to the extent of any gain on line 9, $1,593.

11. Multiply amount on line 7 by 2, $0.00.

12. Excess of line 10 over amount on line 11, $1,593.

SCHEDULE R—RETIREMENT INCOME CREDIT COMPUTATION

A.—Wife, $1,524.00.

B—Husband, $1,524.00.

C—Alternative Computation (Combined Information of husband and wife if joint return and both 65 or over), $2,286.00.

1. Maximum amount of retirement income for credit computation.

RENTAL INCOME—1974

RENT INCOME

Property A—Lake Hollingsworth House.

Property B—Casa Delma Beach House (Rented 10 mos).

2. Rents received:

Property A, $5,313.00.
Property B, $2,090.71.

3. Total, $7,403.71.

EXPENSES

4. Advertising, $17.08.

8. Gardening, $275.00.

9. Insurance, $109.00 and $83.33.

10. Interest, $2,287.21 and $1,657.52.

15. Repairs (list): $48.00, $110.70, and 40.88.

18. Taxes and licenses, $913.89, and $566.47.

20. Utilities, $388.01.

21. Other (list): $820.50.

23. Total expenses, $7,317.59.

SCHEDULE FOR DEPRECIATION CLAIMED ON SCHEDULE E

(a) Group and guideline class or description of property: Property "A" Hse.

(b) Date acquired, 1969

(c) Cost of other basis, $48,000.00

(d) Depreciation allowed or allowable in prior years, $800.00

(e) Method of computing depreciation, S/L.

(f) Life or rate 30.

(g) Depreciation for this year, $1,600.00.

F and F, 7–1–73, $1,908.11, $190.81, S/L, 5, 381.62.

Property "B" Building, 1972, $31,217.05, $864.60, S/L, 30, $866.32.

F and F, 1973, $3,023.66, 503.90, S/L, 5, $503.90.

28. Totals, $3,351.84.

SCHEDULES E & R—SUPPLEMENTAL INCOME SCHEDULE AND RETIREMENT INCOME CREDIT COMPUTATION

RENT AND ROYALTY INCOME

(b) Total amount of rents, $7,403.71.

(d) Depreciation (explain below) or depletion (attach computation), $3,351.84.

(e) Other expenses (Repairs, etc.—explain below), $7,317.59.

2. Net income or (loss) from rents and royalties (column (b) plus column (c) less columns (d) and (e)), $(3,265.72).

INCOME OR LOSSES FROM PARTNERSHIPS, ESTATES OR TRUSTS, SMALL BUSINESS CORPORATIONS

(a) Name: Chiles & Ellsworth, Carr, Chiles & Ellsworth, partnership.

(d) Income, $81,701.04.

Total, $78,435.32.

COMPUTATION OF SOCIAL SECURITY SELF-EMPLOYMENT TAX—

COMPUTATION OF NET EARNINGS FROM NONFARM SELF-EMPLOYMENT

5. Net profit or (loss) from: (b) Partnerships, joint ventures, etc. (other than farming) $81,701.04.

6. Total, $81,701.04.

8. Adjusted net earnings or (loss) from nonfarm employment, $81,701.04.

9. (a). Maximum amount reportable, under both optional methods combined (farm and nonfarm), $1,600.00.

PART III COMPUTATION OF SOCIAL SECURITY SELF-EMPLOYMENT TAX

12. (b) From nonfarm (from line 8, or line 11 if you elect to use the Nonfarm Optional Method), $81,701.04.

13. Total net earnings or (loss) from self-employment reported on line 12, $81,701.04.

14. The largest amount of combined wages and self-emloyment earnings subject to social security tax for 1974 is, $13,200.00.

15 (a). Total "FICA" wages as indicated on Forms W-2, $0.00.

16. Balance, $13,200.00.

17. Self-employment income, $13,200.00.

18. If line 17 is $13,200, enter $1,042.80; if less, multiply the amount on line 17 by .079, $1,042.80.

20. Self-employment tax, $1,042.80.

COMPUTATION OF FOREIGN TAX CREDIT

1. Name of Foreign Country or U.S. Possession imposing Tax (Use a separate line for each): Canada.

(a) Dividends, $12.60.

Total, $12.60.

4. Taxable Income or (Loss) from Sources Outside the U.S. $12.60.

SCHEDULE B—FOREIGN TAXES PAID OR ACCRUED AND COMPUTATION OF FOREIGN TAX CREDIT

1. Credit is claimed for taxes Paid, 1974.

2. King of tax, income.

Tax Withheld at Source on: (e) Dividends, $1.28.

(h) Total Foreign Taxes Paid or Accrued, $1.28.

5. Carryback or Carryover, None.

7. Total Foreign Taxes, $1.28.

8. Taxable Income or (Loss) from Sources Outside the U.S. $12.60.

9. Total Taxable Income from All Sources, $88,902.41.

10. Column 8 Divided by Column 9, $.00014.

11. Total U.S. Income Tax $34,636.21.

12. Limitation, $4.85.

13. Credit, $1.28.

Total foreign tax credit, $1.28.

MAXIMUM TAX ON EARNED INCOME—

1. Earned income, $124,364.59.

2. Deductions, $3,524.23.

3. Earned net income. Subtract line 2 from line 1, $120,840.36.

4. Enter your adjusted gross income, $120,552.58.

5. Divide the amount on line 3 by the amount on line 4. Enter percentage result here, but not more than 100%, 100%.

6. Enter your taxable income, $85,182.41.

7. Multiply the amount on line 6 by the percentage on line 5, $85,182.41.

9. Earned taxable income. Subtract line 8c from line 7, $85,182.41.

10. If: on Form 1040, you checked line 2 or 5, enter $52,000, $52,000.00.

11. Subtract line 10 from line 9, $33,182.41.

12. Enter 50% of line 11, $16,591.21.

13. Tax on amount on line 6, $36,345.80.

14. Tax on amount on line 9, $36,345.80.

16. If the amount on line 10 is: $52,000, enter $18,060, $18,060.00.

17. Add lines 12, 15, and 16. This is your maximum tax. Enter here and on Form 1040, line 16 (or Form 1041, line 24); however, if you had net long-term capital gain in excess of net short-term capital loss, complete Computation of Alternative Tax below, $34,651.21.

UNDERPAYMENT OF ESTIMATED TAX BY INDIVIDUALS—1974

1. 1974 tax, $35,692.73.

5. Balance, $35,692.73.

6. Enter 80% of the amount shown on line 5, $28,554.18.

7. Divide amount on line 6 by the number of installments required for the year (see Instruction B). Enter the result in appropriate columns:

Apr. 15, 1974, $7,138.54.
June 15, 1974, $7,138.54.
Sept. 15, 1974, $7,138.55.
Jan. 15, 1975, $7,138.55.

8. Amounts paid on estimate for each period and tax withheld (see Instruction E):

Apr. 15, 1974, $7,022.91.
June 15, 1974, $7,022.91.
Sept. 15, 1974, $7,022.91.
Jan. 15, 1975, $7,022.91.

10. Total (add line 8 and line 9):

Apr. 15, 1974, $7,022.91.
June 15, 1974, $7,022.91.
Sept. 15, 1974, $7,022.91.
Jan. 15, 1975, $7,022.91.

11. Underpayment (line 7 less line 10), or Overpayment (line 10 less line 7):

Apr. 15, 1974, $115.63.
June 15, 1974, $115.63.
Sept. 15, 1974, $115.64.
Jan. 15, 1975, $115.64.

HOW TO FIGURE THE PENALTY

17. Amount of underpayment (from line 11):

Apr. 15, 1974, $115.63.
June 15, 1974, $115.63.
Sept. 15, 1974, $115.64.
Jan. 15, 1975, $115.64.

18. Date of payment or April 15, 1975, whichever is earlier (see Instruction G):

Apr. 15, 1974, Apr. 15, 1975.
June 15, 1974, Apr. 15, 1975.
Sept. 15, 1974, Apr. 15, 1975.
Jan. 15, 1975, Apr. 15, 1975.

19. Number of days from due date of installment to the date shown on line 18:

Apr. 15, 1974, 365.
June 15, 1974, 304.
Sept. 15, 1974, 212.
Jan. 15, 1975, 90.

20. Penalty (6 percent a year on the amount on line 17 for the number of days shown on line 19):

Apr. 15, 1974, $6.94.
June 15, 1974, $5.78.
Sept. 15, 1974, $4.03.
Jan. 15, 1975, $1.71.

21. Total amounts on line 20, $18.46.

INDUSTRIES INHIBITED BY LACK OF DEFINABLE FEDERAL ENERGY POLICY

Mr. BARTLETT. Mr. President, at the 1975 annual conference of the International Association of Drilling Contractors, Mr. Robert H. Etnyre, president of National Supply Co. described how the lack of a definable Federal energy policy inhibits the expansion of the industries which support energy development. His address, entitled "The Pain of Uncertainty" should be required reading for all my colleagues. I ask unanimous consent that it be printed in the RECORD.

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

THE PAIN OF UNCERTAINTY

(By Robert H. Etnyre)

Thank you, very much.

Ladies and gentlemen, I don't think I have to tell this group that you and I share a common problem. We've got the same kind of problem as the man who rushed into his lawyer's office over at the Esperon Building and shouted, "John, I'm in big trouble, you've got to help me!"

His lawyer said, "Whoa, wait a minute, what's the trouble?"

His client said, "Look, I just got this letter from a guy who says that if I don't quit fooling around with his wife, he's going to kill me."

The lawyer said, "Man, you don't have any trouble. All you have to do is leave her alone."

"No! No! That's not the problem. Look at the bottom of the letter . . . it isn't signed!"

Our problem, in your business and mine, is that we're not really sure where we stand. In nearly 30 years of watching and serving the petroleum industry, I can't remember a time of greater turmoil and uncertainty. In three words, "We don't know." And that's what I'd like to talk about for the next 15 minutes. You don't know, I don't know, the American people don't know—and the uncertainty that pervades our entire industry threatens to slow everything to a standstill at a time when we should be running hell-bent-for-election.

When Warren Baker asked me to be here today, he asked me to tell you about the availability of equipment for drilling rigs during the next year, maybe two. We know such materials that are so important to you will be in tight supply for the next two years. The availability of everything we need to achieve the goals of our nation's "Project Independence" hinges on a whole complicated matrix of social, economic and political questions that are now swirling around the petroleum industry. So, today I would like to talk about a broader, more serious question and look at some of the factors that determine whether or not a company like National Supply decides to expand its manufacturing capability to produce the machinery and equipment the industry needs.

First, let's take a look at the demand side of the drilling business—and I don't mind telling this group that you really know how to demand. I get phone calls from customers I haven't heard from in years.

The last year has been pretty wild. There have been times when I felt like the man who got a form letter from Planned Parenthood asking him for a contribution. He sent it back with a note on the botton of the pledge card that said, "I have seven children—where were you when I needed you?"

The National Petroleum Council has a pretty good handle on what this country needs to do by 1985 to reach the goals of "Project Independence." Their report in September of 1974 said, "Drilling activity in 1974 is projected to increase 15 per cent over 1973 to about 160 million feet, 31,800 wells."

That report also gave some pretty specific estimates of where we need to be by 1980 and 1985 to reach self-sufficiency in petroleum by 1985. It said this:

"The long-range outlook for drilling activity indicates the need for rapid expansion of drilling equipment manufacturing capacity. For example, the highest drilling rate case of the NPC 1972 U.S. Energy Outlook Study, assumed a drilling effort of about 250 million feet in 1980 and nearly 300 million feet in 1985. This is believed to be an attainable goal. If exports of newly assembled

rigs were to continue at the historic rate of approximately 50 per cent, new rig manufacturing would have to grow at an improbable 25 per cent annual rate to reach these projected drilling levels by 1980. A more realistic expectation would be a growth of 10 to 15 per cent.

(I'm still quoting.)

"Corresponding expansion in tubular goods mill production and in the well servicing industry would be necessary for maximum utilization of these new rigs . . . furthermore, there will be significant increases in steel tonnage per platform because the additional drilling will be in deeper water and harsher environments." End of the quote from the NPC Report.

This report, which incidentally is an excellent piece of work, not only spells out what industry must do, but in one sentence on page two identifies the one most serious overriding problem facing our industry today.

"It is assumed that there will be incentives for the orderly expansion of production capacity for oilfield equipment manufacturers, contractors and service companies and that financing will not be a constraint."

Let's look at that assumption a little, in terms of what we see and hear going on around us.

We know, of course, that manufacturers like ourselves are expanding. We've got major programs under way that will expand our capacity here in Houston by 150 per cent by the end of 1977. We're also boosting capacity at our Gainesville plant by 50 per cent.

We know that Oilwell Supply and Continental Emsco are expanding their operations. We've heard that Brewster, Cardwell and Unit Rig in Tulsa have programs under way that will make it possible to supply the major push that is already under way.

In a way at least, this answers the question about the long-term availability of rigs and other equipment that you need to get on with your work. We know there will be a short-term crunch. The next two years, certainly, will continue to be tight. It takes too long to buy new machine tools, and to build new facilities to get cranked up overnight to make more of anything. We've also had manpower problems. We've got to find and train new machine operators just as you need to find and train new crews when your business expands.

We believe that drill pipe will continue to be in short supply for these next two years. We're adding heat treating facilities at our pipe plant at Ambridge, Pa. and our Ashland, Ky. plant is making modifications that will make it possible to ship more steel to Ambridge. But, again, the problem is not a two-year problem . . . it's the crying need for a 10-year vision . . . a governmental commitment that industry will have the economic environment it needs if individual companies are to commit funds to long-term growth.

The whole complex of companies and their suppliers who make up the petroleum industry *can* get the job done. That's not the problem. We all need a green light. We need a mandate . . . a long-range energy policy from our government that says in effect "our nation needs to be self-sufficient in energy and the people of this nation are asking industry and the free market system to meet this need."

We are so far from such a policy that would allow our free enterprise system to do what it does best that it's scary. We are all still waiting for a national energy policy. Every day I read in the paper that someone in Washington is playing political games with the oil depletion allowance . . . or writing a new excess profits tax bill, or planning new controls on the oil and gas industry. The overall result is that no one is sure what he can count on.

I think it's Senator Jackson who likes to talk about "obscene profits." That phrase makes a beautiful headline and may be good for a Senator at election time . . . but I'm here to tell you that the profits he thinks are obscene are not nearly obscene enough. If our industry . . . yours and mine . . . is to get on with the job that this nation needs, we've got to be allowed to generate far more profits—perhaps "pornographic profits" to get the job done.

The incentive to earn a profit is the one basic ingredient that is most needed and most threatened by the loose talk and uncertainty at the federal level today. The American people need to be convinced that our system—our free enterprise profit and loss system—in which decisions to invest in risk-taking business activities and with free market choices and the discipline of supply and demand deciding who profits and who loses . . . this is the way we can beat the energy shortage.

The verbal gymnastics of highly vocal critics of the business system that supplies our entire economy are talking us deeper and deeper into a do-nothing paralysis. It seems to me the time has come to declare a moratorium on loose talk. Most of you are old enough to remember the World War II poster. It was very effective. The poster showed a ship going down and the huge caption at the bottom said, "Loose Talk Sinks Ships." Political loose talk is destroying the confidence of the American people.

What about profits? A study by the Chase Manhattan Bank projects the need for investment by the petroleum industry at one trillion, 400 billion dollars between 1970 and 1985. One point four trillion dollars. That's a lot of somebody's money. That money—about $60 billion a year—must come from the earnings of the companies involved, or borrowed against the hope of earning a fair return. The bank says that in 1973 the entire industry invested about $30 billion—only about half the rate that their studies show will be needed. It is going to take tremendous amounts of capital to do the job. And complaining about "windfall profits" or excess profits is simply a destructive display of ignorance of the way our economic system works. If the companies involved can't see a good chance to earn a fair return on the money invested in new facilities, the money will flow into other projects that offer a better shot at a fair return. Incentive is the key. And we are stalled today by the uncertainty that exists at the national level.

We need a clear mandate . . . a vision as clear as the vision President Kennedy laid down when he said this country would go to the moon. But it has to be done differently this time. We're not looking for a government program that is going to spend billions on a single program . . . we're looking for a commitment from our government that the nation's energy goals can be reached by the free enterprise system and that the ground rules will not change.

When I go to our Board of Directors to ask for their approval to invest millions of dollars in new equipment to expand our capacity to make drilling machinery, pipe or wellhead equipment, they want to know what the market will be for the next few years. And you can't blame them for that. Tubular goods are in critically short supply right now. A new pipe mill requires an investment of perhaps $150 million, and could take as long as five years from engineering stage to get it on stream. So the men who make the decisions on investments want to know what the market for pipe will be in 1980. Nobody today, with the uncertainty we hear out of Washington, is ready to bet that kind of money on an uncertain market. Everybody is saying "Let's wait and see what the government does." And the government isn't doing anything but talk.

And this gets us right back to the need for a 10-year mandate . . . and some assurance from our government that the ground rules will permit free enterprise to function. As long as industry is uncertain about government actions that could fix the price of oil or gas, change the oil depletion allowance, restrict leases on the continental shelf, or tell us that we must sell a significant portion of our tubular goods to the Navy for their Elk Hills Project, we cannot move forward.

Our industry—and by that I mean all of us, those who drill, produce, transport, refine and market petroleum products desperately need a clear government position that we know will provide an unchanging mandate for private industry to move ahead with the massive job that is required in the next ten years.

The policy adopted more than a year ago by IADC would be a fine basis on which to build our national policy. If you remember that policy calls for:

(1) Decontrol of crude oil and natural gas wellhead prices;

(2) Removal of price and other arbitrary controls or limitations on U.S. industry;

(3) Regularly scheduled federal onshore and offshore lease sales on preannounced schedules;

(4) Creation of a climate of consistency and reasonableness in regulatory and tax practices affecting oil and gas producing operations;

(5) Removing of barriers which discourage return of U.S. owned offshore drilling units from overseas;

(6) Reasonable environmental controls consistent with ecological needs.

I'm convinced that the theme of stability that runs through your policy is essential. We need to convince the American people that the days of artificially cheap energy are over, and that the sooner we can get our government to fix a long-range energy policy that encourages private investment and gives incentive to your business and mine . . . the sooner we will be able to gear up for the job.

Our company can and will serve you and all of our customers better tomorrow than we can today. We all need to have a better definition of the rules under which tomorrow's high stakes energy game will be played. Our industry—yours and mine—has never been known to be timid when it comes to risk taking. Your incentive is our incentive. All that is required is the incentive that stands behind our free enterprise system. If we get that green light from Washington, we have a better chance to reach the goals of "Project Independence."

Government control has a pretty dismal record . . . what we once called the penny post card is now a dime . . . and it's still late being delivered. Amtrak seems to be on the same kind of cost and delivery timetable. The ingenuity of private companies, each seeking to provide a service and earn a fair return on its investment is the way to meet the energy shortage.

Thre's a drilling contractor up in east Texas who got a threatening letter. The letter said, "Give me $25,000 or I'll kill your wife."

The contractor didn't have that kind of money so he put a note in a money bag and delivered it to the place where he was directed. His note said, "I don't have $25,000, but I am interested in your proposition."

I don't believe our government is trying to kill our industry. We are all mighty interested in knowing more about what it is trying to do. The difficulty of hammering out a unified policy is, obviously, complicated.

Meanwhile, the problem grows, as it has now for 25 years and the lack of an overall direction is hurting all of us. Let's hope we can get our public officials to unleash the power of the private enterprise system in solving the long-range needs of our people.

Thank you for asking me to come.

NEW DEPARTURES IN FOREIGN ASSISTANCE

Mr. HUMPHREY. Mr. President, on June 3, the Senate Subcommittee on Foreign Assistance began its examination of our Nation's foreign assistance programs. As I stated at that time, our foreign policy requires a new approach to the developing world and a new look at security assistance programs. Now that the trauma of Vietnam is behind us, we should be able to develop that new approach and new look.

As chairman of the Foreign Assistance Subcommittee, I am determined to breathe new life into our foreign assistance programs. I am determined to bring to these programs the scrutiny and accountability which the American people desire. I am determined to examine the economic and military assistance programs proposed by the administration with a critical, objective eye, and, when necessary, effect changes in those programs so that they are in keeping with the requirements of American foreign policy.

During the first day of hearings, my subcommittee heard expert testimony on the future direction of our foreign assistance program. With the assistance of George Ball, McGeorge Bundy, and a panel consisting of Fred Bergsten, Edward Fried, James Grant, and Joseph Nye, we explored the appropriateness of our various aid efforts in meeting the needs of the Third World and serving our interests. While no final conclusions were reached, there was near-unanimous agreement that our aid programs need revamping.

Today, I would like to insert into the RECORD my opening statement and the prepared remarks of Messrs. George Ball and McGeorge Bundy. Tomorrow, I will insert the prepared statements of our expert panel. I think that the Members of the Senate will find in these statement much food for thought regarding the direction that our aid efforts should take. These remarks suggest that it is time for change, time for us to rethink our aid priorities, time to turn more toward genuine developmental aid and less toward aid with political strings attached. They suggest that we have some hard thinking to do about the substance of our aid programs.

I would like to call to the attention of my colleagues the remarks by Messrs. Ball and Bundy. Both have done our committee a great service. Mr. Ball has carefully delineated the various forms of military and economic aid, and succinctly posed difficult but important questions about the future directions of both our military and economic programs. Two questions which he has raised are paramount issues for us: Are we creating serious problems for the future when, by a combination of grant aid and military sales, we compete with the Soviet Union and Western Europe to turn a whole area into a gigantic arsenal as is occurring today in the Middle East? By keeping populations alive through our developmental and humanitarian assistance programs but failing to make population control a condition of our assistance, are we doing more harm than good? These are difficult questions with moral, religious, political, and economic ramifications. But, they must be faced.

Mr. Bundy has provided us with an invaluable evaluation of our current programs and seven thoughtful suggestions for improving and revamping the program. As he indicates in his remarks, our foreign assistance program is plagued by weakness—not so much in its management, but in its policy basis. If we wish, we can remedy this situation. Among Mr. Bundy's remedies are that we disconnect general economic assistance from military assistance and targeted political support, and relate, more closely than ever before, our developmental assistance to an effective agreed international policy on trade and investment. I urge my colleagues to read his suggestions closely, for they offer us some genuine guidance for the future.

Mr. President, I ask unanimous consent that the above-mentioned statements be printed in the RECORD.

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

STATEMENT BY SENATOR HUBERT H. HUMPHREY

This is a notable occasion. It is the first post-Indochina hearing on foreign assistance.

For the first time in ten years the Foreign Relations Committee and the Congress will not have to consider foreign aid legislation in the context of the tragedy and controversy which surrounded the American involvement in Vietnam.

With that divisive issue behind us, we should now be able to listen to each other more reasonably. We should be able to debate the issues fairly. We should now be able to hear the voices of genuine need.

Now that the smoke of the Indochina war has cleared, we should be able to see the rest of the world. We need it—not just its raw materials and its markets. But, more importantly, its respect and cooperation in building a new world order.

The developing world, its needs, its opportunities, its great potential have been there all along. But we've often been too busy to notice. We must take the time now to consider what is required in our foreign policy if we are to achieve a secure and equitable world interdependence.

The time for new departures is at hand.

There was a time not long ago when we approached world problems in a vastly different frame of mind. We were the guardians of the world. We would make the world safe for democracy. We would lift up the poor and feed the hungry. Now we realize that these tasks are beyond our means and our abilities. We know that we must act in concert with others. The problems of 1975 and beyond are too great and too complex for the solutions to be solely American. The industrialized world and the oil-rich nations must now pool their resources and their talents to tackle global problems.

Nowhere is this cooperation more needed than in the economic field. As two of our witnesses today, Mr. Bergsten and Mr. Nye, have written:

"At least for now, economic issues have become far more salient in international affairs than at any point since the beginning of World War II, both because of their increased importance in their own right and because of the decline in concerns about survival and the traditional forms of security."

They point out that military force is of limited utility in pursuing today's economic goals. It would seem to follow that the emphasis in our foreign assistance program must now shift from the pursuit of military security to the search for a more secure and equitable interdependence. There can be no security when hunger and poverty are the words used to define the human condition of more than a billion of the world's people. I believe that many fundamental assumptions about our nation's military assistance and arms sales programs must be reexamined.

Both new and old forms of cooperation will be required. Our traditional economic assistance program has changed over recent years and today is oriented primarily to the transfer of skills and technology designed to improve the lot of the world's poorest majority and, in particular, to enabling the least fortunate to feed themselves.

Such programs have never been more important. But at the same time the American public has never been more skeptical of what they see as the perils associated with foreign involvements and the risks which seem to have accompanied our aid programs in the past. The American people have clearly indicated their unhappiness with costly aid programs. They are dubious about their effectiveness. They suspect that much of our money instead of aiding the poor has in the past been siphoned off by the privileged and ruling classes in recipient countries.

We, on this newly created Subcommittee on Foreign Assistance, recognize all of these trends. We understand that our foreign policy requires a new approach to the developing world and a new look at security assistance programs. We understand that our bilateral aid programs need a new credibility with the American people.

I am determined to bring to our foreign assistance programs the scrutiny and the accountability which the American people are demanding. I am determined to explore whether the economic and military assistance programs proposed by the Administration are in keeping with the requirements of American foreign policy.

In today's hearings we plan to discuss what kind of foreign assistance program our nation should have in the years ahead. We wish to explore whether our various aid efforts are appropriate to meet the needs of the Third World and to serve America's interests. And we wish to examine the question of priorities within the structure of our foreign aid program.

In subsequent hearings we will examine economic and military programs on a regional and country-by-country basis. We plan to explore whether recent Congressional mandates are being carried out and are still appropriate to a changing world situation. We wish to assure ourselves that our foreign assistance programs are being soundly administered.

Unless the Congress and the Executive Branch are able to go before the American people and provide answers and assurances concerning the many issues I have raised, we cannot expect the public to support the continued authorization and appropriation of a multi-billion foreign assistance effort. The tragic Vietnam era has taught us that a nation's foreign policy becomes credible not when it is backed by armed might, but when it has the full support of its people.

Our first witness this morning will be the Honorable George W. Ball, former Under Secretary of State. He will be followed by Mr. McGeorge Bundy, who was Assistant to the President for National Security Affairs, in both the administrations of Presidents Kennedy and Johnson. Thereafter, we will have a panel of four experts from the academic and foundation world. They will be Mr. James P. Grant, President of the Overseas Development Council, and Messrs. Edward R. Fried and C. Fred Bergsten, Senior Fellows of the Brookings Institution, both former advisors to the National Security Council, and Joseph S. Nye, Professor of Political Science at Harvard University.

REMARKS BY GEORGE W. BALL

Mr. Chairman, my few comments this morning should hardly be dignified as a prepared statement. I have been traveling constantly for the past few days and have been able to jot down only some general ideas which may or may not be of much use to this Subcommittee.

That the whole question of foreign aid should be rigorously reexamined seems obvious. The largest part of the effort this country has been making under that rubric has been to provide both military and economic means to enable the nations of Indochina to carry on a struggle now concluded. For that reason alone it is an appropriate time to reassess our responsibilities for helping the poorer nations of the world.

As a first step we must undertake a fundamental exercise in analysis and classification. Foreign assistance is a deceptive phrase that comprehends programs and policies dissimilar in motive and effect. I propose, therefore, in these few minutes to try to identify and differentiate the various elements that most Americans have regarded as foreign assistance, as that term has been used during the past few years.

Let me begin with military aid. At the outset it is necessary to differentiate between military equipment provided on a grant basis, equipment sold on a concessionary basis and equipment sold on market terms. Probably there is little difference between arms that we provide on concessionary and on market terms. America no longer has a monopoly as an arms merchant and when we offer concessionary terms it is, I suspect, primarily because other supplying nations are making similar deals and we do not wish to be undersold.

There are, as I see it, four basic categories of military assistance. There is, first of all, what might be called true military aid which means the arms we grant for clear and unequivocal national security reasons. The classic example of this, of course, is the military equipment we provide to nations of the NATO alliance, on the explicit assumption of the North Atlantic Treaty that the defense of those nations is essential to our own defense.

A second category consists of military equipment we provide on a grant basis in support of various countries in whose defense we have a special interest. Until a few weeks ago this included Southeast Asia. It still includes Israel where this Subcommittee and the Senate are going to have to make some critical judgments as to how much assistance we should commit to that beleaguered country during a period of sensitive negotiations.

A third category consists of military equipment we provide in payment for the opportunity to maintain forward facilities—air bases, naval bases or intelligence installations. A fourth category consists of assistance that amounts to political subsidies—or bribes, if one wishes to use a harsher but often quite realistic term—in order to help maintain in power governments—frequently military regimes—that we regard as useful to the stability of a particular area. I suppose the best example of this is some of the military equipment we provide to various nations of Latin America. In many cases this has been of a highly sophisticated nature—supersonic aircraft or submarines—that seem to bear little relation to the defense requirements of a particular recipient nation as against its neighbors. Thus in some instances we must recognize it as an effort to maintain in power military juntas that are friendly to us. That is a practice this Subcommittee will, I suspect, carefully scrutinize.

Finally, there is a category of arms provided for balance of power purposes. One example of this is the equipment we are giving Jordan to enable the Jordanians to defend themselves from air attacks by Israel on the one hand or by Syria on the other. Presumably we justify this aid on the ground that the present Jordanian regime is a moderating influence in the area and may play a constructive role in the search for an ultimate settlement.

These, then, are various categories of military assistance which, as I see it, pose a number of questions for the consideration of this Subcommittee. For example, should the United States use grants of weaponry to support military governments that are repressive and that do not serve the long range interest of a particular country, simply in the interests of a short-range and quite probably illusive stability. Again, this Subcommittee might do well to study the problems we are creating for the future when, by a combination of grant aid and military sales, we compete with the Soviet Union and Western Europe to turn a whole area into a gigantic arsenal—as is occurring today in the Middle East.

When we turn to economic aid we find a different problem of classification. The first category of our economic aid has, in recent years, gone largely to two areas—Indochina and Israel. Such aid has not been intended primarily for development but rather to support a military effort by releasing funds for war expenditures. Modern war, after all, involves entire economies and entire populations.

Genuine development aid is a distinct category that is limited to the economic resources and technical assistance we provide to less developed countries in order to help them build an adequate infrastructure, educational facilities, an efficient agriculture, and to provide them with capital and technology for the development of natural resources and the beginning of industrialization.

Genuine development aid should not be confused with a third category of economic assistance which, like part of our military assistance, is primarily used for political bribery or subsidization, designed in other words to keep in power regimes that offer, at least, a transient stability.

I would include as a fourth category economic aid utilized primarily as payment for base facilities.

Finally, as a fifth category, there is aid granted primarily for humanitarian purposes—the food and other aid we give to nations on the margin of subsistence that have little hope for serious economic development.

If we are to act responsibly this last category presents us with very troubling problems. In the case of various nations—for example, Bangladesh—the population is increasing at such a rate as largely to cancel out per capita economic growth. In some nations the increased demand on limited food resources and other products that results from a swelling population threatens to reduce the level of life below the subsistence level.

Today we cannot totally ignore a body of respectable opinion which suggests that, in providing aid to countries already overcrowded in relation not only to space but to resources, we may be multiplying the misery for future generations. This poses a peculiarly unsettling and distasteful set of questions for a humane country and people such as ours. To what extent can we turn our faces away from present hardships—away from the suffering of individuals now in being when our assistance may only create misery on a far wider scale for the yet unborn whom we do not know?

What this poses is not only a profound moral issue; it requires us to exercise imagination on an unprecedented scale and scope. Let me make clear that I do not accept uncritically the exaggerted symbolism of the earth as the lifeboat that can hold only so many people where to take on board more would jeopardize the lives of all the other passengers. That idea has been put forward in several forms. It has also been expressed, for example, in the military term "triage"—which came into usage during the First World War and means, in effect, that an amy cannot waste its limited money and resources on the critically wounded.

For the next few years I suspect that we will not have to face the issue in these terms. For some years ahead we will no doubt have the capability—though not necessarily the political will—to maintain the populations of even the poorest countries at the subsistence level.

Yet even if we were able to sustain the unchecked increment of human lives in areas of meager resources and low capabilities we might well find the costs excessive since the effort could require us to redesign our whole social, political and economic arrangements in a drastic manner.

The questions we face, therefore, are not merely whether we have the political will to make the extraordinary effort required to preserve human lives in areas where population growth is substantially outpacing the development of production but whether, if we should undertake the task, the changes required would involve such a restriction on individual decisions and action—and in essence on the free operation of our democratic processes—that we would have destroyed more than we had saved.

These are problems of shattering complexity which involve a challenge to our religious and moral precepts—and indeed to the optimistic belief in unlimited progress that has for a century, at least, been Western man's dominant operating assumption—that I can understand why responsible officials of Government have felt inhibited in facing them. But I have less understanding for what seems to me to have been a conspiracy of silence among academics. The other night, for example, I reexamined a number of the books written during the 1960s on the development process—and that decade produced a spate of them. I was struck by the fact that so few of these texts even mentioned the effect of population increases. In the few instances when the subject was mentioned it was likely to be brushed off by casual reference to the "European experience." In other words, the authors seemed to feel that the fact that the population of Western Europe declined with industrialization demonstrated beyond cavil that industrialization which could be achieved through development would automatically take care of the problem.

I find that analysis quite unsatisfactory in view of the fact that the time spans involved in the European experience were far too long to meet the problems we face today.

I do not mean to sound an alarmist voice nor am I trying to pass judgment on the views of those who contend that we are building up massive problems for the future—indeed insoluble problems—when we continue to support populations that are rapidly expanding beyond the scope of their capabilities in terms of economic production. By keeping these populations alive and failing to make rigorous population control a condition to our assistance, we may be doing millions of unborn human beings a tragic disservice.

I do not know whether the scientists who assert these views are correct or whether we should put more weight on the testimony of those who maintain that the problem is not all that difficult. I would only suggest that the problem posed is one of enormous significance and that, in your examination of the future of foreign aid this Committee would be derelict if it did not give it serous consideration, no matter how distasteful the dilemma may seem.

Foreign aid to the poor nations of the world was a concept inspired by America's great success in helping to rehabilitate the advanced nations of Western Europe after the Second World War. President Truman's original Point Four Proposals were extremely modest since they comprised merely the extension of technical assistance. But, during the early 1960s America committed itself to helping the peoples of poor countries largely in the Southern Hemisphere—the Third World as it came to be called—to move toward higher standards of living. And many of us who lived through that period found the exercise an inspiring one.

Today national enthusiasm for the whole process has greatly diminished. Not only have we experienced the searing ordeal of the Vietnamese War, which tended to deflect our attention from the problems of much of the rest of the world, but we have come to question the extent of our own capabilities. Besides we are currently preoccupied with the problems of our own domestic economy.

Yet it would be an enormous mistake for us to abandon the program started with such great enthusiasm. Whether we like it or not the nations of the Third World are, in relation to the advanced nations, becoming relatively poorer. Though a few that are fortunate enough to command large reserves of natural resources are moving from poverty to a much easier position, the great bulk of the world's population—now increasing at a horrendous rate—demands and requires the help of the rich nations of which we are still unquestionably the leader.

We are, of course, at a special moment of transition, when the future of Southeast Asia is by no means clear and when delicate negotiations are in progress in a desperate effort to settle the struggle between the Arab nations and Israel. Under these circumstances I would hope that the Congress would not act precipitously. Not that foreign aid should be put aside. On the contrary. But there should, in my view, be considerable discretion accorded the Executive Branch in dealing with assistance requirements in the months ahead.

STATEMENT OF McGEORGE BUNDY

Mr. Chairman: It is a privilege to appear in response to your invitation and join in your discussion of the future of our nation's work in foreign assistance. These are hearings on the right subject at the right time. After a decade in which the quantity and direction of our Foreign Assistance Program have been increasingly inadequate to the real demands of the world and to our own deepest interest, there is now a serious prospect of important and constructive change. In any such change the work of this Committee can be of critical importance.

The present unsatisfactory shape of our Foreign Assistance Program reflects a painful paradox. On the one hand, over the last fifteen years, the professional capacity of our government for the effective management of economic programs of development assistance has steadily increased. Throughout that period, first as a member of the Kennedy and Johnson Administrations, and for the last nine years at the Ford Foundation in New York, I have had continuous opportunities to be in touch with the work of AID. I believe that where executive guidance and legislative requirements have left it free to work on its central task of international development, AID has shown itself to be one of the best and most effective agencies at work on these matters anywhere in the world. The grave weaknesses in our Foreign Assistance Program do not come from inside AID, and any new and revised program will be strengthened in the measure that the professional skills of our government in this field are protected and even reinforced.

Unfortunately the recent record of our country in other respects has been distressingly weak. The best single measure of this weakness is the extraordinary decline in that part of our Foreign Assistance Program which can be classified as official development assistance. Measured as a percentage of Gross National Product the official development assistance of the United States had declined by 60% since 1965, from .5 of 1% to .2 of 1%. In that same length of time, and by the same standard, the United States has slipped from 5th to 14th among the 17 developed countries which participate in the Development Advisory Committee of OECD. Among the major non-Communist developed countries only Austria, Italy and Switzerland give a smaller proportion of their GNP than we do. It is entirely understandable that there should be special difficulties in a season of recession and inflation, but the tendency which I am describing is not of recent origin, and the relentless downward pressure on the relative level of our foreign aid effort has been felt in good years as well as bad ones.

Another measure of the inadequacy of our current effort is to be found in the extraordinarily tangled shape of the legislation which authorizes and supports the program. That legislation has become increasingly enmeshed in hotly debated issues of foreign policy, like those surrounding Southeast Asia. These debates have been only most marginally related to our worldwide concern for economic development. In part this entanglement derives from the outdated practice of connecting military assistance with economic assistance in the same legislation. In part it derives from the ambiguous status of economic assistance whose size and direction is governed by bilateral political concerns—mainly in Southeast Asia and the Middle East. Still another part of the difficulty is that over the years a great many special programs with a high justification of their own have been funded as part of our "other foreign assistance." How many Americans, for example, are aware that the heavily reduced foreign assistance appropriations of 1975, finally signed only two months ago, contained $90 million for Cuban refugee assistance and $40 million for Soviet refugees, with most of the second amount restricted to expenditures in Israel?

In many ways the multipurpose grab bag which is our current Foreign Assistance Program accurately reflects the many and varied purposes of the Executive Branch, the Congress, and of public opinion itself. It is not wrong to help Cuban and Soviet refugees. It is not wrong to have politically targeted programs of economic assistance where they reflect shared and legitimate purposes. Whatever may be our opinion of particular programs of this sort in recent years, we must remember that the Marshall Plan itself was not simply economic in origin.

I nonetheless believe that in recent years the multiple purposes of the Foreign Assistance Program have begun to get in each others way. In particular I believe that the general effort for development assistance has been weakened, both in public opinion and in the Executive Branch, by its connection with military assistance and supporting assistance to special political allies. To a public increasingly disenchanted with our continuing commitment to Southeast Asia, the heavy emphasis on assistance to Indo-China has been a source of weakness. At the same time the Administration has regularly placed its military and political commitments at the top of its priorities even at the expense of other parts of the foreign assistance appropriation. The consequence has been a vicious circle of decreasing public enthusiasm for the program as a whole, coupled with increasing tenacity in the Administration's defense of special parts of it.

Yet in these same recent years the level of need for effective international action has dramatically increased. Even if our economic assistance programs were relatively as strong and clear today as they were ten years ago, they would have been badly overtaken by events. This Committee needs no rehearsal from me of the extraordinary impact of inflation, recession, and volatile prices for critical commodities. You know about the energy crisis, the food crisis, and the population crisis. You know of the new and increasingly insistent self-awareness of the developing world. You know of our newly emerging recognition that all of these problems come home with peculiar gravity upon the poorest people and the poorest nations. And if you did not know these things you would find them freshly and eloquently described in the recent speeches of Secretary Kissinger.

It is plain that this country needs new and better instruments of international economic action if it is to meet these new and emerging crises. In the language of Secretary Kissinger, the challenge before us is clear: "Let us deal in reality, not in rhetoric." So far this advice is as pertinent for the Administration itself as for the rest of us. With the single and important exception of food policy, our government has yet to address itself with effectiveness and clarity to real solutions, as distinct from eloquent statements of the problem. It remains divided in its international economic policy, heavily political in its view of the shape and direction of economic assistance, niggardly in its requests for funds, and opaque as to its real intentions with respect to the developing world as a whole. When we compare professions to performance, at least so far, the Administration's eloquent spokesman cannot but remind us of the claim of Shakespeare's Glendower: "I can call spirits from the vasty deep." Hotspur's question remains: "Will they come when you do call for them?"

Yet certainly a new spirit of effective international economic cooperation will never come if we do not call for it, and in that sense recent eloquence deserves both applause and support. It is just here that the work of this Committee becomes most timely. The new departures which are needed now cannot be developed in the State Department alone, or even in the Executive Branch as a whole. They will require the kind of sustained and connected effort of understanding which has occurred at least three times since the second war: in the development of the basic monetary and economic framework for the postwar years, in the launching of the Marshall Plan, and in the reassessment of Foreign Assistance Programs which began in the Congress and was carried on by the Executive Branch at the end of the 1950s and at the beginning of the Kennedy Administration.

The issues which have now to be understood, and the policies which we must develop in response, are more complex than ever before. If it is wise, as I believe, to disconnect our general economic assistance from military assistance and even from targeted political support, it is equally essential that our development assistance should be related, more closely than ever before, to effective agreed international policy on trade and investment. Seen from outside, neither the Executive Branch nor the Congress currently appears to be strongly organized to address these topics together, and it may be important for a Committee like this one to insist that its immediate responsibility for economic assistance justifies and even requires a close and cooperative concern for issues which arise also in the work of other responsible legislative bodies.

Let me now offer briefly a set of general comments on the kind of new questions which are presented in the new international environment. These few and incomplete suggestions are the product of discussion with professional colleagues in the Ford Foundation who have a closer and more legitimate

knowledge of the international economic scene than I can claim. In particular I would like to express my sense of obligation to David Bell, who has the double advantage of long service as the Administrator of USAID and now as Executive Vice President in charge of our international work in New York.

First, the United States is no longer a lonely giant among the developed nations. There are now at least three other major centers of wealth with whom we must work to achieve effective cooperation: Western Europe, Japan and the principal oil-exporting nations. It would be short-sighted and self-defeating for us to try to sustain indefinitely positions of special weight, for example in international bodies, which correspond to our past but not our future role.

Second, the issues which we have now to resolve are inescapably and permanently multilateral, and they engage rich nations and poor nations alike. For example, the need for more stable commodity prices is neither temporary nor artificial. It is a simple necessity for many major members of the developing world, and we would ignore it at our peril.

Third, our direct national interest in a constructive rearrangement of international economic relations is as deep as that of any other nation, rich or poor. In that sense we should no longer conceive of our economic assistance so largely as a matter of pursuing special political advantage, and still less as some kind of international dole. Economic assistance, increasingly multilateral and largely divorced from any special political interest, is quite simply an indispensable element in the general effort to resolve worldwide problems which are critical not only to the nations in greatest need but also to the long-range welfare of the United States itself.

Fourth, the downward direction in the real level of our development assistance should be reversed. This is not only a matter of our own true national interest, but also an urgent prerequisite to international understanding. As the representatives of the developing countries become skillful and effective in advancing their own interests, it is quite simply not workable for the United States to attempt to meet the challenge of the next decade by measures which do not in fact produce increasing transfers of real resources to the nations whose need is most severe. Unfortunately, on this issue as on others, the position of our government is still infected with a deliberate and disturbing vagueness. Here again, in the absence of executive leadership, the work of this Committee can help to lay the groundwork for the timely development of a stronger national position.

Fifth, in developing this stronger posture we can safely build on the solid foundation of our existing professional competence in development assistance. While such programs are likely to be increasingly multilateral, the work of USAID in this field, like that of the World Bank internationally, is work which we can cheerfully and confidently reinforce. The effectiveness of development assistance is demonstrated by the achievement, in many countries, of self-sustaining economic situations. While we have not carried our fair share in recent years the additional amounts that we could reasonably be expected to provide are not large either as a percentage of our GNP or our national budget. In this respect, indeed, the dark cloud of the collapse in Southeast Asia has an important silver lining, in that controversy over that region need no longer divide the Administration from the Congress, while the large funds once earmarked for that area can be redirected for general economic assistance.

Sixth, while our basic process for development assistance is sound, the situation is quite different with respect to what used to be called technical assistance. The process of offering training and advice, in a tutorial mode, is decreasingly needed and decreasingly acceptable. What must take its place is a new pattern of genuine scientific and technical collaboration toward the solution of common problems. This is a pattern only incompletely understood and articulated by Americans, at least so far. Thus American agricultural scientists ought to be more and more part of a worldwide enterprise. In this enterprise both biological and social scientists should be enlisted—to breed better varieties, find better means of pest control, create better fertilizers, design better price, marketing, and storage policies, and conduct research and development on all the other obstacles to larger food production. It is erroneous and obsolete to think of this as a process of U.S. scientists training and guiding scientists in other countries. Instead it needs to be understood as a process of devising means of cooperation and joint action, in which people in different countries contribute to common objectives and all have much to gain. None of this is easy, and we have only begun to see some of the ways in which practical headway can be made. But so far the United States government has hardly begun to think in these terms, and most of our scientists and technicians still think of their work on U.S. problems as their central, professional work, and their work on world problems as spare-time, charitable activities, rather like doctors who contribute a portion of their time to a charity hospital. In this regard, we need new thinking, new policies, new organizational forms, and a major departure from foreign aid concepts as they have been developed thus far.

Seventh, and finally, we need to restudy our understanding of the broad relation between all programs of foreign cooperation and our own fundamental commitment to democratic process and individual freedom. The fairway here is narrow, and often in the past we have fallen into traps on one side or the other. On the one hand we have too easily assumed that economic development itself brings both democracy and libery. That is too much to ask. On the other hand, we have sometimes acted as if we need have no concern with patterns of severe political repression or deep economic unfairness; such amorality asks too little. I do not here presume to define the wise middle course, but I do venture to suggest that once again the answer will depend on our ability to join constructively with other nations, rich and poor alike, in the construction of a new international pattern which in some reasonable measure respecs both the limits of economics and the imperatives of conscience.

MIA'S IN SOUTHEAST ASIA

Mr. HRUSKA. Mr. President, one of the most persistent and heartbreaking aftermaths of the Vietnam conflict has been the failure to secure an accurate accounting of our men who are listed as missing in action in Southeast Asia. The North Vietnamese have been brutal and barbaric in their refusal to abide by the terms of the Paris peace agreement relating to these men.

It is my sincere hope that the Congress and the administration will bear this fact in mind when considering the questions of economic assistance and diplomatic recognition for both North Vietnam and the new regime in Saigon. Unless an accounting of our men is forthcoming, there must not be any consideration of such requests.

Despite the passing years, Americans have not forgotten these brave men nor their families who have suffered so much anguish. The Congress has gone on record several times to reaffirm its support for continued efforts to push for such an accounting.

I am proud of the fact that recently the Nebraska Legislature by adopting Legislative Resolution 39 added its collective voice to those calling for such an accounting. Legislative Resolution 39 requests an investigation of the prisoners of war and persons missing in action in Southeast Asia. The Nebraska Legislature in passing this resolution has given the Communist forces in Southeast Asia yet another signal that Americans will not abandon these men to a limbo on forgotten names.

Mr. President, I ask unanimous consent to have printed in the RECORD a copy of Legislative Resolution 39.

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

LEGISLATIVE RESOLUTION 39

Whereas, more than two years have passed since the signing of the Paris Peace Accords; and

Whereas, the Communist bloc countries in Southeast Asia are not abiding by Articles 8a and 8b of the Paris agreement or the Laotian Protocols, which provide for an accounting of American servicemen who are Missing in Action and the repatriation of all Prisoners of War; and

Whereas, there appears to be a lack of effective action being taken or proposed to achieve a full accounting of the remaining 1300 Prisoners of War and Missing in Action; and

Whereas, the 1300 families of these men have too long borne the painful burden of uncertainty that this situation has caused; and

Whereas, we as Americans and citizens of a free nation acknowledge our continuing responsibility to resolve the fate of these men who served their country in Southeast Asia.

Now, therefore, be it resolved by the members of the Eighty-Fourth Legislature of Nebraska, first session:

1. That the Congress of the United States be requested to conduct a thorough investigation of the issue of American Prisoners of War and Missing in Action in Southeast Asia, and that it take such action as may be necessary to ensure an honorable determination of the fate of these men.

2. That a copy of this resolution be forwarded to each member of the Nebraska delegation in the Congress of the United States with the request that it be inserted into the CONGRESSIONAL RECORD.

CAN A DOCUMENTARY BE TOO FAIR?

Mr. PROXMIRE. Mr. President, John J. O'Connor of the New York Times wrote a column published May 18 that carried this headline: "Can a Documentary Be Too Fair?" The column dealt with an NBC documentary on handguns entitled, "A Shooting Gallery Called America?"

In sum, O'Connor says that the documentary was controversial when knowledge of its production became public knowledge, and that the controversy may have delayed its airing; but after it was put on the air, it raised little interest.

O'Connor says that the delay in broadcasting the documentary was caused by

a rewriting of the script, the first being deemed "polemic."

O'Connor writes:

With the postponement, a new, more "balanced" script was devised, one that NBC executives felt would fall within the requirements of the Fairness Doctrine.

O'Connor is of the opinion that the new script—

May have been the key miscalculation.

Perhaps, he continues:

An emotional issue requires advocating a particular solution.

There is no doubt that the program became controversial before it went on the air. The day after it was shown, NBC board chairman Julian Goodman gave a speech in Memphis and mentioned "Shooting Gallery," guessing that—

It will probably draw comment pro and con from various sources.

He apparently was wrong, according to O'Connor. Goodman went on to say this:

But despite the fact that this program was not shown until yesterday, NBC has been hearing from people on both sides of the gun issue for more than a month about how good or how bad the program was—a program they had not even seen.

O'Connor's thesis is, of course, that a controversial issue of public importance drew little public response from a national television audience of about 10 million—381 complaints out of 441 letters received in the 2 weeks after the show—because it failed to take a stand.

Now if all of this is true—that complaints even before the program was shown caused a rewriting of the script to avoid fairness doctrine complaints to the Federal Communications Commission after the fact—then this is a good example of the chilling effect of journalism caused by governmental control of broadcasting.

Before going further, let me make clear my own position on gun control. I oppose the sale of "Saturday night specials," but I will continue to protect the interests of the honest citizen and sportsman to own and enjoy firearms. I will not vote for gun registration or confiscation.

Despite my own viewpoint on the issue of gun control, I believe NBC executives should not have felt the hot breath of the FCC and its fairness doctrine on the back of its neck. For if O'Connor is right, the existence of the fairness doctrine indirectly restrained the producers of "Shooting Gallery."

I favor a free press—and that includes broadcasting—without governmental regulation or influence.

If there were no fairness doctrine—as I have proposed in S. 2, the First Amendment Clarification Act of 1975—it is a sure bet that "Shooting Gallery" would have turned out to be a different sort of a program.

I cannot judge whether it would have been a better or a worse program. After all, such a judgment should be a subjective one for each viewer to make after seeing a documentary.

My contention is this: a journalist, whether he writes for print or uses pictures and words on television, should be free to produce as he sees fit. In saying that, I use "journalist" in the singular for convenience, but I mean the journalistic process which includes more than one person generally—the reporter, the editor, the publisher as a minimum in newspapering and many more analogous positions in television.

The journalist in the print media has the protection of the first amendment. He must fight for it, as the Pentagon papers case demonstrates; but he has it. Questions may arise about its use, but there is general agreement in this country that press freedom is basically a sound principle when applied to printed publications.

Yet, after decades of governmental regulation of the electronic media, there is no general agreement on the soundness of the freedoms of speech and of press when applied to broadcasting.

If O'Connor was right, if NBC news executives ordered a new script for the "Shooting Gallery" because of the fairness doctrine, I wonder if it was because of the time and expense NBC went through before the FCC and in the courts because of a 1972 documentary, "Pensions: The Broken Promise?"—That case is still not settled; and I will have more to say on it soon. I do not know the answer to that question. But it is more than rhetorical.

It is a sure bet that the time and expense The New York Times—and other newspapers—incurred in the Pentagon Papers case did not deter the Times from running the big story on CIA involvement in domestic matters that stirred the executive and legislative branches of government into probing the matter.

Perhaps it is no accident that television and radio have not produced stories to compare with the coverage and revelations of Watergate by the Washington Post.

If "Shooting Gallery" was bland, as O'Connor suggests it was, who is the loser?

What if newspapers were bland on important issues? Some are, of course. Fortunately, not all newspapers are bland. And incidentally, blandness is not synonymous with unfairness or bias.

I believe firmly that broadcast journalists would not be chilled into blandness if it were not for governmental controls as exercised through the FCC's fairness doctrine. I believe that without the fairness doctrine—which requires broadcasters to program controversial issues as well as to provide reasonable opportunity to present opposing viewpoints—there would be more, not less, programing of such issues.

The beneficiaries would be all of us—every citizen interested in his government.

Mr. Justice Potter Stewart, in discussing court cases involving restrictions placed on the news media, has said:

The press could be regulated to the status of a public utility. The guarantee of free speech would presumably put some limitation on the regulation to which the press could be subjected. But if there were no guarantee of a free press, government could convert the communications media into a neutral marketplace of ideas. Newspapers and television networks could then be required to promote contemporary government policy or current notions of social justice.

Mr. President, I ask unanimous consent that John O'Connor's column be printed in the RECORD.

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

CAN A DOCUMENTARY BE TOO FAIR?

(By John J. O'Connor)

Before it even went on the air a few Sundays ago, "A Shooting Gallery Called America?" had brought several letters of either praise or condemnation to the offices of NBC News. Produced by Lucy Jarvis, the documentary about handguns had been scheduled for early March but was abruptly postponed to April 27. Apparently the letter writers had seen the early advertisements but didn't bother to check their television sets. The ads were enough to trigger automatic responses to what they were sure the program would say. Providing an insight into the narrowness of lobbying or the limited usefulness of letter counting, the incident has its amusing side.

Far more startling, however, and considerably less amusing has been the reaction—or the noticeable lack of it—to the documentary that finally did get on the air. The program reached a quite respectable level in the ratings, going into about 10 million homes for a 30 per cent share of the total audience watching TV in that 10 to 11 P.M. period. Yet, two weeks after the broadcast, NBC headquarters in New York had received only 441 letters about the program, with 381 of them registering complaints of "bias" and the like. A survey of several major cities (New York, Chicago, Cleveland, Los Angeles) found a total of 438 telephone calls received at NBC stations. More than 390 of them were in the complaint category.

That was about the extent of the reaction. Traditional outcries from the gun lobbyists were oddly muted. Washington—both the White House and Congress—generally maintained a discreet silence. Despite the explosive emotional content of its subject, "A Shooting Gallery Called America?" seems to have had no more impact than a toy pop gun.

Why? Possible answers can only be suggested. On the surface, the documentary itself appeared to be both reasonable and powerful. The territory to be covered was carefully delineated: "This program is about handguns. Not rifles, not shotguns—but handguns. What we do with them, and what they do to us. Ten years ago, Americans owned an estimated 10 million handguns. Today, 40 million. In the next hour, we'll find out why some people have handguns, how they got them and how the explosion in handgun ownership has affected our lives."

The dreary but pertinent statistics were rolled off yet once again. In 42 states, no license is required to obtain a handgun. In 30 states, there is no waiting period. Despite gun-control legislation, passed in 1968 and designed to stop illegal traffic in guns, about 400,000 handguns were imported into this country's black market last year. There is accidental shooting every 20 minutes; an average of 27 Americans are killed each day with handguns. About 70 percent of the victims are shot by a relative or acquaintance.

As for comments from gun users, the spectrum was typical: "You feel like you have a live bomb in your hand, because every time you pull the trigger it explodes." Or, "I mean you get used to it, after you just laugh at it. . . . You shoot a person, so what?" Or, "I live in a very transitional neighborhood

and I'm a little afraid living there alone and would like some form of protection."

The handgun has become commonplace on the streets of major cities. It is especially popular among younger people. Carl Stern, narrator of the documentary, was forced to conclude: "The handgun—it is a problem, and it is growing. And in some urban areas, it is more than a problem, it is a plague."

But the plague, diagnosed to death, continues to be ignored. Part of the reason, pinpointed effectively by the documentary, is political. Egil Krogh, a member of the Nixon Administration and one of the more prominent Watergate participants, recalled the reluctance of the Nixon Administration to support strong gun controls: "I think they recognized the strong influence that the gun clubs, the sporting clubs and other organizations could bring to bear on a political campaign."

And entrenched attitudes have a way of dangling interminably in the wind. Mr. Stern explained: "We asked the White House how President Ford felt about various gun proposals or what suggestions he had on the problem. Our initial call and followup calls went unanswered, and finally the White House told us it did not wish to respond on that subject."

But the failure of the White House to respond does not explain the failure of the NBC News Documentary to get more than a minimal response from its mass audience. Perhaps the production, for all of its even-handed perspective and tough insight, pulled back a bit too much from taking a stand. Mr. Stern observed: "This is a controversial program—not because we are advocating a particular solution but because passions run high on guns."

When the documentary was first postponed, one reason offered for the delay was that "it needed more reporting." That happened to be false. In fact, NBC News executives were unhappy with Rafael Abramovitz's script, later described as a "polemic." With the postponement, a new, more "balanced" script was devised, one that NBC executives felt would fall within the requirements of the Fairness Doctrine. That may have been the key miscalculation. Perhaps an emotional issue requires "advocating a particular solution." Perhaps in this instance NBC, much as Edward R. Murrow did with Senator Joseph McCarthy in the early fifties, should have taken a strong stand and openly invited its critics to reply at a later date. In that event "A Shooting Gallery Called America?" may not have solved the entire problem, but it also might not have passed quite so silently in the night.

MULTINATIONAL CORPORATIONS

Mr. MATHIAS. Mr. President, there has been increasing interest in the subject of the operations of multinational corporations, much of which is manifested by strong criticism. This interest is obviously appropriate, and some of the criticism may be justified.

But in spite of the charges of selfish concentration on profits and the accusations of moral insensitivity on the part of some corporations and corporate officers, the rise of these multinational institutions points to an important truth about our times.

The truth is that the dwindling of the world's supply of natural resources, and the growth of the world's appetite for these resources have combined to create pressures that cannot be constricted by national boundaries. The shortages of resources that exist or are anticipated make it clear that there will be severe disruption in our social and economic structure unless there is an exchange of goods and services on an unprecedented scale. The multinational corporations seem to have perceived this circumstance more clearly than either governments or the world's consumers. They have so organized themselves to do business across national borders in a way that attains a degree of efficiency not possible in a solely domestic operation.

It seems to me, therefore, that we need to study the operations of multinationals with more objectivity than has generally been expressed to date. There is a requirement for the development of a new concept of global trade that reflects the nature of the interdependent economy that is rapidly evolving. We need to know as much as we can so that we can employ the strengths of multinationals for the general good, and so that we can harness their energies and bring them under reasonable and necessary control.

Mr. David Rockefeller recently spoke in Manchester, England, on the subject of multinational corporations. There are so many interesting facts and statistics in this speech, as well as Mr. Rockefeller's own observations, that I believe it will be of wide general interest.

I therefore ask unanimous consent that the address be printed in the RECORD.

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

MULTINATIONALS UNDER SIEGE: A THREAT TO THE WORLD ECONOMY

Mr. Loveday, my Lord Mayor, my Lords, ladies and gentlemen.

I am very happy to be with you today and delighted that you asked me to deliver the Chairman's Lecture in Manchester.

Considering the circumstances, it was a most magnanimous and forbearant invitation. For, within the past week, we in the American colonies have been unmannerly enough to celebrate the bicentennial anniversary of the occasion when a Boston silversmith rode his mount through our streets and byways with the raucous cry of, "The British are coming! The British are coming!" Therefore, I would have deemed it only simple justice had my arrival here been greeted by a mounted Mancunian, crying out just as indecorously, "The Americans are coming! The Americans are coming!"

On a less irreverent note, it is altogether fitting that a talk on the world economy be given in this city. Manchester and the North of England, as Britain's industrial center, virtually cradled the Industrial Revolution, which shaped so much of the world as we know it today.

As a focal point for the United Kingdom's foreign trade, Manchester is at once very much a part of Britain and very much a part of the larger world outside. In our lifetimes, those ties with the world have increased many times over. Given the courage and wisdom we now require, they will grow even greater and more important for all of us.

As the world economy has become more and more interdependent, there were bound to be a number of dislocations and needed adjustments. But the far greater peril now lies in a diminution, a pulling back from that interdependence and from the spirit of accommodation that it has helped bring about. We have recently had a sampling of what can happen when the spirit of accommodation is disrupted in the unilateral action of the OPEC oil cartel. As an example to others, it is both dangerous and disconcerting.

The dangers are very real and ever-present. For, as we meet here, the world and its economy are at something of a crossroads. On the one hand are the bright prospects of greater cooperation, of matching the still unmet needs of many of the world's people with its capacity to produce and to fill those needs. And on the other hand are the increasing threats to the expansion of trade and to the emergence of a genuine world economy. Hanging in the balance, it seems to me, are not only the higher living standards that have been attained over the past two decades, and that are yet to be attained, but all our best prospects for maintaining peace among nations.

We can no longer discuss the world economy without considering its most visible and fastest-growing component—the multinational corporation. Its contribution to economic growth has been immense. Yet, from a multiplicity of quarters, multinational enterprise now finds itself under seige.

The battle is still in its early stages. But on its outcome will rest a critical decision—whether we will permit natural forces to work so that multinationals can play an ever-larger part in world development, or whether we will place them under crippling constraints that will diminish their influence and their capacity to lift the levels of world prosperity.

I find this struggle very strange indeed. For the multinationals have already accomplished much that is desirable along with great potentials for achieving even more. They are the most important instruments in the unprecedented expansion that has taken place in world trade. They have succeeded in breaking down once insuperable cultural barriers. They have broadened the scope of opportunity, both for individuals and for nations, through the transfer of technology and through training in management skills.

Nevertheless, multinational companies are now coming under the fiercest kind of political and rhetorical assault—from academicians, from writers, from left-leaning economists, and from politicians.

ILLIBERAL IDEAS IN THE NAME OF LIBERAL TRADITION

What is most perplexing is that a large part of the criticism is made in the name of the liberal tradition or comes from those who supposedly uphold that tradition. Yet, these critics put forward the most illiberal ideas—isolationism and narrow nationalism, for example—in place of the growing internationalism and economic cooperation we have experienced for two decades and more.

The consequencies of what they propose can only be a mounting parochialism, a continuation of the political fragmentation the world has been experiencing for several decades, and an atmosphere that keeps growing heavier with suspicion and distrust. This is not liberalism, but its antithesis. I submit that it has been the multinational companies, not their adversaries, that have brought about a great diffusion throughout the world of some of the most deep-seated traditions of liberalism.

Some of the most searching scrutiny of multinationalism has come from a great variety of national and international bodies. New arms of the United Nations Social and Economic Council have been formed, for example, to study or monitor various facets of multinational companies and their activities. Others that are conducting inquiries include various working parties and committees of the Organization for Economic Cooperation and Development, the United Nations Conference on Trade and Development, the Commission of the European Economic

Community, a subcommittee of the United States Senate, and academic centers in many countries, including the United Kingdom.

It is not surprising, of course, that the world and world organizations should take note of multinational enterprise, its achievements, and its growing impact on the international economy. What is surprising, however, is the strong tone of hostility and distrust that the majority of these organizations display in their studies and reports.

STUDIES DISPLAY A TONE OF HOSTILITY AND DISTRUST

Although many of these reports can be characterized as "reformist," rather than "abolitionist," a persistent bias is evident in most or all of them. The published documents frequently open with a bow to the accomplisments and capabilities of multinational corporations. These capabilities are then somehow translated into the notion of the great power that multinationals possess, along with the exercise of that power in an adversary manner with respect to developing nations.

What follows, naturally, are long lists of suggested measures, intended to curb or control those powers. Sometimes the recommendations are based on isolated instances of multinationals' misconduct, sometimes they deal only with potential misconduct, but never do they recognize any misconduct on the part of the nations. If carried out by the countries or by international bodies, these recommendations would surely spur a prudent corporate management to retreat to the safe confines of its home country—or at least to make no further commitments toward overseas investment.

What emerges essentially from these studies is a predisposition to favor government involvement over private initiative and tight regulation over an open and free economy. Now, I am aware that I am speaking in a country whose government also displays a marked preference for government regulation, even ownership, of many activities once left primarily to private control and decision-making. But yours is also a country with a very vital stake in international commerce—and indeed in multinationalism itself.

It is true, of course, that the United States is responsible for half or more than half of the world's total direct investment in foreign enterprises. But Britain ranks second in that respect.

It might also be pointed out that much of what we Americans know about international business, we learned from you. The great forebear of today's multinationals was the British East India Company, which in its day dominated a greater proportion of world trade and investment than any corporation you could name today. Our first permanent settlements in America were those established by two early multinational enterprises—the London Company and the Plymouth Company. Britain in the last century provided a substantial part of the capital that built America's railroads and utilities—sometimes to the profit of the investors, and sometimes to their sorrow and disenchantment when bonds were defaulted.

Even today, many of your multinational companies own sizable segments of our economy. British Petroleum comes to mind, for example, with its stake in our Alaskan oil that should eventually amount to some 2.6 billion barrels in reserves.

It seems to me that the interests of your country and mine in this matter are more common than they are disparate. I believe that you should be as alarmed as I am about the widespread attention being given to some of the new publications on multinational enterprise. Some of them, thinly disguised as respectable scholarship, are no more than collections of innuendo, half-truths, distortion, and outright falsehood. Their broad conclusions are often the same as their starting premise—that is to say, a distrust of free enterprise and the free market economy.

COLLECTIONS OF INNUENDO, HALF-TRUTHS AND DISTORTION

What strikes me forcibly is that some sort of pattern seems to characterize these criticisms. For a long time, the most confirmed critics of capitalism have been striking hardest, not at its weaknesses, but at its strengths—and trying to give them the appearance of weakness. Let us examine this phenomenon by looking back a few years.

The United States entered the postwar period with a profound commitment toward increased internationalism. We favored an early end to colonialism; we were leading proponents of national self-determination; and we undertook the mammoth tasks both of helping to rebuild war-torn nations and of providing development assistance to what were then called the "backyard" countries.

It was a costly and difficult commitment, even for a strong and wealthy nation. Yet it was carried out and expanded by national administrations under both of our major political parties, and it enjoyed the broad support of the American people.

These efforts and initiatives—the Marshall Plan, Point Four, A.I.D. programs—were generally quite successful in accomplishing their missions. First France and England, then German and Japan and Italy were helped up from the ashes of war. Living standards rose in much of the rest of the world. In the emerging and newly-independent nations, millions upon millions were brought from a life of barter and subsistence into the cash economy. They were able to buy and enjoy the kinds of things that, for untold generations, their families had done without—farm plows, bicycles, sewing machines, and that universe-constricting marvel of modern technology, the transistor radio. And perhaps I should note that the former British colonies, which had been given much training in self-government, were able to move out on their own most readily and easily.

Curiously enough, it was these successes that time and again brought on the bitterest opposition of America's critics. At first, much of the criticism amounted to no more than the grumblings and posturings of our cold war adversaries—a kind of sulking for the propagandistic record. But gradually, other dissident voices were heard, initially in Western Europe and then, during the 1960's, in a mounting wave of protest from the less-developed countries, now known as the Third World, and from within the United States itself.

Now dissent, short of physical violence and gross incivility, is surely necessary and healthy in a democracy. But I have long been disturbed by protests, delivered under the banners of egalitarianism and liberalism, that struck at the very heart of those programs and institutions that actually nurtured greater opportunity and broad-scale economic advance in the world society.

These successes have been the more remarkable in the face of the failure of the family of nations to achieve anything resembling a unified world policy. Indeed, the United Nations has largely reduced itself to a forum for the expression and promotion of narrow national or bloc interests rather than the broad human interests its charter proclaims.

FREE MARKET FORCES SHOULD TRANSCEND NATIONAL BOUNDARIES

Today, those broad interests are being served best in economic terms where free market forces are able to transcend national boundaries. Nevertheless, the chief instrument of this progress, multinational enterprise, is now coming under the determined onslaught of those who, either from ignorance or design, are arraying themselves in opposition to freedom.

In many quarters—political, academic, literary, and journalistic—the multinational company has become the target of a new demonology. If this sounds like paranoia, I can at least claim some good company among both British and American observers. In his recent Mercantile Credit lecture, Sir Ronald Edwards and multinationals now occupy for many people "a place roughly equivalent to that of Satan" in medieval time. Peter Drucker, writing in *Foreign Affairs*, found it entirely within the realm of possibility that the multinationals might be "severely damaged and perhaps even destroyed within the next decade." And in a much-discussed article in *Commentary*, Daniel Moynihan, recently our ambassador to India, noted that radical politicians seem to reserve a speical venom in inveighing against "the achievements of liberal processes." One of those achievements, he says, is the multinational company, which "is arguably the most creative international institution of the 20th century."

FIVE MOST FREQUENT CHARGES

I think it would be worth our while to consider some of the criticism of multinational enterprise and then to look dispassionately at what the real facts are. Among the most commonly-voiced charges are these:

1. The multinationals export home country jobs by means of "runaway" plants that move their manufacturing operations abroad and then export the production back home.

2. Multinationals exploit less-developed countries by taking their natural resources, underpaying their labor, and pre-empting their scarce capital.

3. Multinationals are responsible for the growth of monopoly and monopolistic practices.

4. Multinationals manipulate currencies, causing monetary instability, and use "variable transfer pricing" among their subsidiaries to avoid taxes and thus maximize profits.

5. Multinational companies interfere with and diminish the sovereignty of nation-states, principally by making important economic decisions elsewhere.

Let us look, first, at the matter of exporting jobs. Every reliable study—and there have been quite a few—concludes that just the opposite is true. For from sending jobs out of the home country, the external activities of multinational companies actually create hundreds of thousands of *additional* jobs at home.

This comes about when multinationals export increasing amounts of goods to other countries. In 1970, for example, multinational firms accounted for just over half of total U.S. exports of $42 billion, and more than 40 percent of their exports—almost $9 billion—went to their own overseas subsidiaries.

As far as imports are concerned, it is clear that most of the overseas production of multinational companies is destined for other than their home country markets, mainly in the countries where the goods are manufactured. Indeed, the ability to serve and continue to serve overseas markets has been the principal stimulus to multinational growth. Even aside from such considerations as tariff and non-tariff barriers, there is the matter of local needs and preferences. Some British products appeal to American tastes and some do not. And certainly our automobiles would have a difficult time of it on your roads.

Next, the issue of exploiting less-developed countries and their pools of low-cost labor.

BULK OF INVESTMENTS ARE IN HIGH-WAGE COUNTRIES

The critics seldom bother to mention what might happen to those labor pools if these jobs were *not provided*. Indeed, the principal

complaint of less-developed countries is not that we are exploiting them, but that we have been *neglecting* them in making our investments. The facts are that the great bulk of the overseas investment by multinationals is in developed, rather than underdeveloped, countries, and in high-wage, rather than low-wage industries. Two-thirds of U.S. direct investment abroad since World War II has been in Western Europe, almost all of it in technologically sophisticated, non-extractive industries. And of all the direct foreign investment in the United States as of 1973, more than 30 percent represented British interests. It is also interesting to note that the chief oil-producing countries, now cast so abruptly in the role of major investors, have looked almost solely toward the developed economies in which to place their funds, and hardly at all to the less-developed countries.

The real point is that most multinational investments tend to be made where the markets are and where the prospects for earnings growth are greatest. With all due deference to the greater needs of the developing countries, most of them simply do not offer the kind of attractive investment opportunities associated with sizable markets.

It is true that multinationals try to get and often do get much of their capital financing needs from within the countries in which they invest, as the critics charge. But here a superficial appearance is used to twist a virtue into a supposed vice. The real contribution of a multinational company to a developing economy is its ability to mobilize local resources—capital, raw materials, and human capabilities—in a way that will trigger more growth in the domestic economy.

Capital need not be static and available only in fixed quantities. A healthy industry makes capital dynamic by generating more and more capital. Most of the capital used to expand the installations of multinational companies has come from on-the-spot reinvestment of their local earnings. Without the stimulus provided by multinational companies, most nations in the developing world would not benefit today from the fruits of modern industrial society.

The next criticism I will touch on is that of multinationals and monopoly—or, to use a favorite word of many economists, oligopoly.

As you know, of course, oligopoly refers to the dominance of an industry by a handful of companies. And it grows out of the fact that some modern industries require such large capital investments that it would be economically wasteful to have more than a few firms engaged in them. But to put this matter in better perspective, we need to look at such industries over the long term.

We can see, then, that different companies have moved in and out of leadership, that there are almost always one or two less efficient companies lagging behind the others, and that some have dropped out and been replaced by new ones. Even some industries, unable to compete, have faded away. It may be too bad, but we no longer have much use for clipper ships or covered wagons. Nor, as *The Economist's* Norman Macrae has so mischievously pointed out, are dollars needed any longer to plug up Europe's dollar gap.

Before World War II, it was common for large firms in highly-concentrated industries, especially in Europe, to form cartels and to allocate markets on a geographical basis. But the companies that moved toward world leadership after the war, particularly the American companies, had a much more competitive background and ethos. They showed little interest in cartelization of industries, and European firms were soon following their lead toward freer competition.

LITTLE INTEREST IN FORMING CARTELS

Speaking of cartels, it has been fascinating for me to observe that one point seems to have been overlooked in all the recent talk about profit-hungry, monopolistic oil companies. The point is this: The world price of oil, when the companies owned it, was around $2 to $2.50 a barrel. But when the countries took over the production facilities the companies had installed, the world price ballooned to $10, $11, and $12 a barrel. Granted, that while other than economic factors play a role in this quantum jump, it would be only fair to bear in mind that competition and not monopoly is the way of life for multinational corporations today.

The next accusation against multinationals is that of variable pricing and currency manipulation. It is charged, for example, that a multinational company is able to set a low price for its exports to a country where taxes are low, in order to increase profits there, and a correspondingly high price to a country whose taxes are high.

The truth of the matter is that variable transfer pricing is neither very common nor very difficult to control. As John Dunning, of the University of Reading, has pointed out, there is only limited opportunity for such transfer pricing of goods in Europe, although it is easier to manipulate the prices of services in this way. Most governments, however, have laws requiring reasonable pricing of imports and exports. Indeed, the United States, our taxing authorities are empowered to make arbitrary allocations of income and deductions where they believe there has been pricing to avoid taxes

As for the shifting of currencies by the treasurers of multinational companies, I suspect that a good deal of this has taken place—but as a legitimate and necessary part of conducting business. A company treasurer, to safeguard corporate funds, is charged with the responsibility of taking steps to protect the corporation from the risks of devaluation. This is not a question of speculation, as some have charged but one of sound money management.

At times, of course, legitimate currency dealing can exacerbate the currency problems of nations. But the root of the problem is not in the foreign exchange operations of multinational companies, but rather in undisciplined domestic economic policies on the part of the nations whose currencies are in trouble. Companies have to work within the framework of economic and political forces far outside their control.

Finally, there is the complaint that multinational companies interfere with the sovereignty of nations, particularly with respect to decisions made outside the host country with regard to such matters as investments and production levels, which in turn affect jobs, incomes and possibly even monetary and fiscal policies. The fact is that such decisions are not a subject of whim, but rather of market forces, including those involving risk and longterm earnings potentials.

DECISIONS ARE NOT A SUBJECT OF WHIM

Sovereignty today is a difficult and changing concept. You cannot have complete national sovereignty and at the same time serve the best interests of a nation's people. Of course multinationals move goods and capital and technology across borders as freely as they are able. But in doing so they are providing real benefits to the countries themselves by making goods available at lower prices.

Today it is not unusual for the action of one nation to influence the affairs of others in countless ways. Without wishing to take part in your own current debate about the European Economic Community, I would still make the point that the EEC could not function at all if its members were not willing to pool a part of their own sovereignty. Their reluctance to do so, in my opinion, is the principal reason the Community has not made more rapid progress that it has. Even the Soviet Union has found that it needs the rest of the world for capital, for technology, for managerial skills, but that can't draw the full dividends from these exchanges without weakening its tight political control over the individual citizen. This is a dilemma with which it is constantly confronted.

In any event, it should not be assumed that multinationals can carry out any activity regardless of national aspirations. Nations that feel some concern about an erosion of their sovereign powers have many means for safeguarding themselves. Once a company has invested its funds and managerial skills in a multinational project, it is the host country that has the power to change the rules of the game. It can raise taxes and social welfare charges, without export licenses, block repatriation of funds, or deny police protection to picketed plants. And the nation is sole possessor of those ultimate weapons in the assertion of sovereignty—the threat of expropriation and expropriation itself.

The real point, however, lies in mutual benefits and in the need for trust and faith in realizing them. The initial investment by a multinational firm is almost always an act of cooperation between company and country. The company plans to stay and perhaps to make additional investments, a circumstance that dictates good citizenship. And the country has welcomed it because it wants the company to remain, and often would like to have other companies come to play a part in its further development.

Multinational corporations are the target of many other accusations—some with substance, some trivial, some premised solely on narrow national interests, still others reflecting no more nor less than an underlying distrust of the profit motive. But, having examined the criticisms, I suggest that we also take a hard look at the critics. Who are they? What are their real motives? What are they seeking to accomplish—or to destroy? Are they devoted to the liberal proposition, or are they simply the disciples of the most reactionary kind of doctrine?

WHO ARE THE CRITICS?

I can claim no special insight as to source of the more virulent opposition to multinational companies. But it is obvious to me that the revolutionary left shares these views and is among those calling most persistently for punitive taxes and crippling regulation of multinationals.

The Marxist antipathy to multinationals is understandable. These companies do create jobs and economic prosperity; they do respect the needs and wishes of host countries; they have served the world economy; and they have clearly demonstrated their social utility. In serving these ends, they also give the lie to the Marxist doctrine that capitalism and the free market are bound to crumble of their own weight. Were I a Marxist, I would also wish to see these leaders of international commerce and cooperation dismembered and destroyed.

Increasingly, the problems that we in America or you in the United Kingdom face are those we share with all the world. Population growth in the coming decades, hopefully along with the further spread of affluence, assures us that we will face many new problems of scarcity, not the least of these being a shortage of capital. The Chase Bank has estimated that meeting the national goals of the United States alone over the next ten years will require a new capital of more than $5 trillion or considerably in excess of the present value of America's total national plant. Other developed countries will have correspondingly large capital needs. The OECD estimates that world energy investments between now and 1985 will range from $1.2 to $1.6 trillion—and it is my guess that even the high figure is an underestimate.

But the capital pinch will be felt hardest of all in the developing countries, especially those most reluctant to recognize their inevitable ties to the rest of the world. There

are today many Third World countries that are scarcely, if at all, better off than when they shed the mantle of colonialism. There are also others, like Singapore and Nigeria, that have moved resolutely away from underdevelopment and toward full partnership in the modern industrial and commercial world.

The difference, if we look closely at what has happened, lies in the recognition that economic growth must follow its own laws, and these laws are best served by the greatest possible degree of freedom for individuals and institutions.

It is this very freedom to move and to grow that has fed the mushrooming of multinational enterprise, which in turn has pointed the way toward realization of the rising expectations of a great many people. With the joining of the most critical issues in the modern world—hunger, the threat of overpopulation, energy needs, protection of the environment, massive needs for capital—it becomes clear that our expectations are advancing, not receding.

LET'S PRAISE SUCCESS, NOT CONDEMN IT

I think the time has come to praise success, not condemn it. We should be doing all in our power to lift the siege that is taking shape around our beleaguered multinational companies. They still have much work to do in helping to create a true world economy. We must let them get on with this unfinished business.

TRANSPORTATION SYSTEM SECOND RATE

Mr. McGOVERN. Mr. President, since the introduction of my National Transportation Services Board Act of 1975, S. 1838, earlier this month, there has been a growing awareness of the dimensions of the transportation problem that faces the United States.

This is not a time for "patchwork" solutions. If we continue to deal separately with each segment of the transportation industry we will not be able to be responsive to the direct needs of the American people for cost and energy efficient methods of transport for both goods and passengers.

What is required is a basic restructuring of our governmental agencies associated with the transportation industry to work toward a balanced and coordinated national system. I believe that my bill S. 1838 takes important and necessary steps toward achieving that goal.

In a thoughtful editorial, the Watertown Public Opinion in South Dakota has spoken to these very problems.

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

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

TRANSPORTATION SYSTEM SECOND RATE, SAYS SENATOR

An interesting and thought-provoking commentary on the state of America's public transportation system was provided recently in remarks by U.S. Senator George McGovern, D–SD, to his colleagues in connection with introduction of his National Transportation Services Act of 1975. The major impact of the bill would be to federalize railroad roadbeds, tracks and signal systems as a step toward strengthening the nation's railroad network.

"In the last decade and a half," McGovern told senators, "the United States built a major transportation system to carry men to the moon. From Cape Canaveral to Houston and around the world, we have invested $30 billion in the enterprise. Now a few pieces of metal and a flag which never waves are all that stand amid the lunar silence."

And to document his argument that the nation "has spent much but planned too little" on its transportation system, he continues in part:

"The first country in the world in economic power has a third-rate rail system" because "it is required to respond to the public interest but does not earn sufficient private profits."

The interstate highway system is very nearly complete. Of the 42,500 authorized miles, 36,021 are open to traffic, 5,596 are under construction. Design is not yet final on only 883 miles.

Each year the nation pours one-sixth of the Gross National Product into automobiles and roadbuilding—over $5 billion annually for highway construction alone. "We have paved over four million square miles of land, an area equal in size to the entire New England region. Every mile of freeways consumes 24 acres of land and every year we uproot 50,000 people to make way for federally-aided highway construction.

"It is a said commentary on our transportation system that in the city of New York in 1907 the average speed of horse-drawn vehicles on the streets was 11.5 miles per hour. In 1966, the average speed of motor vehicles through the central business district was 8.5 miles an hour. Yet the number of automobiles is increasing twice as fast as the number of people."

The federal government has spent $50 billion on highways and highway related construction.

The interstate highway system with an estimated cost of $27 billion when it was proposed and passed will involve a cost overrun of at least $48 billion by the time it is completed. The average mile costs about $1.4 million. The average in rural areas is $887,000 and in urban areas $4 million.

Load factors for commercial aircraft hover around the 50 per cent mark, which means that almost half of available seat miles are unproductive. This is largely a result of overly competitive schedules, duplicative route structures and unrealistic fares.

"We have the technology and resources to make American transportation first-rate and second to none."

FARMERS HOME ADMINISTRATION COUNTINUES TO IGNORE CONGRESS ON RURAL RENT SUPPLEMENT PROGRAM

Mr. HUMPHREY. Mr. President, this past year, as part of the Housing and Community Development Act of 1974, Congress passed a rural rent supplement program that was intended to assist low-income families residing in the Farmers Home Administration—FmHA—rural rental housing projects (section 515) and FmHA's farm labor housing projects (section 514–516). Though the act gave FmHA authority to immediately implement the program, it has refused to do so, maintaining that the section 8 program, which was also part of the 1974 act, would be more effective in serving low-income residents. FmHA claimed that its own 515 program would be utilized in conjunction with the section 8 program and that the rent supplement program was duplicative and more expensive.

After months of footdragging, the administration has finally begun to implement the section 8 program. In anticipation of its operation in nonmetropolitan areas, where by congressional mandate 20 to 25 percent of the section 8 units are to be placed, FmHA on May 9, 1975, issued its bulletin No. 5335 (444) on processing section 515 applications for projects intending to obtain section 8 assistance. A close review of that bulletin has led me to conclude that not only is FmHA intent upon discouraging the use of section 8 units in its 515 projects, but that its own testimony, on the effectiveness and cost of the rent supplement program in comparison to the section 8 program, is highly suspect.

An analysis of the FmHA bulletin discloses that FmHA is discouraging the tandem use of the section 8 program with its own section 515 program. Specifically, FmHA is refusing to provide interim construction financing for 515 projects constructed for the section 8 program; it is delaying the processing of applications for section 515 projects until section 8 commitments are received; and finally, it is requiring that dual market surveys—one based on assisted rentals and one based on nonassisted rentals, be provided a part of the application for its section 515 projects. The sum total of FmHA's requirements is that the section 8 developer is not only required to operate and obtain the approval of two governmental bureaucracies, a monumental task in itself, but is in fact penalized by FmHA's more stringent requirements for section 515/8 project.

FmHA's bulletin further discloses that section 515 units constructed for section 8 assistance will be more expensive than conventional 515 units. While some of the added expense to the section 8 assisted units is caused by the legislative requirement that newly constructed projects receiving section 8 assistance must be constructed under the requirements of the Davis-Bacon Act, FmHA's additional limitations are causing section 515/8 units to be more expensive than conventional units. By refusing to provide interim financing where private financing is not available at reasonable rates, and by requiring full architectural services for section 515/8 units—though the same services can be waived in ordinary 515 projects—FmHA is adding costs to the development of these units. The combination of these requirements will invariably make the section 515/8 projects more expensive, and will force the Government to provide greater subsidies to such projects than it would be required to pay were the same families to reside in conventional 515 units receiving rent supplement assistance.

FmHA in its bulletin cautions its own county supervisors that there may be instances where persons eligible for section 8 assistance may not be eligible for its 515 program. Specifically, that the incomes of certain families eligible for section 8 may be so high as to make them ineligible for the 515 program. It is clear from that cautionary note that the section 8 program is not exclusively a low-income program, and that of the 20 to 25 percent of the total section 8 units designated for nonmetropolitan areas a significant share may go to families that

FmHA does not consider to be within its own moderate-income guidelines, let alone low income.

When Congress passed the rent supplement program, we knew of the impact of the section 8 program on rural areas. We foresaw the need for additional programs to begin to solve rural America's housing problems. We also knew that 20 to 25 percent of the section 8 units would not be sufficient to meet the needs of rural areas, which have a substantial number of poverty persons residing in them. That is why we tried to insure that a greater number of low-income residents than are presently served by FmHA, or would potentially be served by the section 8 program, be served by the rent supplement program.

Now that FmHA has issued its bulletin, and it is clear that the workings of the section 8 and 515 program are going to be cumbersome and expensive, the need for the rent supplement program is clearer than ever. The rural rent supplement has the advantage of being administered by one agency; it would not require the coordination of two governmental agencies; it would not require dual market surveys or private interim financing where it was not available at reasonable rates and terms; the program would be cheaper to operate and housing constructed thereunder would be less costly to the Government both in its initial cost and in the subsidies provided. Finally, the program would be directed exclusively to low-income persons who could not afford safe and decent housing within 25 percent of their adjusted family incomes.

It is about time that the administration and FmHA stopped frustrating Congress' intent by choosing to implement certain programs and ignoring others. FmHA should immediately implement the rent supplement program and moreover it should improve its coordination with HUD in assuring that the section 8 program is viable for rural areas.

Mr. President, I ask unanimous consent to have printed in the RECORD an analysis made by the Housing Assistance Council entitled, "Problems in Combining HUD Section 8 and FmHA 515 Rental Housing Programs."

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

PROBLEMS IN COMBINING HUD SECTION 8 AND FMHA 515, RENTAL HOUSING PROGRAMS, BY THE HOUSE ASSISTANCE COUNCIL

The Section 8 housing assistance payments program, administered by the Department of Housing and Urban Development (HUD), is the federal government's major deep subsidy housing program. Under this program, a low income tenant pays 15%–25% of adjusted income as contribution to rent and HUD pays the owner the difference between the tenant contribution and the approved rent. The Section 8 program does not provide this subsidy until the units are built. Therefore, another mechanism must be utilized to finance the construction or rehabilitation of units which will receive Section 8 assistance upon completion.

In nonmetropolitan areas, a major source of financing for low cost rental units is the Farmers Home Administration (FmHA) Section 515 rural rental housing program, since private sources are very limited in rural areas and many state housing finance agencies appear to be reluctant to finance rural units. Without available financing the Section 8 new construction and rehabilitation programs cannot work. Therefore, a successful combination of the Section 8 and FmHA 515 programs is essential if the Congressional mandate to place 20%–25% of Section 8 assistance in nonmetro areas is to be met and as many as 50,000 rural low income families are to be housed over the next year or so.

On May 9, 1975, FmHA issued Bulletin #5335 (444), including Exhibit C which is aimed at facilitating the combination of FmHA 515 and HUD Section 8. However, the FmHA bulletin does more harm than good. Not only does it fail to establish a coordinated processing schedule between FmHA and HUD, but in certain instances it actually hinders and discourages the use of 515 financing for the Section 8 program.

While this Housing Assistance Council (HAC) analysis deals with each point in greater detail below, several of the most salient points are worth emphasizing here. First, FmHA will unnecessarily prolong the processing of 515 applications until Section 8 commitments have been granted. Second, unlike FHA, FmHA will require that a market demand be demonstrated without Section 8 assistance, as a condition for approval. This will hinder project feasibility, particularly where the demand for low income units is high but the demand for moderate income units is low. Third, FmHA's refusal to provide interim financing for 515 projects constructed for Section 8 leasing is unjustified, likely to further increase project costs and otherwise complicate the processing of joint projects.

The overall thrust of the bulletin further invalidates much of the USDA–FmHA testimony against the implementation of the Rural Rent Supplement Program. USDA spokespersons have testified that the HUD Section 8 program was better suited to provide subsidies to lower income tenants than the rent supplement program. This bulletin, however, supports the contention that not only will the Section 8 approach be more costly in rural areas, but it also will cause those who would use the 515 loans, as permanent mortgages, to become embroiled in an unnecessarily complicated approval process. Figuratively, FmHA and HUD will have would-be sponsors jumping through hoops.

While FmHA has assured us of its intent to implement the joint use of Section 8 and Section 515 in rural areas, the process by which this bulletin was issued, without Federal Register publication or request for comment, leads us to question FmHA's intent. First, we believe the bulletin sufficiently modifies portions of FmHA Instruction 444.5 on the 515 program as to require its publication for comment. Second, publishing the exhibit for comment would have given us and other concerned groups familiar with the Section 8 and Section 515 programs an opportunity to point out some of the difficulties which we anticipate in the joint processing of the applications, and would have given FmHA the opportunity to plan for them prior to final publication.

MORE DETAILED ANALYSIS

Concurrent processing

A potential sponsor of a 515/8 project is to apply to both HUD and FmHA and to abide by the requirements of each. However, FmHA will not begin formal processing until the preliminary proposal for a Section 8 commitment has been approved. This delay will unnecessarily prolong the application process and is repugnant to the whole spirit of the joint processing.

The 515 approval process within FmHA is sufficiently cumbersome that it should commence immediately upon receipt of the application. Such things as sponsor eligibility, design, site acceptability, construction method and projected costs can be evaluated by FmHA independent of any HUD approvals. Since the project must meet FmHA standards, the review should be started immediately so that the applicant may proceed to make any FmHA required changes while the Section 8 approval is processed by HUD. To safeguard FmHA's interest, we suggest that final FmHA approval be delayed until HUD's approval is obtained.

Dual market requirements

HAC agrees with FmHA that an applicant should be required to demonstrate an adequate demand for the units prior to project approval. However, we feel that requiring that a market be established independent of the Section 8 eligible tenants is not only unnecessary, but may hinder the development of sound projects.

The FmHA regulations, in effect, require that 515 sponsors utilizing the Section 8 program identify two sets of prospective tenants for each unit: one eligible under FmHA income limits and another under the Section 8 income limits. Such a requirement is cumbersome and undesirable in that potentially two sets of tenants may be led to believe that they will become the project's occupants, whereas only one will.

Moreover, the FmHA requirement is unrealistic since Section 8 projects (of 9 or more units) are subject to Davis-Bacon prevailing wage rates, which tend to be higher and, therefore, to drive up the rental levels. Thus, establishing project feasibility under FmHA standards for Section 8 projects, without consideration of the Section 8 assistance, would be very difficult, particularly in communities with heavy concentrations of low income people, where the need is greatest.

HUD, on the other hand, has provided that the demand for Section 8 assisted units may be *added to the demand for unassisted units*, in HUD insured Section 8 projects. If FmHA were to follow HUD's lead in this issue, then the problems described above could be avoided.

Interim financing

Exhibit C requires that an applicant for a 515/8 project *must* obtain private interim financing. This requirement is unreasonable, unrealistic and not supported by the legislation. Presently, all 515 projects are required to obtain private interim financing unless it is not available at rates and terms commensurate with the purposes of the project. We believe this policy should be continued for Section 8 projects. Otherwise, not only will the costs of projects increase—thereby increasing the subsidy that the government is required to pay—but projects which have otherwise been adequately planned, and which are feasible, may be thrust into a perpetual state of limbo for failure to obtain interim financing. Sponsors and developers which have expended thousands of dollars may be foreclosed from recovering these funds or building the housing that they planned, because they were unable to obtain interim financing.

It appears to us that by adding this requirement, FmHA has reversed the government's role in housing by requiring private financiers to take a risk that the government, in this case FmHA, is unwilling to take—that the project will not be accepted by HUD.

FmHA's concern that HUD is not committed to make housing assistance payments until a contract is signed *following* completion of construction, is unfounded. In fact, prior to construction, HUD executes an Agreement to Enter into Housing Assistance Payments Contract once the units are satis-

factorily completed. This is sufficiently binding on HUD to justify FmHA providing interim financing to sponsors unable to obtain interim financing elsewhere.

What is most exasperating about this requirement is that the project's feasibility is based on a dual market survey which is required for preliminary approval but which FmHA then refuses to recognize for the purpose of providing interim financing. We do not believe that this policy is justified by any authorizing legislation and that it may in fact be contrary to FmHA's purposes of providing housing for low-income families.

Finally, the FmHA bulletin does not clarify whether this requirement is applicable only in situations where all the units are leased, or also where only a certain percentage of the units are leased. We would hope that FmHA eliminates this requirement all together or that, at the very least it is made applicable only to projects anticipating the leasing of more than 70% of the planned units.

Conclusion

The combination of two complex programs, administered by two separate bureaucracies, is necessarily a complicated process. We had hoped that specific written instructions on the combination would facilitate the process. Instead, they have made it worse. Unless the problems described in this analysis, along with several other less significant ones, are solved, it is unlikely that a significant number of low income rural families will be provided decent rental housing through the combination of HUD Section 8 and FmHA 515.

HOW WE FAILED IN CYPRUS

Mr. EAGLETON. Mr. President, the chronicling of events which involve as many diverse factors as the Cyprus affair of last year is normally reserved for the historian who, 25 years hence, is able to dig out the facts from the sometimes obscure writings of participants. However, the world has not had to wait to discover the behind-the-scenes intrigues which formed this particular crisis. Foreign Policy magazine has now provided us with a rare insight into the Cyprus story less than a year after that tragic event.

One could argue, I suppose, that we are in a new, more open age of communications—an age when information is more readily available to those who pursue it. Such an argument might be used to explain the wealth of factual information provided by Mr. Laurence Stern in his article "Bitter Lessons: How We Failed in Cyprus" which appears in the summer, 1975 edition of Foreign Policy. However, those who are acquainted with the foreign affairs community and the often secretive art of diplomacy will appreciate Mr. Stern's superb accomplishment.

His blow-by-blow description of the events which surrounded the coup d'etat on Cyprus in July 1974, and the invasion and occupation of Turkish forces soon thereafter, contains details which may have even escaped the attention of the most intimate observers. Mt. Stern has gathered information in the United States, Cyprus, Greece, and Turkey for this most perceptive "anatomy" of a crisis.

Mr. President, Members of Congress will be particularly interested in this excellent article. In a section entitled "Political Backfire," Mr. Stern analyzes the congressional action in which Congress cut off arms to Turkey and thus fulfilled the requirements of the Foreign Assistance and Foreign Military Sales Acts over the administration's objections. Mr. Stern observes:

The Turks were using American-supplied weapons in a way which was proscribed both under foreign aid legislation and under a 1960 agreement between Turkey and the United States forbidding the shipment of American weapons to Cyprus without Washington's consent. This legal position was sustained in a lengthy and comprehensive opinion provided by the General Accounting Office.

As Mr. Stern points out, the Cyprus issue became a benchmark for relations between Congress and the executive branch in the immediate post-Indochina era. All the ingredients of conflict characteristic of the past decade were reflected in the many debates in both Houses of Congress. But there was one exception this time—the congressional view prevailed very early on.

Mr. President, as the Stern article makes clear, our failure in Cyprus cannot be attributed to any particularly sinister motivation, although it does remind us that fallible judgments must be checked. It was a complicated series of incidents which caused two valued NATO allies to move toward the threshold of war. We can now see more clearly that our relations with Turkey or Greece, or both countries, may have been harmed whatever course we chose. For this reason, the assiduous pursuit of the rule of law by Congress was, in my opinion, the best possible alternative among a number of distasteful choices.

Mr. President, I highly commend Mr. Laurence Stern's article to my colleagues and I ask unanimous consent that it be printed in the RECORD.

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

BITTER LESSONS: HOW WE FAILED IN CYPRUS

(By Laurence Stern)

Nikos Sampson: "We will avenge you, Digenis!"

The late January rain came in intermittent drizzles, muddying the suburban field in the Cypriot city of Limassol. Nonetheless they came, some 100,000 Greek Cypriots in all, to honor the memory and bury the already rotting body of the dead general who had led them to independence more than two decades earlier. There were hard-faced terrorists in military uniform, two defrocked bishops of the Byzantine Church, journalists, simple rural families with black armbands of mourning, foreign intelligence officers watching discreetly.

On the platform lay the body of 73-year-old General George (Digenis) Grivas, whose bombs and grenades had sounded the tocsin for the guerrilla war of independence against the British in 1955 and emblazoned the cause of the insurgent Greek Cypriots upon the world's attention as a recurrent source of international crises. Fanatical in his pursuit of the age-old Hellenic dream of *enosis*,[1] brilliant as a tactician of guerrilla war, Grivas has assumed mythological stature in the hearts of the Cypriots. Flags were at half-mast. Schools and other public buildings were closed. And yet the funeral in Limassol had all the aspects of a political underground affair. The government of Archbishop Makarios, the target of Grivas' campaign for *enosis*, formally boycotted the event.

After the death of Grivas on January 27, 1974, there had been disagreement over the disposition of his remains. His followers on Cyprus insisted the old general be interred in the soil of the island rather than be returned to Greece. Three days passed as the matter was adjudicated while the coffin lay open to the faithful. And so, from the revered cadaver for which no burial permit had been issued by the government there came a distinct smell as it lay before the worshipful multitude on that overcast day.

Among those who insisted on a Cypriot burial for Grivas was Nikos Sampson, the politically ambitious newspaper publisher with a reputation in Cyprus as a psychopathic killer. Once he had been sentenced to death by the British for his terrorist assassination activities. Sampson had arranged to have his personal claque of bully-boys grouped about the casket of Grivas. As he ascended the platform to speak, his torso wrapped in a flag of Greece, they shouted and applauded their approval. Sampson unleashed a tirade of teary oratory and exhorted the crowd to fight for *enosis*. Before the body had been brought out to the mud-drenched field, Sampson had stuffed a copy of his newspaper, *Makhi* (Combat), in the casket with the body of Grivas. Now he slammed his fist on the coffin and screamed: "We will avenge you, Digenis!" Sampson had turned a solemn national rite into a one-man political rally.

THE MEANING OF CYPRUS

That funeral rally was to become a green light for both the regime in Athens and agents in Cyprus to plot the downfall of Makarios. It would culminate in a stunning series of events which plunged not only Cyprus, Greece, and Turkey, but also the United States, Great Britain, and the Soviet Union into a serious crisis in the Eastern Mediterranean.

That crisis, coming less than a year after the Yom Kippur war, less than six months after the OPEC countries quadrupled the price of oil, added to the sense of disaster that hung over the entire region. Here, as in no other part of the world, events were in the saddle, and old ethnic hatreds combined with big-power politics in a highly combustible mix.

For Henry Kissinger, it was his first serious public setback coming after a series of diplomatic triumphs. The events in Cyprus triggered a major political backfire in Congress and expressions of sharp disapproval on prestigious editorial pages. Even those "working level" diplomats, most closely in touch with the political realities of the region, could barely contain their dismay at the successive policy "tilts" and vacillations of the Secretary in the face of one of the most predictable international crises Washington has faced in recent years. Instead of his usual display of forcefulness and negotiating skill, Kissinger managed the American involvement in a way which eroded U.S. influence in the East Mediterranean to a new post-World War II low point.

This crisis also led to the most dramatic and important congressional intervention in the conduct of foreign policy in recent years outside of Indochina—the cutoff of aid to Turkey. Kissinger was to call this action a "national tragedy" and still today, despite his repeated confrontations with Congress on trade credits for the Soviet Union, aid to Indochina, and restrictions on military arms sales, Kissinger is known to feel that votes on aid to Turkey marked a dangerous point of departure in the conduct of U.S. foreign policy. His view is shared by many people in the executive branch, even those not sympathetic to his actions in Cyprus. But on

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Capitol Hill, they are viewed by most congressmen as a welcome move toward the fuller participation of Congress in the determination of the conduct of U.S. Foreign policy.

In addition to the actions of Congress, at least three major turning points in the crisis deserve careful examination, both for what they show about the United States, and for what they tell us about two of our NATO allies. These were the Sampson coup that overthrew Markarios, the Turkish invasion of Cyprus, and the resumption of hostilities on August 15 by the Turks to consolidate their hold over nearly half the island. The story is complex, important, and of still unresolved impact upon both a region of crucial strategic importance and upon the domestic political underpinnings of U.S. foreign policy.

Archbishop Makarios, the elected president of Cyprus, absented himself from the funeral, as did most of the functionaries of his government. He knew the incendiary potential of the gathering and that it would have been absurdly dangerous for him to attend. He had been marked as the chief target of the EOKA–B [2] forces in Cyprus as well as of the military regime in Athens which financed and controlled it. Since 1970, the intelligence service and tactical police of Makarios had foiled repeated assassination and coup schemes aimed at the Archbishop gathered about the casket of Grivas.

In the early days, the Archbishop had been a partisan of General Grivas' in the independence struggle, earning for himself a period of British-imposed exile in the Seychelles, and he was considered the pre-eminent advocate in Cyprus of reunion with Greece. Through the tortuous political evolution of Cyprus since independence, when friends became enemies and the tactics of independence were transformed into the strategies of national survival, the two men retained a grudging respect for each other.

Since 1960, when the great powers negotiated the independent statehood of Cyprus, Makarios pursued a politics and diplomacy of calculated ambiguity and artful procrastination. He became a tightrope walker between the hammer and anvil of Turkish and Greek power. Twice, in 1964 and 1967, Turkey reached the brink of military intervention in defense of the Turkish minority (which constitutes 18 per cent of Cyprus' overwhelmingly Greek population). Twice the United States intervened forcefully, with what the Turks considered a humiliating display of great power arrogance to prevent the possibility of a war between the two NATO powers on the southern flank of the Soviet Union and its Balkan satellites. Since 1968, Makarios conducted intercommunal talks with Turkish Cypriot leaders while at his back the Greek-Cypriot zealots muttered that he had betrayed the goal of enosis.

Though in mythology Cyprus is the island of Aphrodite, today it is a crucible for the contending influences of Turkish insecurities and territorial ambitions, Hellenic irredentism, and Eastern and Western bloc strategic war-gaming. Within the island is an intensely factional tribal politics. The dominant local Communist Party movement has been content to operate along bourgeois, parliamentary lines, while a Socialist movement has maintained friendly ties to neighboring Arab capitals. The active elements of the terrorist movement have been sustained and financed, since 1967, by the military rulers in Athens. Violent anti-Communism, *enosis*, and, eventually, the elimination of Makarios were the prime ingredients of the program of the Right in Cyprus. The Turks also were leery of Makarios, who they identified with past injustices inflicted upon their ethnic minority in Cyprus through the years. Presiding over this volatile stew was the Archbishop. Only centrist parliamentary forces made it possible for him to continue to govern. Last year, after he had been temporarily deposed by the coup, Makarios told me with a smile and wistful shake of the head, "The fact that I never seemed to come to an agreement with the Turks in the intercommunal talks may have been irritating to the Americans and the British, but it probably accounts for the prolongation of my life politically and the postponement of the coup."

But the death of Grivas was to tilt violently the political landscape of Cyprus and start the landslide of events toward the coup of July 15. Though it seemed in January 1974 to signal the end of the EOKA–B insurrection, Grivas' death actually made possible the full political capture of the anti-Makarios forces on the island by the Athens regime and its military surrogates, the Greek officer contingent. And so the liturgies and oratory of late January in Limassol became part of a chain of events which would make phones ring in the middle of the night in Washington half a year later and send senior American diplomats scrambling to airports—once again in the hope of averting the specter of full-scale war in the Aegean, next door to the minefield of the Middle East.

A CRUCIAL TESTING GROUND

Notwithstanding the major distractions which were competing for the attention of Henry Kissinger—Watergate, the SALT summit, the Middle East—the Cyprus crisis was a crucial testing ground for his foreign policy as it applied to the subsuperpower world. Kissinger resorted, characteristically, to a secretive and highly personalized form of telephone diplomacy in Ankara and Athens while letting the British play the role of front man through their nominal chairmanship of the mediation efforts. Later, as his own crisis-style diplomacy failed and the second Geneva Conference, chaired by British Foreign Secretary James Callaghan, fell apart,[3] Kissinger would snipe privately at the British for hogging the chair and lulling the U.S. State Department into expectation of a settlement at the bargaining table between the Greeks and Turks at Geneva.

In an important sense the tragedy in Cyprus was a by-product of the seven-year-long U.S. relationship with the unashamedly repressive regime of the colonels in Athens, a marriage in which two American administrations tolerated the extinction of constitutional government in Athens in exchange for supposedly stable U.S. military base rights. Although the Johnson Administration adopted at least a limited embargo on arms to Greece, full-scale military aid was resumed by President Nixon in 1970. And so when the Athens junta sought in July 1974 to establish a puppet surrogate in Cyprus, with ample advance notice to Washington, the United States entered the quietest demurrer of all its Atlantic allies.

The international machinery for crisis resolution in the Western alliance, which had its roots in the Cold War, failed utterly to work in Cyprus. NATO, from which Greece withdrew its forces and Turkey threatened to, was powerless to act. Equally ineffective was the Geneva forum established under the 1960 Cyprus accords. Kissinger was unwilling to risk sufficiently strong sanctions against either of the Aegean powers to deter the overthrow of Makarios and subsequently prevent the de facto partition of Cyprus by Turkish military forces. The United Nations Security Council and then the General Assembly passed resolutions calling for Turkish military withdrawal from the island, but those organs too proved unable to blunt Turkish intentions on Cyprus. Only the U.S. Congress was willing to apply diplomatic muscle by insisting on compliance with statutory and treaty prohibitions against Turkish use of American arms in Cyprus. This drew the Secretary of State into the severest confrontation he has ever faced with Congress, one which was described on the House floor early in the debate as "Kissinger's Watergate and Waterloo."

Henry Kissinger: "The information was not exactly lying around on the streets."

The warnings began early in the year. By February 1974, cables from the U.S. Embassy in Nicosia were describing intensified activity among the Greek officers and the EOKA-B cadre. The cables were reinforced by the "working level" specialists on the fourth floor of the State Department, men experienced in the field, who could see the significance of the cable traffic. Among the specialists a consensus emerged for a strong American admonition to the junta in Athens headed by General Dimitrios Ioannides.

A reclusive leader, Ioannides wielded shadowy authority over Greece in his official capacity as head of the military police (ESA). After ousting military strongman George Papadopoulos in the aftermath of bloody student rioting at the Athens Polytechnical Institute in November 1973, his regime promised only heavier repressive tactics and a still more primitive foreign policy than that of his predecessor. Ioannides was in the tradition of the peasant-soldier, a man of austere personal morality who shied away from political display. This he left to the ceremonial officeholders of the government whose strings he manipulated. Ioannides, in the words of one Greek officeholder during those times, regarded the ministers and career civil servants who composed the official government as a "logistical base" for his own power. The government behaved accordingly.

Since his accession to power, relations between Athens and Washington had gone into a slow tailspin. The U.S. Pentagon, which had been the most enthusiastic booster of the preceding Papadopoulos regime ("the greatest government since Pericles," one American general had exulted publicly), had turned increasingly sour on Ioannides. The relationship was foundering on renegotiations, demanded by the Greeks, of complicated base agreements dating back to the 1950s, as well as of the costly Athens homeporting scheme for the U.S. Sixth Fleet, successfully promoted by Chief of Naval Operations Admiral Elmo Zumwalt. The Greeks were raising the ante massively for the U.S. base presence, demanding among other things a major modernization, at American expense, of its Air Force, and considerably more military aid. For the first time in my own memory, senior Pentagon officials were heard complaining about the political repressiveness of the regime in Athens. Similarly, political analysts in the U.S. Embassy in Athens remarked on the continuing erosion under Ioannides of civil government performance. Even the U.S. Ambassador, Henry J. Tasca, also a cheerleader by temperament and instruction for the previous military regime, was becoming bitterly disenchanted with the unrepentant, grim face of dictatorship Ioannides-style.

On Cyprus there were increasingly open stirrings of activity among the Greek officer contingent, the national guard, and the local EOKA–B bands. Arms were moving into the hands of the anti-Makarios forces, sometimes as the result of carefully prearranged "raids" on the arsenals of the national guard worked out through collusion between the guard members and the culprits. From raids on EOKA–B headquarters, Makarios' intelligence service uncovered records which indicated a steady influx of money from Athens to the terrorist movement at a rate of 2,500 Cypriot pounds (roughly $6,000) a day. The principal financial angel on mainland Greece was a wealthy shipowner. Andreas Potamyanos, a political playboy with a penchant for cloak-and-dagger intrigues. The disbursing

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agent for the Athens money in Cyprus was a well-to-do businessman, Sophocles Eliades, who saw that the money went not only to the EOKA–B district leaders but to sympathetic newspapers on the island. In Nicosia, as well as in Athens, there was persistent speculation over the source of the money from Potamyanos, whose personal financial ledger, though comfortably in the black, could not remotely provide the huge sums which flowed through him to the Cypriots. Potamyanos once acknowledged publicly that he had contributed three million drachmas ($100,000) to the EOKA–B cause. Government intelligence officials in Cyprus estimated that since June 1972, the level of support for the organization was many multiples of that sum. Potamyanos had influential connections in the CIA station in Athens and this served only to heighten the normal suspicions one hears voiced in Greek political circles of covert American involvement in internal affairs.

Within two months of Grivas' death, the man who was due to succeed him as head of the EOKA–B organization, Major George Karousos, was quietly spirited off the island. Karousos had been, by the extremist standards of the movement, a moderate. He wanted to forsake the guns and bombs which had been the hallmarks of EOKA–B in favor of direct political competition through a party organization. Rather than assassination, Karousos advocated, at worst, mere kidnaping. But Karousos was out of phase with what Athens wanted. In early April, under the secret surveillance of one of Makarios' chief security advisers, Karousos embarked in a small boat and then transferred to a yacht which took him to the Greek island of Kastellorizon, just off the Turkish shore near Rhodes. At all stages of the journey, Karousos was under surveillance by Makarios' intelligence operatives.

OPERATION HERMES

With Karousos out of the way, the Greek officers and their Cypriot collaborators were free to begin preparations for Operation Aphrodite, the latest in a series of schemes to assassinate Makarios and overthrow his government. In 1970 there had been Operation Hermes, which came within a hairsbreadth of success when terrorists succeeded in machine-gunning Makarios' helicopter out of the sky. Although the pilot was seriously wounded, the Archbishop stepped off the downed craft unscathed. Subsequent investigation showed that two Greek officers and the former Minister of Interior to Makarios, Polykarpos Georghadjis, were involved in the elaborately worked out assassination scheme. Georghadjis tried to escape from Cyprus, but was stopped on orders of Makarios at the airport. He then requested an audience with Makarios which the Archbishop refused to grant, and a week later he was found in a field outside Nicosia with half his head blown off. Suspicion again centered on one of the Greek officers, a Colonel Dimitrios Papapostolou. Makarios quietly requested and obtained the recall of Papapostolou.

There was an intriguing historical footnote to the 1970 assassination attempt. When Makarios arrived in Nairobi late in January 1970, a U.S. Embassy representative there insisted on meeting personally with the Archbishop to convey an urgent message. That message, as recalled by Makarios and later corroborated by U.S. officials, was as follows: "According to reliable sources, when you go back to Cyprus there are plans for your assassination at the airport in Nicosia." Makarios received the information with a smile and thanked the American emissary. "I think your information is wrong," he replied. "The airport is not a suitable place for an assassination." When the Archibishop returned to Nicosia, the then U.S. Ambassador David Popper (now U.S. Ambassador to Chile) said the Nairobi warning had been reconfirmed. Popper told Makarios the attempt on his life would probably take place within the next 15 days.

Popper's warning proved astonishingly prophetic, although the helicopter attack occurred 17 rather than 15 days after his warning to the Archbishop. Afterward, Makarios asked publicly how the Americans happened to know with such precision about the assassination plan.

Yet another coup attempt came to light on February 14, 1972, when the Archbishop's intelligence service found detailed plans in a raid on EOKA-B headquarters for a raid that was scheduled to begin that very midnight. Makarios, after being apprised of the find early in the day, rushed Speaker of the House Glafkos Clerides to see Popper. As recounted by a high-ranking Cypriot official who was deeply involved in the incident, Clerides met with Popper and told the Ambassador what he knew of the coup scheme. After he had been briefed by Clerides, Popper responded cryptically, "I am not authorized to tell you anything." But he promised to contact Washington immediately. Although Popper and Clerides were friends, the suspicions of the Cypriots were triggered by Popper's remark which suggested to them some advance knowledge on the Ambassador's part.

"Look," Clerides responded, "we know everything. We are going to have a coup and bloodshed." Popper asked for several hours' time to get a reply back. In the meantime, Makarios' security forces struck at all the staging areas for the impending coup attempt, which was to be conducted by EOKA-B forces reinforced by national guardsmen out of uniform, all under the supervision of Greek officers. In Athens that day, U.S Ambassador Tasca hurriedly issued a warning to Greek Premier George Papadopoulos against any violence in Cyprus. "I warned him," Tasca later recounted in an interview, "against any violence or heavy stuff."

OPERATION APOLLO

The following year Athens was on the verge of unleashing Operation Apollo. This, too, was aimed at the overthrow of Makarios. Preemptive strikes by the Cypriot intelligence service and police unearthed plans which spoke of tank, mortar, and artillery attacks. "The fact that heavy equipment was called for in the plans told us unmistakably that the Greek officers were involved," a high-ranking Makarios adviser told me. "The EOKA-B irregulars had only light arms. As a result of our arrests the attempt failed." It would, in fact, merely be put off another year.

Against this background Makarios and top officials of his government, as well as foreign analysts specializing in Cyprus, watched with a sense of déjà vu in the early half of 1974 as events marched toward another major effort to unseat Makarios. As early as March, the Cypriot Ambassador to Washington, Nikos Dimitrou, rushed to see the then Assistant Secretary of State for Near Eastern Affairs, the late Rodger Davies, and Cyprus desk officer Tom Boyatt. "I have reliable intelligence estimates," the normally calm-mannered Ambassador told Davies, "that a serious effort will be made to assassinate Archbishop Makarios before Easter." In Cyprus the slogan circulating in EOKA-B circles was that "Makarios will never eat his *flaouna*" (a Greek Easter confection).

"If you have a coup in Cyprus," Dimitriou warned U.S. officials, "it will develop into a crisis of gigantic dimensions. The Turks will move in and God knows where it will lead. . . ." Davies replied that the Americans too had heard rumors of a coup attempt, but had been able to confirm nothing. Boyatt told Dimitriou that he agreed with the apprehensions over an impending attempt against Makarios. Several days later Dimitriou saw his friend British Ambassador Sir Peter Ramsbothom, himself a former ambassador to Cyprus. He recounted his concerns. "Yes, we've heard these things too," Ramsbothom reportedly assured Dimitriou, "but we have concluded they are quite groundless."

Ambassador Hasca, in Athens, also poohpoohed the coup talk. He regarded Boyatt, particularly, as being a mother hen about Cyprus, needlessly worrying Washington and Athens with his dire predictions. Easter came and passed and the absence of disaster seemed to bear out the adage heard on the seventh floor of the State Department that the Cyprus specialists had predicted 300 of the last two coup attempts against Makarios.

Nonetheless, in Nicosia, apprehensions were growing. Late in the winter, Clerides went to the U.S. Embassy and related that the intelligence directorate for Makarios, which had always proved extremely adept in infiltrating and apprehending the activities of the Archbishop's enemies, now had intelligence that a former CIA station chief in Nicosia had met with Sampson and other EOKA–B people in Athens during the second week of February. The official, Eric Neff, had been the CIA's number one man in Nicosia from 1969 to 1971. Initially, the Americans told the Cypriots that Neff had not been in Athens. The Cypriot government supplied more details and specific dates. They were then given an acknowledgment that Neff had, indeed, been in Athens but on personal business and had not met with any principals in the Cyprus dispute. Neff had been a point of contention during his three-year tenure in Cyprus. At one time Makarios privately complained to the U.S. Embassy at Neff's open hostility to Makarios at public social functions. (A former European ambassador to Nicosia vividly remembered Neff's behavior in Cyprus. "He would say openly in the diplomatic community that it was necessary to get rid of Makarios. He made statements which would have been intolerable for any host government.)

More importantly, the President was suspicious of Neff's contacts with the fired Minister of Interior Georghadjis (later implicated in the helicopter assassination plot) after the Cypriot official left the government in a growing poisonous dispute with Makarios. The Archbishop finally asked that the American agent be recalled. One high-ranking American diplomat said of Neff: "It's true that he was probably too big for the island." Since his departure, the CIA station chiefs in Nicosia have taken a decidedly lower public profile.

Henry Tasca returned to Washington in March for consultation and to testify before hearings of the House Foreign Affairs Benjamin Rosenthal (D., New York). At the State Department, the Ambassador, by now aroused at what he considerd to be the dangerous incompetence and repressiveness of Ioannides, was counseled strictly by Kissinger against intervening publicly to influence events in Athens. Although the converging steam of sentiment among the Department's specialists was for a firm and visible show of impatience on Washington's part at the continued backsliding away from any semblance of constitutional government, Kissinger insisted that Tasca make no waves. Kissinger's don't-rock-the-boat attitude toward the Athens junta contrasted sharply with the well-documented covert U.S. intervention—which was then being revealed in the press—against the elected government of the late Salvador Allende in Chile.

Later. Tasca, replaced under a cloud of criticism for his performance in Athens, sought to defend his role on the grounds that "as Ambassador I did not make policy but carried it out." Kissinger's policy, he tried to explain afterward, was one of "non-involvement." Former Secretary William Rogers, he told one listener, "was more in

terested in getting people back to democracy, Kissinger thought that was less relevant."

A SCAPEGOAT . . .

The press stories emanating from high official sources in Washington seemed to identify Tasca as the goat of the Cyprus crisis because of his failure to transmit directly to Ioannides a warning from Undersecretary of State Joseph Sisco against an attempt at violent action against Makarios. It was not his role as Ambassador, Tasca afterward told Newsweek, "to make diplomatic démarches to a cop." When he learned that he was to be replaced as Ambassador by the then Assistant Secretary of State for Inter-American Affairs Jack B. Kubisch, Tasca hastily called a press conference to defend his own role in the Cyprus tragedy. "I'm not going to be a scapegoat for Kissinger and Sisco," he angrily told an aide.

Tasca's plunge into open disfavor with his superiors began in mid-June when the full import of what had been brewing in Cyprus reached through the grand glass entranceway on the seventh floor of the Department of State where the Secretary and his principal deputies work amid the hierarchical trappings of expensive carpeting and official oil portraits.

Into this airless world came a message from Ioannides relayed from the CIA station in Athens on June 20, carrying an urgent note of threat against Makarios. In the message, which was quickly dispersed by the CIA through the top of the national security bureaucracy in Washington, Ioannides speculated about what he might do on Cyprus to neutralize Makarios, whom he accused of using Greek-Turkish friction to enhance his own position. There has been some disagreement within Washington over the exact thrust of Ioannides' intent. It was interpreted variously as a clear declaration of his plan to move against Makarios, as a feeler to determine Washington's attitudes toward such a move, or as a request for a green light. Whatever it signified, the CIA bulletin finally had a galvanizing effect.

At the direction of Kissinger and Sisco, instructions began to flow back to Tasca to convery to Ioannides that the United States disapproved of any move against Makarios. Washington's policy, Tasca was instructed to tell Ioannides, was to avoid violence on Cyprus and continue efforts to resolve differences through the intercommunal talks convened in 1968.

Despite the flurry of urgent messages directed at Athens urging Tasca to restrain Ioannides, there is no record of an attempt by Kissinger or Sisco to call in the Greek Ambassador of the junta in Washington. Constantine Panayotakos, to register the U.S. government's severe disapproval of any coup action against Makarios. "If Kissinger had called in our ambassador in Washington," a Greek Foreign Ministry official deeply involved in the Cyprus crisis told me in Athens, "it would have been a most valuable weapon in our hands. We could have gone screaming to the generals saying 'Look what we are being told in Washington.' As it was, the regime considered the warnings from Tasca as window-dressing and not as serious American objections to a coup."

Tasca persisted in refusing to see Ioannides personally, despite his instructions. The general, by his own preference, retained his title as chief of the military police even though he ran the country from his office in the Greek Pentagon. In a tradition going back to the establishment of the post-World War II American presence in Greece, the diplomatic hot line of contact with Washington was through the CIA station. A *New York Times* account on August 2 said Ioannides met with the veteran Greek-American CIA operative, Peter Koromilas, in Athens shortly before the July 15 coup. But the CIA station chief in Athens, Stacy B. Hulse, Jr., denied this report to high-ranking officials of the embassy. Hulse was himself treated to an angry tirade by Ioannides just prior to the coup and, by the account of well-informed government sources, was virtually thrown out of the general's office. It was speculated in the U.S. Embassy that Hulse was trying to discourage any thoughts of a coup in Cyprus.

Instead of seeing Ioannides directly, Tasca spread the Washington message to the officeholders in the civilian government: the president, the prime minister, the foreign minister, and top military commanders, many of whom then lived in quaking fear of Ioannides. Though Tasca insisted to his doubting superiors in Washington that the message had gotten through, they kept cabling him for reconfirmation and insisting that he see Ioannides. The general never did make a direct response to these messages over the transom from Tasca.

Months later, after Ioannides had been ousted from power, he imparted to former military colleagues a cryptic, though highly intriguing, confidence: "If you knew what I knew and had the reassurances that I had before the coup, you would have done exactly as I did," he told, among others, Admiral Petros Arapakis, Chief of Naval Operations. The remark was to pique the curiosity of American officials in Athens who knew that Ioannides' main channel of contact with the United States was through the CIA. Recently, Ioannides charged through his Athens attorney that he was misled by the Americans about the prospects of Turkish intervention after the coup in Cyprus and then betrayed by his own generals, acting at the instigation of the Americans. The defense that was being constructed on behalf of Ioannides and his conspirators was strongly reminiscent of the Watergate defense strategies of the Nixon White House.

THE CIA ROLE

From the days of the Greek civil war, when the agency's presence was first established there, the CIA has played an influential role in the country. Queen Frederika was a close friend of the late CIA Director Allen Dulles, who was entranced by her Hohenzollern royal pedigree, tracing directly back to Frederick the Great, as well as her immense wit and charm. "The diplomats are, by and large, bunglers and fairies," the outspoken queen used to complain. She felt more confident with the CIA under the direction of her admiring friend from Washington.

Thomas Karamessinis, who was to rise to the vital job of Deputy Director for Plans,[4] started out in the Athens post where there are still Greek-American operatives who once worked at his side. Andreas Papandreou, who has frequently denounced the CIA as a tool of repressive U.S. policy in Greece, was in his father's Center Union-dominated government during the 1960s, in charge of liaison between the CIA and the administration of George Papandreou. Unimpeachable U.S. government officials told me that in 1967, at the strong urging of the CIA station chief and some members of the embassy staff, Ambassador Phillips Talbot recommended that the White House authorize the expenditure of $100,000 in "black" funds to finance opposition to Papandreou in the prospective July 1967 elections. Senior White House advisers formally rejected the request, but the issue became moot when the Greek colonels, under the leadership of George Papadopoulos, struck on April 21, 1967 and ended constitutional government in Greece. Papadopoulos was liaison officer with the American CIA for its Greek creation and namesake, known acronymically as KYP (*Kentriki Ypiresia Plipoforion*).

And so it is not surprising that an enormous cloud of suspicion formed in Greece—in the press, on street corners, in parliament, and even in the prospective defenses of the junta generals—that in some way, at some level, the CIA played a role in bringing on the Cyprus debacle. Even in the privacy of American offices, unspecified suspicions are expressed about the role of the CIA station. "These guys are still operating in the spirit of the 1950s. They keep things very close to the vest. Most of us don't know what they're doing. I hope the ambassador does," one high-ranking American confided to me in Athens.

On June 2, Makarios, now persuaded that a major assault against him was being organized by the Greek officers and EOKA-B forces, decided to take an audacious gamble and abandoned his foxy tactics of outwaiting and counterparrying the opposition. He directed a letter to Greek President Phaedon Ghizikis, frontally accusing the military government in Athens of conspiring to kill him and destroy his government.

"It is with profound grief," Makarios wrote, "that I have to set out to you certain inadmissible situations and events in Cyprus for which I regard the Greek government as responsible," the letter began. Makarios charged that it was from Athens "that the tree of evil, the bitter fruits of which the Greek Cypriots are tasting today, is being fed and maintained and helped to grow and spread. In order to be absolutely clear, I say that the cadres of the military regime of Greece support and direct the activities of the EOKA-B terrorists. . . . It is also known, and an undeniable fact, that the opposition Cyprus press, which supports the criminal activity of EOKA-B and which has its source of financing in Athens, receives guidance and [policy] line from those in charge of the General Staff Office and the branch of the Greek Central Intelligence Agency in Cyprus."

The clincher in the Makarios letter was his dramatic declaration to Ghizikis that "I have more than once so far felt, and in some cases I have almost touched, a hand invisibly extending from Athens and seeking to liquidate my human existence."

The battle was now joined, and if any doubt existed in Athens, Makarios made it clear that his communication was "not confidential." While the junta pondered its response, Makarios fired additional salvos through the friendly press in Nicosia. On July 5, the newspaper *Apogevmatini*, operating presumably on a leak from the presidential palace, published the gist of coup plans discovered by Makarios' intelligence operatives. "The conspiratorial brains," the newspaper reported, are planning a broad coupist action to take place in the next few days supported by certain military circles in cooperation with units of the national guard and EOKA-B groups for the purpose of seizing power. This coupist action has been planned in such a way that it formally releases senior military personnel or Greek Army staff circles from any responsibility."

It said the coup scheme, "a variation of the well-known Apollo Plan," envisaged the assassination of Makarios. "If the plan succeeds, the government will be taken over by a certain person who has already been chosen and who, in substance, will be the puppet for a transitional period. Naturally it is understood that the partition of Cyprus will be achieved through the coup plan with the understanding that the Turks have their plans prepared for such a golden opportunity."

Remarkably prophetic words. The coup followed, to a striking degree, the blueprint outlined in the newspapers which were available on the streets of Nicosia on the morning of July 5. The following morning the press published the full text of the Makarios letter to Ghizikis. Nicosia's newspaper, *Eleftheria*, said that morning: "The statements made by President Makarios yesterday prove that the

Footnote at end of article.

hands of the crisis almost touched the 'zero hour' and that the blowing up of all the bridges in relations between Cyprus and Greece is still impending." A Turkish radio broadcast to Cyprus stated that "the disputes that have been going on in the Greek Cypriot sectors for a long time have now reached a critical stage. Some observers describe the current situation as a serious crisis unprecedented in the history of Cyprus."

On July 6, according to the widely respected Athens correspondent for the *Times* of London, Mario Modiano, Ioannides and his inner circle decided to assassinate Makarios through the national guard. The general was quoted by the *Times* as assuring junta officers: "Don't worry. There will be no consequences if the job is done quickly and neatly."

Some three weeks later, Kissinger, commenting on reports that the United States was taken by surprise in Cyprus, quipped: ". . . the information was not lying around on the streets." He noted that Makarios, too, seemed to have been taken by surprise. "I did not expect a coup exactly that day," Makarios later told me. "I was told by the Greek Ambassador that there was to be a meeting in Athens on Monday [July 15]. I though that after the Monday meeting had been held I could take whatever precautions were necessary." The Archbishop had, in fact, been invited to attend the session in Athens, which was described to him as a proceeding to discuss his letter and the future of Cyprus. "I told the Ambassador that I didn't see any reason to go to Athens to discuss those things. I wonder," he mused with his sly and quizzical smile, "what might have happened if I had accepted that kind invitation."

On the morning of July 14, the day before the coup, a message flashed into Washington from the CIA backchannel in Athens indicating that Ioannides was cooling off on his coup intentions. He was impressed, the cable suggested, by the arguments against violence. At that point there could have been only one purpose for the general's piece of disinformation: preventing any advance warning by the Americans, as had happened before, of the junta's intentions. Makarios was now within gunsight of the junta. Ioannides, according to intelligence sources, had received what he regarded as assurances from Turkish military officials that they would not react against the objective of Operation Aphrodite: getting rid of Makarios.

JULY 15 . . .

What happened shortly after 8:00 am on the morning of July 15 has been amply chronicled in the world press. Makarios returned from a weekend at his vacation residence in the Troodos Mountains, where Grivas was born, and was receiving a delegation of visiting children in the palace when the shells started landing, first outside the palace and then lobbing into its walls, setting the building aflame. Oddly enough, on his way back to the capital, the Archbishop passed directly in front of a national guard barracks within virtual pointblank range. At that point, as it turned out, the militiamen lost their best shot. At 8:00 am the Cyprus radio, taken over by the forces of the military insurrection, announced, prematurely, that President Makarios was dead.

State Department spokesman: "I would rather just not comment."

The summer of 1974 was not a particularly suitable season in Washington for another international crisis. American attention was riveted on the tragic spectacle of the collapse of presidential government in the Watergate crisis. President Nixon was slouching toward impeachment. Secretary of State Kissinger found himself enmeshed as well in the toils of the scandal. His denials that he had ordered the wiretapping of government officials and journalists seemed to be contradicted by evidence coming out of House Judiciary Committee files and the Secretary's probity was being openly questioned. He made his famous outburst at Salzburg and issued his threat to resign unless Congress vindicated him. In addition, the various pots of international crisis were at full boil. In the Middle East, the Secretary was trying to avert the outbreak of another war which some in Washington were already pronouncing inevitable. In Moscow, Kissinger was pursuing delicate strategic arms negotiations from a sharply divided base of domestic opinion on how far the United States should go. Kissinger's trade policy with the Soviet Union was also under heavy domestic attack at home with his critics, notably Senator Jackson (D., Washington), tying it to the issue of Moscow's policies toward Jews and dissident intellectuals. Cyprus, from the lofty heights of the seventh floor in Foggy Bottom, was a far-off blip on Kissinger's storm charts.

And so, when the news of the coup in Cyprus first reached Washington shortly after midnight, there was an initial spasm of indecision and confusion. The first reports of the death of Makarios did not bring unalloyed grief in Foggy Bottom. One official, upon hearing the news later on that Monday that the Archbishop had survived, remarked in a telephone conversation with a colleague: "How inconvenient."

This was not an aberrant attitude toward Makarios in the foreign policy bureaucracy. Makarios refused to comport himself toward Washington as a generation of American diplomats would have liked him to. There was a legendary anecdote in the State Department told about George Ball, one in a succession of Cyprus crisis managers, who, when faced with a typical act of sly noncompliance, raged at Makarios using his ceremonial title of address: "God damn it, Your Beatitude. . . ." Kissinger, during the Makarios visit to Washington prior to his return to Cyprus last year, reflected the prevailing attitude with an elegantly backhanded cut, delivered to a high-ranking Cypriot diplomat. "I hope you realize this is a compliment," Kissinger assured the foreign official, "but we think of your president as a man who is much too big for so small an island."

THE "CASTRO OF THE MEDITERRANEAN"

During most of the 1960s a major premise of U.S. policy toward Cyprus was that the rule of Makarios—though prickly to U.S. and NATO interests—was the least objectionable of the leadership alternatives. But beginning in 1970 a number of serious attempts at putsch and assassination were launched against the Archbishop (as previously described) at the instigation of the Athens regime. Appeals from the U.S. Embassy in Nicosia and the Cyprus Desk in Foggy Bottom that these activities be decried strongly in Washington and Athens were ignored by Kissinger and opposed by Tasca.

The prevailing view of Makartos was that he was unreliable, demagogic, anti-Western, and obstructive to any final settlement of the Cyprus problem. This royalist, Byzantine church patriarch and master political tightrope walker was beng caricatured as a "Castro of the Mediterranean." If he bore comparison with another Third World leader it would be Sihanouk of Cambodia, whose true political color was also royal blue rather than Marxist red, not Castro. But in the exalted heights of his summit diplomacy, Kissinger had little time, patience, or empathy with such leaders as Makarios or Sihanouk, both survival acrobats struggling to maintain national sovereignty in the shadows of the great power struggle.

The fact that Makarios long winked at American U-2 flights from the British Sovereign Base of Akrotiri in Cyprus and at the operation of CIA radio monitors along the northern coast near Kyrenia—activities for which the United States financially compensated his government—rarely figured into evaluations of the Archbishop—perhaps for national security reasons.

At 12:30 p.m. on the day of the coup in Nicosia, the American Secretary of State received Ambassador Dimitrious and engaged him in perfunctory banter. Who was Nikos Sampson, Kissinger asked the ambassador of the newly installed president in Cyprus. Dimitriou replied that he was considered a paranoid and an egomaniac. Kissinger responded, with a smile, "But I have been called an egomaniac, too."

"You should not compare yourself with Sampson, Mr. Secretary," the Cypriot ambassador answered.

At that point, Kissinger laid down his provisional policy under the confused circumstances of the moment. Normally, he explained, it was the policy of the State Department in the event of a coup to recognize a de facto government. "This we will not do," he said. "We will wait and see. I have not yet gotten a full report from the Embassy. The fact that I receive you indicates that we recognize Makarios as head of state."

Kissinger's matter-of-factness toward the cataclysm in Nicosia struck a number of those who witnessed the exchange. Not even the ritualistic words of diplomacy expressing regret or compassion were uttered on the occasion. "He didn't seem to attach much importance or seriousness to what had happened," recalled an onlooker at the meeting. "Of course, he may have been heavily preoccupied with other things."

Throughout the crisis, the day-to-day voice of U.S. foreign policy was that of Robert Anderson, the State Department press spokesman, at the daily noon briefings. Anderson is a patient, amiable man with limited authority and information. On the day of the coup, he appeared before a crowded room of newsmen and confined himself to the bland declaration that "our policy remains that of supporting the independence and territorial integrity of Cyprus and its constitutional arrangements, and we urge all other states to consider a similar policy." There was no criticism of the violent act of intervention from Greece, nothing said of Makarios' reported assassination. Kissinger called a meeting of WASAG,[5] and then even-handedly issued instructions to the U.S. Embassies in Athens and Ankara to urge the two governments to stay out of the conflict. The next day, Anderson's responses at the noon briefing tended to confirm that Kissinger, at least in the Department's public posture, was tilting toward the de facto situation on Cyprus.

"Is the Makarios government the government of Cyprus at the moment as far as we're concerned?" he was asked. "I would rather just not comment on it at all," he replied. The following day he was asked if it were the view of the U.S. government that there had been outside intervention against Makarios. "No," he answered, "in our view there has been no outside intervention." (The preceding three weeks of furious cable traffic between Foggy Bottom and the U.S. Ambassador to Athens would contradict that statement.) Was Kissinger going to meet with Makarios the following Monday as a private citizen, Archbishop, or President, a newsman persisted. The State Department spokesman replied: "He's meeting with *Archbishop* Makarios."

In Europe, by contrast, there was an immediate flood of endorsement for continued recognition of Makarios as President of Cyprus and a chorus of condemnation of the coup. The British, the Russians, the NATO representatives in Brussels, quickly converged on this common position. Great Britain, with Greece and Turkey, was a guarantor

Footnotes at end of article.

power for the 1960 London-Zurich agreement which conferred national sovereignty upon a unified state of Cyprus. The Russians saw in the professedly nonaligned position of Makarios and the survival of an independent state under his leadership a guarantee that Cyprus would not be transformed into a major NATO bastion.

By midweek, The New York Times led its front page with a leak from within the State Department that "high American officials indicated that the Nixon Administration was leaning more toward" Sampson that Makarios. Kissinger's view, as reflected in the comment of an aide, was that Makarios was "finished politically. He can't go back to Cyprus unless General Ioannides is thrown out in Athens, and even though the junta has problems, that doesn't seem likely now." Still, the regional specialists within the Department were urging the Secretary to make a public declaration in support of the Archbishop in the conviction that it would undermine Ioannides. It was also proposed by some of the experts that the American Embassy covertly use whatever influence it had with the Greek military with the aim of bringing about Ioannides downfall, but the suggestion was vetoed on the seventh floor. Only in retrospect did officials close to Kissinger explain that the Secretary was confident during the week that the days of Sampson and Ioannides were numbered and they would fall as a consequence of their own mistakes. On July 22, about 12 hours before the armed service chiefs of Greece walked into a closed room with Ioannides and asked that he step down in favor of a civilian government, Kissinger appeared at a press conference and made the one salient act of accurate prophecy that the Cyprus crisis was to accord him. "There have been reports, with which you're familiar, that there may be a coup in Greece at this moment."

Differences in approach between the desk-level specialists on the fourth floor of the State Department and the seventh floor now were to crystallize as the Cyprus tragedy was enlarged by the Turkish invasion. Complaints began to be voiced at the top of the State Department at news stories which appeared to contain unflattering snipes at Administration strategy from lower levels of the Department. The underlying feeling at the top was that those who were running the Department had the whole strategic and geopolitical picture; the specialists were being parochial and didn't understand. The strains within the bureaucracy were accentuated by a most untimely game of musical chairs which took Cyprus, Greece, and Turkey out of the Near East Division, putting the Cyprus dispute, while it was white-hot, into the hands of a set of new regional managers—Assistant Secretary for European Affairs Arthur Hartman and his deputy Wells Stabler. In bureaucratic terms, history begins when a policy-maker first takes up a new problem, and so it happens that foreign policy is sometimes conducted in a void of institutional memory.

Bulent Ecevit: "We have done it your way for 10 years. Now we are going to try it our way."

On the night of July 17, Kissinger dispatched Undersecretary for Political Affairs Joseph Sisco to the Eastern Mediterranean on what the experts all considered to be a Mission Impossible—to prevent the Turks from invading. Sisco was a skilled negotiator who had gone to Cyprus with George Ball in 1964 to avert a Turkish invasion. His reputation was that of a forceful and tireless bargainer who could bluster and charm and who, in fact, considered himself the most senior State Department expert on Cyprus.

Nonetheless, the circumstances of July 1974 were no longer comparable to those of 1964 or to the crisis of 1967, when President Johnson bluntly threatened the Turks with military abandonment by the United States should they invade the island on behalf of their embattled ethnic minority. Already in 1974 the Turkish government had flouted U.S. authority by cancelling the ban on opium poppy cultivation in Anatolia. For more than 10 years they had been waiting for an opportunity to establish a stronger position on the island where descendants of the former masters of the Ottoman Empire were being abused by descendants of their former subjects, the Cypriot Greeks. Since the humiliation of 1964, when Turkey bowed to U.S. pressure, Turkish forces had been rehearsing for amphibious air operations against Cyprus.

In the words of a senior Turkish official who was deeply involved in the diplomacy of the July crisis: "The Greeks committed the unbelievably stupid move of appointing Sampson, giving us the opportunity to solve our problems once and for all. Unlike 1964 and 1967 the United States leverage on us in 1974 was minimal. We could no longer be scared off by threats that the Soviet Union would intercede."

Nevertheless, Sisco flew first to London to meet with British Foreign Minister James Callaghan and Turkish Prime Minister Bulent Ecevit. Then he embarked on a round-the-clock mission of shuttle diplomacy between a toughening, intransigent government in Ankara and an unraveling military dictatorship in Athens. During his first few hours in Greece, the troubleshooter from Washington, to his immense exasperation, was unable to make contact with what passed for the Greek government. He finally managed to arrange a meeting with the elusive Ioannides, his chief of staff, General Bonanos, and Prime Minister Androusopoulos in Athens. Sisco told the Greeks of his contacts with Ecevit and the intolerability of the Sampson regime in Nicosia to the Turks. He asked what steps the Greeks were prepared to take that might lead to a resumption of talks between the two governments. "I come here as a friend and a representative of a NATO ally," Sisco announced.

Ioannides excused himself without comment after 15 minutes.

Sisco flew off to Ankara on the evening of Friday, July 19 and made a direct appeal to Ecevit for more time. But there was no concealing the fact that he had come back from Athens empty-handed. Ecevit replied that the Turkish cabinet would consider Sisco's request, but offered little hope. Sisco returned to the American Embassy to await the ontcome and cabled Kissinger that he was deeply pessimistic. At about 4:00 a.m., Ecevit again received Sisco and informed him of the collective decision. "We have done it your way for 10 years," Ecevit reportedly told Sisco. "Now we are going to try it our way." Shortly after dawn on the morning of July 20, as Sisco stood on the tarmac of the airport in Ankara awaiting a plane back to Athens, Turkish warships steamed toward the northern coast of Cyprus. Depressed and deeply frustrated at his inability to prevent the Turkish action, Sisco cabled Washington and recommended that he be allowed to come home. Kissinger's response, one member of the State Department's Cyprus Task Force recalled, was to threaten that he would himself go to the East Mediterranean to take over the crisis mediation. It was not clear whether his warning was in grim humor or was serious.

Sisco plodded back to Athens—embarked now on the task of arranging a cease-fire. This time, however, the forces of government disintegration in Athens were working in favor of the American diplomat rather than against him. For two more days and nights Sisco and the American Embassy staff sought to reach out by telephone and personal visits into the murky depths of the Greek government to press for a cease-fire. There was a meeting at the Greek Pentagon with Ambassador Tasca and the Commander-in-Chief of Hellenic forces, General Bonanos. "We were trying to stop the Greeks from escalating with our assurances that we do all we could to stop the Turks from advancing," one American participant recalled. Ioannides had secretly issued orders preparing Greek forces for attacks on the Turkish ships in Cyprus as well as along the Greek-Turkish border along the Evros River in Thrace. Throughout the sequence, the Americans remained holed up in the Embassy. Sisco slept on a couch in the office of the deputy chief of mission when he slept at all.

Unknown at the time to the Americans, a remarkable political melodrama was beginning to play itself out in the Greek Pentagon: the revolt of the chiefs of the Greek armed services against the austere and fearsome Ioannides.

Joseph Sisco: "This is the goddamndest government I have ever had to deal with."

The early mood of jubilation in Athens at the toppling of Makarios had turned to dark premonition with the landing of Turkish forces on Cyprus on the morning of July 20. Although two Greek submarines from Piraeus were already cruising into Cypriot waters for an encounter with Turkish warships, the Greek officers and national guard on Cyprus had no orders to shoot at the invading forces. It was not until Turkish paratroopers began landing on the island that the Greek forces began to react. (This stimulated later conjecture in Greece that Ioannides might not have expected an actual invasion by the Turks.) Large numbers of Cypriot national guardsmen, who were either opposed to the Athens junta or simply frightened, took their guns and went home. The brunt of the fighting was borne by a force of some 400 Greek officers and the remnants of the guardsmen who, though standing their ground against Turkish naval and air bombardment, were taking casualties in dead and wounded of about 50 per cent. On the night of July 20, a relief company of 300 commandos landed under harrowing Turkish fire at Nicosia airport. But they were hardly enough to match the overwhelming power of the invading Turkish forces.

As the two Aegean powers were heading toward a confrontation in Cyprus, Sisco was frantically pressing in Athens and then in Ankara for a cease-fire. Ecevit was on the phone to Kissinger in Washington repeatedly complaining of advancing Greek warships. On one occasion, Kissinger later told American newsmen off the record, Ecevit awoke him in the early hours of the morning to complain that a Greek armada was steaming toward Turkey. "Those perfidious Greeks, you know what they are doing? They are flying Turkish flags to try to fool our aircraft." Nancy Kissinger grumbled sleepily to her husband, "Why don't you tell him to shut up and sink the goddamned thing?" As it happened, the Turks did precisely that, but then discovered that their aerial reconnaissance was in error. The suspected Greek ships were really their own; one Turkish warship was sunk and two damaged. At the Pentagon, U.S. naval authorities began a frantic inventory of all U.S. ships floating in the vicinity of the potential naval theater of war. All the Greek, Turkish, and American ships in the region had been made in U.S. shipyards and consecrated to the defense of the Free World.

On the morning of Sunday, July 21, the heads of the Hellenic armed services met in the Pentagon office of General Bonanos when the aide-de-camp to Ioannides, a Colonel Loukoutos, arrived and made a brisk announcement:

"Gentlemen," said Loukoutos, "a decision has been taken to attack Turkey on all fronts. Cyprus, Thrace, everywhere. Prepare

yourselves, gentlemen, the decision has been made."

Army Chief of Staff Andreas Galatsanos was the first to react: "I am not ready to enter an aggressive war," he said. "I'm ready for defense but not for aggression." Others began to express reservations at the decision that was being foisted on them by Ioannides. "The Air Force is ready to carry out its duty,"echoed Air Force Chief of Staff Alexander Papanikalaou, "but an air attack would be unwise and have no decisive results." Ioannides had wanted six Phantoms to proceed immediately from Crete to Cyprus to provide air support for the beleagured Greek forces.

The insurrection against Ioannides had begun in those moments. Prime Minister Androutsopoulos, the man through whom Ambassador Tasca sought to dissuade the junta from striking at Makarios, was by now shaking and incoherent. By the afternoon of July 21 he was nowhere to be seen. Sisco, who had returned to Ankara despite warnings from the Turks that they could not guarantee the safety of his air space, had returned again to Athens and was trying desperately to find a Greek governmental presence with whom to arrange a cease-fire. Ecevit had agreed to a cessation of hostilities in a phone conversation with Kissinger and the Secretary relayed the news to Sisco at 2:00 AM. It was at that hour that Sisco tried to make contact with the evaporating government of Greece. "This is the goddamndest government I have ever had to deal with," he was heard exclaiming as he raged about the American Embassy. The prime minister could not be found. Bonanos, the head of the armed services, could not be found. Ioannides, as always, was nowhere to be found. Finally, at 2:40 AM, Sisco and Tasca reached Admiral Arapakis, who was asleep in his office. Would the Greeks accept a cease-fire, Sisco asked Arapakis. "Yes," the Admiral answered. The U.S. Undersecretary persisted: "But can you speak for your government?" Arapakis asked for time to determine that issue.

THE FINAL ACT

The Admiral rang through immediately to Androutsopoulos and Bonanos, who had not been at home to Sisco. "The Americans are fooling us," Androutsopoulos said. "Wait until tomorrow and then we will make a decision." Bonanos also equivocated. So did the Foreign Minister Kypraios. Finally, Arapakis called Sisco back and said yes, he had the sanction of his government. "Did you get the concurrence of General Ioannides?" he was asked. "Yes," Arapakis lied. With this audacious gambit, Arapakis set the stage for the final act in Ioannides' downfall. The cease-fire was proclaimed for the following day at 2:00 PM.

The next morning—July 22—the service chiefs once again met in the plush suite at the general staff building which Greece's former military leader, George Papadopoulos, had refurbished at a cost of some $230,000. They notified President Ghizikis that things could not go on under Ioannides and the civilian politicians would have to be summoned back to power. Ghizikis agreed. The decision was communicated to Ioannides, who joined the commanders and stonily told them they were wrong. He had issued orders and was ready to go to war.

The commanders then went into open rebellion. Papanikalaou, the Air Force commander, icily recalling Ioannides' position as the mere chief of military police, said to the others: "In the name of my country and my children, I don't accept here a decision on such an important matter by a subordinate of ours. We must not accept it." It was the first time that anyone had dared to pull formal rank on Ioannides since he seized power the prior November.

Ioannides got up and slapped the table. "It seems that General Papanikalaou doesn't know me," he said menacingly. The Air Force Chief of Staff retorted: "It is clear that you don't know me. If you think you can act, then remember, General, that I also have the means to act."

Ghizikis interrupted: "Gentlemen, the country is in danger. We must not quarrel. Order was re-established and Ioannides, realizing that power had finally slipped from his control, acceded to demands from his former colleagues that he not oppose their decision to call back the civilians. "We have been betrayed," he later charged to a few remaining loyal subordinates. "We have been betrayed in Cyprus and now here," Ioannides made a calculated decision to lie in wait for an opportunity to reassume power in the shambles of governmental transition. By 1:00 p.m., invitations were going to the homes of the civilian leaders for a meeting in Ghizikis' office the following day.

On July 23 there was a gathering in Athens such as the capital had not seen since the political curtain of the military dictatorship descended seven years earlier, on April 21, 1967. Gathered around the table with the generals who had been the usurpers of their power were three former civilian premiers of Greece: Panayotis Kanellopoulos, 72-year-old leader of the National Radical Union Party; George Athanasiades-Novas; Sypros Markezinis; Center Union Party leader George Mavros; former Foreign Minister Evangelos Averof-Tositsas; former Defense Minister Petros Garoufalias; and Xenophon Zolotas, former governor of the Bank of Greece.

The military leaders wanted a government immediately. The civilians took the position that any government that was formed needed a wide base of popular support. After two hours of discussion there emerged a consensus that there were only two figures of sufficient national stature to lead a new Greek government out of the immediate chaos—Kanellopoulos and exiled former president Constantine Karamanlis.

Averof, an agile political operator and a man with strong Western allegiances, strongly endorsed Karamanlis. Kanellopoulos and Mavros agreed to discuss privately their prospects for establishing a broad coalition government under the former's leadership. The meeting was recessed for three hours and all the civilans left—all but Averof.

"Only Karamanlis can handle this," Averof told Ghizikis. Then, taking out his address book, Averof said, "He could be here in three hours. Let me call him." Ghizikis agreed. Averof called Karamanlis' residence in Paris and there was no answer. The officers were growing impatient. He then called a cousin in Paris, who reacted first with incredulity and then agreed to take a taxi to find Karamanlis and give him the telephone number of General Ghizikis.

"I need 24 hours," Karamanlis initially responded when Averof asked him to come immediately to Athens. "I can't come like this." And then the generals, one by one, spoke to Karamanlis. He agreed to fly from Paris immediately. He had, after all, been waiting years for this moment.

State Department official: "Let's say that Greece is Denmark and Turkey is Germany."

A cease-fire was in effect in Cyprus, and Greece was back to on the road to constitutional government. Cheering crowds and honking automobile horns gave utterance to the euphoria which swept Athens at the return of democracy to the place where, at least in popular mythology, it was born.

At 11:00 p.m. on the night of Tuesday, July 23, Ambassador Tasca received a call from Mavros asking him to come to the office of outgoing President Ghizikis and "share our joy." The ambassador accepted and joined the outgoing president, the military commanders, and the civilian politicians who had gathered to await the return of Karamanlis. At one point Admiral Arapakis leaned toward one of the Americans and whispered: "We trust you Americans. You have truly helped us." Bonanos exclaimed exuberantly to Tasca: "Well, how do you like what we've done?" Kissinger at one point was on the phone and talked to several of the Greek politicians. "The Secretary told us, 'that's swell,'" an American onlooker recalled. "The Greeks, meanwhile, were showing us fantastic cordiality. They wanted us with them at this very important moment." In Cyprus, Sampson abdicated, disappearing as rapidly as he had arisen on command from Athens.

Until then the U.S. policy of equivocation on the issue of Makarios, soft public postures, and private mediation was in phase with the disintegrating condition of the regime in Athens. At the moment the cease-fire went into effect at 4:00 p.m. on July 22, it seemed that a promising state of equilibrium had been achieved in Cyprus. The Turks achieved a territorial foothold, their long-sought "access to the sea" in Cyprus which would enable them to intervene in behalf of the Turkish Cypriots in moments of threat. The new civilian government of Karamanlis could be expected to pursue a line of moderation on the island which might finally produce an intercommunal settlement between the two negotiators. Glafkos Clerides for the Greek Cypriot majority and Rauf Denktash for the Turks.

In Washington, there was a sense of relief at having muddled through another East Mediterranean crisis with Kissinger's telephonic persuasion ("rolling negotiation, a drafting exercise over transatlantic telephone," one American official called it) and a little bit of luck. But once again the seventh-floor mandarins in Foggy Bottom had failed to take into account a major ingredient which would turn the joy into ashes for the Greeks, touched off an unprecedented wave of anti-Americanism in Athens, and threaten to undermine the new constitutional government long proclaimed as a major goal of American diplomacy. Neither Kissinger nor any of his chief aides had any sense of Turkish determination to press the advantage.

The Turks were unwilling to settle even for an improved version of the status quo ante in Cyprus. Premier Bulent Ecevit declared on July 22 that "Turkish presence on the island is now irrevocably established." The 10-mile corridor from Kyrenia to the Turkish sector of Nicosia, he said, "will be a permanent base of strength for the Turkish people on the island." (Ecevit, a translator of T. S. Eliot, a devotee of the Hindu classic, the *Bhagavad-Gita*, and a seminarist at Harvard under Kissinger's tutelage, was flushed with the consummation of what had twice been denied Turkey by President Johnson—a military invasion of Cyprus). Even as the case-fire was agreed upon and later ratified at Geneva, the Turkish forces nibbled steadily forward in a low-level prolongation of the war. By August 8, the guarantor powers of the 1960 Cyprus agreement met for a third time at Geneva to grope for a final settlement.

By the time the Turks got to Geneva they were confident of two things: they were the masters of the ground in Cyprus and there was no likelihood of an interventionist power play by the United States such as occurred in 1964 and 1967. During the exploratory cease-fire violations, there were no strong remonstrations from Washington. In fact, the State Department was saying publicly the day before the collapse of Geneva II that "we recognize the position of the Turkish community on Cyprus requires considerable improvement and protection." In Ankara that could well have been interpreted as a green light.

From the outset of the Geneva meeting the Turks appeared determined to impose a per-

manent solution of the Cyprus question within the framework of the "new realities" on the island. British Foreign Minister Callaghan charged openly that the Turks came to Geneva not to negotiate but to issue an ultimatum to the Greeks. The British appraisal was echoed in off-the-record conversations with American specialists. "The Turks were, in effect, letting the clock run," said one U.S. official who took part in the crisis mediation efforts. "They didn't get the territory they wanted by the end of the first cease-fire and they decided not to stop moving forward until they got it."

From a Turkish standpoint the existence of a Greek-dominated Cyprus, in which the ethnic Turks comprised a quarter of the population, was a national obsession not unlike U.S. apprehensions over Cuba. But the Turks also viewed Cyprus as a geopolitical trump card which it could use to strengthen its negotiating hand on a wide range of Aegean differences with Athens, some of them of more direct concern to Ankara than to the Turkish Cypriots. These included oil exploration and mineral rights in the Aegean, territorial limits, shipping access, air rights, fishing limits, and so on. Even if Ecevit were disposed to be more conciliatory at Geneva, a power military elite in Ankara which was in no mood to compromise was looking over his shoulder. And so despite the harsh words directed at Turkey at Geneva and notwithstanding prior U.N. resolutions, Ecevit was determined that his country would not be denied the fruits of its "golden opportunity" to redress the territorial reverses over the past half-century. Cyprus would be the instrument of enforcement.

Kissinger was privately reported to be telling diplomats that he would not try to stop the Turks until they achieved their territorial objectives.

When on the final day of the conference, August 13, the Greeks asked for a 36-hour recess to consult with their government on the last proposal which then lay on the table, Turkish Foreign Minister Turan Gunes said no. Callaghan remonstrated with the Turkish delegation. "Did you come here to negotiate or didn't you?" he snapped at Gunes.

THE ATTILA LINE

Geneva II adjourned in shambles well after midnight and on August 14 the Turkish troops raced out of their perimeter, the initial occupation force of 20,000 growing to 40,000, and cut the island in half. The Turks finally decamped on a line extending across the entire northern tier of the island. With a public-relations maladroitness of epic proportions they decided to call the new demarcation boundary the Attila Line. Though Attila was a national hero in Turkey, his name is synonymous with barbarism to the rest of the world. Within the borders of the Attila Line were encompassed the major portion of the Cyprist economy and a Greek population of some 200,000 which turned into a refugee tide flowing southward. After two days of military expansion during which Turkish troops virtually ran all the way to the Attila Line, the Turks stopped and agreed, yet again, to a cease-fire. At that point Ankara had secured all the territory it wanted.

The failure of Geneva II and the ensuing second Turkish invasion precipitated the first international crisis of the new Ford Administration. There were high-level meetings at the White House and State Department and publicly the United States "deplored" (a word which in diplomatic parlance conveys a higher level of concern than "regretted") the action. The Cyprus crisis had now presented the spectacle of two lesser powers—first the Greek junta and now the Turks—flouting entreaties from Washington against military ventures which seriously endangered the NATO alliance and raised a serious prospect of full-scale war in the East Mediterranean.

It was the unvoiced conviction of the British at Geneva and the publicly expressed accusation of the Greeks as well as an unattributable view in official U.S. policy-making circles that the United States had not fully used its influence to keep the Turkish military onslaught within tolerable limits. "The Greeks were saying that for seven years the United States had supported the junta and now for seven days we could not support Karamanlis," one American official in Athens recalled bitterly. "There was a real possibility of the overthrow of Karamanlis at that point."

Although State Department spokesmen vehemently denied it afterward, the United States did actively tilt its policies toward Turkey by not applying stronger pressures to Ankara and, specifically, by not using the weapon of a military aid cutoff to full advantage. Kissinger had made a cold-blooded strategic decision that Turkey was more important to U.S. national security interests and to the NATO community than the new and unpredictable Greek government and its volatile electorate. Greece under the colonels had behaved at least with dependability.

In his book, *A World Restored*, Kissinger chronicled a comparable moment in the history of nineteenth-century Europe. It was during Greece's war of independence in 1821. The two conservators of nineteenth-century balance of power, Prince Metternich of Austria-Hungary and Lord Castlereagh of Britain, counseled the Czar against intervening in the struggle, notwithstanding the bloody Turkish reprisals against the Greek independence forces—notably the hanging of the Greek patriarch and his bishops outside the door of their cathedral in Constantinople. Both Metternich and Castlereagh agreed with regret that while the Turkish excesses were deplorable, humanitarian considerations should be submerged in the interest of maintaining the continental order of which they were the principal architects. Russian involvement in the Greek affairs would only be destabilizing, the two statesmen argued.

Turkey's strategic importance today is governed by its position along the Soviet frontier, by its 40-million population (five times that of Greece), by the ring of military bases which serve U.S. and NATO missions, and by the sprinkling of some 20 U.S. intelligence monitoring stations along its borders.

These were the considerations which influenced the "tilt" toward Ankara. As one American diplomat summed up the calculus of U.S. interest at the time: "Let's say that Greece is Denmark and Turkey is Germany. We may be fonder of the Danes, but we *need* the Germans more."

POLITICAL BACKFIRE

The final stage of the Cyprus drama, the Turkish establishment of the Attila Line, set off a gigantic political backfire in a Congress which had become deeply suspicious of the uses of military aid, as a result of Vietnam, and was seeking to assert a stronger influence in foreign policy. The brunt of the case of Kissinger's congressional critics in the Cyprus debacle was posed on legal grounds: The Turks were using American-supplied weapons in a way which was proscribed both under foreign aid legislation and under a 1960 agreement between Turkey and the United States forbidding the shipment of American weapons to Cyprus without Washington's consent. This legal position was sustained in a lengthy and comprehensive opinion provided by the General Accounting Office. It was also sustained in a special legal study ordered by Kissinger from his own State Department legal office. Although there were efforts within the Department to modify the conclusions of the Office of Legal Adviser, those who drafted the study would not be budged. Despite repeated press and congressional entreaties, the in-house opinion was never made public on grounds that it was "an internal working document."

Executive lobbyists from the State and Defense Departments as well as the White House worked the Congress vigorously in an effort to stem the support for a cutoff in military aid to Turkey. This only served, it seemed, to stiffen the backs of the critics, among whom numbered congressmen of Greek descent. In the course of the battle, the Greeks produced a national ethnic lobby which at times almost rivaled in effectiveness and tenacity the pro-Israel lobby of American Jewry. But to label the opposition in Congress under the rubric of the "Greek congressmen," as Kissinger did, was to betray a fundamental misreading of congressional temper not only on the Cyprus question but on the entire range of executive-legislative relations bearing on foreign commitments and foreign aid.

Kissinger chose to confront Congress at a time when his own personal stock had been battered by suspicions on Capitol Hill of his involvement in the national security wiretappings and by the revelations of his role in U.S. covert political warfare against the Allende government. More importantly, he chose to fight on an issue which illustrated the dangerous absurdities inherent in the military assistance programs which stemmed from the very Cold War assumptions that Kissinger's détente policies were making invalid. The specter of two NATO allies plunging into tribal war with American weapons on a Mediterranean resort island was not an edifying prospect on Capitol Hill no matter how strongly the Administration argued the case of Turkish strategic importance.

The Nixon and the Ford Administrations' management of the Cyprus conflict reflected the abiding tendency on Kissinger's part to identify American national security interest with conservative, authoritarian governments dominated, more often than not, by military oligarchies.

There was another course in Cyprus, a range of opportunities for application of U.S. influence which Secretary Kissinger chose not to exercise. This conclusion is supported by a considerable amount of professional opinion within the State Department as well as among men, such as former Undersecretary of State George Ball and former Deputy Defense Secretary Cyrus Vance, who have found themselves in the unenviable role of Cyprus crisis managers.

Leaving aside the history of American support for the military dictatorship in Athens, in itself a sorry chapter of American diplomacy, the United States did have an opportunity to intervene when the U.S.-trained and supplied Greek military regime first signaled its serious intention to conduct a coup against Makarios.

By refusing to use the full range of U.S. influence in Greece, the Administration in Washington was declaring itself, in effect, a hostage to whatever policies the colonels should choose to employ in Cyprus or perhaps in the Aegean against Turkey. For all its solicitude toward the junta in Greece, dictated by concern over U.S. base agreements, the United States now finds itself in the ironic position of having to increase substantially its ante for basing rights and submit to far more stringent restrictions on their location and use.

Another point at which Washington might have intruded with productive effect would have been to join in the public condemnation being expressed by most of the West European community against the attempted assassination of Makarios and the installation of Sampson, a notorious thug and killer, in his place. Such an action, coupled with a strong public policy on military aid to Greece, could have deterred the Turks from

feeling the need or finding the justification for intervention. But no such weapon was placed in the hands of Sisco during his shuttle expedition to the East Mediterranean last July.

After the achievement by the Turks of their first cease-fire position in Cyprus in late July, the United States could have forcefully told the Turks that they had achieved a sufficient degree of territorial hegemony in Cyprus to protect the Turkish minority and make more compelling the need for a just intercommunal settlement on the island. As it was, the profile of U.S. policy in the Cyprus tragedy was one of vacillation, impotence, and indifference to legal and constitutional principle.

Finally, Kissinger's management of the Cyprus crisis reflected his style of autocratic governance of the foreign policy process, relying on a small circle of subordinates distinguished primarily by bureaucratic loyalty. Although he entered the Secretary's office with a pledge to "institutionalize" foreign policy, his tendency is to distrust and shut out the advice of the professional specialists whose judgments may run counter to his own purposes and preconceptions. The dispatch of Sisco to Athens and Ankara without a strong mandate for action was a striking example of the "deus-ex-machina" approach to diplomacy which gave magician status to Kissinger during the Vietnam negotiations and earlier phases of his Middle East mediation. The act simply could not go on indefinitely.

FOOTNOTES

[1] Union of Cyprus with the Greek motherland.

[2] The revived enosis movement founded by Grivas in 1971 as a successor to his original independence struggle organization.

[3] August 8 to August 13, 1974.

[4] The Directorate of Plans, now called the Directorate for Operations, carried out covert action programs of the CIA.

[5] The Washington Special Action Group, the Administration's top crisis management group.

SENATOR MUSKIE'S TILTON ACADEMY ADDRESS

Mr. McINTYRE. Mr. President, the distinguished senior Senator from the State of Maine came into my State recently to deliver the commencement address at Tilton Academy.

I would like to call my colleagues' attention to this speech, because Senator MUSKIE proved once again, as he did so often in his Vice-Presidential campaign of 1968, that he knows how to reach the young people of America.

The Tilton Academy address was an eloquent blend of fact-facing and inspiration.

Senator MUSKIE responded to youths' insistence upon candor by laying out the hard truth about our troubles—from the "unhappy memories" of Indochina, to our sudden awareness of the limitations of energy supply and distribution, to inflation and recession, to the end of the illusion that money and machines can solve every problem.

But he also forcefully argued against despair, saying:

It is a mistake to see the future in terms of the gloomy present.

We overestimated our interests in Indochina in the first place.

Let us not now overemphasize the consequences of our frustrations there.

The Senator said it is nonsense to portray us "The Fading America," and, ticking off the many failures of Russia since the close of World War II, pointedly asked: "Where is all the talk about the 'fading' of the Soviet Union?"

The Senator then went on to say:

I do not mean to downplay the real problems we face in the world. But, the end of American influence is not at hand. I doubt we could eliminate our enormous influence in this world even if we tried. Our challenge is to debate intelligently how best that influence should be used.

The Senator then asked his young audience to rise to this challenge, to put to use the lessons learned about "false national pride and how even good men can be corrupted by a bad war—the lessons about self-discipline, thrift, and conservation of resources we are learning from the energy crisis and the economic crisis—and the lessons about the value of truth and honor and decency and respect for venerable institutions taught by Watergate."

Finally, the Senator cites from a warm and moving letter he and Mrs. Muskie received from one of their teenage daughters to point up the final eloquent appeal he makes in these words:

You young people are an enormously exciting national resource. You are different in many ways and many of the differences are healthy ones. You have different values—and many of those values will be good for the country. And you are pushing for changes which we too often resent and resist to the point of alienating our children.

And that is the wrong way, because we have much to give you. And you have much to give us. I say to my generation, "Let us welcome those differences and perhaps they will bring us the kind of world we all want."

Mr. President, because I believe Senator MUSKIE's wise words should be read by all of us, I ask unanimous consent to have the full text of his Tilton Academy speech printed in the RECORD.

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

Our involvement in Indochina is over. It cost us dearly: over 55,000 American lives lost . . . $150 billion of our Nation's treasure.

And—in retrospect—it served no apparent national interest.

Indochina will bring unhappy memories for us years to come.

And as though that discouraging experience is not enough, others have accumulated to test our self-confidence as a nation.

The oil embargo has brought a sudden awareness of the limitations of energy supply and distribution;

The resulting inflation and deep recession have imposed sharp limitations on incomes, jobs and standards of life;

The limitations of air and water, of the oceans, of vital materials, and of the world's capacity to feed the hungry, further complicate our view of the future.

Within the span of a decade—the American belief in the virtually unlimited future—to be achieved by the irresistible drive and energy of our system—appears to have been converted to a day-to-day struggle for the very necessities.

Many have spoken of the need to learn the lessons of Vietnam, as if those lessons were obvious. But in only one sense have we learned an obvious lesson: that there are limits to what we can do in the world—and that to attempt to do things beyond our means can be very costly.

Our Indochina experience has destroyed one great American illusion of the post-World War II period: that money and machines can solve any problem. America had more money and better machines than anyone else, so we were willing to try to solve some very big problems. One such problem was Indochina—and the problem there was how we could help bridge the gap between French Colonial status and the development of viable, independent, noncommunist states in the region.

Unfortunately, the principal forces which fought the French in Indochina did not agree with our goal, so they continued to fight us. We thought we could succeed where the Frecnh had failed. We were wrong.

So this whole tragic episode in our history has made us wiser, and it will make us more cautous in the future about becoming entangled in the internal affairs of countries and regions which are not central to our interests.

In other respects, the lessons of Vietnam are ambiguous. If you have followed press comment closely, you will have noted that people have learned very different "lessons" from Vietnam. Some people say we have learned not to support corrupt and unpopular regimes, even when they are under attack from Communist forces.

Others say we have learned not to fight a limited war in Asia—that the next time we should use maximum power. Still others say that Communism is no longer a threat to our Nation's well-being because it is not a monolithic force, and Communist nations tend to quarrel with one another as much as they do with us. Many people say simply that we should pick and choose more selectively in making international commitments—but they do not explain just what hard choices should be made.

So our country needs to debate these questions as it charts new directions in our foreign policy. We are still faced with tough choices which must be made—and the policy choices are not always obvious. But we cannot retreat into isolationism, and we cannot avoid the burden of being the world's greatest power.

An issue of the Economist last month—the leading British magazine of news and analysis—featured a cover story entitled "the Fading America"—with pictures illustrating our troubles in Asia, Europe and the Middle East. It is certainly true that we are facing many difficult problems in today's world. But the image of a "fading" America is, in my view, nonsense. As James Reston of the New York Times said in a recent column, it is a mistake to see the future in terms of the gloomy present. We overestimated our interests in Indochina in the first place. Let us not now overemphasize the consequences of our frustrations there.

Take, for example, the case of the Soviet Union. The Soviet Union failed to achieve its political goals in Europe after World War II, despite the fact that Europe lay prostrate at her feet. The Soviets forged a dramatic alliance with China, only to see it fall to ruins. It achieved inroads in Cuba, only to be humilitated by President Kennedy in the missile crisis. It supplied the Arab States with military hardware, only to see their military advisers kicked out of Egypt. But where is all the talk about "fading" of the Soviet Union?

I do not mean to downplay the real problems we face in the world. But, the end of American influence is not at hand. I doubt we could eliminate our enormous influence in this world even if we tried. Our challenge is to debate intelligently how best that influence should be used.

Secretary Kissinger stated it well the other day with these words:

"We cannot abandon values which are inseparable from America. Though we are no longer predominate, we are inescapably a leader. Though we cannot propose our solutions, few solutions are possible without us. There is no other country so endowed to help build a better future. If we sit back, there will be no hope for stability, no resistance to aggression, no effective mediation of disputes, no progress on the world economy."

The *Mayaguez* incident last week was an appropriate demonstration of our determination to protect our legitimate interests, including American lives and property.

We must be equally sensitive to the legitimate interests of other peoples and nations—and to the use of our undoubted strength and influence to strengthen the cooperative efforts we must develop if we are to reduce the burden of arms, put food within reach of the starving, insure fair and equitable access to the world's energy and raw materials, stabilize the trouble spots of the planet.

There is much work to be done; but the mood in America today is troubled. And we are not sure what we believe in any longer.

Do we still believe in our country? Do we still believe in each other? Do we still believe in our ability to deal with our problems—and to build something better for tomorrow than we know today?

My generation came out of World War II with a commitment to the future.

Understanding that it carried an obligation to become involved in the works of peace—realizing that what we fought for in war was meaningless unless we were willing to work for it in peacetime.

We have just ended our involvement in the longest, most hated war in our history and we are not sure about our commitment. The war was a mistake and it turned many people off in this country—especially the young.

That could be the greatest mistake of all.

I entered politics because I wanted to become involved. It wasn't more than two weeks after my first election that I heard myself referred to as one of those "damn politicians!"

That attitude is, unfortunately, an old American custom. It is more intense today.

Politics is not alien to anything in our national life. Politics is basic. How good everything else is depends on how sound and good our politics and politicians are.

A few weeks ago, on the op-ed page of the New York Times, I read a piece by a Nick Rowe. Nick was captured in the Mekong Delta by the Vietcong in 1963, escaped in 1968, after five years of imprisonment and, more recently, was an unsuccessful candidate for Texas State Comptroller in last November's elections.

Searching for the reason why he survived five years and found the courage and endurance to attempt a successful escape, Mr. Rowe puts it very simply: "There were three faiths that formed the core of my endurance," he says.

"The first was faith in God. I learned how to pray.

"The second faith was a faith in this country and our Government. The Communist cadre dragged out every inequality, injustice, every example of discrimination and racism, all conceivable ills within the structure of our Government. . . . "In 1967 (that's four years after Mr. Rowe was captured), they ceased drawing from their own poor propaganda sources and we began receiving material from our own magazines and newspapers, which were quoted verbatim to substantiate points they were driving home to us. It was no longer a matter of manufacturing propaganda: They had only to scan our publications, find a prominent American who had said what he wanted to us and hit us with it.

"I questioned as never before: Was this country and Government worth what I was going through?

"The answer was clear. This country and our system of Government is the finest in the world today. With all the problems and injustices which could be pointed out, we have the one element that makes us strong. The citizens of this Nation have inherent rights and freedoms which allow them full participation in the system politic.

"The final faith upon which I relied," Mr. Rowe concludes, "was faith in my fellow prisoners, my brothers in suffering . . .

"I came home having learned lessons that could have been taught in no other way. Our system is not guaranteed forever. It must be fought for and participated in or it will fail."

I would suggest those are pretty fine sentiments from a man who just took a licking running for comptroller of Texas, U.S.A.

Your generation comes to the tasks of the future with eyes wide open—you have the lessons about false national pride and how even good men can be corrupted by a bad war . . . the lessons about self-discipline, thrift and conservation of resources we are learning from the energy crisis and the economic crisis . . . and the lessons about the value of truth and honor and decency and respect for venerable institutions taught by the abuses of Watergate.

The other day Mrs. Muskie and I received a warm, wonderful letter from one of our teenage daughters. Let me share some of it with you:

"This year and next are the years I should be, in dad's words: 'Exploring my beliefs, dissecting the reasoning behind them, challenging them in my mind—not in order to weaken them, but in order to make sure that they are strong enough to support me and that I am strong enough to keep them.'

"I've always listened to everything both of you have had to say. You may not have thought so at the time, dad, but all those lectures at the supper table did sink into my head. Even at the time I appreciated them. Most parents don't take the time to talk to their kids. They just say, 'No.'

"I've gone through so much this year it seems unbelievable. I know one thing though. I'd never want to change anything I've done—even the bad. Bad things are always bound to happen.

"I wouldn't want my life to be perfect. If my life was perfect I wouldn't have any growing to do and growing is a part of life.

"My life can become very meaningful if I try. The initiative has to come from me, though. I realize that now and believe me I'm going to try to have a lifetime full of excitement and wonder. I've always wanted to pattern my life after both of yours, but I know that I'm different from either of you and my life is apt to be a whole lot different."

You young people are an enormously exciting national resource.

You are different in many ways and many of the differences are healthy ones.

You have different values—and many of those values will be good for the country.

And you are pushing for changes which we too often resent and resist to the point of alienating our children.

And that is the wrong way—because we have much to give you. And you have much to give us.

I say to my generation:

"Let us welcome those differences and perhaps they will bring us the kind of world we all want."

BUSING, INTEGRATION, AND QUALITY EDUCATION

Mr. BIDEN. Mr. President, many of us in this body and throughout the Nation have become disillusioned with use of schoolbusing to achieve either racial harmony or quality education.

In a perceptive column in today's Washington Post, William Raspberry comments on the entire issue of busing and quality education. He points out that we must first define exactly the problem which we are trying to solve. As he states: "Is it (the problem) unequal distribution of resources that we are trying to correct? Then, why don't we go after them instead of going after integration?"

I agree with Mr. Raspberry that, through busing, we are attacking the wrong problem—and are doing nothing about quality education. And, as for busing as a solution, Mr. Raspberry states: "Busing hasn't solved anything because busing can't solve anything but transportation problems. And transportation was never the issue."

Mr. President, I commend Mr. Raspberry's article to the attention of my colleagues and ask unanimous consent that it be printed in the RECORD.

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

[From the Washington Post, June 11, 1975]

BUSING, INTEGRATION AND QUALITY EDUCATION

(By William Raspberry)

With the recent capitulation of Prof. James R. Coleman (he of the celebrated Coleman Report), hardly anyone is left to defend big-scale busing for the purpose of school integration.

It was Coleman, now a sociologist at the University of Chicago, whose 1966 study, undertaken for the U.S. Office of Education, provided the rationale for the massive busing programs of the past 10 years.

The heart of the Coleman Report was its finding that black children in integrated classrooms perform better than their counterparts in all-black classrooms.

And since he also found that the performance of white children was not diminished by racial integration, it was hard to resist the conclusion that America ought to move as quickly as it could to see to it that every black child had the benefit of integrated education. And what quicker way could there be than the instant integration of massive busing?

Well, Dr. Coleman has taken another look, and his new conclusion—expressed in an April speech before the American Educational Research Association and in a recent interview with the National Observer—is that busing is killing integration, not promoting it; that America's largest cities are becoming more rigidly segregated as a direct result of busing.

According to Coleman, it is implementation, not theory, that has gone awry.

"The theory is that children who themselves may be undisciplined, coming into classrooms that are highly disciplined, would take on the characteristics of their classmates and be governed by the norms of the classrooms, so that the middle-class values would come to govern the integrated classrooms.

"In that situation, both white and black children would learn.

"What sometimes happens, however, is

that characteristics of the lower-class black classroom—namely a high degree of disorder—come to take over and constitute the values and characteristics of the integrated school. It's very much a function of the proportion of lower-class pupils in the classroom."

I do wish Coleman had taken the bother to explain that black and lower-class are no more synonymous than are white and middle-class. But, then, he might also have pointed out that in the large cities, where busing constitutes the largest problem, the lower-class populations are getting bigger and—as the cities themselves become less white—also blacker.

And because blacks are concentrated in the larger urban areas, court-ordered desegregation has tended to speed the process that sends whites fleeing to the suburbs while the central cities become blacker, Coleman said.

Nor does he believe that metropolitan-wide busing is the answer.

"I believe it's not entirely lower-class blacks that middle-class whites are fleeing," he said. "They are fleeing a school system that they see as too large, as unmanageable, as unresponsive, to find a smaller, more responsive system. If the system is made even larger, covering the whole metropolitan area, many parents will find ways to escape it, either by moving even further out or by use of private schools."

It is principally in the very large cities that busing is having its resegregating effect, Coleman noted. "In cities smaller than the size of, say, Indianapolis, desegregation does not seem to have the same consequences."

For the big cities, with the big problem, Coleman is convinced white flight will continue, at least, among those with the financial means to flee, unless solutions are devised that can attract the active cooperation of middle-class families.

But what, exactly, is it that we're seeking a solution to? If we had asked ourselves that question, and insisted on an honest answer, maybe we wouldn't be dealing with massive busing now.

Are we seeking a solution to racial segregation generally? Then, why pick on the schools instead of the neighborhoods, where the real segregation is maintained?

Is the problem inadequate education for poor children? But who could have believed—Coleman notwithstanding—that problem could be solved by transporting whole classrooms from one neighborhood to another?

Is it unequal distribution of resources that we are trying to correct? Then, why don't we go after them instead of going after integration?

Busing hasn't solved anything because busing can't solve anything except transportation problems. And transportation never was the issue.

Coleman believes the courts were badly mistaken to rely on his report as the rationale for wide-scale busing—or for anything else. For what was at issue before the courts was a question of constitutional rights; Coleman's report formed, at most, a basis for changing educational policy.

Coleman himself sees the folly of trying to combine the two areas.

"Consider what would have happened if the report had said that *segregated* classrooms improved pupil performance," he told the Observer. "Would the courts have been justified in ordering busing to create racial *imbalance?*

"Of course not. Courts are taking a very precarious path when they make research results about the achievement consequences of school integration a basis for reorganizing a school system. That's not their function, in my view."

Nor in mine.

TORTURE AND THE GENOCIDE TREATY

Mr. PROXMIRE, Mr. President, genocide has often been thought to be a thing of the past, ending with the Nazi slaughter of 6 million Jews. The American public has been misled into believing that "genocide" is an obsolete term. One look at many of the new African nations shows that the opposite is true. While most of the new nations of Africa have constitutional provisions that are designed to protect individuals and groups, the older way of life and the reaction to the impact of white colonialism tend to make torture a common tool for governments and for continuing tribal warfare. In the past few years, large-scale ethnic conflicts have erupted in Nigeria, Uganda, Sudan and Burundi.

These African nations have bitter memories of European colonial rule. The new governments have made drastic attempts to return to their own earlier cultures and reject the European style of life adopted by many of the natives. As a result, the governments have imposed extreme hardship and often torture on those who oppose their reinstated life style.

For example, Burundi has a population of 3.2 million of which the Hutu community constitutes 84 percent, but the government is in the hands of the Tutsi minority. In 1972 the Hutu unsuccessfully tried to displace the government. Massacres of Hutus followed, with the estimated toll between 90,000 and 250,000.

In another situation, the Republic of Chad has undergone a "cultural revolution," to transform the 4 million inhabitants from the influence of French colonialism. It has been reported that more than 130 native Protestant pastors and lay church leaders have been assassinated since November 1973.

The United States has traditionally taken a world leadership role in portraying an image of freedom and human rights. It is up to us to encourage these African nations as well as the other nations of the world to act in the spirit of human dignity and freedom. One roadblock is standing in the way of American integrity in the field of human rights. That roadblock is America's refusal to ratify the Genocide Treaty.

One of the major goals of the U.N. was stated in the Preamble of the Charter, declaring, "to reaffirm faith in fundamental human rights, in the dignity and worth of the human person, in the equal rights of man and woman and of nations large and small."

The United States, as a world leader in human rights, must take the initiative in encouraging other nations to follow these ideals. However, until we ratify the Genocide Treaty, we have no right to impose these high standards. Therefore, in the interest of international human rights, I once again call upon my colleagues to ratify the Genocide Treaty.

CONFLICT OF INTEREST A MAJOR PROBLEM IN DOD

Mr. PROXMIRE. Mr. President, last week I argued in this Chamber that the Department of Defense should be regulated more closely to prevent conflict of interest situations between its employees and the military industry.

At that time, I offered an amendment to provide such regulation that the chairman of the Armed Services Committee suggested be withdrawn so that comprehensive hearings could be held on this complex issue. I agree that a full airing of defense conflicts is needed, and I look forward to working with the gentleman from Mississippi in preparing for those hearings.

The conflict problem was recently discussed in a three-part series of articles by Charles Rabb in Newsday. In partial preparation for upcoming hearings and for the general instruction of my colleagues, I ask unanimous consent that that series be printed in the RECORD.

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

CONGRESS CONCERN FOR EX-OFFICERS' JOBS

(By Charles Rabb)

The situation in the House of Representatives defense appropriations committee hearing room was getting sticky.

Air Force witnesses were being pressed on an Air Force decision to substitute less demanding testing for the new F-100 jet engine. The eased test standards had helped the F-100 engine get through a 150-hour endurance run and cleared the way for the Air Force to buy the engines quickly, perhaps prematurely.

Among the witnesses was a three-star Air Force general, Otto J. Glasser, deputy chief of staff for research and development. Glasser admitted that, as a result of the eased test standards, the government would eventually have to pay "a few tens of millions of dollars" to upgrade the engine. But he minimized the decision to ease the standards as "a deviation" and assured the panel that the engine "performs well" and that "technically I have no concern whatever with this engine."

That was on May 9, 1973. Six months later, according to a company official, Glasser had retired and was named president of the international division of General Dynamics—which would use that same F-100 engine for its most promising program, the F-16 lightweight fighter.

Such rapid migrations from the Pentagon to the hierarchy of private industry are of concern to Sen. William Proxmire (D-Wis.), who has called them "the old buddy system operating with a vengeance."

"The high-ranking military officer," Proxmire adds, "knows that by treating the defense contractors right, by giving them what they want and by not objecting to bad management or cost overruns, they will be rewarded with plush jobs."

A Newsday study of 1974 federal reports that former ranking military and civilian personnel are required to fill out when they go to work for major defense contractors has found that:

Many former Defense Department employees—both military and civilian—were potentially involved in conflicts of interest because they had substantial authority, prior to retirement, over programs important to their future employers.

(The Council on Economic Priorities, a nonprofit public interest research firm that did an extensive analysis of five years of reports from 1969 to 1973, said "if the possibility exists that persons making decisions which affect the flow of millions of dollars of public funds may at the time be affecting their personal future economic interests, that is a conflict of interest." The council, in its study, found that 379 of 1,406 former Pentagon officials—27 per cent—met one or more of its criteria for conflicts of interest. Newsday's examination of 499 reports for fiscal 1974 turned up 40 instances of what would be considered conflicts of interest.)

All of the two dozen Defense and industry officials contacted denied that their positions constituted conflicts of interest, but almost all acknowledge that they could see how such a situation could develop.

A smaller, but potentially more influential group of Defense officials has reversed the pattern and gone from defense industries to the Pentagon. They are generally upper-echelon employees, and there have been charges that such individuals favored their former employers. A total of 19 Defense Department officials were reported in this category in fiscal 1974.

The conflict-of-interest laws have gaps and, in the opinion of some members of Congress, new legislation is needed. Perhaps even more important is the need for stricter enforcement of existing statutes.

Legislative initiatives already are under way. Proxmire plans to seek Senate action this week on a proposal to prohibit former Defense Department officials from taking jobs that they have obtained in private industry through their involvement as government officials. He also would require military officers or Pentagon civilians to wait two years before going to work for a firm after being "substantially involved" in awarding that company a contract.

Rep. Benjamin S. Rosenthal (D-Queens) has proposed legislation that would deal with the gap in conflict-of-interest laws relating to individuals who go from private industry to government. His bill, an aide explained, would prohibit a newly hired government official from handling matters for two years pertaining to the general work of the industry where he had been employed; it also would prohibit the employee from handling for 10 years matters pertaining to his specific field of expertise.

Thus, under the Rosenthal proposal, if an official working in the F-14 fighter program went from Grumman Aerospace Corp. to the Pentagon that person could not become involved in anything dealing with airplane manufacture for two years and with anything dealing with the F-14 for 10 years. The penalty would be forfeiture of pay and loss of job.

But there are already laws on the books that have been largely ineffective in spelling out or preventing conflicts of interest. One law applying only to retired military personnel prohibits anyone from selling to a service in which that person holds retired status. It carries a maximum penalty of $10,000 and two years.

Many companies which do a heavy business with the military services avoid having their former high-ranking military personnel run afoul of the selling ban by segregating them in the foreign sales division. Thus, Gen. Glasser is president of General Dynamics International Corp. Retired Vice Adm. Robert L. Townsend is chairman of the board of Grumman International and carefully noted in his Defense Department reporting form that his involvement in foreign operations "shall not require me to engage in those activities prohibited" by the Defense Department.

A Justice Department official familiar with conflict-of-interest laws said that, if Glasser had been negotiating for employment at General Dynamics at the time of his testimony, he might have violated an existing law prohibiting an official from acting in his governmental capacity in any matter in which he has a financial interest. The law provides a maximum penalty of a $10,000 fine and two years in prison.

Frank S. Johnson Jr., General Dynamics vice president for public affairs and advertising, said he had reviewed Glasser's testimony and that this statute "has no application" in this instance. Asked if Glasser was negotiating with General Dynamics at the time of his testimony, Johnson said: "I'm not going to get into that." he then paused and said, "The answer is no."

Contacted at his home in St. Louis, Glasser refused to discuss the substance of his congressional testimony unless he received clearance from General Dynamics. Johnson refused to give clearance, calling any possible conflict-of-interest involvement "random or remote."

Asked if he thought his supportive testimony for the F-100 engine so close to his acceptance of a position with General Dynamics constituted a conflict of interest, Glasser said: "If I did, I wouldn't be here."

In the eyes of the Air Force, Glasser was a team player. He had helped the Air Force through a potentially troublesome hearing.

It thus assumed that the Air Force would not be delayed in getting its new high-thrust engine, which was to be used in two important new fighter programs: the F-15, produced by McDonnell Douglas of St. Louis, and the F-16 lightweight fighter, to be produced by General Dynamics.

Testimony at a hearing subsequent to Glasser's retirement brought out that his assurances were on the rosy side. The F-100 engine has continued to have its share of problems. Although knowledgeable sources say such problems are common for a new engine, F-15s were grounded for the first eight days of May because of defects in the second-stage turbine blades of the engine.

JOB HUNT EASY FOR PENTAGON AIDE

One of the most appalling aspects of the conflict-of-interest situation is the complete disdain by the Defense Department toward investigating or prosecuting even the most blatant and recognizable cases."—Sen. *William Proxmire* (D-Wis.)

"So far, Mr. President, I have yet to hear of any specific case of wrongdoing involving former military officers working for companies that do business with the Pentagon."—Sen. Barry Goldwater (R-Ariz.)

(By Charles Rabb)

Because of the billion-dollar stakes frequently involved in defense contracts, few subjects are capable of generating stronger emotions in Congress. That is especially true after an intense competition for a major contract, when the losing side will frequently voice suspicions over the influence of retired military officers working for contractors or of soon-to-be retired officers looking forward to post-retirement employment.

There is no legal prohibition against a military officer's working in a major weapons program, then showing up as an employee of the defense contractor producing that system—even on the day after retirement.

There is, however, a federal conflict-of-interest statute that prohibits a government employee from participating in any matter that might affect a financial interest of that person, his family, partners or organization with which he served as an officer or in which he has or is negotiating an arrangement for employment. The most commonly used federal conflict-of-interest statute, according to a Justice Department lawyer involved in this field, it carries a maximum $10,000 fine and two-year prison term.

A Newsday survey of Defense Department reports was made, with special attention given to persons in supervisory positions with procurement powers or with auditing responsibility. The reports were filled out by ranking military and civilian personnel leaving to join a firm with at least $10 million in annual contracts. The survey turned up these situations.

Col. Harry A. Buzzett of Andover, Mass., was the Army's project manager of Raytheon's Hawk surface-to-air missile program before his retirement on June 30, 1973. The next month, his form revealed, he became manager of Raytheon's Hawk program in Saudi Arabia. In his Army assignment, he said on the reporting form, he "managed all facets of Hawk and improved Hawk Sam program." He could not be reached for comment.

Jack M. Truskett of Mesquite, Tex., was manager of the Dallas branch of the Defense Contract Audit Agency before he retired on June 30, 1973. On August 1, 1973, he reported, he went to work for LTV Aerospace Corp. of Dallas as Vice president for finance. Truskett said that he "never audited" LTV, but cut short the interview without answering the question of whether he ever supervised LTV audits. He said he did not want to pursue the subject over the telephone because of the possibility of being quoted out of context.

Lt. Cmdr. Albert C. Storey of Pascagoula, Miss., reported that he was an auxiliary inspector for the Navy's Submarine Board of Inspections and Survey before his retirement on Sept. 1, 1973. In that capacity, he acknowledged, he conducted final contract trials that led to the Navy's acceptance of Litton Industries ships. Litton became his employer on Sept. 10, 1973.

Storey maintained that there was no conflict of interest in his situation. "No, that was not the case," he said. "We were really tough on that outfit [Litton]. I knew that my boss would not have it any other way."

Leonard A. Alne was director of sales negotiations for the Defense Security Assistance Agency until he left the Defense Department last June 28. In that capacity, he reported, he was "responsible for administration of all foreign military sales of DOD [Department of Defense]."

On Sept. 27 of last year, he became a consultant to Northrop Corp. On Oct. 4, he added Westinghouse International Defense & Public Systems Corp. as a client. And on Oct. 24, he added Raytheon. All three have been active in the booming Mideast arms sales market.

The stepped-up defense industry practice of hiring former Pentagon officials who have specialized in marketing to foreign countries, has been discussed by the Council on Economic Priorities. The council has said there was a danger that such a government employee might have made decisions calculated to favor a contractor and then, after joining that private firm, he might have been able to influence approval of a sale through his knowledge of Pentagon officials.

The Council, a nonprofit public interest research firm, added that the appearance of a former Defense Department official working on behalf of a contractor "must blur, in the minds of foreign defense ministers, the distinction between the American defense establishment and the defense contractor, giving the contractor an appearance of official approval that may not exist." Alne could not be reached for comment.

The reports showed that 499 military and civilian persons reported on their defense industry employment in fiscal 1974 (July 1,

1973, to June 30, 1974). Sen. William Proxmire (D-Wis.) contended that since the reporting requirement applies only for the first three years after leaving the military, it understates the number of former military officers in defense industries.

In 1969, Proxmire inserted in the Congressional Record information indicating that the top 100 defense contractors employed 2,072 retired officers with the rank of colonel or higher. In a recent interview, Proxmire guessed the accumulated total during the past five years is about 5,000.

The basic criticism from Proxmire and others critical of the system is that this heavy traffic and the expectation of post-retirement employment leads to easy tolerance of cost increases, schedule slippages and, consequently, an inflated defense budget. Defenders of the system say that not taking advantage of trained military personnel available through early retirement is wasting a national asset and that these people should be allowed to do what they know best.

Sen. Barry Goldwater (R-Ariz.), for one, feels the criticism of retired military officers working in industry is exaggerated, and that more serious consequences have developed from decisions of civilian officials in the Pentagon.

Among those filing reports in fiscal 1974, Northrop was the largest employer with 61; Computer Science Corp. was second with 27; Sanders Associates, Inc., third with 24; Litton Industries, fourth with 23, and Boeing, fifth with 22.

Long Island firms or companies with subsidiaries here ranked near the bottom. Sperry Rand Corp., which has its Sperry Division in Great Neck, listed five, Grumman Corp. four; PRD Electronics Inc. of Syosset three; Fairchild Camera & Instrument Corp., which has branches in Syosset, Copiague and Commack, two, and AIL of Deer Park, a division of Cutler Hammer, one.

Probably the most prominent is Robert L. Townsend, board chairman of Grumman International Inc. The former vice admiral said, through a Grumman public relations officer, that although he once headed the Naval Air Systems Command, he was commander of Naval air forces for the Atlantic Fleet during his last three years in the Navy. That, Townsend said, was an operational post with no Washington involvement and no jurisdiction over matters important to Grumman Aerospace Corp.

As chairman of the board of Grumman International, Townsend deals in foreign sales and thus does not run afoul of the prohibition against selling to a service in which one holds retired status.

Reports covering others who ended up with Long Island contractors show that Lt. Cmdr. Roger A. Smith Jr. went from test and evaluation of Grumman's A-6 attack bomber for the Navy to management of the A-6 TRAM system, which is designed to make it easier for the all-weather aircraft to pick out targets. Smith left the Navy June 30, 1973, and joined Grumman a month later and said he sees "nothing wrong" in working for a company he knows, since he has "to work somewhere."

Lt. Cmdr. Richard W. Schuette was a flight officer in an E-2C radar-warning aircraft training squadron until his retirement from the Navy last June 1. On July 29, he joined Grumman, doing work he describes as preparing materials for training courses. He said that he did not consider himself involved in a conflict of interest.

Bland B. Hyatt, manager of PRD's Washington office, joined the company March 26, 1974, about a month after leaving the Air Force, where he worked in the electronics division. PRD's principal product is the VAST automatic test system, which it produces for the Navy. PRD is trying to line up business from the other services.

Hyatt could not be reached for comment.

Frank R. McCoy Jr. reported that he left the Navy Feb. 1, 1972, and joined PRD a day later. McCoy said that he was a purchasing agent for the VAST system under the Naval Air Systems Command. He reported that he is now deputy director for logistics support activities for PRD.

McCoy said that after he decided to join PRD, he had his situation reviewed for a possible conflict of interest and was told by the Navy judge advocate that the position could be accepted.

Marvin Richman retired as an Air Force major last May 31 and joined Fairchild Camera in Syosset four days later. Richman said he disagreed "completely and vehemently" that there was a potential for a conflict of interest in his situation. As a matter of fact, he said, he ran an evaluation section which led to Fairchild losing a contract for a camera.

Talcott L. Ingraham was in the navigation branch of the strategic systems project office involved in research and development on the navigation systems of the Poseidon and Trident missile-firing submarines. He retired from the Navy last June 11 and joined Sperry six days later. He is now senior field engineer involved in liaison between Sperry and the USS *Compass Island*, an experimental navigation ship. He could not be reached for comment.

PENTAGON'S ELITE AIDES DRAW CONFLICT CHARGES

(By Charles Rabb)

The traffic of retired Defense Department civilians and military officers into defense industries is four times as heavy as the reverse flow, a study of government reports indicates.

Yet the relatively small number of persons shifting from the upper reaches of the corporate world to senior positions in the Pentagon has generated serious conflict of interest charges in recent years.

Probably the most explosive charge, and one that fueled a congressional investigation, involved the role of two high-level associates of Defense Secretary Robert McNamara in the bitter six-year dispute over the award of the lucrative F-111 contract to General Dynamics.

Playing an important role in the disputed 1962 choice of General Dynamics were Deputy Defense Secretary Roswell Gilpatric and Navy Secretary Fred Korth.

Gilpatric, who became deputy defense secretary on Jan. 24, 1961, had served as legal adviser to General Dynamics immediately before his appointment, and his law firm, Cravath, Swaine and Moore, continued to serve as counsel to the company. Gilpatric rejoined the firm after leaving the Defense Department on Jan. 20, 1964.

Korth's bank, Continental National of Fort Worth, had a $400,000 loan outstanding with General Dynamics. Korth continued to hold a personal investment in the bank, and informed congressional investigators during an F-111 probe that he intended to return to the bank.

The Navy version of the F-111 was killed in 1968 because the plane was too heavy and the political pressure from Congress was too hot. The Navy successor to the F-111 was the Grumman F-14.

Nowadays, the Senate Armed Services Committee is more searching in its examination and requires in virtually all cases that nominees for Defense Department secretaries and assistant secretaries cut their ties with defense contractors. David Packard, deputy defense secretary under Melvin Laird, was an exception. His holdings of more than $300 million in Hewlett-Packard Corp. were so massive that the committee accepted his explanation that if he had to dispose of them, it would seriously depreciate the value of the company. Packard was allowed to retain his equity with all appreciation in value going to charity.

Despite the recent close scrutiny, the services do draw heavily on outside companies for their important positions. For example, Air Force Secretary John McLucas, who moved up from undersecretary in 1973, had been president of the Mitre Corp. of Bedford, Mass., and McLean, Va. Mitre is one of the nonprofit Federal Contract Research Centers that are supported by federal money and fulfill such needs as writing contract specifications for weapons systems. If the government were to assign that task to a private contractor, the company would have an unfair advantage in competing for the contract.

Air Force Undersecretary James W. Plummer spent 18 years with Lockheed Missiles and Space Co. and was vice president and general manager of the space systems division at the time of his appointment in 1973. Missiles and space is a division of Lockheed Aircraft Corp., a major defense contractor.

Frank Shrontz became an assistant Air Force secretary after 15 years with the Boeing Co. Boeing is also a major defense contractor with a number of Air Force programs.

David Anderson, a planner in the Office of Defense Research, who spent a year in industry under a personnel interchange program, said that it is "practically a requirement that you have an industry background" in order to advance. Of the 30 assistant directors with the research office, probably only one or two are career people in government, he said.

Anderson spent his year with Rockwell International Corp., prime contractor for the troubled B-1 strategic bomber program. Since he rejoined the Defense Department, he said that he has "done almost nothing on the B-1 program," and, therefore, no conflict of interest exists, he feels.

In such situations, problems arise, critics charge, when people with lengthy industry experience are too tolerant about industry shortcomings or even in rare instances show favoritism to a former employer.

Rep. Otis G. Pike (D-Riverhead) threw the 1968 debate on the military procurement bill into an uproar when he disclosed that Lockheed Aircraft Corp. had won the contract on the Cheyenne helicopter at a time when a former Lockheed vice president was serving in a key Army position that handled new contract awards.

The official was Willis Hawkins, who became assistant secretary of the Army for research and development in 1963. In 1966, the year after Lockheed was awarded the development contract, he returned to the firm. Hawkins denied at the time that he influenced or participated in the contract decision. The helicopter gunship program developed weight and cost problems, and was ended in 1969.

James Roach, an assistant director in the Office of Defense Research who has worked for private corporations and a federal research center, as well as having done a hitch in the Defense Department, thinks the problem is greatly exaggerated. He gave three reasons why: "The moral fiber" of the people the Pentagon brings in from industry, the lack of power that any one individual has, except for the secretary of defense, and the fact that "you operate in a fishbowl."

Roach, who was with Fairchild Industries in 1963, came to the Pentagon from the Mitre Corp., where he supervised contracts with two other federal departments.

Allan Simon, a former Long Island resident who also has been on both sides of the fence,

is working as a private consultant now after being in the Office of Defense Research for three and a half years. He doubts that anyone in his specialty—tactical warfare programs—dealing with small-scale actions could trade on what he knows for longer than six months because "government plans change so rapidly and are so influenced by [developing] technology."

Simon reported that he left the Defense Department March 3, 1973, and on March 5, 1973, had seven clients. Among them were AIL of Deer Park, a division of Cutler Hammer, Fairchild Camera of Syosset, and PRD Electronics of Syosset. He denied strongly that there was any conflict of interest involved in his past or present employment.

He said that he was in industry for 16 years before joining the Pentagon. "During the time I was in government," he went on, "not one company I worked for got a contract." He said he is now a technical consultant, advising on design.

Both Roach and Simon worked for the government under a law permitting a waiver of Civil Service requirements for special scientific and technical personnel who are hired rapidly to fill a particular need.

Milton Lopatin, who left PRD on May 14, 1973, and went to work for the Naval Electronics Systems Command Headquarters on May 21, 1973, saw no conflict in his situation. He noted that VAST, the automatic test system which is PRD's principal product, is purchased by the Naval Air Systems Command and not his office. He said he has severed all ties with PRD and has no plans to return.

A STIMULUS FOR THE HOUSING INDUSTRY

Mr. BIDEN. Mr. President, our housing industry is currently at its lowest point since the Great Depression. Furthermore, there are indications that instead of playing its usual role as the industry which leads the Nation out of a recession, it seems clear that this time housing will be a follower. That is why I am pleased to support the Emergency Housing Act of 1975.

This legislation has three principal features. First, by providing interest subsidies and cash grants, it will stimulate construction in the housing industry and create jobs, not only in the construction industry, but in related fields as well. It has been estimated that the $400 million which is spent on this part of the program will create 800,000 jobs. In my State of Delaware alone, it is expected to generate over 11,000 jobs. This approach of targeting Federal dollars to sectors of the economy where we know it will do some good is far more effective and efficient than any program of public service jobs—and it uses the private sector entirely.

The second main feature of the bill is that it will help the average home buyer purchase a house. With skyrocketing interest rates and higher construction costs, it seemed as though the average person would no longer be able to buy a home. By providing subsidized mortgages at 6 percent or a cash payment for a home purchase, this legislation provides the incentive to purchase a home.

The third main feature of the bill is its relief for the unemployed. It provides that the Department of Housing and Urban Development can make mortgage payments on behalf of unemployed homeowners. America's bankers have been extremely patient in deciding not to foreclose on many unemployed homeowners. This legislation should take some of the pressure off the unemployed and off the financial institutions.

Mr. President, it has been hinted that Presdent Ford plans to veto this legislation. If he does so, I think it will be a slap in the face to those middle-income people who want to buy homes, to those construction workers and workers in other related industries who are looking for work, and to those unemployed people who are about to be foreclosed upon. President Ford asked Congress for over $500 million to help the Vietnamese refugees. I supported him in this effort. I think it is time we did something for people at home. I certainly hope he does not veto this bill. Its cost, $400 million to stimulate construction and create jobs and $500 million in mortgage protection, seems little enough price to pay to help get the housing industry—and this country—out of the recession.

PANAMA CANAL TREATY

Mr. FANNIN. Mr. President, the people of Arizona are vitally concerned about the rumors and facts surrounding the on-going Panama Canal negotiations. From the mail I receive daily, they are overwhelmingly opposed to any actions which would weaken U.S. control over the canal. I commend my constituents for their interest in international affairs and support their belief that the United States should retain undiluted sovereignty over the Panama Canal and Canal Zone.

Negotiations between Panama and the United States over revisions in the 1903 Hay-Bunau-Varilla Treaty governing our involvement in the Panama Canal Zone have been in progress since late 1964. The purpose has been to arrive at a draft treaty which would be presented to the Senate for its consideration. The draft treaty will propose new administrative and jurisdictional arrangements for both the United States and Panama with regard to the canal and the Canal Zone.

To date, negotiations have not progressed beyond a joint statement of principles signed in Panama in February 1974. These principles are the groundwork for the present negotiations. Four basic items within these principles are: First, a fixed termination date for any new treaty, which would eliminate the "in perpetuity" provision of the 1903 treaty; second, a relinquishment of U.S. sovereignty in the Canal Zone with the exception of the canal itself for the duration of the new treaty; third, the involvement of Panama in the operation and defense of the canal with full responsibility reverting to Panama upon termination of the treaty and; fourth, the mutual accumulation by the United States and Panama of the economic benefits from the canal.

Draft treaty negotiations are still a long way from acceptance by the U.S. Senate. The State Department had hoped to present a draft treaty to the Senate by this summer but this time frame has been revised backward to the end of the year. Some of the most ardent points of disagreement between the negotiators are over the duration of a new treaty, the sharing of the economic benefits of canal traffic, and the construction rights for expansion of the existing canal or building of a new canal.

Once a treaty is drafted, it will be presented to the Congress for ratification. At that time the Senate will be able to make its will felt with regard to revision of the existing Panama Canal Treaty. Already, I am on record opposing any relinquishment of United States sovereignty over the Panama Canal or Canal Zone. I signed Senate Resolution 97 last January and will continue to speak out against any revision of our relationship in the Panama Canal Zone.

It is my hope that the Senate Foreign Relations Committee will examine the upcoming draft treaty seriously and not just rubber stamp it. I will request that open hearings be held so the total treaty can be thoroughly examined and questioned. To date, no hearings have been scheduled by the Senate Foreign Relations Committee or the House Foreign Affairs Committee. It is my intention to promote such hearings. I feel that the American people do not favor relinquishment of our jurisdiction over the Panama Canal and want to be sure the Congress and the administration are aware of this fact.

In addition, I have made my opposition to a give-away treaty known to the State Department. The Panama Canal is a strategically important link between the Atlantic and Pacific Oceans. It provides both an economic and defense corridor to the Southern Hemisphere. Not only would the administration of the canal by an unstable government such as Panama's be detrimental to our interests but also to the defense and economic interests of Latin and South America. Guarantees of an open canal can only be made by a powerful and stable government like the United States. We have only to witness the on-again, off-again service in the Suez Canal for a prime example of chaotic administration.

I could not support the possibility of such a development in Latin America. In addition to being unstable, the current Government of Panama is a left-wing dictatorship. I seriously doubt the wisdom of leaving the defense of this vital waterway between the Americas to such a Government.

There has been much discussion and anticipation of so-called Executive or administrative agreements regarding the Panama Canal between Secretary of State Kissinger and Panamanian Foreign Minister Tack. Primarily, the allegations assert that the canal will become Panamanian territory by virtue of Executive agreement with the advice and consent of the Senate. I have been assured by the State Department that such an arrangement will not be attempted. All

agreements reached by the negotiators are tentative; they are not binding on the United States unless the Senate approves the draft treaty which contains them. Also, it is doubtful that the Senate would be willing to forfeit its constitutional right and duty to consider all treaties entered into by the United States.

The Panama Canal and Canal Zone have been American property since 1903. I can think of no overwhelming reason to change this relationship as established under the Hay-Bunau-Varilla Treaty. It is my strong conviction that the Panama Canal remains a valuable asset to our country and all the Americas and I will not support any effort to relinquish control over this territory.

NEW POSTAL EFFORTS TO CURTAIL SERVICE

Mr. CRANSTON. Mr. President, the Postal Reorganization Act gives No. 1 priority to service as the goal of our postal system. I believe the Postal Service has been a dismal failure in this regard.

In reading the Federal Register of May 27, 1975, I took note of the latest move by the Postal Service to eliminate a service which has been a tradition of urban mail delivery in this country. I refer to door-to-door service.

I am very concerned by this postal proposal to ban door delivery service to new housing developments. I further object to the postal implication that this is a mere formalization of existing policy.

Mr. President, I ask unanimous consent that my comments on the proposed rulemaking be printed in the RECORD. In order to clarify the meaning of my comments, I also ask unanimous consent that the proposal published in the Federal Register be printed in the RECORD immediately following the comments.

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

U.S. SENATE,
Washington, D.C., June 6, 1975.

Re Postal Service, 39 CFR Part 111, City Delivery, Delivery Policy; New Establishments and Extensions.

ASSISTANT GENERAL COUNSEL,
Special Projects Division,
U.S. Postal Service,
Washington, D.C.

DEAR SIR: This is in response to the proposed changes in Postal Service rules and regulations as outlined in the Federal Register of May 27, 1975.

In the Federal Register, the Postal Service states that it will include ". . . within this Part a number of rules and regulations as to entitlement to particular forms of postal city delivery which heretofore have been published only as regional instructions of the Postal Service." I question whether the facts justify this statement. The proposed rules represent a withdrawal of the service prescribed by existing Regional Instructions. In addition they represent a further curtailment of services which I believe is not in accordance with the intent of the Postal Reorganization Act.

In the Regional Instructions of September 29, 1972, the Postal Service states that "Door delivery may be provided in the principal business district and densely populated residential areas where the average lot frontage does not exceed 50 feet and the average set-back distance from the carrier's line of travel does not exceed 30 feet." While I understand the economic problems involved for the Postal Service, I believe that the tradition of mail delivery to housing communities in this country, the protection of the mail from vandalism, the aesthetics, local ordinance considerations, and the sizes of home lots in states like California made this instruction discriminatory to begin with. Both the new and old rulings conflict with the Postal Reorganization Act which cites public service as the number one postal management consideration. The proposed new rules state in Section 155.212 that "for all residential areas, except apartment houses and mobile/trailer homes, delivery options are: (1) Delivery to boxes located at the curb so they can be safely and conveniently served by the carrier from his vehicle; or". The options which follow are even more inconvenient. This ruling also precludes any possibility of flexibility in postal policy except in extreme hardship cases.

I've received a large number of complaints from California jurisdictions that the curbside delivery policy of the Postal Service conflicts with their own ordinances. The Regional Instructions had stated: "Obviously, predetermined criteria cannot be prescribed to fit every circumstance. Therefore, good judgment should be exercised in rendering decisions where unusual conditions may necessitate deviation from these criteria." The solution in the proposed rulemaking precludes any possibility of such judgment and, in fact, penalizes those localities whose own ordinances don't allow placement of mail boxes on curbs. Section 155.23 states "where local, city, county, or state ordinances prohibit the installation of mailboxes at the curb and safe servicing of these receptacles by the carrier from his vehicle", the most convenient delivery option is 155.231 "Central delivery at one or more central points within a residential community with a minimum of three boxes per location." This so-called solution compounds rather than solves the delivery problems of these customers.

Not only do I believe that individual door-to-door mail delivery should remain an option, whether or not local ordinances exist, but I believe that the option should be expanded to include lots with front footage of up to 75 feet.

In regard to Section 155.22, I agree that door-to-door mail delivery should be extended to new homes built within an existing block of homes receiving delivery service. However, the Section goes on to state that "where older homes are replaced with new housing, such as by urban renewal projects, the method of delivery provided the new housing shall be in accord with 155.212."

I believe that this practice is inconsistent with our national housing policy to encourage cities to embark on urban renewal programs. I think that the Postal Service would be well-advised to continue with the policy it had created in the Regional Instructions which states that "door delivery should be provided where the area is surrounded, or contiguous to, door delivery territory. In situations where several hundred deliveries are in a new development, not contiguous to existing door delivery service but where all other criteria are met, door delivery may be provided."

I believe, further, that a new Subsection should be added requiring the Postal Service to provide door-to-door delivery to both permanent residential areas and permanent mobile/trailer home parks which are retirement communities or where a substantial portion of the residents are retired people.

In regard to Section 155.212, dealing with mail delivery to permanent mobile/trailer homes, the proposed rulemaking states that "there must be a minimum of three mailboxes erected at one site." In meetings and correspondence with the Postal Service in 1971 I had received assurances that curbside delivery could be extended to these installations in clusters of two mailboxes. I believe that the three box proposal would be an enormous inconvenience for people who live in mobile homes. It also discriminates against people who live in mobile home parks by not extending to them even the same minimal service proposed for people who live in conventional permanent housing.

Last, I would like to commend the Postal Service on its proposal to discontinue its program to supply mail receptacles free of charge to certain builders. In a letter to the General Accounting Office of February 18, 1975, I raised questions about possible violations of the Postal Reorganization Act involved with this practice. I stated that I do no believe the Act provides ". . . that the Postal Service may give postal related products free of charge, especially not where the survival of private businesses depends on the sale of the same articles for a profit. Obviously, this practice could put some manufacturers of mail receptacles out of business." In this regard, I think that Section 155.211 where delivery options include "single points/receptacles/door slots provided by business management" it is unclear whether the delivery is to be provided by management. I would hope that the wording could be changed to make it clear that the slots are provided by management and the door delivery by the Postal Service.

Thank you very much for affording me the opportunity to comment.

Sincerely,

ALAN CRANSTON.

[From the Federal Register, May 27, 1975]

POSTAL SERVICE

[39 CFR Part 111]

CITY DELIVERY

Delivery Policy; New Establishments and Extensions

Under the provisions of 39 CFR 111.3 the Postal Service proposes to revise its "City Delivery" regulations in Part 155 (39 CFR 155) of the Postal Service Manual principally by including within this Part a number of rules and regulations as to entitlement to particular forms of postal city delivery which heretofore have been published only as regional instructions of the Postal Service. Because Regional Instructions are generally concerned only with internal operating procedures and guidelines in the postal regions, they are not usually published in Chapter I of the Postal Service Manual, which is incorporated by reference in the Federal Register (see 39 CFR 111.1), or otherwise published in the Federal Register. In this instance, however, incorporation of these regional instructions in Part 155 of the Postal Service Manual appears desirable to facilitate a better understanding of the City Delivery regulations of the Postal Service by concerned members of the public as well as by postal employees.

The proposed regulatory changes would add to § 155.41 a new sentence declaring that purchase, installation, maintenance, and replacement of delivery boxes are not the responsibility of the U.S. Postal Service. This will terminate an experiment under which boxes were supplied by the Postal Service to induce the selection of the most cost-effective form of city delivery.

The revised regulations would delete present § 155.2, authorizing the Regional Postmaster General or his designee to give final approvals for extension of door delivery. Recently, this discretionary authority has rarely been exercised, because of budgetary restraints. Accordingly, the change conforms to what has in fact become operating practice.

In place of § 155.2 the revised regulations would add a new § 155.2 containing detailed rules on entitlement to particular methods of postal delivery in business areas and residential housing (including mobile/trailer homes), which presently are found only in regional instructions. In addition, the new § 155.2 would contain a new § 155.23 to codify an administrative interpretation of regulations as to responses to municipal ordinances.

Minor changes are made in style and form (for example, the changes of "address number" to "street number" proposed for section § 155.62).

Interested persons who wish to do so may submit written data, views, or arguments concerning this proposed change in Postal Service regulations to Assistant General Counsel, Special Projects Division, U.S. Postal Service, Washington, D.C. 20260, at any time before June 30, 1975. After consideration of all comments received, the Postal Service will promulgate the final regulations through amendments to Part 155 of the Postal Service Manual. Accordingly, complying voluntarily with the advance notice requirements of the Administrative Procedure Act (5 U.S.C. 553 (b), (c)) regarding proposed rule-making, the Postal Service proposes the following amendments of the Manual:

In Part 155 of the Postal Service Manual the following changes are made:

1. Sections 155.1 and 155.2 are revised to read as follows:

155.1 Requirements for delivery service.

.11 *Establishment.* Establishment refers to initiation of delivery service in a community which currently does not receive mail delivery. Consideration for establishing delivery service will be given when the following requirements are met:

a. A population of 2,500 or more within the area to be served, or 750 possible deliveries. (Postal population may vary greatly from the general census population because of different boundary interpretations and designations.)

b. Fifty percent of the building lots in the area to be served are improved with houses or business places. Where a house or building and its yard or grounds cover more than one lot, all lots involved are considered completely built up.

c. Streets are paved or otherwise improved to permit travel of post office vehicles at all times without damage or delay.

d. Street signs are in place and house numbers displayed, where applicable.

e. Rights-of-way, turnouts, and areas adjacent to roads and streets are improved so that installation and servicing of boxes will not be hazardous to the public or postal employees.

f. Satisfactory walks exist for carriers where required.

g. Approved mail receptacles or door slots are installed at designated locations. The requirements are essential to an efficient mail delivery service, and must be met before delivery is inaugurated in a community. In establishing delivery service, a combination of delivery methods should be considered to provide adequate service to all residential and business sections of a community. All establishments of delivery service must have final approval of the Regional Postmaster General or his designee.

.12 *Extension.* Extension refers to new delivery in areas not included in the boundaries of present delivery service. Delivery service extension requirements are the same as those listed in 155.11 with the exception of paragraph a.

155.2 Delivery policy; new establishments and extensions.

.21 In new establishments and extensions, delivery service should be afforded in areas that meet the criteria in Sections 155.11 and 155.12, Postal Service Manual, and normally will be by motorized carrier to curbline boxes or to central delivery points/receptacles, supplemented as follows:

.211 *Business areas.* The type and design of buildings will dictate the method of delivery service to be implemented. Delivery options are:

a. Vertical Improved Mail (VIM) Program, which may include:

(1) Call Windows,

(2) Lockboxes,

(3) Mechanical Conveyors.

(Note: This is available only for high-rise, multiple-tenant buildings, and only if certain conditions are met. For details, consult your postmaster.)

b. Single points/receptacles/door slots provided by business management.

.212 *Residential Housing.*—a. *General.* For all residential areas, except apartment houses and mobile/trailer homes, delivery options are:

(1) Delivery to boxes located at the curb so they can be safely and conveniently served by the carrier from his vehicle; or,

(2) Central delivery at one or more central points within a residential housing development, community, or area. Requirements are:

(a) Local postal managers must approve mailbox sites and equipment;

(b) There must be a minimum of three mailboxes erected at one site (there is no maximum limit); and,

(c) Customers will not be required to travel an unreasonable distance to obtain their mail, not to exceed 300 feet.

b. *Apartment houses.* See 155.6 for delivery options.

c. *Mobile/trailer homes.* Delivery options for mobile/trailer home developments depend upon whether the development is permanent or transient.

(1) Permanent types are developments consisting of managed mobile home parks or residential mobile home subdivisions where: lots are permanently assigned; streets are maintained for public use; and conditions are similar to those of a normal residential subdivision. For permanent developments, delivery options are:

(a) Delivery to boxes located at the curb so they can be safety and conveniently served by the carrier from his vehicle;

(b) Delivery to a single point or receptacle designated by the management for receipt of mail for distribution by its employees;

(c) Central delivery at one or more central points within the area.

Requirements are:

(i) Local postal managers must approve mailbox sites and equipment;

(ii) There must be a minimum of three mailboxes erected at one site (there is no maximum limit); and,

(iii) Customers will not be required to travel an unreasonable distance to obtain their mail, not to exceed 300 feet.

(2) Transient types are developments comprising recreational vehicle parks and trailer courts where the lots are temporarily rented and the occupants are transient. Such developments are considered transient, even though some families might live in this type of park for an extended period of time. For transient developments, the only delivery option is delivery to a single point or receptacle designed by the trailer park management for receipt of mail for distribution by its employees.

NOTE: This method is one of three options for permanent developments.

.22 *Exceptions.*—.221 *Fill-In.* New homes built within an existing block of homes receiving delivery service will receive the same level of service afforded other homes in the same block. However, where older homes are replaced with new housing, such as by urban renewal projects, the method of delivery provided the new housing shall be in accord with 155.212.

.222 *Hardship cases.* Door delivery will be considered on an individual customer case bases where service through central, curbline, lockbox, or general delivery would place an extreme hardship on the customer. Only the Regional Postmaster General may approve delivery exceptions for hardship cases.

.23 Where local, city, county, or state ordinances prohibit the installation of mailboxes at the curb and safe servicing of these receptacles by the carrier from his vehicle, delivery options are:

.231 Central delivery at one or more central points within a residential housing development, community, or area.

Requirements are:

a. Local postal managers must approve mailbox sites and equipment;

b. There must be a minimum of three mailboxes erected at one site (there is no maximum limit); and,

c. Customers will not be required to travel an unreasonable distance to obtain their mail, not to exceed 300 feet, or,

.232 Lockbox or general delivery service at the nearest postal facility where carrier delivery emanates.

155.41 [Amended]

2. In 155.41 the following sentence is added at the end thereof: "Purchase, installation, maintenance, and replacement of delivery box equipment are not the responsibility of the U.S. Postal Service."

155.62 [Amended]

3. In 155.62, strike the words "address" in the section heading and in the first sentence and insert in lieu thereof the word "street".

An appropriate amendment to 39 CFR 111.3 to reflect these changes will be published on adoption of the proposal.

(39 U.S.C. 101, 401(2), 403(a), (b), 404(1), 410(a))

ROGER P. CRAIG,
Deputy General Counsel.

[FR Doc.75-13717 Filed 5-23-75;8:45 am]

SUPPORT FOR THE PRESIDENT'S ENERGY PROGRAM

Mr. FANNIN. Mr. President, the National Federation of Independent Business, a nonprofit organization representing almost 420,000 small and independent businessmen throughout the country, has recently conducted an extensive survey to determine the views of its membership on several important energy issues.

In its March 1975 poll, the NFIB asked its members how they felt about higher gasoline taxes, the creation of a new Federal agency for the purchasing of all foreign crude oil, a stepped-up program of building nuclear power plants, offshore oil and gas development, and the decontrol of oil and natural gas. The results of this survey are significant.

Earlier this year in a similar poll the NFIB asked its national membership whether they were for or against the rationing of gasoline and home fuel, as well as mandatory allocation of other petroleum products as an alternative to the President's program. The members voted 77 percent against this approach, with only 19 percent favoring such an alternative, and 4 percent expressing no opinion. In other words, the vast majority of small retailers, manufacturers, and other businessmen favor the President's energy program. This approval is borne out in the NFIB's latest poll.

In Arizona the questionnaire was sent out to all 3,952 members, of whom 839 replied.

Mr. President, I ask unanimous consent that the results of this NFIB poll for Arizona and for the Nation be printed in the RECORD.

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

[Results in percent]

Are you for or against:

Are you for or against a gasoline tax starting at 10 cents and climbing to 40 cents over four years?

	Arizona	*The Nation*
For	15	15
Against	83	83
No Opinion	2	2

Are you for or against a new federal agency to act as national purchasing agent for all crude oil imports?

	Arizona	*The Nation*
For	7	10
Against	92	87
No opinion	1	3

Are you for or against faster development of nuclear power plants?

	Arizona	*The Nation*
For	72	66
Against	21	27
No opinion	7	7

Are you for or against opening up development of all offshore oil and gas resources?

	Arizona	*The Nation*
For	82	79
Against	14	17
No opinion	4	4

Are you for or against the immediate decontrol of oil and natural gas?

	Arizona	*The Nation*
For	53	45
Against	37	44
No opinion	10	11

ROBERT F. ALLNUTT

Mr. DOMENICI. Mr. President, it is with regret that I learned that Robert F. Allnut is leaving as staff director of the Committee on Aeronautical and Space Sciences on June 15 to assume the position of Deputy Assistant Administrator for Administration in the newly established Energy Research and Development Administration.

I have been associated with Bob in his capacity as staff director since my service with the Aeronautical and Space Sciences Committee, beginning in January 1973, and I have been most impressed with his overall ability, his astuteness in his leadership role, and the fairness with which he served each and every member of the committee. It is my view that Bob has made a most meaningful contribution to the work of this committee during the 2½ years he has served it, and it certainly will be a loss to the committee when he leaves for his new assignment.

Bob Allnut is a responsible and competent individual, extremely well-equipped academically, and with a versatile and proven performance record in Government service. While I regret that Bob is leaving the committee staff, certainly it will be ERDA's gain, and I am certain Bob will make a significant contribution to the very vital role which has been assigned to this new agency.

I wish Bob well in his new endeavor.

THE NEW HAMPSHIRE ELECTION DISPUTE

Mr. FANNIN. Mr. President, public opinion surveys indicate that confidence in the Congress is at or near an all-time low. If the Democratic majority in the Senate should decide to seat Mr. Durkin as the junior Senator from New Hampshire, this will further erode confidence in the Congress and Government in general.

This issue should be sent back to New Hampshire for a runoff election between Mr. Durkin and Mr. Wyman in accordance with State law. A new election is the only method of resolving this issue in a manner fair to the candidates, to the people of New Hampshire, and to our system of government.

My study of the issue indicates that Mr. Wyman is the winner and should be seated, but regardless of which way the Senate might decide we would not have the clearcut verdict which is vital in this matter. Seven months after the election, the issue is more cloudy than ever.

Clearly the Senate is empowered to settle disputed elections of its own Members, but in this instance we do not have factual evidence upon which we can make a rational decision. Voting by Senators would almost have to be on emotion, and therefore partisan.

It seems clear to me that since the Senate has the power to decide these matters, the Senate certainly could and should provide for a new election since there would be no conflict with State law.

Mr. President, today I received a resolution adopted by the State board of the Arizona Federation of Republican Women. I ask unanimous consent to have this resolution reprinted in the RECORD at this time.

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

Whereas, we believe the Democratic process is being prevented by the Democrat majority of Congress refusing to seat former Republican Congressman Louis Wyman of New Hampshire, although two recounts have shown him the victor;

Whereas after 7 months New Hampshire still does not have their full representation in the Senate; and

Whereas we do not believe the Democrat majority should be able to continue this injustice; the State Board of the Arizona Federation of Republican Women meeting June 7 *resolves;* That the seat be declared vacant and the voters of New Hampshire, in a special election, vote their choice.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the nomination of Stanley K. Hathaway of Wyoming to be Secretary of the Interior.

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

NOMINATION OF STANLEY K. HATHAWAY OF WYOMING TO BE SECRETARY OF THE INTERIOR

The second assistant legislative clerk read the nomination of Stanley K. Hathaway, of Wyoming, to be Secretary of the Interior.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum, with the time to be taken out of the 3-hour limitation.

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

The second assistant legislative clerk proceeded to call the roll.

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

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

Mr. HASKELL. Mr. President, I ask unanimous consent that Betsy Moler, of my staff, have the privilege of the floor during the discussion of the Hathaway nomination and the vote thereon.

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

Mr. FANNIN. Mr. President, I ask unanimous consent that the following persons have the privilege of the floor during the debate and vote on the Hathaway nomination: Harrison Loesch, Fred Crafts, Margaret Lane, Grenville Garside, Owen Malone, Paul Holtz, and Jerry Stalkus.

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

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

The PRESIDING OFFICER. On whose time?

Mr. FANNIN. I ask unanimous consent that the time not be charged to etiher side.

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

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 PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, under the unanimous-consent agreement, I yield half of the time to the distinguished Senator from Colorado (Mr. HASKELL).

Mr. JACKSON. I ask unanimous consent that the time be equally divided between myself and the Senator from Colorado (Mr. HASKELL).

Mr. President, a parliamentary inquiry. I understand that we have 3 hours for this matter.

The PRESIDING OFFICER. Three hours, divided equally between the majority leader and the minority leader or their designees. The majority leader has designated Senator HASKELL; the minority leader has not designated anyone. Senator HASKELL has the time for the majority.

Mr. JACKSON. It does not make any difference. I suggest that the time be divided equally between the junior Senator from Washington and the senior Senator from Colorado or their designees.

Mr. HANSEN. Mr. Chairman, will the distinguished chairman of the committee yield to me for an observation?

Mr. JACKSON. I yield.

Mr. HANSEN. It should be noted for the record that the chairman, Senator JACKSON, properly, I think, should represent the majority in this instance, because he is part of the majority. He is one of the 10 members of the committee who voted to report Governor Hathaway's nomination to the Senate.

Mr. JACKSON. Mr. President, I have to chair a meeting at 10 o'clock. It is my intention to designate someone on the minority side—Senator FANNIN—the moment I have to leave.

Mr. HATFIELD. That is perfectly satisfactory to me, Mr. President. The Senator from Washington will control the time of the proponents. He can designate whomever he desires when he leaves the floor. I will control the time of the opponents.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. JACKSON. Mr. President, on Wednesday, May 21—in open executive session—the Committee on Interior and Insular Affairs, by a vote of 10 to 4, ordered President Ford's nomination of Stanley K. Hathaway of Wyoming to be Secretary of the Department of the Interior reported favorably to the Senate with the committee's recommendation that the Senate advise and consent to the nomination.

As the Senate knows, from the time it was first announced by the White House, former Governor Hathaway's selection to be Secretary of the Interior has been the subject of considerable controversy. Citizens from throughout the country and a number of our major conservation and environmental organizations have voiced deep concern over the President's choice of Mr. Hathaway to head the Interior Department. These concerns have also been the subject of many editorials and have been widely broadcast by the news media. I am sure that all Senators are at least generally familiar with the issues that have been raised.

In light of this controversy, the Committee on Interior and Insular Affairs approached its task of reviewing the nominee's qualifications to be Secretary of the Interior with special care. The committee afforded all persons and organizations an opportunity to be heard. It conducted 5 days of open public hearings on April 21, 22, and 30 and on May 5 and 6 and assembled a hearing record of 538 pages.

The committee began its questioning of Governor Hathaway on April 21, after receiving introductory statements in support of his nomination from Members of the Wyoming delegation to the Congress and from the present Governor of Wyoming, the Honorable Ed Herschler.

On April 22 and 30 the committee heard from Members of Congress, Governors, and a broad array of both individual witnesses and witnesses representing many of the Nation's principal conservation and environmental organizations. The hearings were then recessed in order to afford the committee time to review the record prior to it's questioning of the nominee.

The committee then held 2 additional days of hearings—on May 5 and 6—during which the nominee was questioned extensively concerning the questions raised by conservation and environmental witnesses at the hearings of April 22 and 30. His responses to the committee's questions appear in full in the hearing record, and have been reproduced in part in the committee's report to the Senate.

As I have already noted, on Wednesday, May 21—after an additional 2 weeks of deliberation on the record—the committee voted 10 to 4 to report the nomination favorably and to recommend that the Senate advise and consent to the President's selection of Governor Hathaway to be Secretary of the Interior.

Mr. President, at the outset of the committee's hearings I noted that, historically, the Senate has accorded the President wide latitude in the selection of his Cabinet officers. At the same time, I called attention to the obligation imposed on the Senate by article II of the Constitution to advise and consent to the President's nomination. I stressed my feeling that the Interior Committee's review of Governor Hathaway's nomination should in no way be a perfunctory proceeding. The nominee was specifically asked to provide the Senate his own assessment of how the Secretary of the Interior should respond to the challenges and opportunities of that high office and to respond to the issues raised by critics of the President's nomination.

The record of the committee's review is now before the Senate. I am satisfied, Mr. President, that the committee has done its work carefully, thoroughly and with due deliberation. There has been nothing perfunctory about the committee's attention to this nomination. The record demonstrates otherwise. The nominee's background and his financial affairs have been examined. His views respecting the obligations and challenges of the office of Secretary of the Interior have been elicited and have been spread on the record. His responses to the criticisms leveled at his environmental record as Governor of Wyoming have also been laid before the Senate and the public. Based on all the evidence, a majority of the committee has found no proper grounds on which to deny the President his choice of Mr. Hathaway to be Secretary of the Interior.

During the committee's hearings, opponents of the nomination focused their attention on the Senate's constitutional role in advising and consenting to the President's nominations for Cabinet offices. The suggestion was that the power of confirmation ought to encompass within it the right and responsibility of an individual Senator to vote against the confirmation of any nominee he feels is not "well qualified" for the post to which he has been named by the President.

There can be no question that this is every Senator's right. Individual Senators must not only make their individual assessments of a nominee, they must also make their own judgments concerning the Senate's proper institutional role in the appointment process.

I think this subject bears some attention and I want to comment on my own understanding of the duty imposed on the Senate by the Constitution.

The same question received attention when the Hickel nomination was before the Senate in 1969. My views on the matter were stated at that time, and have not changed.

I said then that the Constitution recognizes three separate stages in the appointment process. The selection and nomination of a Cabinet officer is solely and exclusively the function of the President. Second, the Senate must assent to the nomination. And, third, the approved nominee must be commissioned by the President.

Why did the Founding Fathers make the confirmation requirement a part of the appointment process? I think the Federalist Papers provides us some guidance in that respect. According to Alexander Hamilton—in the Federalist, No. 75—the purpose was to provide a check by the legislature on any spirit of favoritism in appointments—to prevent the appointment—in Hamilton's words—of "unfit characters from State prejudice, from family connection, from personal attachment, or from a view to popularity."

I understand this to mean that the Founding Fathers intended that the Senate should refuse its assent to a Cabinet nomination when the nominee is clearly unfit and unqualified for the post due to a lack of experience, knowledge, and education, or because of some legal or personal disability. I do not think the

Founding Fathers envisioned rejection of a Cabinet nominee because his political or economic philosophy, or his judgments respecting Government policies or programs might differ from those of the Senate or individual Senators.

Of course, Senators may well disagree with the views of those selected by the President to advise him and carry out his programs. I think that is one of the hallmarks of our democratic system. One has to expect that there will often be some—and even considerable—disagreementment when it comes to matters of policy and matters of program emphasis. However, I do not think the Constitution envisions that a President should be denied his Cabinet appointments because of such disagreements.

Against this historical background—and as the Senators know—it has been the long established custom and practice of the Senate to assent to the President's Cabinet choices. I think this precedent reflects a great deal of practical wisdom. We have to recognize that Cabinet officers are selected by a President to be his principal advisers. The President is responsible for their official acts. He is both responsible and accountable for the administration of the executive branch. We cannot hold him accountable if we deny him his choice of his principal advisers for less than overriding reasons. Barring some flagrant error or abuse of his prerogatives in making his nominations, I think the President must be given wide latitude in selecting his Cabinet officers. This is, I think, the teaching of history and of our precedents here in the Senate.

I found nothing disabling or disqualifying in Governor Hathaway's record, and it was on this basis, Mr. President, that I voted in committee to recommend to the Senate that this nomination be confirmed.

As I have indicated, Governor Hathaway's nomination has been attended by considerable controversy. The nominee clarified his views on many matters of concern and explained his public position on many of them in his testimony before the committee.

Mr. President, I ask unanimous consent that the statement Governor Hathaway presented to the committee at the opening of the hearings be printed in full at this point in the RECORD.

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

STATEMENT OF STANLEY K. HATHAWAY

Mr. Chairman and members of the committee, I have testified before this distinguished committee several times during the 8 years as I served as Governor of Wyoming, never expecting to appear in the capacity I do this morning, as the nominee for the Secretary of the Department of the Interior.

I deeply appreciate the confidence that President Ford has shown in me and look forward to serving my country in this position of high trust and responsibilities, if my nomination is confirmed by the U.S. Senate. I welcome the opportunity to answer the questions of the committee relative to my qualifications and fitness to serve.

I am well aware that many citizens have expressed concern about my attitude and commitment to environmental protection which I feel is a fundamental responsibility of the Department of the Interior. Having been raised on a homestead in the open spaces of the West, I have always had a profound appreciation of ecological values and a deep personal commitment to the protection and enhancement of our environment.

My record as Governor of Wyoming, when viewed in totality, demonstrates this concern and commitment. During the past 8 years, the State of Wyoming has initiated and implemented many environmental protection safeguards. As Governor, I took a major and lead role in most of these initiatives and the implementation of them. It is not a perfect record, and I do not hold it out to be such. I hope that those who take exception to portions of that record will view it in the context that my actions were based upon what I considered to be the needs and desires of the people of Wyoming under particular times and circumstances. The responsibilities of the Secretary of the Interior are to the Nation and all Americans, and I would view them in that perspective.

In recent years, I have shared with the members of this committee and many other Americans a deep concern about the energy self-sufficiency of our Nation. The demand for energy has grown too rapidly, and the domestic supply has not kept pace with demands. Petroleum and natural gas reserves are being depleted more rapidly than new reserves are being discovered. The vulnerability of this Nation to increased reliance upon imported energy supplies is obvious to all of us. I believe that we can and must conserve energy and eliminate waste. At the same time, we can and must develop additional and new sources of energy supply.

We are fortunate to have great energy resources upon and within the public domain. The question is, how can we prudently utilize our resources and at the same time, maintain and enhance the quality of our environment? Can we indeed become energy self-sufficient and have a clean and healthful environment at the same time? This is a major challenge for all Americans. I believe that we can meet the challenge and accomplish these goals. If confirmed as a member of the President's administration, I will dedicate myself to this challenge by working with the people of this country, the Congress and State and local governments.

In this short statement, I have not addressed myself to the other great responsibilities of the Department of the Interior. This is not in any way meant to suggest that the responsibilities which I have left unmentioned will not enjoy a high priority, if I am confirmed.

Thank you, Mr. Chairman.

Mr. JACKSON. The criticism of the nomination centered, in large part, on the nominee's conservation and environmental record while he was Governor of Wyoming. In his statement before the committee, the nominee asserted his recognition that the responsibilities of the Secretary of the Interior run to the Nation as a whole and to all Americans—and not to the parochial interests of any one State. Throughout the hearings he repeatedly assured the committee that, if confirmed, he will bring a national perspective to his decisions and actions as Secretary and will faithfully administer the landmark conservation and other natural resources programs established by Congress over the years and committed to the care of the Department of the Interior.

Again, Mr. President, the members of the committee questioned the nominee at great length on many matters. It is my judgment that a thorough record has been made. The length of the proceedings and the scope of the questioning were unusual, but so were many of the factors attending this nomination. The committee made a special effort to be fair and considerate to everyone involved throughout the proceeding, and I think we were successful.

It is my view that the committee's review of Mr. Hathaway's qualifications and its action ordering this nomination reported favorably to the Senate accords in every way with the Senate's constitutional obligation to advise and consent to this nomination for the President's Cabinet.

Mr. President, I should like at this time to yield to the senior Senator from Wyoming for his comments.

Mr. McGEE. I thank the Senator.

I express my appreciation to the chairman and ranking member of the Committee on Interior and Insular Affairs whose responsibility it was to conduct the hearings, and to say here and now to the members of the committee how much we all respect the thoroughness and the patience of the committee in hearing out all who had a view to be expressed or a reservation to be considered or endorsement to be supplied. I think it was a fine example of what the system not only is all about but the kind of responsibility that must be exercised at a moment like this.

It was not without point that the members of the Wyoming delegation here in Washington, and the newly elected Governor of the State of Wyoming, together opened those hearings with a united expression of respect for the President's nominee for Secretary of the Interior, former Gov. Stan Hathaway.

I want to say that that assumes even a greater dimension when one considers that our beloved State, an area of high altitudes and low multitudes, as we are proud of saying, is traditionally a Republican State. At the moment, it is flourishing in this temporary interval of affluence with two members of the congressional delegation, McGEE in the Senate and Congressman RONCALIO in the House, along with our colleague, my junior colleague, Senator HANSEN, from Wyoming, who is the only current Republican member of our delegation.

Now, that is a most unusual circumstance in our political history. The fact that we have a Democratic Governor is a very unusual circumstance, and we have a fine one. But the reason I go to that length, Mr. President, is that this 3 to 1 Democratic delegation, counting the Governor, unanimously, with a single voice, urged the approval of former Gov. Stanley Hathaway.

That decision was not taken lightly. It was not taken alone out of a sense of parochial pride. We took that position because we believed that here was a unique person for the office of Secretary of the Interior, one of those rare individuals who was caught out on the fron-

tier and the front line in the emergence of a new concept in this county, the whole question of environmental concern.

It is not easy to be the point man in a State that has grown up with very deep traditions of conservation. Suddenly we discovered resources to be very limited, and they must be now marshaled and harvested and preserved and replaced where possible with the greatest wisdom and foresight and care.

Given the history of the development of the State in that circumstance, and the sudden juxtaposition of the concerns to conserve and preserve, it required the utmost, on the part of the individual in a position of leadership who had to make the decisions, to try to achieve a balance between those who would gut out everything, those who would blind themselves to the consequences for a tomorrow, and those who would prefer to sit on it forever.

Balance was the key, Mr. President; a sense of fairness and openness to listen to all of the contentious provocateurs on both sides was the test.

Stan Hathaway met that test so successfully, he became the first man in our history to serve two full terms as Governor. We had one other man who would have been able to do that, but he chose to come to the Senate—that is Senator HANSEN, my colleague. Stan Hathaway was the first to fill a two-term governorship in the history of our State.

Now, that says very much in terms of the judgment of the area, and in terms of the respect in which people have held him.

But in that context he, indeed, was writing new history and carrying out new steps into the future in the environmental concerns of our people as well as of those of the country at large.

I am not totally unknown as an environmentalist myself. I take great pride in being very strongly identified as an environmentalist. In some ways, it was my hearing that exposed the scandal of clear-cutting, particularly in the Rocky Mountain West, but in other areas of the Nation as well. That ultimately resulted in a modification of a reckless policy that would have wiped out forest stands in areas that could not be reproduced in several generations.

It was my hearing that exposed the predatory activities of some overzealous individuals in going after the eagles, both the Golden Eagles and the Bald Eagles. It established a national consciousness of the importance of imposing restraint and the enforcement of national law in those regards.

I think I was the first to make a request for wild rivers designation in the State of Wyoming, and I was ambushed, inundated, overwhelmed by an avalance of opposition. But, nonetheless, I am simply illustrating that to suggest that it is important that we bring to the surface these kinds of questions and try to arrive at equitable and balanced solutions for them.

Having said that, I want to urge the endorsement of the President's request for former Gov. Stanley Hathaway to be the Secretary of the Interior.

One of the most discouraging things I have found since I have come to Washington is that there is no unanimity here on my point of view. I just thought it was so wise and so carefully arrived at that all the rest of my colleagues could not help but be engulfed by it, and we would have a kind of a sense of going ahead together.

Time after time I not only discovered deep agreement to what I believe, but the embarrassing part about it was I developed respect for those who disagreed with McGEE.

I had a lot more solutions to all the problems of the world when I was a professor—and no student dared challenge it or he would flunk the course. But among one's peers, among one's constituency and those who judge, one soon learns that the important ingredient of a man or a woman is not whether one agrees with them or not, but whether one can respect them, whether their integrity and their credibility are above reproach.

That is the real test and that is the test which Stan Hathaway passes with flying colors.

That is the reason that I respect him, that is the reason I endorse him.

I think he is the finest person on the national horizon that would be available to the President in the context of his responsibility to be selected for Secretary of the Interior.

Stan Hathaway in those two terms as Governor had to live with the problems of the Department of the Interior. Very often he was on the other side of the Department because he was selected to represent the people of Wyoming, not the Department of the Interior, and that was a prime responsibility. But at the same time, he found very often that middle road, that middle ground, that suggested that equities in both directions could be perceived and progress could be achieved.

On the occasion of the hearing in the committee, I must say it was an occasion not just for unanimity in the delegation, but to make a point that had occurred only 2 days before when I had been asked to make a speech out in San Francisco on a postal matter. In getting on the airport limousine to go back and catch a plane to Washington, I was confronted by three men in the lobby of the Fairmont Hotel, none of whom I had ever seen before. They identified themselves as oil men from California and somebody apparently said, "That is McGEE from Washington." They identified themselves and said, "What are you doing this to us for; we do not want Hathaway as the new Secretary of the Interior."

I raised my eyebrows and said, "Well, that does surprise me. Why?"

They said, "Do you realize that he was the first Governor of Wyoming to impose a severance tax on the oil industry?"

They were sore as the devil about that. Here was a man that had dared to score a breakthrough in a kind of sacred cow in our State, and that is the severance tax, to bring in more revenues into the State treasury. Hathaway had dared to do that, at the same time that the environmentalists had accused him of being out shooting down eagles and stripping the forests.

I would like to lay that one bare, too, Mr. President. There was honest disagreement among our livestock people about the relevancy of eagles and the problems, and Governor Hathaway resorted to the process under the law of the land by requesting consideration of that. When it was turned down he not only abided by it, but carried it out.

I would not have made that request. I had my mind made up on eagles. But we live here not under McGEE; we live under law. We are a government of laws, not of the opinions of men.

I think it is important to accord to the President his desire to have Governor Hathaway serve as his Secretary of the Interior. He will serve us well. He has one of the rare records of an accumulated series of firsthand, frontline experiences in trying to cope with all sides. We are not going to find very many leaders who have been in a position of responsibility where he had to take the consequences for what he did or what he decided to do.

That is the rare quality that goes with his integrity and his obviously successful administrative skills. It makes him a bigger man than the Governor of Wyoming. It makes him a man who is involved and immersed with the problems of understanding and protecting the legacy of all the people in the millions and millions and millions of acres of real estate owned by all the people of the United States.

With whatever differences politically Stan Hathaway and GALE McGEE ever had, I would have to say that never was a door slammed in my face or an ear turned the other way. Always we heard each other out.

We might disagree on the ultimate decision that ought to be taken, but he is openminded, he is willing to listen, and he is capable of taking the responsibility for moving with fairness into a new policy.

It is in that context, Mr. President, that I believe that the nominee of the President would serve this country best.

He stressed again and again in those hearings, the chairman just said, the importance of his being the Secretary of the Interior of all of the United States and not just the Governor of a State.

He has the capabilities of rising to that requirement because of the experience, the record of decision, and because of the candor of his integrity and the forthrightness of his commitment.

Mr. HANSEN. Mr. President, I am deeply grateful for the most persuasive statement made by my senior colleague, the Senator from Wyoming (Mr. McGEE).

I think Members of this body may understand when they read what Senator

McGEE has said why it is that this "import"—as we used to refer to my good friend when he first came to the Wyoming campus back in the 1940's—has won the hearts and the support of an overwhelming number of people in the Equality State.

I first knew Senator McGEE when he became a member of the faculty at the University of Wyoming and I was serving on the board of trustees and though I had heard about him before then only briefly, because he had been on campus for only a short time, he used to, with some humor, refer to me as his boss because he was then a member of the faculty and I was presumed to be in a position that had some control over faculty members.

If I had any illusions about that, I certainly found out very quickly that he did not necessarily need to answer to any particular constituency because his was a very broad one, indeed. It extended into every nook and cranny of Wyoming and it included, almost without exception, every student who was fortunate enough to be able to get into one of his classes.

My daughter changed her major because she was so intrigued with the excellence of the instruction that characterized Senator McGEE's classes that she wanted to learn more from this highly articulate, very personable and keenly incisive thinker, which was reflected by my colleague's classes when he came to the University of Wyoming.

I think it is important, though, for an entirely different reason that he speak as he has today, and that he be the first to speak. It is not alone because he is the senior Senator from Wyoming, but because what he says needs to be heard and needs to be understood by everyone.

I will not try to recap the very persuasive arguments that can be made in support of Stan Hathaway. I compliment the chairman of the committee, my good friend from Washington (Mr. JACKSON), for having done such an excellent job as he did in seeing that everyone was heard, in seeing that all sides were heard; in having the ramifications of the Governor's 8 years stewardship of the State of Wyoming examined in minutest detail; in dispatching to Wyoming a member of the staff of the Committee on Interior and Insular Affairs to examine in even further detail the Governor's record as a member of the board of directors of a bank.

This meticulous concern for facts characterized what SCOOP JACKSON has done all the way through these hearings. He wanted to get down to the basics. He wanted to understand precisely what the situation was. He wanted to give Stan Hathaway a fair, full, and complete hearing.

I think anyone who was privileged to participate in the hearings, who listened to those hearings, or who would read the record, would have to agree with me and with my senior colleague from Wyoming that the chairman of the Interior Committee has done precisely that.

There is no point in my taking time now to recap the many reasons for the confirmation of Stanley K. Hathaway by the Senate as Secretary of Interior. Suffice it to say that the various points that have been touched upon by Senator McGEE need to be kept in mind.

These points start with this basic commitment to a constituency that has characterized Stan Hathaway's 8 years as Governor of Wyoming. He has never once forgotten who he was representing. When he succeeded me as Governor of Wyoming, employment was not as high as it is today. There were people out of work. The State of Wyoming was faced with an out-migration of young people. We were one of those very few States that had not gained population between 1960 and 1970, but rather, had lost population.

People in the State of Wyoming were concerned about jobs for their children. They were hoping that opportunities could open up in order that those fine young people that we rear, educate, and are justly proud of in Wyoming could continue to live there, as we had been able to do.

That was the situation that faced Stan Hathaway in January of 1967 when he was sworn in as Governor of Wyoming.

He never once deviated from the commitment he had made to the State of Wyoming. He was loyal to the people he represented. Everything he did was not always done as successfully as he might have wished it could have been accomplished, but there was never any deviation at all from his desire to do the very best job he could for the State of Wyoming, and he was successful. As Senator McGEE pointed out, sometimes Stan Hathaway did things that pleased industry and sometimes he did things that displeased industry.

He was not concerned, as some would make it appear today, that he was a tool of industry, of big business or of energy companies, but there was never any question about one fact: that was his commitment to the people who had elected him.

I think we need to understand that because it says something about the kind of person he is. It is the reassuring fact that will convince all who are open-minded that he will make, and indeed has made, that same sort of commitment to the people of the United States.

I suspect before the day is over, Mr. President, this body will have confirmed Stan Hathaway as the newest Secretary of the Interior. When we shall have done that, people all over America can be certain of one fact: that he will do the very best job he can to promote the interests of the United States, to listen attentively to the concerns and problems of all of our people, and to do the very best job he knows how to see that America's best interests are promoted.

Why is this job so critically important as it is today? We need look only at the sweep of history and focus our concern and our attention on this particular moment in that long sweep of history to understand that these are not normal times.

Less than a year ago the oil exporting countries of the world imposed an embargo upon most of the free world. We found out for the first time in our national experience what it meant not to be able to get all of the oil and gas that we would like to have and, indeed, at that time could afford to pay for in this country.

While that experience in itself was traumatic enough to our domestic economy, reflecting as it did in loss of jobs, loss of productivity, loss of income, the trauma of closed schools and factory shutdowns, planes unable to fly at times, trains unable to move, barges stilled in the waters of our waterways because there was no fuel to propel them, far more significant was the impact and the concern that most of us realized it could have upon the security of the United States.

Not everyone knows that we had to take fuel oil by tanker during that oil embargo period from the east coast of the United States—and if my information is not incorrect, I believe it came from the State of the Presiding Officer, from North Carolina—we shipped oil by tanker to fuel the 6th Fleet in Mediterranean waters.

Why was that 6th Fleet there? Among other reasons, in addition to our own national interest, it was there to display Old Glory to the NATO countries of the world; to give evidence of the commitment that the United States has made and intends to keep to the rest of the world that we will be there in time of trouble; that we are concerned; that we intend to keep our commitments to do all those things that we have pledged ourselves to do in cooperation with the other NATO nations of this world in keeping the peace, in seeing that a rule of law prevails, and that a weak nation as well as a strong one can be assured, by our interest and our presence, that we intend to stand with weaker countries and stronger ones as well in seeing that a rule of law prevails and that peace may abide throughout these troublesome times.

That calls for a policy that requires balance and requires judgment. I suspect that on this issue as much as any other, former Gov. Stan Hathaway has been criticized by some who say he has not been sufficiently concerned about the quality of life in America, and that he has done things in Wyoming that some feel that he should not have done.

I am encouraged, Mr. President, on the other hand, to believe that he has been precisely what we might expect from the very best and most knowledgeable kind of public servant in these days of trouble and anxiety.

Why do I say that? I say it because, first of all, though I am not often referred to as an environmentalist, I know of no American who, at heart, is not an environmentalist. We all want clean air and pure water, and a more pleasing landscape. We seek the same goals, no matter what our particular role may be,

as are sought by some of those who are in the forefront of the environmental movement. The only distinction, the only way that a line can be drawn between those of us on the one side and some of those on the other is in the degree of speed that some think should be exercised in trying to achieve these goals.

I would have to say that in this respect Stan Hathaway is uniquely qualified to serve our country at this very critical moment in history, because he had demonstrated as Governor of Wyoming for 8 years that he is sensitive to the quality of life in Wyoming. The record is replete with what he has done, and those who criticize him can only say he has not done enough or he has not been over on this particular side as far as some might have wished he had been.

On the other hand, those who are concerned, as Senator McGEE and I are, with the continuing role that America should, must, and hopefully will be able to play in coming years, have to reflect upon the muscle, the ability, the industrial capacity, and the defense capability of this country to do all those things that we would expect from a true world leader; and it is in this context that we have to consider and weigh well what we have to expect and indeed, must demand from our natural resources in order not to be caught short.

In 1967, when there was trouble in the Middle East, we had the capacity to fulfill all of our domestic energy requirements and, indeed, to undertake the responsibility of seeing that the other free nations of the world had enough oil and gas to get the job done. We are no longer in that fortunate situation, and it is precisely because of that that leaders in this body, in the administration, and throughout the United States are trying to strike reasonable balances which, on the one hand will guarantee that this planet and this particular part of the planet that we call the United States of America will not be despoiled because of our need for greater energy domestically produced, but at the same time will not be unnecessarily crippled by our inability to do what we can, but to make the best of the opportunities we have.

Stan Hathaway has a very clear insight and a great track record in being able to do just that: to understand how we can exploit our nonrenewable natural resources in a manner that, on the one hand, will not leave the West, or the United States, in a broad sense, torn up and despoiled, and, on the other hand, will assure that we will not be unnecessarily dependent upon foreign sources of supply that cannot be relied upon in times of trouble.

So I am pleased to join with my colleague from Wyoming, Mr. McGEE, with my colleague from Wyoming Representative TENO RONCALIO, and with my colleague from Wyoming, the Honorable Ed Herschler, Governor of the State, in saying that we think the President has nominated the best man that he could find anywhere to do the job that we expect to have done by the Secretary of the Interior.

I know, by virtue of the record he has established in his 8 years as Governor of Wyoming, that we can count on Stan Hathaway to do all those things which will protect the very best interests of all of the people of the United States, which will give strength to the sinew and firmness to the determination that this country has to play a meaningful role, not only today or tomorrow, but in the future.

It is this balance, this deep and incisive understanding, that Stan Hathaway brings to this particular job at this particular time, that I think is most fortunate for the people of the United States and encourages me to believe most sincerely that the President could not have chosen a better man to discharge the critically important duties of a secretary whose actions will reflect in such great measure upon the future of this country.

I compliment my colleague from Wyoming for his leadership and in saying what he has said and, earlier, in playing the important role he did in encouraging Governor Herschler and our colleague from the other body to be at the committee hearing and in leading the united charge that was made by the entire Wyoming delegation when Stan Hathaway first appeared before the Committee on Interior and Insular Affairs in the process of his confirmation hearings.

Mr. FANNIN. Mr. President, I join our distinguished colleagues, the Senators from Wyoming, in commending the chairman of our committee (Mr. JACKSON) on his fairness and equitable handling of the hearings, and on his insistence that we thoroughly investigate all charges before the committee came to a conclusion.

Certainly I could not begin to cover the qualifications of Governor Hathaway for this position nor do so as eloquently as the Senators from Wyoming, who have had personal contact with Governor Hathaway over the years, and have worked with him and know his abilities.

Mr. President, it is my great privilege and pleasure to support the nomination of Stanley K. Hathaway for the high post of Secretary of the Interior and to urge all my colleagues to vote in favor of his confirmation.

Mr. President, Governor Hathaway is known as an outstanding administrator and has demonstrated this capability not only as a two-term undefeated Governor of his great State, but also through his leadership of the Governors conference and his numerous other public endeavors.

Our distinguished colleagues have stated their feelings, and they have also referred to what the Governor of Wyoming has said in support of former Governor Hathaway's nomination to be Secretary of the Interior.

Mr. President, in addition, let us look at what all of the other governors, with whom he has served, have had to say.

The record shows that of the 46 Governors and former Governors who served with him during his leadership of the Governors conference, 43 replied to a request that they take a position for or against Mr. Hathaway as the secretarial nominee. Of those 43, 2 were opposed, 6 requested that no position be taken for them, and 35 were favorable to confirmation. Mr. President, this is a remarkable demonstration of the admiration and esteem in which the fellow governors hold Stanley K. Hathaway. I surmise that it would be impossible for any one of us to duplicate such a near-unanimity of support among his peers.

Mr. President, taking into consideration that Governors of States very different from Wyoming were involved in this survey of the support of Governor Hathaway, certainly we would expect some difference of opinion.

The State of Maine would not look upon many of the developments in Wyoming from the same perspective as the Governor of Wyoming would look at it.

But we know from what has been said this morning by the Senators from Wyoming of the remarkable and balanced record that he made. I am certainly proud to support him, not only on that basis, but on the basis of other information that has been furnished to the committee and furnished here in the Senate Chamber.

Mr. President, a former Governor of Arizona, the Honorable Jack Williams, said in expressing his support for Governor Hathaway:

> Having served for eight years with Stan Hathaway while he was Governor of Wyoming, I can attest to his intimate knowledge of the great lands of his state and the Nation.
>
> He has demonstrated love for the land and an understanding of the necessary interplay between development and conservation.
>
> Without the wise use of resources, man is poor indeed, despite his wealth in every other department. Governor Hathaway's sensitivity to the protection of the environment was one of the aspects which first attracted me. His innate understanding that man is part of the environment and cannot be eliminated without doing harm to mankind and the environmental resources for which he is responsible was always evident.
>
> He above many others knows of the grandeur of our Nation's scenery and the fact that all of Eden has been given to Man, not to own but to use wisely. As a former Governor, I can wholeheartedly support him for the post of Secretary of the Interior—asking his opponents who knows better than he that man must live with nature or nature will destroy him; that nature has in the past and must in the future be managed as a resource, even as man is a natural resource and a part of nature.

That is a statement from the former Governor of Arizona, who is an environmentalist, a very reasonable individual, and a man who has a great record in our State.

Mr. President, Governor Hathaway has been subjected to a grueling and thorough examination of every facet of his activities as Governor, his personal financial affairs, his attitudes and philosophies, by the Interior Committee. This examination took 5 full days together with untold hours of preparation of written questions and written answers, and far exceeded the theretofore record of nomination hearings held by the Interior

Committee in the case of former Secretary Walter Hickel. Stanley Hathaway passed this searching examination with flying colors. No man can satisfy everyone, but Governor Hathaway's nomination was submitted to this body by a vote of 10 to 4, the majority being led by the committee chairman and its senior Democratic member. The five minority Senators on that committee are unanimously behind the nominee.

Mr. President, this body, despite the strawmen which have been set up as a base for opposition to the nomination, should promptly knock them down again and confirm the nomination of the Honorable Stanley K. Hathaway as Secretary of the Department of the Interior.

Mr. President, I feel that we are very fortunate, as has been brought out by the distinguished senior Senator from Wyoming, and that this Nation is fortunate to have a man like former Governor Hathaway with such great expertise in his field. His experience, his knowledge, background, and his abilities all add to his qualifications to serve as Secretary of the Interior for this great Nation of ours.

He is an outstanding administrator, as has been demonstrated and been brought out forcefully by the two Senators from Wyoming.

Mr. President, I welcome this opportunity to ask my colleagues to give him a vote that will record the great confidence and trust we have in him.

Mr. GARN. Mr. President, as it has been repeatedly said, the position of Secretary of Interior is one of trustee for all the people of the United States and not only for those people who reside in States where public lands of whatever kind are located. But we should not forget, Mr. President, that in the 10 western contiguous States and Alaska, the public lands are an integral and necessary part of the life of the people of all of those States. The protection of those lands and their proper uses are of a significance to those people which is hard for the inhabitants of all other States to understand or even imagine.

To my mind, Mr. President, it is therefore fitting and proper that a qualified man raised from childhood in that environment and having a deep and abiding understanding of all facets of public land use, preservation, development and protection, should again be at the helm of the Department of the Interior. I do not think it is unfair to former Secretary Morton to say that with all his skill and expertise, his eastern experiences prevented him from fully integrating the national and local concerns of his constituents. I have entire confidence that Stanley K. Hathaway, Nebraskan born and Wyoming bred, who has experienced from the ground level the concerns of the individual citizens of a public land State, has risen to twice govern that State, and who now assumes a still wider constituency, will be able to administer the broad domain which will come under his authority to the satisfaction of the national constituency, without destroying the economics and the life styles of the public land State inhabitants.

We Westerners fully recognize the national desire—indeed the national necessity—to protect, preserve and renew the resources of our great public lands. I welcome the return of a true Westerner, capable, dedicated and serene in his ability to do the job.

Mr. President, I urge prompt and unanimous confirmation of Stanley K. Hathaway to this important position.

The PRESIDING OFFICER (Mr. HARRY F. BYRD, JR.). Who yields time?

Mr. HASKELL. Mr. President, I wish to make an inquiry of the Senator from Arizona.

Are there any other people who favor the nomination of Governor Hathaway who desire to speak?

Mr. FANNIN. Mr. President, there are enough people who favor the nomination of Mr. Hathaway that it will take today, tomorrow, and the next day for them all to speak, but at the moment I feel, since the confirmation hearings have been held, we are in the Chamber and debate is in progress, since there is some opposition to Governor Hathaway, the distinguished Senator from Colorado should have his time. I feel, with respect to him, he could go forward.

Mr. HASKELL. Perhaps I should phrase my question a little differently.

Is there anybody who favors the nomination of Governor Hathaway who happens to be present in the Chamber and desires to speak?

That might have been a more accurate way of phrasing the question.

Mr. FANNIN. Mr. President, I feel obligated to yield some time to the other side. I do not feel we should take all the time.

I yield to the distinguished Senator from Colorado so that he will have time to speak for himself.

The PRESIDING OFFICER. Who yields time?

Mr. HASKELL. Mr. President, I am very pleased to take a few brief minutes. I do not believe I observe anyone in the Chamber, with the possible exception of one Senator, whose mind might not be made up on the subject. However, hopefully, there are some people, representing offices, in the gallery who are employed by Senators who are undecided.

That being the case, I will briefly state why, in my opinion, the Senate of the United States should reject the nomination of Governor Hathaway. The advice and consent process, if it is to be meaningful, should be something more than going through extensive hearings and then rubberstamping a nominee for an important post.

Admittedly, I concur with the distinguished Senator from Washington, the chairman of the committee, that the President should have broad latitude in selecting persons to the Cabinet and persons who would advise him. However, there should be limits to this latitude. I will suggest, and try to demonstrate, why I think this particular appointment exceeds those limits.

Four members of the Committee on Interior and Insular Affairs voted against the confirmation of the nomination of Governor Hathaway. As stated in the minority views signed by three of those members:

> Our opposition is based on three basic issue areas:
>
> The nominee's lack of candor and his attempts to mislead the Committee.
>
> The nominee's unwillingness to commit himself on major policy and legislative issues facing the Congress.
>
> The nominee's poor—even distressing—resource management record and views.

I will elaborate very briefly on those three items. That report was signed by three of the four dissenting Senators. The fourth Senator, who did not sign the rather extensive minority views, filed his own minority views. That Senator stated:

> My opposition to confirmation is essentially based on two kinds of considerations—those relating to his policies and credentials, and those involving his credibility and judgment.

Mr. President, if the man or woman who will run the Department of the Interior intends to discharge the duties of that office as they should be discharged, and as an independent Government officer as opposed to a rubberstamp, that person has a very important job. Under the public lands of the United States lie the major energy resources of this country; oil and gas, both under the land and on the Outer Continental Shelf off the Atlantic seaboard, off the Pacific seaboard, off the Gulf coast; coal in great abundance, primarily in the Western States; uranium in great abundance, primarily in the Western States. We know that these resources should and must be developed if we are to provide for the energy needs of our country and if we are to become independent, or substantially independent, of unreliable foreign energy sources.

At the same time, these lands, which comprise approximately one-third of the land surface of the United States, must be preserved for future generations, and must be preserved in a diverse manner, for the great grandchildren of people sitting in this Chamber, whether they be pages in their mid or early teens or whether they be the age of some of us who, although they may not have grandchildren, certainly are old enough to have grandchildren. These lands should be preserved for the re-creation, in the proper sense of the word, of the human spirit. These competing needs have to be dealt with wisely.

Above that, Mr. President, I believe that a Cabinet nominee should have the very highest moral and ethical sense. I believe that when a Cabinet officer speaks to any one of us, we must be able to believe it implicitly.

In addition to signing the minority views, I filed additional views which consume one page of the report, page 41, and to which exhibits are attached, so that each Senator, if he so chooses, or each staff member, in advising his Senator, if he so chooses, can determine whether I came to the right conclusion or the wrong conclusion.

I came to the conclusion that the nominee intentionally attempted to mislead me as to his record.

The nominee came here accompanied by a gentleman from the White House. We went into the Vice President's room. I was handed a document entitled "The Hathaway Administration and the Environment, 1967–1974." Having scanned it, I went back to my office, handed it to the staff, and said, "As you see, he has a balanced record."

Fortunately—or unfortunately, I do not know which is the case—my staff perhaps is not as willing to take things on their face as I am. I feel somewhat remiss that I did not have the same inquiring sense that my staff did. My staff sent this document to several groups. One group is entitled "The Environmental Defense Fund," which is composed of scientists, lawyers, and other citizens.

They returned an analysis, point by point, and in their analysis they say:

> Analysis of the document and its sources discloses a pattern of seriously misleading statements, exaggerations, and selective omissions.

I was unable to attend the first day of the hearing at which Governor Hathaway was present. I did attend the second day. I handed the Governor the document that he had handed to me, and I handed him the analysis made by the Environmental Defense Fund. I told him that I would inquire of him at considerable length at a later date. I and others on the committee did inquire of him with respect to this document approximately 1 week later. He contested 4 of the 22 points in that document—challenged by the Environmental Defense Fund—4 out of 22.

I called the preparers of that document to the witness table and had them put under oath. I thought it was only fair, since the Governor was under oath, that the preparers be under oath.

I shall not go into the details, but that examination under oath is also attached as an exhibit to my individual views.

So much for credibility. He contested 4 out of 22 of these statements which were challenged. And, since he did not object to 18 of them, I assume he admits that they were false and misleading.

I should point out that Senator GLENN, in addition to being upset by this particular document, was also upset at what might be considered—nothing illegal—but insensitive to possible conflicts of interest. The nominee, while governor of a State, held a position in a bank, and, in 2 years, derived 23 percent of his earned income from director's fees from the bank. He failed—or forgot—when asked, "What other earned income do you have," to mention—23 percent of his income. He was sitting on the board of directors of the bank, also sitting as a member of a three-man board, which said what deposits of State money go into what bank.

To be sure, a member of that three-man board, the treasurer, had developed a formula—but I assume a board can change formulas. Governor Hathaway did not even think of it as a possible conflict of interest. That would demonstrate to me, as I gather it did to Senator GLENN, at least an insensitivity. Nothing illegal, nothing in the statutes of Wyoming that forbid this at all, but certainly an insensitivity.

As far as performance goes, we are looking at a man who hopes to be steward of the Nation's resources, both its energy resources and what I would term its esthetic resources. What does that steward do? He also has to get a good return to the United States of America. He does not want to give its resources away. The testimony was that the land purporting to be underlain with coal, as shown by the map prepared by the Wyoming geologist, if that is his term, is 1,800,000 acres. When the Governor took office, 600,000 of those acres were under lease. When he left, 1,800,000—the whole shooting match—was leased for, as the report points out, very short rentals, with no assurance of development.

Then, on his commitment to legislation, the Governor did say that he thought the strip mining bill then before Congress was well structured. He had some reservations on economics, and he said—and I refer to page 440 of the hearing record—that, of course, he would have to have a briefing before he would know whether the economics were such that he would have to recommend a veto.

The President, of course, subsequently vetoed the bill. I have in my hand an article from the Denver Post of May 22, 1975, in which Governor Hathaway apparently told the author of the article that he supported the President's decision, and an aide of the Governor told the author of the article that the Governor had not been briefed on the economics.

So what kind of commitment to legislation is this? Can we believe anything that was said in that hearing, or was there not always a very careful "out?" It seems to me, in this particular instance, on this particular nominee, we should exercise our constitutional responsibility and vote no if advise and consent is to mean anything.

I am glad to yield to any of my colleagues. I am pleased to yield to my esteemed and distinguished colleague from the State of Colorado.

Mr. GARY W. HART. I thank the Senator. I join my colleague in continuing to oppose this nomination in this Chamber.

At the outset I repeat what I said 2 days ago: What is at issue here is not the character or personality or party of the nominee. The distinguished committee chairman, the Senator from Washington (Mr. JACKSON) stated this morning that the President should have wide latitude in the selection of his Cabinet officers. I do not think that there is a Member of this body who would dispute that. But "wide" is a discretionary term and subject to interpretation, and that width is not inexhaustibly elastic. The Constitution places the responsibility of consenting to or rejecting those nominations with the Senate. We do not have a choice when we are to consider these nominations. We are required by the Constitution of the United States to consider them, and that wide latitude which the President of the United States must have, which all of us agree to, does not extend to a nominee whose qualifications and convictions are not in keeping with the best interest and the public interest of the United States of America.

There has been discussion here this morning by various proponents of this nomination as to whether, in this era, the latter quarter of the 20th century, we should best be environmentalists or in favor of development. I think those are phony alternatives. The issue before this country is not whether each of us is an environmentalist or a person in favor of development. The issue before this country and the Senate is how we will best administer the resources that belong to the people of the United States.

Were the environmental record of the distinguished Senator from Wyoming (Mr. MCGEE) before this body as the nominee to be Secretary of the Interior, I doubt that any of us would be on our feet opposing that nomination. What is at issue here is not Senator MCGEE's environmental record. What is at issue here is the philosophy of the administration in the development of the resources of this country.

Even if one were to agree with Mr. Hathaway's philosophy of developing resources—that essentially we should do everything within our power to see that resources are developed as if it were somehow a solution to every economic problem—even if one were to agree to that philosophy, Mr. Hathaway's record as a resource administrator as Governor of Wyoming does not stand up.

My able colleague has already indicated that almost every last acre in the State of Wyoming owned by the people of that State, which had substantial coal deposits underlying that land, was leased under his administration—over 1 million acres of State-owned coal lands. What did the people of Wyoming get back for it in terms of performance of those leases in 1974? A total of about $13,000 in royalties and $350,000 in rents is what the people of Wyoming got back for the leasing of their coal lands. Mr. President, in recent months, one lessee of the State of Wyoming, which acquired 20,000 acres of State coal lands before Mr. Hathaway became Governor, conveyed that interest in that leasehold to a major oil company for more than $10 million. That is what that one leaseholder got for that one tract.

That is what we are talking about in management. While the people of Wyoming were getting an average of about 18 cents an acre in terms of an annual rental, and while the speculators had moved in on the coal land and gotten it for a pittance in terms of what they returned to the people of that State. They are now conveying off those leaseholds for millions and tens of millions of dollars.

What is happening with that coal land at a time when, Mr. Hathaway and the proponents of his nomination say, we need these energy supplies? They are not

being developed because there are no production guarantees. On those leases which Mr. Hathaway has administered in that State, the coal lands were not placed in production—with just one mine now operating on those vast State coal lands. So companies are sitting on those leases and they are speculating with them and tremendous amounts of money are changing hands between the speculators and the major energy giants, while the people of Wyoming do not get a fair return on the development of their resources. That is not adequate management of the resources of this country or any State in this country.

That is what is at issue here. It is not a question of who has the best environmental record or are the Senators from Colorado better environmentalists than the Senators from Wyoming. That is not the issue here.

The issue here, Mr. President, is the consumption and production of the resources of this country. The party is over. We have been developing the resources of this country at a rate which we cannot sustain in the future, and priorities are going to have to be set by the national leadership and State leadership in the coming months. We must have leadership which will wisely and adequately administer our resources so that they are not turned over to the energy giants to be locked up for speculative profits.

Mr. President, we are running out of some things in this country, and the full-scale all-out development of those remaining resources is not going to solve the economic problems, and they are certainly not going to solve the problems of the future generations which my distinguished colleague has mentioned.

We are also going to need coal and also going to need oil. But if we continue this mad rush to develop every last ton of coal and barrel of oil, what will be left for the 21st century? What will be left for our children and their children? Will that be solving the long-range economic problems of this country? I say it will not.

So what is before this body today is the question of the administration of the resources of this country for the latter quarter of the 20th century and, in my judgment and on the record, Mr. Hathaway has not distinguished himself as the kind of farsighted, imaginative person who understands what is at stake in these vital resources and what is in the best interests of the people of the United States.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. HASKELL. I yield such time as he may desire to the Senator from Florida (Mr. STONE).

The PRESIDING OFFICER. The Senator from Florida (Mr. STONE) is recognized.

Mr. STONE. Mr. President, the Senator from Florida recognizes that a number of Governors and former Governors support the nomination of this nominee. But when it comes to recommendations, the Senate should also consider the recommendation of all of the groups, all of the major groups, that speak for the environmental concerns in this country.

On April 11, 1975, a great number of the leaders in that area wrote to the Senate committee, actually to the chairman of the Interior Committee, putting themselves on record in opposition to this nomination. Among them were:

Mrs. William L. Blue, American Horse Protection Association.

Albert Fritch, Center for Science in the Public Interest.

Peter Shuck, Consumers Union.

John Grandy, Defenders of Wildlife.

Peter Harnick, Environmental Action.

Arlie Schardt, Environmental Defense Fund.

Joe Browder, Environmental Policy Center.

Jeff Knight, Friends of the Earth.

Louis Regenstein, Fund for Animals.

Sue Pressman, Humane Society of the United States.

Maitland Sharpe, Izaak Walton League.

Marion Edey, League of Conservation Voters.

Christopher Burke, National Consumers Congress.

Tobey Cooper, National Parks and Conservation Assoc.

Martin Rogol, Public Interest Research Group.

Brock Evans, Sierra Club.

Stewart Brandborg, The Wilderness Society.

Jack Beidler, United Auto Workers.

Robert T. Dennis, Zero Population Growth.

But apart from environmental leaders, apart from editors, apart from those who speak in the public interest as trustees of those interested in the environment, apart from those who are in opposition, we have the record of the nominee himself who, at best, can be described as a nominee giving fuzzy answers and fuzzy positions on issues that demand clear-cut positions.

Of concern to the State of Florida, for example, is the Big Cypress, which is an area needed as a water recharge for the population growth centers on the west coast of the State of Florida, as an area needed in order to protect the Everglades National Park from drought and erosion, and as an area needed for the recreational and leisure purposes of the entire United States of America.

It is an area to which our State committed its own funds, relying on the leadership of the Federal Government to match those funds in great amounts in order to acquire these endangered lands from owners by paying the owners fair compensation.

The Senator from Florida is not one who wishes to confiscate private property in the name of public enjoyment of that private property. It takes money. This is a national commitment that was made, and in the forefront of that national commitment has been the Interior Department.

So the Senator from Florida inquired of the nominee would the nominee lend his personal assistance to the continuing effort to fund the purchase of that private property. The answer the nominee gave was fuzzy at best. His answer was that he could not make appropriation commitments; and when asked would he look into whether he personally could, his answer was that this was too short a period of time for him to be able to look into that and give a commitment.

Of interest to the State of Florida are the phosphate deposits that underlie the Osceola National Forest. Prospecting permits have been granted for that phosphate mining, and applications have been made to develop by strip mining that phosphate off of the floor of the Osceola National Forest.

When asked not on one but on several occasions whether the nominee, if confirmed, would oppose the strip mining in the forest as a matter of policy in that forest, in that specific situation, the answer was fuzzy and equivocal at best. He said he simply would look into it. He simply said that it is a matter that has to be of great moment in order to be able to take the phosphates off of the floor of the Osceola National Forest.

But he had plenty of option and plenty of opportunity to inform himself over a matter of many days as to whether he personally would or would not favor or oppose the strip mining of phosphates in the national forest in Florida. The answer that he gave was fuzzy and equivocal at best, a series of answers.

Of interest to the State of Florida and every coastal State is what do we do to protect the shoreline and the marine environment when we drill for oil on the Outer Continental Shelf. This is probably the No. 1 energy issue facing the country in the years ahead in terms of the development of our own energy resources, and to preside over this process a nominee is offered to the country, a nominee who says in his testimony that he has no personal program for this, and that he really is relatively unaware of that offshore environment. He says he is an interior Governor rather than a coastal Governor. While he believes in some revenue-sharing approach to protect the coastal States from the greater risks that a coastal State does become subjected to, he says that he has nothing personal to offer, a personal program, no personal suggestions, no personal plan, no personal ideas, no personal creativity to bring to the No. 1 energy development situation that we have to give us whatever independence we are able to give ourselves in the energy field.

In short, the Senator from Florida believes that to the major energy issues the nominee brings a lack of background and knowledge; to the major resources, the nominee brings insensitivity; to the major issues demanding positions, the nominee brings fuzziness.

Surely, the President in his wisdom can do better for the country than that.

Mr. President, I yield the floor.

Mr. HASKELL. Mr. President, an inquiry, how much time is remaining?

The PRESIDING OFFICER (Mr. HARRY F. BYRD, Jr.). The Senator from Colorado has 52 minutes remaining.

Mr. HASKELL. I yield 10 minutes to the Senator from Vermont (Mr. LEAHY).

The PRESIDING OFFICER. The Senator from Vermont (Mr. LEAHY) is now recognized.

Mr. LEAHY. Mr. President, decisions to be made by the Secretary of the Interior will affect the basic interests of virtually every area of the country. More important, as the Nation's leading policymaker on energy, on natural resources, and on environmental questions, his philosophy and his actions will in many ways

determine the lifestyle of all Americans for years to come.

The next Interior Secretary will not only be responsible for managing and preserving our wilderness areas and our natural parks. He will be called upon to decide whether offshore oil drilling will be done in such a way as to prevent damage from spills and pollution from refineries and other facilities on the shore. He must determine whether areas ravaged by strip mining will be adequately restored. He must see to it that proper planning goes into synthetic fuel development.

The country has undergone a revolution in environmental understanding and concern in the last 20 years. The State of Vermont has been in the forefront of that movement. As a Vermonter, I cannot help but have a strong interest in the environment. The Interior Committee hearings on the nomination of Governor Hathaway raised very serious doubts in my mind as to whether his past record or his basic philosophy on these issues qualify him for stewardship over a vast amount of the Nation's property and resources.

His views on surface coal mine regulations and on development of the Outer Continental Shelf, for example, do not assure me that he has the commitment to existing and pending legislation that can reasonably be expected of a Secretary of the Interior in this day and age.

His record in managing the resources of Wyoming raises doubts on his concern for preservation of the environment. Time and time again he has shown an insensitivity to environmental concerns. It is noteworthy that virtually every major environmental organization in the country has expressed opposition or serious concern on his qualifications to serve as Secretary of the Interior.

Mr. President, even with these serious reservations I might have been disposed to give the nominee every benefit of the doubt and vote for confirmation. People can change. Attitudes can change. Throughout our history there have been controversial nominees for high public office—the Supreme Court, the Cabinet, the regulatory commissions—whose views and actions changed after their confirmations. Therefore, Governor Hathaway's previous record in and of itself might not have been sufficient to dissuade me from voting for his confirmation.

However, there is, in my mind, the overriding concern of Governor Hathaway's lack of candor before the Interior Committee and his attempts to mislead it. Furthermore, the record is well stocked with illustrations that indicate he does not fully appreciate or understand the sensitivity of conflicts of interest.

No one likes to debate the character and qualifications of an individual, but, unfortunately, it cannot be avoided when high public office is at stake. Now, perhaps more than ever before in our history, Americans must be assured that those holding positions of public trust are above reproach.

Governor Hathaway's failure to inform the committee until well into the hearings of his membership on the board of directors of a bank while Governor and of his compensation for such service when he was a member of a State agency which passed on the bank's eligibility to accept deposits of State funds reveals a serious lack of sensitivity to an obvious conflict of interest problem.

Of equal concern was his active role in misrepresenting his environmental record to members of the committee in a document replete with selective omissions and distortions—a document that he has never repudiated.

Mr. President, I believe that the President should be given wide latitude in the selection of his Cabinet, and that a strong presumption should be made in favor of his choice. However, I also believe that the Founding Fathers in adopting the "advise and consent" clause did not intend the Senate to act as a rubber stamp for all Presidential appointments.

There is no doubt from the statements of the Framers of the Constitution that the Senate's participation in the appointive process was not intended to be a mere formality, but a serious responsibility. In his Federalist Paper No. 76, Alexander Hamilton said:

> It is not likely that their (the Senate's) sanction would often be refused, where there were not special and strong reasons for the refusal.

As Hamilton pointed out, it is not to be expected that refusals will be frequent, but it is clear that the power to refuse was vested in the Senate to act as a check on the Executive when he makes a bad nomination. It is part of our checks and balances system that the architects of the Constitution with amazing foresight wrote into the organic law. I am convinced that the Hathaway nomination is a bad nomination that justifies the exercise of that check.

Hamilton went on to say:

> If an ill appointment should be made, the Executive for nominating, and the Senate for approving, would participate, though in different degrees, in the opprobrium and disgrace.

Mr. President, this is no time for the Congress to give in to a poor Presidential Cabinet appointment which will have such a significant effect upon all Americans both today and in the immediate future. We cannot afford to confirm this nominee and thereby gamble with our resources and our environment. Should we do so and lose, the Senate would indeed deserve the opproburium of this and future generations.

Mr. President, for those reasons, I oppose the nomination of Governor Hathaway to be Secretary of the Interior.

I cannot take the attitude that as a Member of this body I must automatically vote for any presidential nominee. I feel that the advise and consent powers mean precisely that and although wide latitude must be given to every President, there comes a time when we must exercise our own individual judgment.

I have exercised my judgment and I will vote no on the confirmation of Governor Hathaway.

I yield back my time to the Senator from Colorado.

Mr. HASKELL. Mr. President, how much time is remaining?

The PRESIDING OFFICER. The Senator from Colorado has 44 minutes remaining.

Mr. HASKELL. And the proponents, how much time do they have remaining?

The PRESIDING OFFICER. The proponents have 28 minutes remaining.

Mr. HASKELL. I yield 15 minutes to the distinguished Senator from South Dakota.

The PRESIDING OFFICER. The Senator from South Dakota (Mr. ABOUREZK) is recognized.

Mr. ABOUREZK. Mr. President, if Governor Hathaway is confirmed for the office of Secretary of the Interior, he will be called upon to perform a balancing act of extraordinary delicacy. His will be the job of determining how to reconcile our Nation's fundamental interest in having both a livable environment and an adequate supply of low-cost energy. He will have the task of balancing demands for conservation against demands for resource exploitation. He will face complex trade-off decisions between agricultural and industrial needs for water, between the corporate push for high profit development and the citizens' interest in a relatively stable social environment, and between government, large corporations, and small business for a lead role in formulation of fundamental policy decisions.

In my own Upper Great Plains region, Governor Hathaway will find farmers, industrial developers, municipalities, and electric utilities all vying for use of scarce water resources. He will find pro-development forces battling hard against those who would retain the traditional farm oriented structure of our region. And he will see a growing citizen concern for local control over natural resources running up against a Washington led drive for energy independence through exploitation of Great Plains coal.

Governor Hathaway clearly seeks a very hot position—a position that demands a man with a demonstrated record for cool minded objectivity.

I believe that the decision on Governor Hathaway must be based on his ability to handle the controversial job of Secretary of the Interior objectively. If his record is one that demonstrates a full sensitivity to all of the competing demands he will face as Secretary, then he should be confirmed. If his record indicates a pervasive bias in favor of one fundamental viewpoint on energy and the environment over the other, then I believe he should be rejected.

The hearings of our committee on this nomination clearly indicate that all concerned viewed this question of objectivity as the central argument. Governor Hathaway and his supporters argued that his record is one of balance between development and conservation minded environmentalism. Opponents of Governor Hathaway argued that he has shown himself to be a single minded developer, deaf to the arguments of those whose concern is a preservation of the environment and a slower, more orderly exploitation of our natural resources.

By any objective reading I believe Governor Hathaway has lost this crucial argument and should not be confirmed for the job of Secretary of the Interior.

While it is obviously impossible to replay the entire hearing transcript in this brief statement, a single specific example dramatized for me Governor Hathaway's fundamental sympathy for the rapid energy development viewpoint, and his seeming inability to comprehend the concerns of environmentalists, farmers, municipalities, consumers, and others who point to the dangers of rapid energy exploitation under the largely unfettered control of our biggest corporations.

In my own region the number one target of those seeking rapid energy development is coal and the water needed to exploit that coal. The greatest collision comes over scarce water, water needed for agriculture, for hydropower, for municipal use, as well as for the exploitation of coal. It is simplifying a bit, but certainly not distorting the basic picture, to say that environmentalists, farmers, and municipal users are arrayed against industrial energy promoters in a battle for scarce water resources.

To those not familiar with the terms of the debate in our region, Governor Hathaway's statements on this issue might seem to be the very model of even-handed objectivity. At his confirmation hearings the Governor said:

As a matter of philosophy . . . with the competition for water in the West, agriculture has to be protected. (g–63)

He goes on to rate both municipal and agricultural water needs as higher than competing industrial water needs.

Governor Hathaway appears to be making a great concession, but in fact he is simply stating the law. The law requires that agricultural needs be met first. Nobody in my region dares openly advocate meeting industrial water needs before farm or municipal needs are met.

But, there is a hidden hook in the debate. Municipalities and farmers cannot pay for the pipelines, canals, and other expensive development needed to permit utilization of the water that exists. And, this administration has shown no inclination to help provide the financing needed to utilize that water.

Instead, administration and major energy companies alike have developed a line that goes something like this: "Energy developers have big money. They can pay for pipelines and related items. Give them solid water rights and they will drop off a little water along the way for farmers and small towns to use." The argument that farm and municipal needs may soon need almost all available water in the region is finessed by saying that such use is not economically feasible, and so does not really exist.

Those are the terms of the development argument in my region. Now, listen again to what Governor Hathaway says on the water issue:

As a matter of philosophy . . . with the competition for water in the West, agriculture has to be protected . . . (g–63) . . . But, I see an opportunity for agriculture and industry and recreation all working together, to use water resources with industry paying some of the costs that agriculture is not able to pay. (May 5)

The great fear of my region is that most of our water will have to go to a handful of industrial giants in return for their delivering a few drops to the farmlands and towns that need the water. That is what Governor Hathaway's plans for industry paying water development costs farmers cannot meet means to us.

Governor Hathaway nailed down his support for precisely what we fear when he used the hole-in-the-wall dam as an example of the kind of industry-farmer cooperation he favors. Under the terms of this notorious agreement Carter Oil Co.—Exxon—got a firm supply of 25,000 acre feet of water. Farmers got 1,500 acre feet of water, and, because they did, Exxon also grabbed a big, low-interest loan from Wyoming's State Farm Loan Board for its agricultural project.

In my opinion this cooperation was actually a gross exploitation of farmers and the citizens of Wyoming by an energy company seeking water for rapid development. It was an exploitation made possible because Exxon has the money to use our water, and because Federal policies have made certain that our small farmers and towns do not.

In microcosm "hole-in-the-wall" represents the water grab that farmers, small towns, environmentalists, and plain citizens in my region deeply fear will be repeated regionwide as Exxon and its friends charge toward total development of our massive coal resources.

But to Secretary-designate Hathaway "hole-in-the-wall" represents cooperation and progress. He simply does not see the problems. Because he does not, I do not believe he is qualified to be Secretary of the Interior.

There are a lot of other problems Governor Hathaway does not see as well.

He does not see why there was anything wrong with his leasing every single acre of Wyoming State land known to be underlain by coal—statement by Wyoming State Commissioner of Public Lands to EDF—despite the fact that these leases went heavily to large oil companies who hold them for speculation, despite the fact the leases return almost no benefit to the citizens of his State, and despite the fact that the leasing was done without competitive bidding. Hearings May 6 and statement by Senator GARY HART.

He does not see why he should state clearly whether he would recommend that the President sign the strip mining bill.

Nor does he feel he should take a firm position in favor of the land use planning bill which he helped defeat in 1974 with a telegram which some feel misconstrued the Governor's Conference position on the bill—hearings May 5.

Governor Hathaway sees no problem with his support for deregulation of natural gas prices at a cost to consumers of tens of billions of dollars.

He says he favors creation of new wilderness areas and scenic rivers, but opposed both in Wyoming.

Governor Hathaway has supported clear cutting of our forest lands, he has favored blanket permits to hunt golden eagles and has opposed elimination of the oil depletion allowance.

The Governor has fought for an environmentally questionable jet-port at the foot of the Grand Teton Mountains. He has urged rapid development of shale oil and refused to oppose strip mining in national forests in Florida or in South Dakota where open pit taconite mining may take place in our Black Hills.

As Governor of Wyoming, Mr. Hathaway backed a special exemption for a coal-slurry pipeline company permitting it to withdraw water from an underground formation which supplies water for communities in eastern Wyoming and western South Dakota. Despite discussion of a legal proceeding by my State, the Governor saw nothing wrong with sending 20,000 acre-feet of bi-State water from our semiarid region to water rich Arkansas for the benefit of the ETSI corporation and its potential corporation customers.

Governor Hathaway sees no problem with basing an argument for rapid development of nuclear power on a record he reads as showing such power to be basically safe. He has also backed use of nuclear explosions in mining.

Perhaps most disturbing of all, Governor Hathaway permitted the preparation and distribution of a highly favorable analysis of his environmental record which he himself was forced to admit under questioning was misleading. Several weeks after distributing the document personally, and after it had received substantial press coverage, the Governor claimed he "had nothing to do with the drafting" of the document. But he was forced to admit to Senator HASKELL that he was aware that his former staff people were drafting the document and had seen and read it before he himself distributed it to Senators on the Interior Committee.

Whether Governor Hathaway's positions are taken singly and examined in detail, or taken cumulatively and examined for the general viewpoints they reveal, I believe the conclusion must be the same. Governor Hathaway is not sensitive to, and does not understand the concerns of those Americans who favor conservation, and environmental protection over pellmell corporate exploitations of our natural resources.

I do not count myself among those who would grind America's economic engine to a halt so that every beast and object in our natural environment may remain 100 percent undisturbed. I did not judge Governor Hathaway by this standard.

But I do believe that the Secretary of the Interior must have a minimal understanding of the values and goals that motivate those who stand against energy development at any cost.

Based on the record as I read it, Stanley Hathaway lacks the minimal appreciation for environmental concerns that would permit him to objectively balance our Nation's need for energy against her equal need for a livable environment. I must therefore vote against his confirmation for the position of Secretary of the Interior.

I yield back to the Senator from Colorado the remainder of my time.

Mr. HASKELL. Mr. President, parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HASKELL. How much time remains to the proponents?

The PRESIDING OFFICER. The proponents have 28 minutes remaining. The opponents have 29 minutes.

Who yields time?

Mr. HASKELL. Mr. President, I yield such time as he may require to the senior Senator from Maine.

PRIVILEGE OF THE FLOOR

Mr. MUSKIE. Mr. President, I ask unanimous consent that Leon Billings and Sally Walker of my staff be given the privilege of the floor during the consideration of this nomination.

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

Mr. MUSKIE. Mr. President, I send to the desk a motion and ask that it be reported.

The PRESIDING OFFICER. The motion will be stated.

The assistant legislative clerk read as follows:

The Senator from Maine (Mr. MUSKIE) moves that the nomination of Stanley K. Hathaway to be Secretary of the Interior be recommitted to the Committe on Interior and Insular Affairs for further hearings on certain of the nominee's views and, in order to reconcile discrepancies between his statements before the Committee on Interior and Insular Affairs and subsequent statements on these issues.

Mr. McCLURE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McCLURE. Is a motion to recommit in order prior to the expiration of all time for general debate?

The PRESIDING OFFICER. The motion is in order, although the vote could not occur until all time has expired.

Mr. McCLURE. I thank the Chair.

Mr. McGEE. Mr. President, for the record, is a motion to recommit debatable, so that there will be no interruption in the flow of discussion here?

The PRESIDING OFFICER. The motion is debatable. The debate may continue.

Mr. MUSKIE. The Senator from Wyoming should know that if that were not the case, I would have cut myself off from the debate on this question.

Mr. McGEE. The Senator from Maine should know that was why I asked the question, because I was sitting here with bated breath waiting for his remarks.

Mr. MUSKIE. I thank the Senator. Perhaps between the two of us we can throw some light on the issue.

Mr. President, it was not until yesterday that I began to dig thoroughly into the record of the hearings on this nomination. I did so with an open mind. It has been my custom, over the years since I have been a Member of the Senate, to give the President, any President, the benefit of the doubt on appointments to his Cabinet; and I have tended to reserve my own doubts about the qualifications of candidates for particular positions in deference to the President's right, as I saw it, to appoint his own advisers.

In this case, on a reading of the record up to this point, I found it necessary to insist on my reservations and to seek to do so by making this motion to recommit. This is not a dilatory motion. Underlying it is a question that ought to be of concern to every Member of the Senate with respect to this nominee, and I can get to that point very quickly. It has to do with his position on the strip mining bill which the President just vetoed, which veto the House of Representatives failed to override yesterday.

Throughout his hearings, apparently, there was an attempt on the part of the committee, or certain members of the committee, to ascertain Governor Hathaway's views on that piece of legislation. He moved from considerable ambiguity at the beginning to what appeared to be a rather specific position at the end; and it is on that point that this motion rests.

I now turn to the record of the hearings on that point. During the hearing of May 6, Senator ABOUREZK put this question to Governor Hathaway:

What would you recommend to the President as far as strip mining bills are concerned with regard to signing or vetoing?

This was Governor Hathaway's reply:

My answer, Senator, is under the hypothetical situation you pose, a qualified yes, that I would recommend, subject to my not trying to place my judgment on the economic issues and the productivity issues. That would be a very awkward position for me to be in, to be attempting to advise the President of the United States in areas that I would need more information on, a lot more information than I have right now.

As to the general thrust of the reclamation standards, yes, I would hope it would become law.

I have emphasized what Governor Hathaway had to say. Senator ABOUREZK then put this question:

There is a possibility, under the terms you have stated, that you might recommend a veto under certain factual circumstances, if you got the right or wrong kind of advice, depending on how you looked at it?

Governor Hathaway responded with these words:

If economic and energy production questions cause me to take a different view on it, if I were in a position to make that recommendation, yes, I could.

Senator ABOUREZK. It is possible you could recommend a veto?

Governor HATHAWAY. I am being as honest with you as I can Senator. I am telling you what I think of the bill from a practical aspect of its administration and its purpose to protect the environment.

I do not see how I can be more forthright with you.

Senator ABOUREZK. Then your answer to my question is yes, it is possible you could recommend a veto?

Governor HATHAWAY. Yes.

Now, it is clear to me from this colloquy—I have not read all of the extensive record, and it may be that there is something in it that throws further light on the Governor's position, but in this discussion with Senator ABOUREZK, it was clear that he wanted to convey to the committee his support for the basic thrust of the strip mine legislation. He reserved judgment on the question of the economic and energy production issues, which he had not had the opportunity to study, and he clearly indicated that he would not advise the President with respect to vetoing this bill until he had sufficient information to form a judgment.

I repeat these words from his testimony:

* * * that I would need more information on, a lot more information than I have right now.

The clear implication was that he would not advise the President with respect to the veto unless he had such information on the economic and energy production questions. That is what I gather out of that colloquy, and that is an understandable position.

But then, the day after the committee reported his nomination to the floor, he discussed this question with reporters in Washington.

The news story reads as follows:

Immediately after the Senate Interior Committee approved his nomination as Interior Secretary, former Wyoming Gov. Hathaway said he supported President Ford's decision to veto the federal strip mine bill.

The question of whether Hathaway would recommend a veto of the bill was a point of considerable controversy during the committee's six days of confirmation hearings.

After repeated questioning by Sens. James Abourezk, D-S.D., and Floyd Haskell, D-Colo., Hathaway gave a "qualified yes" answer.

"I like the bill," Hathaway told the committee on May 6. "I think it is workable. Administratively, I think it gets at the thrust of the problem of protecting the environment and making it possible to use more coal for this country's needs at the same time."

However, Hathaway told reporters Wednesday that his support for the bill had been conditioned on learning more about possible economic impacts.

So then we come to the question, What more happened in the Governor's experience with respect to learning more about possible economic impacts?

Mr. STONE. Mr. President, will the Senator yield for a question?

Mr. MUSKIE. I am happy to yield.

Mr. STONE. Does the Senator suppose Governor Hathaway got briefed on the night the Committee reported his nomination favorably on the economics of the situation that night so that the next day he was then briefed? Is that when the Senator thinks that it happened?

Mr. MUSKIE. My impression is that it did not happen at all, and I refer to the same story, which incidentally happens to appear in the Denver Post for Thursday, May 22.

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

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

STRIP MINING SHIFT COULD HIT HATHAWAY

(By Leonard Larsen)

WASHINGTON.—Former Wyoming Gov. Stan Hathaway's prompt support for President Ford's veto of the strip-mining bill may fuel opposition in the Senate to his confirmation as Interior Secretary.

Sen. Gary Hart, D-Colo., leader of an at-

tempt to force a floor fight on the Hathaway confirmation, said Thursday he was "curious" about Hathaway's present stand after Hathaway expressed support for the strip-mine control bill during his confirmation hearings in the Senate Interior Committee.

Hathaway was approved by the committee Wednesday on a 10–4 vote in which his confirmation was recommended to the full Senate.

ENDORSEMENT "QUALIFIED"

Immediately after that vote, in a brief television interview, Hathaway was asked about the Tuesday Ford veto of the strip-mine bill and said, "I support the President's decision."

Hathaway reminded reporters that when he praised the objectives of the strip-mine control bill under questioning by the Senate Interior Committee he said his indorsement of the bill "was qualified" by the potential economic impacts of the bill.

Ford, in his veto message, told Congress he was returning the bill because, he said, it would create unemployment, hamper development of coal resources and boost energy costs.

Hathaway suggested during his confirmation hearings weeks ago that he would have to be informed on the "economics" of the strip mine control bill, even though he supported the objectives of the bill in land rehabilitation and protection of the environment.

NOT CONSULTED

Hart said one thing he was curious about was how Hathaway was convinced of the bad economic effects of the bill since—apparently—the former Wyoming governor hadn't been consulted by the White House before Ford's veto of the measure.

A Hathaway aide told The Denver Post that Hathaway had been in Wyoming since the weekend of May 10 and, the aide said, Hathaway, "to my knowledge" hadn't conferred with the White House on the strip-mining control bill veto.

Asked whether Hathaway had received any information from the White House on the adverse economic impact of the strip-mine control bill, the aide said Thursday that "I know he hasn't been consulted on the economics of the thing. I know he hasn't been briefed."

The aide suggested that Hathaway's apparent change of mind on the strip-mine control bill—without having been informed of the White House views of its economic impact—was simply Hathaway's position of "expressing support for the President."

"I want to compare what Governor Hathaway is saying now to what he said during the committee hearings," Hart said.

Although Hathaway's quick support of the veto will be "helpful" in the confirmation fight, Hart said it was unlikely the Senate would turn down Hathaway.

Nevertheless, Hart said, he intended to carry the case to the Senate floor.

"The grounds for my objections to him are still the same," Hart said. "They have to do with his failure to understand the long-range economic and resource problems of this country."

The presidential veto of the strip-mine bill was due for a vote Wednesday in the House of Representatives, but supporters of the bill delayed that action until June 10 when it became obvious there wasn't enough House votes as of Wednesday for two-thirds majority to override the veto.

Mr. MUSKIE. This is what a Hathaway aide had to say on the question of whether the Governor indeed had made an effort or in some other way had been briefed on the economic impacts of the bill.

A Hathaway aide—fortunately not identified in the story—

Suggested that Hathaway's apparent change of mind on the strip mine control bill—without having been informed of the White House views on its economic impact—was simply Hathaway's position of "expressing support for the President."

Mr. HASKELL. Mr. President, will the Senator yield at this point?

Mr. MUSKIE. I yield.

Mr. HASKELL. I point out to the Senator another portion of that same story which backs up the Senator's viewpoint.

The aide says as follows, and I am quoting from this same article:

I know he hasn't been consulted on the economics of the thing. I know he hasn't been briefed.

Mr. MUSKIE. The Senator has anticipated what I was about to say next.

Mr. HASKELL. I beg the Senator's pardon.

Mr. MUSKIE. I appreciate the interruption for the purpose of making the RECORD complete.

So at this point the indication is that the Governor had not briefed himself on the economic implications of the strip mine bill before he took his position on May 6 before the Committee on Interior and Insular Affairs. He was not briefed from May 6 until May 21, apparently, when the Committee reported his nomination out to the Senate, and as of the time that he made his statement of support for the veto to reporters, an aide indicated he had not been consulted and had not been briefed on the economic issues.

It is a long time since I have been a lawyer, so I want to be careful about not cutting off any of the Governor's position on these questions.

But on the record the Governor advised the President to veto and strongly supported the veto, without having laid the basis for his own judgment on that question that he himself had said was essential before he would advise the President on the veto.

That is a question sufficiently related to the Governor's credibility before the Committee on Interior and Insular Affairs and sufficiently related to his qualifications for the office which the Senate ought to take into consideration before acting on his nomination.

I think he ought to be given an opportunity to explain to the committee and to the Senate exactly what was the basis either for his change of mind or for his economic views with respect to the strip mine bill.

Unfortunately, there is in the record other evidence of the Governor's tendency to slip around direct and tough questions and to avoid the heart of the issues, which the Committee on Interior and Insular Affairs undertook to explore.

There was the now very well known document of Hathaway's record on the environment, which the Governor himself undertook to present to members of the committee and to Members of the Senate as documentation of his concern for environmental questions, as documentation of the balance in his own judgment as between environmental issues and others. That was questioned in the committee.

The 23 assertions that were made in that were challenged. He was given an opportunity to respond to those challenges. He could find criticism only with respect to four of the 23 challenges, and then those who had examined his record were given an opportunity to respond.

However one may read the record with respect to the original Hathaway environmental record document, or the criticism of that document, or the exchanges that took place in the Committee on Interior and Insular Affairs, he has to come out of it with the impression that the Governor was doing his best to put his best foot forward, even though that meant withholding relevant information, or misstating, maybe with politician's license over poetic license, or whatever one might like, his true position and his true record on the issues involved.

Standing by itself, I might still have given the President the benefit of the doubt and vote to support the nomination. But when added to that we have the matter that I presented to the Senate today, I simply could not find it possible to support his nomination, without having the discrepancy between his testimony of May 6 and his press statements of May 22 resolved, not by anyone in the Chamber of the Senate, but by the candidate himself.

Mr. GARY W. HART and Mr. STONE addressed the Chair.

Mr. MUSKIE. I want to know whether he can face a direct challenge like this and meet it head-on with complete candor and directness.

There is much in the record to suggest doubt on that question.

Mr. GARY W. HART. Mr. President, will the Senator yield for a question?

Mr. MUSKIE. I yield to the Senator.

Mr. GARY W. HART. With the possible exception of the air quality legislation currently before this Congress, does the Senator doubt that the strip mine bill was one of the most important pieces of legislation before the Congress this year and that had been before Congress in the last session or two, relating to our land, our air and our water.

Mr. MUSKIE. I agree with the Senator.

Mr. GARY W. HART. Will the Senator also agree that the administration's case for vetoing and sustaining the veto of that bill rested on the economic implications of what that bill purportedly would bring about in terms of jobs, in terms of energy costs, and so forth?

Mr. MUSKIE. The President made that very clear.

Mr. GARY. W. HART. I think the Senator from Maine has in very cogent and logical terms laid out the problem here before this body how the nominee, who waffled all over the lot on the issue of whether the President should veto that very important legislation, within hours after his approval by the Interior Committee then stated very clearly that he was in favor of the veto and opposed to the legislation. He said this even though he had not received the kind of economic briefing on that issue which he said was necessary before he could take a position.

Mr. MUSKIE. The Senator has stated the point very well.

Mr. GARY W. HART. Can that discrepancy be resolved in the Chamber or must that be resolved by the committee?

Mr. MUSKIE. It cannot be resolved in the Chamber to my satisfaciton, so far as I know.

Mr. GARY W. HART. I thank the Senator.

Mr. STONE. Mr. President, will the Senator yield?

Mr. MUSKIE. I yield to the Senator from Florida.

Mr. STONE. Is it not further the situation with regard to the strip mining bill that that bill has now been vetoed and that veto sustained, and is it not the case that if the Senate confirms this nominee the Senate has no notion of what that new Secretary of the Interior would recommend with regard to strip mining controls of any type? We would be flying blind.

Mr. MUSKIE. The Senator raises a very important additional point.

May I say that on May 6, the same day that Governor Hathaway testified with respect to his position on the strip mine bill, there followed a discussion with Senator ABOUREZK about what he would do if the bill were vetoed with respect to moving forward with coal leases, and again he left a record of ambivalence and uncertainty, and given his shift from May 6 to May 22 on the strip mine bill itself, legitimate questions arise as to what his policy will now be now that the bill has been vetoed and that he would have authority as Secretary of the Interior to move forward with coal leases.

He implied in his testimony that he might continue the moratorium until Congress acts. But now I suggest there is real question as to whether he meant that or whether he had some mental reservations that he has not yet expressed and will not express until his nomination has been confirmed.

Mr. STONE. Mr. President, will the Senator yield further?

Mr. MUSKIE. I yield.

Mr. STONE. Is it not also the case that the question now left in the wake of the effected and sustained veto is what form of strip mining bill, if any, the administration would recommend, and have we any way of knowing that without further testimony from this nominee at the committee level?

Mr. MUSKIE. We have none whatsoever.

I wish to add this further point, and then I will yield: We are in a period of confrontation between environmental values, economic values, and energy values and how we resolve them in a balanced way to preserve the environment, to meet our legitimate energy requirements, and to solve the problem of economy. That is a tough balance to achieve, at best. Those whose bias leans in one of these three directions are going to be suspected by those whose biases lean in another.

So a man who is in the position of the Secretary of the Interior—in a position, really, to impact on more than one of this triad of issues—is going to be credible and supportable only if he is perceived as a man who comes to that responsibility with balanced judgment, with a record for candor and directness, who is willing to talk to all sides, to achieve a balance, and to leave no one in doubt about where he stands.

It is extremely important, Mr. President, that this question be resolved. Only the candidate can resolve it, and the best way to do that is in the committee. I will promise him to give him the kind of objectivity I am urging for the Office of the Secretary of the Interior in evaluating whatever he has to say before the Committee on Interior and Insular Affairs. He will have to be pretty good to get out of this ambiguity and out of this discrepancy, but I am all for giving him that chance.

If he is not willing to take that chance—he can indicate to his supporters in the Senate—if he is not willing to take that chance to explain his position in a way that will be credible to the Senate, he cannot have my vote.

Mr. President, I have very carefully considered the nomination of former Gov. Stanley Hathaway to be Secretary of the Interior. I am concerned that Mr. Hathaway's philosophy is inconsistent with what I believe are required of the administrator of the Nation's natural resources.

The Interior Committee has held extensive hearings on Mr. Hathaway's nomination. Those hearings brought out Mr. Hathaway's record as Governor of Wyoming, which, at best is distressing insofar as natural resource issues were concerned. However sincere his actions, Mr. Hathaway nonetheless reflects an "energy development at any cost-resource exploitation" philosophy.

The Secretary of Interior has broad discretion in his authority over how much Federal land is leased for mineral rights—including rights for coal, phosphate, oil, natural gas, oil shale, and other minerals—when that land is leased, who receives the lease, its location, and its royalty structure. Further, the Interior Secretary has considerable discretionary authority over wildlife preservation, endangered species, the National Park System, the National Seashores System, and other wildlife and conservation programs. His comments on behalf of these national resources are integral to the environmental impact review process.

The President has proposed to place a man with a record of lack of concern for environmental issues in a position which demands both sensitivity and a well-developed sense of balance for the environmental impact of resource development issues. The time has passed when the President's choice of people who will have broad administrative discretion is simply rubber stamped.

Mr. Hathaway's position with respect to the strip mining bill may be symptomatic of how he will function as Secretary of Interior. At the time of his nomination hearings, Mr. Hathaway expressed a general support for the bill and its structure. I will not repeat the history of his position. I have dealt with the record on this subject in detail.

I noted that immediately subsequent to committee approval of his nomination, Hathaway announced his support for President Ford's veto of the strip mining bill.

Mr. President, the Secretary of the Interior has responsibility for protection of the public land and the resources underneath these lands. To many, the Secretary of Interior manges a Western department and is interested in Western problems and Western resources. To me and to my constituents, the Secretary of the Interior is the manager of the Nation's parks, recreation resources, and most importantly, the submerged lands of the Outer Continental Shelf.

If, when, and how the resources of the Outer Continental Shelf are developed, are questions of overwhelmingly importance to the people of Maine and New England. Our fishery and tourist resources rely on the quality of the coastal marine environment. And our economy relies on oil. No better example of the importance of a delicate balancing of public needs exists anywhere. And I find nothing in the former Governor of Wyoming's record to recommend that he has that sense of balance.

For these reasons, and for the purpose of permitting examination of Mr. Hathaway—seeing inconsistencies on the question of the strip mining bill—I have moved to recommit the nomination.

Mr. HASKELL. Mr. President, I thank the Senator from Maine for articulating a very important point, because candor, above all, is requisite in a Cabinet post.

Mr. President, a parliamentary inquiry. How much time remains for the proponents?

The PRESIDING OFFICER. The proponents of the nomination have 28 minutes, and the opponents have 8 minutes.

Mr. HASKELL. I reserve the remainder of the time of the opponents.

The PRESIDING OFFICER. Who yields time?

Mr. FANNIN. Mr. President, I yield to the distinguished Senator from Wyoming (Mr. HANSEN).

Mr. HANSEN. Mr. President, I should like the attention of the distinguished junior Senator from Colorado, at his convenience.

Mr. STONE. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. HANSEN. I yield, on the Senator's time.

Mr. STONE. Mr. President, I ask unanimous consent that a member of my staff, Mr. Persily, have the privilege of the floor during the discussion of this matter.

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

Mr. HANSEN. Mr. President, when my good friend the distinguished junior Senator from Colorado was speaking earlier this morning, he called the Senate's attention to a coal lease that he said had been secured from the State of Wyoming, I think he said, from some 18 cents per acre, and later it had been sold for some $10 million. He went on to point out in his statement that "the people in Wyoming are sitting on these leases that they purchased, they are

speculating on them, with tremendous amounts of money changing hands between the speculators and the major energy giants, while the people of Wyoming do not get a fair return on the development of their resources. That is not adequate management of the resources of this country or any State in this country."

I invite the Senator's attention to what the facts are. The facts are that the State of Wyoming last year received, in ad valorem taxes on the production of coal, $2,018,242. In addition, the State of Wyoming received from severance taxes on the coal production in Wyoming, $1,090,761. That is a total of $3,109,003.

The estimates I have received in the last half hour from the State of Wyoming, for 1975, are that, based upon current estimates of production, the State of Wyoming will receive an ad valorem tax of $3,920,000 and a severance tax of $2.8 million, or a total of $6,720,000.

I do not accuse my good friend, the Senator from Colorado, of any effort to mislead or to deceive anyone. I am certain that was not his intention. But it is important to realize where revenues come from and why the policies in effect in the State of Wyoming make good sense.

The fact is that the amount of money paid for the leases is not where the revenue comes from for coal production, anymore than it is where the revenue comes from for oil production. We have leased and re-leased and re-leased Wyoming lands to people who believe they might be able to make some money in oil. One of the mechanisms that has been very effective in that leasing and re-leasing procedure is that you have to pay a filing fee.

So that we find, if we look down the past record, that the State of Wyoming has received enormous income from oil leases that have not been drilled. But, of far greater importance to the State of Wyoming, is the money that has been paid on oil production.

I think the Senator from Colorado will agree that it is not quite an accurate reflection of the true situation to imply that all that the State of Wyoming is going to get out of that lease which has been sold recently, according to the Senator's statement, for 10 million is the 18 cents per acre. The important consideration is the great good the severance tax and the ad valorem tax—which were passed at the insistence of the Governor of Wyoming, then the Honorable Stanley K. Hathaway—are doing for the State of Wyoming.

Mr. GARY W. HART. Mr. President, will the Senator yield?

Mr. HANSEN. I yield on the Senator's time.

Mr. HASKELL. Mr. President, the Senator has 28 minutes, and our side has 8 minutes. Inasmuch as the Senator from Wyoming asked the Senator from Colorado a question——

Mr. HANSEN. I did not ask a question. I asked for his attention, and I was grateful to him for having it. I yield 2 minutes.

Mr. GARY W. HART. The figures which I gave were 1974 figures provided to us by the Wyoming Land Commissioner. In terms of total annual rents and royalties to the State of Wyoming in 1974 from coal leases—not from oil production or anything else, but from coal leases—rents and royalties totaled $364,318. The average annual rental on an acre of State-owned leased coal land was 18 cents an acre. Those are figures provided to us by the Wyoming Land Commissioner. There was no suggestion on the part of the Senator from Colorado that that is all the money that the people of Wyoming were going to get. But it is my understanding that none of those leases contain production requirements and that people can sit on those as long as they pay the annual rent.

I thank the Senator.

Mr. HANSEN. Mr. President, I conclude by saying that I do not propose to apologize for anyone not knowing what the questions are that should be asked, but I thought the Senator would be interested in knowing what the facts are. These are the facts: that the income that comes in from the lease is a very insignificant part of the revenues coming to the State of Wyoming. That is the important consideration. The facts I gave are for coal in Wyoming. They reflect accurately how the people of Wyoming benefit from a policy that has had the support of Governor Hathaway. I think that, by comparison, most people will have to agree it is working very well. So long as there is no coal actually being dug—and only one State lease now is being operated—so long as there is no coal actually being dug and they want to pay 18 cents an acre, bully for them. When the coal actually is produced, the figures I gave indicate how the people of Wyoming will indeed benefit.

I yield back the remainder of my time.

Mr. FANNIN. Mr. President, I yield such time as the distinguished Senator from Idaho desires.

Mr. McCLURE. I thank the Senator for yielding. I wish to make two or three points that are perhaps pertinent in regard to the statement already made in opposition to the nomination of Governor Hathaway to serve as Secretary of the Interior.

As I listened to the arguments that have been presented this morning, they seemed to me to boil down to a disagreement of opinion, on balance, as to what is the proper environmental balance and, because it is a subjective matter, one that requires subjective judgments, there is bound to be a disagreement as to the appropriate answers to specific questions that may be given dealing with the questions of the appropriate protection of the environment. The larger portion of the argument, however, has not centered upon this factor but upon the question of the Governor's candor in presenting his case to the committee. I think their arguments themselves this morning refute the very case that they attempt to make.

First, I suggest that any Member of the Senate got here by the route of an election and in seeking to persuade voters to vote for them, they undoubtedly made statements of their own qualifications. I suspect they also had a certain number of news releases prepared and issued and they had campaign brochures prepared and presented to the public bearing on their qualifications.

I defy anyone sitting in this Chamber, or who has participated in this debate in particular, raising that question of candor to subject their own campaign brochures to the same test of candor that they are suggesting should be applied now with respect to Governor Hathaway.

Let us look for a moment at the charges that have been leveled in regard to the question of candor or lack thereof. The senior Senator from Colorado, in his statement, said—and I am quoting from the transcript—Governor Hathaway was "also sitting as a member of a three-man board which said that deposits of State money go into that bank."

That statement is not correct.

Mr. HASKELL. Will the Senator yield?

Mr. McCLURE. In just a moment. I will continue——

Mr. HASKELL. I would appreciate it if the Senator would quote the Senator from Colorado completely.

Mr. McCLURE. I quoted the Senator completely on that subject.

Mr. HASKELL. Will the Senator yield?

Mr. McCLURE. I do not yield further at this time.

Mr. HASKELL. Mr. President, will the Senator——

The PRESIDING OFFICER (Mr. BUMPERS). The Senator from Idaho has the floor.

Mr. McCLURE. "To be sure, a member of that three-man board, the treasurer, had developed a formula—but I assume a board can change formulas . . ." That, again, is the end of the quotation, and again, that quotation is not correct.

I was present in the committee hearing at the same time that the senior Senator from Colorado was present and he may not have heard the testimony that I heard, but it is in the record. It indicated that both of those statements are incorrect as a matter of fact. One is "That the deposits of State money go into what bank" and the only function of the board at that time—there were two: One to determine whether the bank was qualified and the other was what interest rates should be paid to all depositors. The evidence before the committee was absolutely clear and unequivocal on the point that the board had no discretion to determine how much money went into what bank and that was done by the State treasurer; that the State treasurer established the formula which governed the amounts of deposits and the board of which the Governor was a member had no discretion at all or no authority at all with respect to that formula. The record is absolutely complete on that point.

I wish to point out a couple of other matters that have come out with regard to charges of lack of candor. It has been stated in the minority views on file in this matter that the Governor——

The PRESIDING OFFICER. The Senator from Arizona asked to be advised when he has 15 minutes remaining. That is now.

Mr. McCLURE. Will the Senator yield me 3 additional minutes?

Mr. FANNIN. Could the Senator wind up in 2 minutes?

Mr. McCLURE. Two minutes then. That is in regard to the wild and scenic rivers. It was stated that Governor Hathaway opposed wild and scenic rivers in

Wyoming. Again, the record will indicate that he said, "I want the study to be completed prior to the time that we take a position with regard to the inclusion or exclusion of those rivers."

With respect to the point about poisoning eagles, I think if we are going to talk about candor, the record should be complete. The Governor transmitted a request on the part of livestock growers to continue a practice that was in being at the time. He transmitted that request to the Department of the Interior. The Governor, as Governor of Wyoming, did not OK, did not sign, did not grant the authority; he merely transmitted the request. The request was granted and the certificate was signed, the authority was given by the Secretary of the Interior, one Stuart Udall, rather than by the Governor of Wyoming, as has been suggested in the statements made here.

It has been suggested that somehow, Stanley Hathaway was insensitive to the requirements of candor in that he did not correct a statement made by Governor Rampton of Utah that other Governors supported, assuming that Governor Hathaway knew what the facts were and that Governor Rampton had made a mistake in what he had said.

It was suggested that the environmental report that has been mentioned several times here was intentionally misleading or, at least, so substantially inaccurate that we ought to have questioned the Governor's candor or his credibility for having allowed it to be used. Let me read from the report of the committee, from page 27 of the report: "The committee has carefully considered both the document circulated on behalf of the nominee and the analysis prepared by the Environmental Defense Fund. Respecting the former, the committee finds that as a listing of environmentally related actions taken in Wyoming during the period 1967–74, the document in question is essentially factual."

There is more in that report. I invite its reading by any Member of the Senate.

I think that on record, it appears that the Governor has been at least as candid and at least as forthright as those who oppose his nomination.

I wish there were more time. I realize the constraints of time and I yield back. I thank the Senator from Arizona for yielding.

Mr. FANNIN. Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. I am sorry, Senator, the Chair did not understand the Senator from Arizona.

Mr. FANNIN. I would like to reserve the remainder of the proponents' time.

Mr. HASKELL. Mr. President, the first time eagles were mentioned I believe it was by the Senator from Idaho. The second time Governor Rampton was mentioned was by the Senator from Idaho after the Senator from Arizona.

As far as the Senator's quotation from what I said, I stand exactly by what I said. The Governor was on the board charged with distributing bank accounts. I said that the Treasurer had adopted a formula on which they would be distributed but, presumably, the board could change that formula, and, therefore, I stand by what I said before.

I rather resent the Senator's remarks.

Mr. McCLURE. Mr. President, will the Senator yield me 1 additional minute?

Mr. FANNIN. Mr. President, I yield 1 additional minute.

Mr. McCLURE. I asked the Senator to do this only because I assure the senior Senator from Colorado I meant nothing in the remarks, but I think the Senator was incorrect on the RECORD in making the statements that he made. That does not bear upon his candor or lack thereof any more than the facts that have been brought to the attention of the Senate relating to the Governor from Wyoming who is now seeking this nomination.

Mr. HASKELL. Mr. President, I might also say that I stand by the statement that, in my judgment, the nominee was not candid with me. I would point out it has been suggested that the Governor said——

Mr. HANSEN. Mr. President, will the Senator use his microphone.

Mr. HASKELL. It has been suggested that the item should be looked at as a campaign piece, and I have referred to that in my additional views: even if it were a campaign piece—and it was not handed to me as a campaign piece—I would expect greater accuracy.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. FANNIN. Mr. President, how much time do the proponents have remaining?

The PRESIDING OFFICER. The proponents have 12 minutes remaining; the opponents have 6.

Mr. FANNIN. I yield time to the distinguished Senator from Wyoming.

Mr. McGEE. Mr. President, I thank the Senator from Arizona for yielding me a few minutes. In those 12 minutes I will take 7 minutes, and if the Chair could advise me when those 7 minutes are up so that I might restrain myself, I would be appreciative.

I have been listening with great care here since the very first remark was opened for the RECORD here this morning. It has been a long morning, and a great many things have been exchanged and some assertions made.

The essence of the first attack launched against the nominee here today was the fear of his being a rubber stamp. Let us examine that, Mr. President. The committee voted him out, after extensive hearings, after holding up a nominee longer than most nominees are ever held up, so they could examine every bit of the details of the case. The committee voted 10 to 4.

Now, I ask you, Mr. President, does that mean that Senator JACKSON, the chairman of the committee, is a rubber stamp because he just wanted to wash this through so that he would not have to challenge any of the issues?

What about Senator CHURCH from Idaho? Is he a rubber stamp? Is METCALF a rubber stamp, METCALF from Montana? Is JOHNSTON from Louisiana a rubber stamp? What about BUMPERS in the chair? Mr. Chairman, are you a rubber stamp? That is what we are asserting here.

And the rest of the committee, all on the minority side, FANNIN, HANSEN, HATFIELD, McCLURE, are they rubber stamps?

Of course they are not. They happen to disagree. Let us knock out all of this absurdity about rubber stamps or who is a rubber stamp for whom.

Mr. President, these are men who have integrity, who have the capability of judgment, who do not intend to be anybody's rubber stamp, and I can assure you, as one who has had to round up votes once in a while, they are not very stampish every time I go to them. They want to vote their own convictions, and that is what the name of the business is in this body.

Mr. President, as you look at the testimony and read carefully of the testimony during the hearings—and I have read it all, I heard part of it and read the rest of it—I must say that candor is not lacking by any standard that I understand is in this body.

Mr. President, I regret that the Senator from South Dakota (Mr. ABOUREZK) is not on the floor at this time because I wanted him to understand what the facts are on the hole-in-the-wall project.

In 1940, an application was filed in Wyoming for the Sussix irrigation project. Purpose was to provide additional water for agricultural use in the area. In the end it was unfeasible for agriculture to sustain the project because of costs.

Then, in 1970 the Powder River Corp. funded an arrangement where Carter Oil has an appropriation of 25,000 acre-feet; agriculture 5,500 acre feet. Carter Oil has guaranteed the payment of the Powder River Corp.

This project has been distorted and represented to be that Hathaway sacrificed agricultural use of water for industrial use—that is, industry 25,000 acre-feet and agricultural 5,500 acre-feet.

The fact is that as a result of this project an additional 810 acres of agricultural land will be irrigated, whereas before, because of the costs it was impossible to use this water for agricultural lands.

But, as a matter of fact, when the Governor was asked by Senator ABOUREZK, who is momentarily absent from the Chamber, what he would do if the President vetoed it—we have gone over this again and again, but just one more time so there is no equivocation about it—he was asked:

> Would you then continue a moratorium—

In effect he was asked, "Would you continue guidelines that would protect Federal lands and leases in the absence of a bill" because the President vetoed it; and Governor Hathaway's reply, on page 458 of these lengthy hearings was:

> As I understand the posture of the Interior Department . . . it is the intent of Interior—if they start to issue coal leases again—

In the wake of a veto—

> to attach to the leases the fundamental conditions that are in the reclamation law. That would be my intent under your hypothetical situation—

To proceed under those directions.

And then there was this rather revealing thing.

Mr. STONE. Mr. President, will the Senator yield?

Mr. McGEE. I am on limited time. I shall yield to the Senator when I have completed my remarks. I will not yield the floor until I can finish this sequence.

Senator ABOUREZK then says:

I did not hear what you said, Governor. I was listening to my staff.

Well, the Governor had to go over it one more time. One or two listened to his staff. But the point is here it was said twice in a row:

That if there is a veto and if I am to be the Secretary of the Interior that I would impose, as the policy of the Department of Interior, those standards that are at least the equal of the strip mining law that was vetoed last fall.

That was the first veto by the President. In light of that, Mr. President, I say that the burden of judgment here, if the Senator will wait just a second until I finish this sequence, is what should the posture be of one who is a nominee, who is not the Secretary of the Interior, who cannot take the buck for everything that was decided in a veto last fall, or that was even brewing at the moment.

As a matter of fact, a nominee who was almost cajoled by his questioners into agreeing precisely with something that one of the questioners might believe, I would say that if he committed himself irrevocably to that position he would be guilty of becoming a rubber stamp. He was being held hostage for saying the right things. He was being made into a rubber stamp or they were trying to make him into a rubber stamp.

It seems to me the nominee took the proper posture and that posture, Mr. President, was that only as the nominee he would stand on his record as Governor and he would hope that his ultimate decisions, if he were confirmed, would be in consultation with many bits and sources of expertise rather than to pop off the top of the head or the seat of the pants or in response to a pressure in the committee hearing to take a position in advance of having the responsibility.

It seems to me that is a part of credibility, that is a part of integrity in leveling with the committee.

The trouble is that in leveling with some of the questioners, they did not like the answers. Well, I do not like a lot of answers, but that is not what moves me to judge a man just because he disagrees with me. I judge a man if I think he is shooting straight with me, and I was impressed with his forthrightness.

The opponents of the confirmation of Mr. Hathaway have further attempted to cloud the nominee's position with misrepresentation of facts and interpretations which lead us far away from the issue at hand.

The distinguished Senator from South Dakota (Mr. ABOUREZK) blocks the Sun that should shine on this confirmation with issues relevant to my environmental record, but irrelevant to the record of Stan Hathaway. My colleague has, however, and I am sure it was unintended, supported a point I made this morning in support of Mr. Hathaway.

While the former governor and I have disagreed on certain issues, I stand here today in full support of his nomination and, with praise, recommend the nominee.

On the golden eagle issue, all the Governor did was submit a request from Wyoming stockmen, as required by law, but it was my committee hearings that made eagle killings controversial. My committee hearings stopped the killing of eagles. I am an environmentalist who supports the nomination of Stan Hathaway.

Mr. ABOUREZK calls the extension of runways at the Jackson Hole Airport, required to modernize air service to a big State, a "jetport," a fancy word intended to inflame Mr. Hathaway's record. The extension of those runways was an issue of the U.S. Senate. It was my bill; not the Governor's.

Clear-cutting of timber in the Nation's forests was brought to the Hathaway debate. Again, it was through my efforts that some sensible foresting policies were brought into policy to prevent the recurrence of clear-cutting and other timber abuses. This was not a Hathaway issue, and yet the opponents would like you to believe it is.

The nominee and I have disagreed on nuclear explosions, in fact, on many issues. In our system of Government, however, one does not judge another individual on the basis of mutual agreement. The issue rather should be a man's integrity and his administrative responsibility. On both counts, Governer Hathaway receives high marks. I support his nomination and urge my colleagues in the Senate not to recommit.

The PRESIDING OFFICER. The 7 minutes of the Senator have expired.

Mr. McGEE. I am yielding the floor at this time. The Senator from Florida did have a question on his time and wanted to ask it.

Mr. STONE. Can I use that 1 minute for the question and answer on our time?

Mr. McGEE. The floor is the Senator's. I have just yielded the floor. My 7 minutes are up.

The PRESIDING OFFICER. The Senator from Colorado controls the time for the opponents.

Mr. HASKELL. Mr. President, how much time do the opponents have left?

The PRESIDING OFFICER. Six minutes remaining.

Mr. HASKELL. I yield 2 minutes to the Senator from Florida, which will include the response of the Senator from Wyoming.

Mr. STONE. Does the Senator from Wyoming and the other supports of this nomination, sponsoring this nomination, assert to the Senate that they understand the nominee's position to be that in the wake of the Presidential veto, and its being upheld, of the strip mining bill that if confirmed Governor Hathaway will impose the same requirements as the strip mining bill on any new coal leases, and are we to rely then on that sponsorship assertion?

Mr. McGEE. Is the Senator yielding on his time?

I do not have any time.

Mr. STONE. Yes, the Senator from Wyoming is to answer on this 2 minutes in which I just asked the question.

Mr. McGEE. I have already read the record to him. I will read it again.

Mr. STONE. That is right.

Mr. McGEE. This is the third time.

The Governor responded and said:

Yes, indeed, I think the present posture of the Interior Department—

As a precondition to any leases issued—

the basic environmental performance standards of the strip mine law that was vetoed last year. It would be my intent to follow that same general policy.

So, at least meeting those standards.

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

Mr. STONE. I thank the Senator.

Mr. DOLE. Mr. President, by these remarks I add my support to that of what I am sure will be an impressive majority of our colleagues for the nomination of Stanley Hathaway to be the Secretary of the Interior.

I am well aware of the controversies that this nomination has prompted. I take very seriously the issues raised as does the nominee himself. I believe that in the course of his nomination hearings, Governor Hathaway has more than adequately responded to the questions put to him and laid to rest any apprehensions which some of the press coverage this nomination attracted may have caused.

I do not know Governor Hathaway well personally. But, it should be noted that among those who do, he has accumulated very strong support. Unanimously, the members of the Wyoming congressional delegation have endorsed his nomination. Thirty-five State Governors with whom he has served in the past have taken the positive step of endorsement.

He is widely acclaimed as a man of integrity, energy, and dedication who has demonstrated balanced judgment and the all-important willingness to listen and to respond.

Mr. President, no State in the Union is more conscious of the need for sound, prudent practice in the husbandry and preservation of the land than my own State of Kansas.

No State has a greater stake in the resources of its land than Kansas, whose people rely, in far greater proportion than the people of most States, on the land for their livelihoods.

I believe the people of my State, and the people involved in the governance of my State, seek cooperative and productive partnership with the Federal Government in the common pursuit of a wise use of our land, energy, and environmental resources.

The record as developed in his nomination hearings should assure all of us that Stanley Hathaway, as Secretary of the Interior, will work to provide precisely that sort of partnership which the people of my State—and of every State—are seeking.

I am pleased to declare again, Mr. President, my strong support for this nomination.

Mr. CRANSTON. Mr. President, I urge the Senate to reject the nomination of Stanley Hathaway to be Secretary of the Interior.

The office of the Secretary of the Interior will be one of the most important

in Government over the next few years. The person who holds this high office will have wide discretion to determine the fate of our land and mineral resources and the pace of their development. Perhaps more than at any other time in our history, the decisions made in the Office of the Secretary of the Interior will profoundly affect our lives and the lives of future generations.

My opposition to the nomination of Stanley Hathaway is based primarily on his environmental record and his resource management policies. While some have raised questions regarding his ethics and integrity, I do not believe there has been evidenced a serious breach of conduct sufficient to dictate my vote against his nomination on these grounds alone. On the questions involving his environmental record and his resource management policies, however, I have found ample cause to support my view that he should not be confirmed to hold this sensitive post.

Among the critical resource decisions that will be made during the term of the next Secretary of Interior—which will have a profound and irreversible impact on the State of California—are questions relating to the development of the oil and gas resources of the Outer Continental Shelf.

Californians are now awaiting a final decision from the Department of Interior on a proposed lease sale of 1.6 million acres adjacent to the most heavily used recreational beaches in California. This sale is now scheduled for September of this year, and I can say without question that if the Secretary allows this sale to proceed as scheduled, not only Californians but all taxpayers will be sorry. Major revisions of the Federal law governing these lease sales are now being considered by the Congress and these must be enacted before any new major lease sales take place.

The Governor of California, Edmund G. Brown, Jr., has written to the nominee requesting that he support a postponement of this pending lease sale, yet when questioned about such a deferral during his nomination hearing, Mr. Hathaway was noncommittal. Even worse, he demonstrated little concern for the need to involve the affected coastal States in planning for OCS development, pointing out instead that lands beyond the 3-mile limit are solely Federal lands subject to Federal decisionmaking.

With respect to his sensitivity to the problems of other energy resources, Mr. Hathaway during his tenure as Governor of the State of Wyoming—1966–74—demonstrated fully his commitment to rapid exploitation of our resources. During his administration, the State lands under coal lease tripled from some 670,000 acres to some 1.8 million acres now—about 2½ times the total Federal lands that have been so leased. Even worse, these lands were leased without competitive bidding, without requirements for achieving production, without adequate planning, and without providing that the State would receive a fair return for the exploitation of publicly owned resources.

This record demonstrates a remarkable lack of concern for the public benefit that should accrue from the exploitation of public lands—this from a man nominated to be the steward of nearly one-third of the Nation's land. His record as Governor abounds with such instances of what could at best be termed poor judgment.

At this critical juncture in our history, with major energy and resource management questions awaiting resolution, I believe the American people deserve a Secretary of Interior who can demonstrate an understanding of the competing demands on our resources and who is sensitive to the need to husband the remaining riches of our land. Stanley Hathaway is not that man.

I urge my colleague to reject his nomination.

Mr. THURMOND. Mr. President, I rise in support of the nomination of Gov. Stanley K. Hathaway to become Secretary of the Interior. There has been a great deal of controversy and much misunderstanding about President Ford's choice for this important Cabinet post. However, I think the President has wisely chosen the kind of man who can weigh the often conflicting interests of environmental protection and resource development and make the kind of decisions that will be in the best interest of the Nation.

I have carefully reviewed the hearing record of testimony presented to the Interior Committee and have studied the nominee's record as Governor of Wyoming. Mr. Hathaway was one of the most popular Governors in Wyoming history during his two full terms, and he still enjoys broad popular support in that State. During the course of the Senate hearings, Governor Hathaway was strongly endorsed by every Member of the Wyoming congressional delegation, the present Governor, Ed Herschler, and nearly every public citizen from that State who testified. As I can best judge the situation, Governor Hathaway is respected and admired by all but the most ardent environmentalists, and most of the reasons they have cited in opposition are fallacious, as brought out in the Senate Interior Committee hearings.

I think Governor Hathaway has an excellent record of balancing the difficult issues of resource conservation and responsible economic development of these resources to meet the Nation's needs. It should also be recognized that, as Secretary of the Interior, he will not be burdened with the daily pressures of responding to constituent requests. I predict that he has and will assume the kind of broad outlook needed in the man who serves as chief guardian of this Nation's natural resources. Thus, I think Governor Hathaway will make an excellent Secretary of the Interior, and I urge the Senate to vote for confirmation.

Mr. DOMENICI. Mr. President, I support the nomination of former Wyoming Gov. Stanley Hathaway as Secretary of the Interior. Having carefully reviewed the hearing record on his nomination, I believe that he is qualified to carry out the difficult mandate that this office must work under. Governor Hathaway provided Wyoming with strong leadership during his terms as Governor, attempting as Rocky Mountain State's Governors should do, to improve the economic condition of his people without sacrificing the quality of the environment.

I would like to point out that the chairman of the National Governor's Conference, Gov. Calvin L. Rampton, sent a May 5, 1975, letter to the Interior Committee chairman, reporting that 35 Governors and former Governors have endorsed Governor Hathaway's nomination. The list included former New Mexico Gov. Bruce King.

In addition, the present Governor of my State, Jerry Apodaca, has also endorsed the Hathaway nomination. He sent me a letter dated May 6, 1975, and I ask unanimous consent that a copy of Governor Apodaca's letter be printed in the RECORD.

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

STATE OF NEW MEXICO,
Santa Fe, May 6, 1975.

HON. PETE DOMENICI,
U.S. Senator,
Washington, D.C.

DEAR PETE: It is with great pleasure that I take this opportunity to endorse the nomination of former Governor Stan Hathaway as the new Secretary of the Interior.

It is extremely valuable for our region to have a Westerner as the new secretary. Governor Hathaway is familiar with the problems of the West and the new mood of the Rocky Mountain West.

Everyone I have talked with has indicated that Governor Hathaway is a man of high ability and integrity. And we need these qualities in government service.

I am very sure that we can work together with Governor Hathaway for the benefit of the citizens of the entire country.

Sincerely,

JERRY APODACA,
Governor.

Mr. DOMENICI. The storm over his nomination must remind many people of the controversy surrounding the nomination of former Alaska Gov. Walter Hickel to this same spot. We heard then dire warnings of what would happen if he were confirmed. It turned out that those warnings were wrong. Secretary Hickel did a very good job. I believe that we learned from that experience that a Governor, representing only his State, must make decisions that reflect the needs of his State's citizens. As Secretary of Interior, representing the entire Nation, Governor Hathaway will have an opportunity to make decisions based on a larger constituency and will have a different mandate under which to operate.

His answers to questions during his confirmation hearings indicate to me that he is sensitive to the issues involving the environment and recognizes the high priority Americans put on protecting their natural heritage.

Mr. HRUSKA. Mr. President, I rise in support of the confirmation of the nomination of Stanley K. Hathaway to be Secretary of the Interior.

It was with gratification that I greeted President Ford's nomination of Stan Hathaway. Part of this gratification came from the fact that Governor Hathaway was born in my State and received his undergraduate and legal education at the University of Nebraska. But much more came from the fact that Stan Hathaway is exceptionally well qualified

to fill the important position of Secretary of the Interior.

In his two terms as Governor of Wyoming, the nominee compiled a solid and progressive record of achievement and accomplishment. The hearing record is replete with testimony in support of that statement. It comes from Democrats and Republicans, from his fellow Governors, from the ordinary citizens of his State, from farmers and ranchers and city dwellers.

In addition, Mr. President, I have received a great deal of mail from my own constituents who have had occasion to work with Stan Hathaway on matters of mutual concern and who have found him to be an honest, able, and compassionate public official.

I have examined the hearing record on this nomination—all 538 pages of it—and I believe it can be fairly said that the so-called case against Governor Hathaway can be boiled down to two issues.

The first issue deals with his alleged "lack of sensitivity" to environmental concerns.

Mr. President, as I had occasion to note in this Chamber some weeks ago in connection with another nomination, it has become the fashion when the critics or opponents of a nominee—or any other public figure—find themselves with no solid case, to resort to a charge of "lack of sensitivity." Whatever else, it appears, one must be "sensitive."

Well, the record shows that in the case of Governor Hathaway, even that charge will not stick. He has an exemplary record in the field of environmental protection.

Senator McGEE, speaking for the entire Wyoming congressional delegation, put it well:

> Those years (of Governor Hathaway's administration) were unique in another way. In that eight-year period, our country as a whole, was becoming very sharp in its focus on what had been a present complication for a much longer time, and that was the environmental implications of new development, particularly development in that part of the West due to the location there of many important sources of energy. Here is a testing ground that perhaps few have had in an administrative role that very few could equal. That was putting together on the first go-round, not after the lines had been laid out, not after experiences had been achieved, not after directions had been discerned, but in the very beginning, literally on the frontier, of the environmental and development problems.
>
> Governor Hathaway was there in the midst of those tests. It was during his administration in that kind of confrontation, of a cross-purpose of some interests , that the task that fell to the Governor was how to responsibly live within both or all because they were often many sided rather than two sided.
>
> The result was the passage of the first Air Quality Act in the State of Wyoming which is among the toughest in the Nation, a water pollution advisory council—a landmark group in our part of the world. He backed and secured the necessary actions to support outdoor operating controls. He requested protection of the wild buffalo and sought moratoriums on the hunting of grizzly bears.
>
> In 1969, there was enacted the first surface-stripmining legislation in Wyoming, despite vigorous pressures and protests from the minerals industry.
>
> This, too, was a breakthrough amidst pressures there ought to be economic development because of the need for jobs at a time like that. Also, in 1969, he requested and secured Wyoming's first severance tax on minerals.

Witness after witness supported Senator McGEE's testimony. Their statements were clear, concise, and to the point. They were supported with facts and figures, dates and documentation.

The case for the confirmation by the Senate of Governor Hathaway's nomination was clear and convincing.

But the case against him was something else.

I tried very hard, Mr. President, to discover substance and meaning in the testimony of those who opposed the nomination. Let me make very clear that I do not question the motives of the opponents. I am sure they are sincere, well meaning and honorable people.

But when you struggle to find what it is about Governor Hathaway's record they find unacceptable, you emerge with phrases like, "the former Governor has an antagonistic attitude toward the concepts," or he has "a shallow understanding of the law," or "a portrait of a man who does not understand the sanctity of a national park."

Apparently, Mr. President, only those who pay dues to self-styled conservation organizations are entitled to some God-given wisdom to appreciate the sanctity of a national park.

I shall not burden the Senate with further examples of the gauze-like charges against Governor Hathaway. It is enough to say that they have failed to make their case.

The Interior Committee, with its vote of 10 to 4 in favor of the nominee makes that abundantly clear.

The second issue in this matter involves Governor Hathaway's testimony before the committee when he was asked by Chairman JACKSON whether he had received any earned income during the years he was Governor. Mr. Hathaway responded that he did receive legal fees, earned before taking office but which were paid subsequently.

Upon his return to Wyoming, where he had access to records not available to him at the hearing, Mr. Hathaway promptly wrote to the chairman to point out that he had received compensation as the director of a bank.

At the chairman's direction, committee staff was sent to Wyoming to investigate this matter. The whole issue is discussed thoroughly in the report of the Interior Committee's business meeting on May 21, 1975, which has been made available to Senators.

The pertinent part of that report is reflected in the following statement by Senator JOHNSTON:

> Senator JOHNSTON. Mr. Chairman, I would like to suggest that there is some very serious and substantive reasons which may disqualify Governor Hathaway in the minds of some committee members, but I would like to suggest that this bank deal is not one of those reasons, and I think there ought to be some expression, if that is the view of the committee members, to clear that part of it up. I don't think there ought to be the suggestion that in case Governor Hathaway is not confirmed, it is because of this bank deal or because of any dishonesty. There may be a failure to dot some "i's" and cross some "t's," but I think it is clear there is no coverup, no misuse of authority, no illegality on the Governor's part, and there is a proper reason, or at least an explainable reason for his being on that board, because of his long-standing association with that family. I think we ought to clear that up in fairness to the Governor and in fairness to those members of the committee.
>
> If I or anyone else votes against Governor Hathaway's confirmation, I would like to have it be clear it is not for this reason, but for some other good and sufficient reasons the committee may have.

Mr. President, the Interior Committee has held exhaustive hearings on this nomination. It has patiently and fairly heard all the testimony, both for and against the nominee.

What emerges is a document clearly and convincingly establishing the credentials of Stanley K. Hathaway to be Secretary of the Interior and I intend to vote for his confirmation. I urge my colleagues to do so, as well.

Mr. HATFIELD. Mr. President, I am pleased to support the nomination of Gov. Stanley K. Hathaway to be Secretary of the Interior. This decision follows the thorough examination of Governor Hathaway's past record, and of the charges some have made relating to that record, which was undertaken by the Senate Committee on Interior and Insular Affairs, on which I serve. I am proud to have been a part of the committee in this effort, because I believe it approached this nomination in an objective and thoughtful manner, dealing with each of the issues raised carefully. As a result of this process, I am happy to be a part of the majority of the committee in concluding that "Stanley K. Hathaway is qualified to occupy the Office of the Secretary of the Department of the Interior."

My support of Governor Hathaway's nomination need not indicate that I support each of his actions as Governor of Wyoming or all of the positions he took during the confirmation hearings; in fact, I do not. But I am convinced that the Governor meant what he said when he told the committee:

> My actions were based upon what I considered to be the needs and desires of the people of Wyoming under particular times and circumstances. The responsibilities of the Secretary of the Interior are to the Nation and all Americans, and I would view them in that perspective.

I am certain that each of us who has held another public office prior to serving in this body realizes that, while retaining one's basic philosophy, one must often deal with the new issues which arise from a new or enlarged constituency. In this regard, I am reminded of former Secretary of the Interior Hickel, whose record of Governor was severely criticized by some in this body when he was nominated to become Secretary of the Interior. I think Secretary Hickel went on to surprise many of these individuals when he became Secretary of the Interior.

Furthermore, while I disagree with some of the actions and positions of Governor Hathaway, I was pleased with many of his statements before the committee. For example, I had been concerned about his general attitude toward

wilderness. My State has a very low percentage of its lands classified as wilderness under the Wilderness Act of 1964 and I have proposed the creation of several new wilderness areas and the enlargement of several others. Two of these proposals were enacted into law and another more comprehensive measure is presently pending before the Senate Interior Committee. Also, the Interior Department has proposed some wilderness within the Crater Lake National Park in Oregon, and I am considering some modifications to their proposal. So, during the first day of hearings on Governor Hathaway's nomination, I asked him what his attitude toward wilderness was. The Governor responded that he has supported the creation of certain wilderness areas in Wyoming and he believes we must continue to study and create more wilderness areas. Our exchange on this topic is included in the committee's report on this nomination, and I ask unanimous consent that it be printed at this point in the RECORD.

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

Senator HATFIELD. . . . I would like to ask you a question concerning wilderness.

As you know, the Department of the Interior has been examining some of the roadless lands under its jurisdiction for the possibility of including some of these lands into the wilderness classification.

In fact, some such proposals have already been submitted to Congress. My question to you is—what is your general attitude toward wilderness? What is your desire, if confirmed as Secretary of the Interior, to give further leadership impetus to this work going on in the Department and just generally comment on this area?

Governor HATHAWAY. As you well know, after the 1964 Wilderness Act was passed, there was great effort in the West to study potential wilderness areas and bring them before the Congress for action.

The record will show I did make statements in 1967 and 1968 indicating my apprehension about the size of wilderness areas in my own State. At that time, Wyoming had more wilderness area and primitive area than any other State, and of course with the two national parks that constitute about 2,500,000 acres and about 3 million acres of wilderness, we had more than 10 percent of our total State area under the wilderness concept.

Having made those statements and having watched the proceedings back here in Congress, I have supported wilderness areas.

I supported the Washakie Wilderness Area along with Senator Hansen and Senator McGee.

I think Congress has done a great thing for America in providing wilderness areas. My concern was more in the definition of the size of them. We have to study the proposals very closely.

Some wilderness areas have been proposed which really do not fit the wilderness concept. For instance, the Ashenfelder area in Wyoming—an area I am familiar with—would accommodate 6,000, 7,000, or 8,000 acres very well in the wilderness concept. But, some wanted to have 20,000 acres which would include land that does not accommodate itself to the wilderness system.

I will carry out any mandates with respect to wilderness areas. It is my personal philosophy that we should continue to study new areas for inclusion in the wilderness system.

Senator HATFIELD. Governor, the application of the State of Wyoming, of course, would perhaps be different than the criteria you establish in Wyoming to be applied to other States; as you may know, my State has a small degree of wilderness as compared to many other States.

Would I gather you would apply now a national prospective to the whole question of wilderness and give leadership to the establishment of more wilderness if studies should indicate desirability?

You indicate you are for wilderness. I accept that but we know that many of these things can be studied to death. We need the kind of leadership that is going to push them and encourage them along the way.

They are along a very tedious path in many ways to get them established. Do you plan to give that kind of aggressive leadership to establish wilderness?

Governor HATHAWAY. Senator Hatfield, I am not fully conversant with the criteria of the Department of the Interior as it compares to the Department of Agriculture and Forest Service proposals on wilderness. But let me say, I have no hangups about wilderness. I will look into the studies underway in the respective States. I would have no reason not to support good studies and legislation that is practical in establishing additional wilderness areas.

Mr. HATFIELD. Mr. President, I was also pleased with Governor Hathaway's comments relating to the land use legislation which is being considered by the committee and the surface mining bill which was, unfortunately, vetoed by the President.

It is also clear to me from Governor Hathaway's record and from statements from those familiar with that record that he is an able administrator, a quality which is extremely important to any Cabinet position. I believe that he will carry out the will of the Congress, and that he will insure that this is carried out throughout the entire Department of the Interior, even if this differs with his expressed viewpoint.

Finally, I will vote for Governor Hathaway's confirmation because I believe the President must be given flexibility in his Cabinet appointments so that he has a group of men and women with whom he can work well. The President must be able to depend upon these individuals to implement his policies and to provide him with advice he can trust.

Mr. President, this nomination should not be treated lightly. The Secretary of the Interior has an enormous responsibility to manage public resources wisely, in a manner consistent with the Nation's long-term interests, as these are defined by the Congress. He is responsible for the management of about one-quarter of the lands in my State. Bearing these thoughts in mind, and after participating in the Interior Committee's very thorough review of this nomination, I congratulate the President for his choice of Governor Hathaway for this very important post and I urge my colleagues to vote for his confirmation.

Mr. BELLMON. Mr. President, I rise to lend my support to the confirmation of Stanley K. Hathaway to be confirmed as the Secretary of Interior. As a former Governor, I have great respect for anyone who could be elected to and serve in that high office for 8 years. Knowing as I do of the heavy responsibilities which Governor's hold and the close scrutiny to which they are subjected, I am confident that Stanley Hathaway possesses the high character and the ability which the office of Secretary of the Interior requires. As a resident of a neighboring state, I am well aware of the high esteem in which Mr. Hathaway is held by the citizens of Wyoming. I believe his appointment will add greatly to the stature and effectiveness of the Ford administration.

Mr. President, Stanley Hathaway has a track record of administrative skill, integrity, open mindedness and breadth of viewpoint which will enable him to meet the manifold cares of his new post with distinction. He has been subjected by the Senate Committee on Interior and Insular Affairs under the leadership of its chairman, Senator HENRY JACKSON, to the most searching examination in the history of that committee. He has survived that examination. He has not only survived it, he has passed it with flying colors. No man can be all things to all people, but the 10 to 4 vote of the Interior Committee is clear proof that the most senior, experienced and respected Senators on that committee believe that the President's nominee is competent and fully capable of handling his job in the interest of our country as a whole.

Mr. President, in these times of national concern in connection with our dwindling domestic energy supply, the ever increasing cost of imported energy, the need of our increasing population for significant recreational opportunities, the desire for a cleaner, better, more pleasing environment, all of them within the purview of the Secretary of the Interior, it behooved the President to choose a nominee for Secretary of that great Department with care and skill. Mr. President, as has been said, the President of the United States should have in his Cabinet his choice. President Ford has made his choice for the post of Secretary of the Interior and he has made it wisely and in the best interest of our entire Nation.

Mr. President, I suggest that it is not appropriate for this body, in considering the President's nomination to his cabinet, to object to the President's choice simply because of differences in political orientation or philosophical views. The Department of the Interior has been without an Under Secretary for several months and without a Secretary for far too long a time. It is stagnating and it sorely needs the leadershsip and direction which Governor Hathaway can and will provide.

Mr. President, the Senate should confirm Governor Hathaway as Secretary of Interior without further delay.

Mr. EAGLETON. Mr. President, 6 years ago the Senate considered the nomination of Walter Hickel as Secretary of the Interior. There were several challenges to the Hickel nomination on environmental grounds.

Today we are considering the nomination of Stanley Hathaway as Secretary of the Interior and once again there are several challenges to this nomination on environmental grounds.

Mr. President, I feel that the same

rationale that caused me to vote for Hickel applies in the instant Hathaway nomination.

Therefore, I ask unanimous consent that my Hickel speech which appeared in the RECORD of January 22, 1969, be printed at this point in the RECORD.

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

SPEECH OF SENATOR EAGLETON

Mr. EAGLETON. Mr. President, the Senate each year is called upon to consider for confirmation thousands of nominations sent to it by the President. In 1968, during the second session of the 90th Congress, President Johnson submitted 50,977 such nominations. The Senate then exercises its responsibility under artilce II, section 2 of the Constitution, which provides that officers shall be appointed by the President "by and with the advice and consent of the Senate."

Most of these appointees are officers of the armed services, postmasters, career employees of the Foreign Service, Coast Guard, Public Health Service, et cetera. These appointments are routinely passed en bloc.

A small number in areas of greater political and public accountability receive individual scrutiny: the judges, especially the Justices of the Supreme Court; members of boards, commissions, and independent agencies; Cabinet officers and their assistants.

Today we are presented with President Nixon's Cabinet nomination of Alaska Gov. Walter J. Hickel as Secretary of the Interior. This nomination has evoked some public controversy and concern. It has been studied in depth by the Committee on Interior and Insular Affairs.

The debates at the Constitutional Convention of 1787 shed little light on what criteria the Senate should apply in exercising its advice and consent authority. Through almost two centuries of experience in implementing this responsibility, different Senators under different circumstances facing different questions have exercised their prerogatives in different ways.

In studying the historical evolution of this senatorial authority, I am constrained to conclude that a standard or criterion applicable to one category of nominee may not necessarily be the proper standard for another category of nominee.

It is one thing to consider the background and qualifications of a potential Supreme Court Justice to be appointed for life. It is another thing to consider the background and qualifications of an appointee to an independent regulatory agency who will serve independently of the President and often for a fixed term of years. It is still another thing to consider the background and qualifications of an appointee to the Cabinet who operates under the direction of and at the pleasure of the President.

In one of the few books devoted to the advice and consent function, Prof. Joseph P. Harris made these observations:

"The tests applied by the Senate in considering nominations vary widely, depending in part on the character and importance of the office concerned and whether the nomination is one to which the Senate gives individual attention. Well-established custom accords the President wide latitude in the choice of members of his own Cabinet, who are regarded as his chief assistants and advisers (p. 379).

"It is appropriate for the Senate to consider the philosophy and general outlook of nominees to high federal offices, particularly to regulatory bodies and to the bench. These offices stand in a different position from that of the heads of executive departments for whose actions the President is responsible (p. 384).

"The confirmation of presidential nominations to independent regulatory commissions is always of especial importance, for members of these commissions are regarded as having a special relationship to Congress. The function of the Senate in passing upon the nominations is not limited to the technical qualifications of the nominee and his fitness for the office; it is appropriately concerned with his stand on broad policies and the effect his appointment may have upon the functioning of the commission. Often the character and attitude of the officers who head an agency have as much to do with its policies as the legislation under which it operates. The Senate must therefore consider whether a nominee to a regulatory commission is in sympathy with the objectives of the laws which he will be called upon to administer and whether he will support policies which are agreeable to the majority of the Senate (p. 178). Joseph P. Harris, "The Advice and Consent of the Senate" (University of California Press, 1953)."

Professor Harris' observations make sense to me.

A Cabinet appointment is peculiarly personal to the President. A Cabinet officer is designated a particular area of governmental concern in which he acts for the President, he speaks for the President, and if he blunders he does so to the personal embarrassment of the President.

Any President, regardless of party, must be given the widest of possible discretion in designating his Cabinet officers.

Senator David I. Walsh, Democrat of Massachusetts, said in connection with the nomination of President F. D. Roosevelt of Harry Hopkins as Secretary of Commerce:

"I think we may agree that the selection of the members of his Cabinet is a peculiarly personal prerogative of the President . . . and we should not withhold confirmation . . . except for grave cause and unmistakable disqualification. CONGRESSIONAL RECORD, 76th Congress, 1st Session (Jan. 18, 1939), p. 559."

Senator Guy M. Gillette, Democrat, of Iowa, said of this same appointment:

"I do not believe that there is any greater burden that can be laid upon human shoulders than the Presidency of the United States . . He is charged with full responsibility for the executive department. If there is any right upon which he should jealously insist, if there is any right that we should zealously see that he retains, it is the right to name those with whom he is to work in that department, and particularly the official family, who are close to him, and his nearest advisors. I cannot conceive, Mr. President, how we as Senators can in justice to the Chief Executive, deprive the President of that right. There is not a Senator in the Chamber who would not insist on such a right were he President of the United States . . .

"One of the last men on earth I would want in my Cabinet is Harry Hopkins. However, the President wants him. He is entitled to him. I think it is absolutely unjust for persons like myself, who harbor resentments, to deprive the President of his right. I shall vote for the confirmation of Harry Hopkins. CONGRESSIONAL RECORD, 76th Congress, 1st Session (Jan. 20, 1939), p. 554."

As I view it, a Senator in deciding whether to accept or reject a Presidential Cabinet appointee must consider the following things from the background and record, both public and private, of the nominee:

First. Is he a man of integrity and high moral character?

Second. Is his background and experience such as to permit him to function suitably in his designated post?

Third. Is he sincerely willing to administer his department and exercise his discretion within the statutory limits spelled out by the various Federal laws affecting his department?

Fourth. Does he retain any financial interest, direct or indirect, which could possibly conflict with the discharge of his duties or compromise his conduct in office?

Fifth. Has he by word or deed done anything so obviously repugnant to the fundamental purpose of his prospective department as to disqualify himself?

Governor Hickel has on occasions made statements regarding conservation which might be labeled by some as impulsive, by others as brash, by others as indiscreet, by others as terribly unwise. He has been in conflict with Alaskan Eskimos—a conflict susceptible to carrying interpretations. His original position on the Alaskan "land freeze" was disquieting to some people including myself. The private oil holdings of this appointee as Alaska Commissioner of Natural Resources was something he could well have avoided. To his credit, he has agreed to dispose of any private holdings which the Senate Committee on Interior and Insular Affairs would deem to be in conflict with his new post.

However, in my judgment, these matters, individually and collectively, do not violate the aforementioned criteria which I as a Senator deem applicable to the consideration of a Presidential Cabinet designee.

For those who are sincerely disquieted over this appointment, I recall other times and other nominations when, as it were, the shoe was on the other foot. In 1938 and 1939, as congressional opposition was building to Franklin D. Roosevelt's New Deal, some key Roosevelt Cabinet and sub-Cabinet appointments came in for severe attack—Thurman Arnold as Assistant Attorney General in charge of the Antitrust Division, Harry Hopkins as Secretary of Commerce, Frank Murphy as Attorney General. These men were all challenged, on one pretense or another, for their liberalism and their espousal of Roosevelt's policies. In confirming these appointments, the Senate reasserted the very personal right of a President to select his Cabinet confidants.

President Nixon, within the latitude of the previously mentioned criteria, has the right to place in his intimate govermental family men with whom he is at ease and in whom he has confidence.

The Senate should not deny him that right.

I will vote to confirm Walter J. Hickel as Secretary of the Interior.

Mr. BENTSEN. Mr. President, I share the concern voiced here today and in recent weeks on the nomination and confirmation of Stanley Hathaway to succeed Rogers Morton as Secretary of the Interior.

While I am impressed with Governor Hathaway's reputation for honesty and integrity, and recognize his service to his State as Governor during a period of declining population, I question his lack of sensitivity in dealing with environmental issues. One indication of Governor Hathaway's relative lack of environmental responsiveness is the organized opposition to his nomination: The Sierra Club, Izaak Walton League, the Audubon Society, Friends of the Earth, the Environmental Defense Fund, the Wilderness Society, and many more respected groups.

Obviously, Mr. President, environmental concern is an essential consideration in appointing a Secretary of the Interior. I would hope that as Secretary, Governor Hathaway would be receptive to those who work for the protection of our natural environment.

While I have had some reservations about the nomination, a President must be given some latitude in the selection of his Cabinet members. For the reason of Presidential prerogative, as well as the favorable committee report, I am voting to confirm Stanley Hathaway as Secretary of the Interior.

It is my hope that my statement and those concerns voiced by my colleagues would emphasize for Governor Hathaway the congressional interest in the Department of the Interior. I trust that he will prove to be a distinguished Secretary.

Mr. McINTYRE. Mr. President, today the Senate is asked to advise and consent to President Ford's nominee for Secretary of the Interior.

I believe in the Presidential prerogative to appoint persons of his choice to key administrative positions and have consented to such appointments 99 percent of the time—there have been a few occasions when I believed the public good demanded that I withhold my vote of consent.

The nomination of Stanley K. Hathaway, I regret to say, is one of those occasions.

I use the word "regret" deliberately, Mr. President, because I have no reservations about Mr. Hathaway's character or diligence. From all that I have read or heard, he is a good man, and I do not want my nay vote to reflect upon him personally.

In my judgment, no domestic challenge is more imperative than the development and implementation of a sound, short- and long-range energy, resources and environmental policy. And the Cabinet officer charged with that primary responsibility must have the insight, the breadth of vision, and the critical balance required to meet that challenge.

Mr. President, earlier this year I developed what I called a yardstick for survival, a set of personal standards against which I promised to measure every vote I would cast on energy, resource and environmental issues.

Perhaps the most important standard I set, Mr. President, was to speak and to vote in support of every feasible means of emancipating this Nation from its dependence on fossil fuels—particularly oil—as quickly as possible.

Nothing in Mr. Hathaway's public record, nothing in the record of the confirmation hearings, nothing in Mr. Hathaway's answers to the questions I submitted to these hearings offers me any assurance that the nominee subscribes to that goal.

Indeed, the opposite appears the case, for Mr. Hathaway seemingly subscribes to a policy of wasteful resource exploitation shared by the Ford administration, and I can see nothing but disaster in that policy.

With both the National Academy of Sciences and the U.S. Geological Survey now in substantive agreement that this Nation's remaining, untapped reserves of oil and natural gas will be gone in 25 to 30 years, I can see neither wisdom nor prudence in programs that concentrate more on doubling the rate of exploitation and use—thus halving the time to total depletion—than they do on conservation of what we still have and development of alternative sources of energy.

Linked to this unfortunate philosophy of exploitation is an equally regrettable suppliance to the will of big oil.

Hence Mr. Hathaway, like the administration, favors the infamous oil depletion allowance and would like to see the price of old oil rapidly decontrolled.

Mr. President, my objections to this philosophy are intensified, I readily concede, by big oil's historic ill-treatment of my own part of the country. Year after year after year, New England is caught up in an oil price and supply crisis.

I do not share with the administration, or with Mr. Hathaway, an unquestioning confidence in big oil's devotion to the public weal. I know full well, for instance what yielding to the industry's demand for rapid decontrol of prices of old oil will do to the already staggering fuel bills in my native State.

But I would not want my colleagues to think that my objections to Mr. Hathaway's confirmation stem exclusively from regional pique.

My primary objection to his confirmation is his seeming lack of commitment to balanced energy and environmental policies.

Nowhere in the record do I find unequivocal evidence of Mr. Hathaway's commitment to a sound resources development policy.

Nowhere in his record do I find unequivocal commitment to the orderly development of nuclear facilities and the minimization of risks.

Nowhere in his record do I find unequivocal evidence of his commitment to the prudent use of fossil fuel resources, nor evidence of a commitment to develop and to bring into place alternative sources of energy before our oil and natural gas supply is gone.

In sum, Mr. President, nowhere in the Hathaway record do I find unequivocal evidence of a commitment to the careful balancing of energy and environmental concerns—that crucial meld that would preserve the Nation while we strive to make the Nation energy self-sufficient.

For these reasons, Mr. President, I will vote against confirming Stanley K. Hathaway as Secretary of the Interior.

Mr. NELSON. Mr. President, it is with considerable reluctance that I cast a negative vote on the nomination of Governor Hathaway. He is known as a man of great integrity and decency. He has a distinguished record of public service. However, from my careful reading of the record, it is clear to me that we have fundamental differences respecting our views on the management of our resources and the environment. I voted against Secretary Hickel on similar grounds. Within a year I felt it necessary in fairness to Mr. Hickel to state publicly that Secretary Hickel was doing a commendable job. I hope I am mistaken on this vote because the issue is so fundamental to the future of the Nation. And I hope, within a year, to be able to commend Mr. Hathaway for his stewardship.

Mr. CLARK. Mr. President, I will vote against the nomination of Stanley Hathaway as Secretary of the Interior.

In my judgment, the primary responsibility of the Secretary of the Interior is to provide wise management of our natural resources, and Governor Hathaway has not demonstrated—in his record or his testimony—a commitment to wise resource management. As Governor of Wyoming he consistently failed to restrain the advocates of development when they threatened the environment. His desire to improve his State's economy by encouraging development is understandable. As Secretary of the Interior he certainly will want to encourage the development of energy supplies. But, in promoting development in his State, he often ignored the need to protect natural resources, and there seems to be little real evidence that he would alter his priorities as Interior Secretary.

The Secretary of the Interior must maintain a very difficult balance between development—especially of energy supplies—and the protection of natural resources. This balance is essential because without it many of our resources—clean air, the rivers and the oceans, lands for farming and recreation—would be jeopardized. Yet we need these resources just as much as we need energy.

During Governor Hathaway's tenure as Governor of Wyoming, the acreage of State coal lands under lease tripled, yet the strip mining law he approved during that term was weak and inadequate, and he indicated that he saw little need for such controls. Water is especially scarce and precious in the West, and it is vitally needed for food production. Yet Governor Hathaway has shown far more interest in making water available to large companies involved in energy production than in assuring the water supplies necessary for food production. Both energy and food are essential, and both deserve fair treatment and equal attention from Government.

The Governor's testimony before the Senate Interior Committee demonstrated a reluctance to make commitments of any kind in favor of resource protection: He would not assure the committee of his opposition to strip mining in National Forests, nor did he indicate serious concern about the troubling implications of offshore leasing. He told the committee that he thought the strip mining bill passed by Congress was a good, workable bill, but subsequently announced that he supported the President's veto. His testimony showed clear evidence of an unwillingness to commit himself to any environmental goals.

I am seriously disturbed by Governor Hathaway's record on the issues, but a number of his actions also raise doubt about his personal fitness for a Cabinet post. During the hearings, it was revealed that, as Governor, he received a substantial part of his income as director of a bank while at the same time he served on the board which determined the eligibility of that bank to receive State deposits. This shows a certain insensitivity to conflict of interest issues, and his delay in revealing this to the committee further clouds the situation. I am also concerned about the propriety of his actions in presenting a document on his environmental record to various members of the committee without pointing out that it contained a number of significant inaccuracies and exaggerations—inaccuracies and exaggerations which he later acknowledged under questioning.

Governor Hathaway's reluctance to commit himself to balanced resource

management and his reluctance to be honest and forthright with the Senate Interior Committee made it impossible for me to support his confirmation.

Mr. MOSS. Mr. President, I rise in support of Governor Hathaway's nomination to be Secretary of Interior. I support the nomination for several reasons.

First, I believe that it is of utmost importance that the Secretary of Interior be a westerner who understands the West, since so many of his duties and responsibilities concern Federal lands in the West. Seventy-five percent of my State of Utah, for example, is federally owned, and the prosperity of Utah's citizens is largely dependent upon decisions made in the office of the Secretary of Interior concerning lands which they use and which adjoin privately owned and State owned lands.

Second, I believe that it is essential to have a Secretary who will pursue policies of balance, between care for and conservation of the environment on the one hand, and development of natural resources on the other. I do not agree with all of Governor Hathaway's actions as Governor of Wyoming, nor do I believe that his actions as Governor struck the same balance which is appropriate and necessary for the Secretary of Interior to achieve.

However, the Governor of a large but sparsely populated and underdeveloped State has very different responsibilities to his constituents—he has a very different mission—than the Secretary of Interior. Governor Hathaway has been critized for sacrificing environmental needs and values to development programs while the chief executive of his State. Again, I may have tried to run the Wyoming State government differently than Mr. Hathaway, but I do not feel that his policies were inappropriate for the Wyoming Governor to pursue.

And I believe that his actions as Governor demonstrated sufficient knowledge of and concern for environmental issues—and that it is reasonable to expect him to carry out the functions of the Interior stewardship with skill and wisdom. I opposed the nomination of Wally Hickel to be Secretary of Interior, but Secretary Hickel turned out to one of the most ardent conservationists we have had in that position. Similarly, I believe that Governor Hathaway understands what is needed in the job and will meet those needs in a prudent manner. His constituency will be national and his vision must be broad and national enough to serve us all.

He deserves to be confirmed and given that chance.

Mr. TUNNEY. Mr. President, I oppose the nomination of Stanley Hathaway to be Secretary of the Interior.

His record, both as Governor of Wyoming and as chairman of the Interstate Oil Compact Commission, is one of consistent support of industry efforts to exploit natural resources at the expense of environmental considerations.

As Governor, he ignored or sought to overturn both State and Federal environmental regulations. He publicly recommended that Federal lands—which the Secretary of the Interior manages—be sold to private companies for commercial or industrial development.

In addition, his responses to questions at his confirmation hearings were either vague, inconsistent or evasive. For instance, during questioning by Interior Committee members, Hathaway refused to clearly state his position with regard to strip mining legislation, although he was quick to endorse President Ford's veto the day after the committee had voted on his nomination. It was also virtually impossible to obtain a firm statement from Governor Hathaway as to which water user, agriculture or industry, should have top priority for use and development. And it was equally difficult to determine if in fact he would support Federal land use legislation which the Congress is now considering. Although as Governor he worked in opposition to bill proposed during the 93d Congress, during the recent hearings, he indicated that he had not yet read this year's legislation and so he was unable to state what his position would be if the bill is passed by Congress and then sent to President Ford for his signature.

During his confirmation hearings I submitted to the Governor a series of questions regarding his views on the Interior Department's Outer Continental Shelf leasing program.

His responses were again vague and inconclusive.

It appears that Governor Hathaway is prepared to continue the existing Interior Department policy of insensitivity to the views of State and local government.

The Congress is presently considering legislation to reform the Outer Continental Shelf Land Act in an attempt to ensure that the public gets a fair return for the sale of oil and gas resources. Unfortunately, it appears that Governor Hathaway is prepared to continue to sell public oil and gas resources for considerably less than full value.

These and other instances where Governor Hathaway clearly put commercial profit over environmental protection, in my view, disqualify him for holding this important position.

The Secretary of Interior is the major trustee for much of our public resources, with responsibility for management of all federally owned lands, protection of fish and wildlife, and preservation and expansion of national parks and wilderness areas. Additionally, the Secretary must act as the principal agent of the United States for the American Indian and is required to fulfill this country's moral and legal obligations to protect the rights and interests of Native Americans.

As the representative of a State with a population of over 22 million, including 91,000 Native Americans, and a large amount of public lands, I am deeply disturbed by the prospect of filling such a vital position with a man with Governor Hathaway's record.

To cite just a few examples of Governor Hathaway's insensitivity to environmental values: He strongly supported the use of predator poisons and blanket eagle kills. As Governor, he opposed any new wilderness areas for Wyoming. He advocated forest clearcutting and the damming of scenic rivers. He supported the construction of a jet port in Grand Teton National Park. As a result of his zealous promotion of every form of energy resource development, all available acreage of Wyoming State coal lands was leased.

One of the chief responsibilities of the Secretary of Interior is to supervise the management of all federally owned lands and to determine which of those lands should be leased for development. However, Governor Hathaway publicly recommended that Federal lands be sold to private companies for commercial or industrial development. In other instances, he strongly supported leasing of Federal coal lands which were to be strip mined. It is frightening to imagine the impact on California, and indeed on the entire country, if the Senate confirms a man who advocates selling the public's land to private concerns.

In addition, with all of the difficulty we are now experiencing in trying to maintain and improve the quality of our air and water, I am doubtful about the environmental commitment of a man whose response to public concern about these problems was to point out that "Man cannot live by clean air and water alone." I think it is absolutely outrageous that the Federal Government was forced to take over management of Wyoming's water and air quality programs in the early 1970's while Hathaway was Governor because he had so weakened both programs to the point that they could no longer meet Federal requirements.

In my view, there are few areas in the coming years that will be of greater importance than preservation of the quality of our environment and conservation of this Nation's remaining energy resources. We are presently facing the very real possibility of severe material shortages if measures are not taken immediately to conserve our oil and coal reserves and to develop alternative sources of energy such as nuclear, solar, and geothermal. We simply must begin now to determine the environmental consequences of our actions, whether from strip mining or offshore oil and gas production, and to safeguard against the possibility of irreparable damage.

It is absolutely essential that we have someone administering the Department of Interior who is firmly committed to these goals. Unfortunately, Governor Hathaway has not demonstrated such a commitment in the past and there is no reason to assume he will change his position if confirmed today. Therefore, I urge the Senate to oppose his confirmation and ask that President Ford submit a nominee who is free of industry ties and strongly endorses the objectives of conservation and preservation of our natural resources.

A VOTE FOR HATHAWAY

Mr. CHURCH. Mr. President, one of the most difficult duties in public life is the necessity, at times, to disagree with friends. I find myself in that position when it comes to the confirmation of Gov. Stanley K. Hathaway to be Secretary of the Interior. For the past several weeks I have received a good deal of mail urging me to oppose the Governor's

confirmation. Much of it comes from people who have been longtime friends and political associates.

It is true that Governor Hathaway would not have been my choice for Secretary of the Interior. But his selection was not mine to make. That decision lay with the President. Only if Mr. Hathaway were shown to be unfit for the office should the Senate interfere with the President's prerogative to choose those whom he wishes to serve in his Cabinet.

This is not to say that I was not concerned about Governor Hathaway's nomination. I was the first member of the Interior Committee to publicly call for a careful scrutiny of the Governor's record and views. I felt then, and still feel, that Governor Hathaway's record as chief executive of Wyoming leaves room for misgivings as to how he might handle his duties as Secretary of the Interior. But I also realize that a man's record compiled as the Governor of a State cannot be the sole criteria for predicting how he might act in a position of national responsibility. Were that true we would not need public hearings on a nominee who had previously held public office. We would merely study the record, determine if we agreed or disagreed with what he did, and then vote accordingly.

The hearings on the Governor held by the Interior Committee were thorough. Originally scheduled for 2 days, the committee extended them to 4.

The hearings served a twofold purpose. The Governor was given an opportunity to explain his record and defend it against his detractors, who, in turn, presented their case against him. A number of witnesses used the occasion to emphasize the importance of strong environmental programs. The hearings thus served as a kind of seminar. It is not unusual for a nominee's perspective to change when he has the opportunity to hear the issues aired in this manner.

A recent example comes to mind. I was urged to oppose the confirmation of former Secretary of the Interior Walter Hickel because of his anticonservationist record as Governor of Alaska. I voted for his confirmation because I felt he would take a different view at the national level. Mr. Hickel turned out to be a sound Secretary of the Interior. While I did not always agree with him, I found no reason during his short tenure to regret my vote for his confirmation.

As one who took part in the recent committee hearings, my reasons for voting for confirmation of Governor Hathaway include:

First. Governor Hathaway is a man of good character. No one questioned his personal honesty or cast aspersions upon his reputation for integrity throughout his political career.

Second. Governor Hathaway is a Westerner. Most of the public lands he will administer are located in the West. As Governor of Wyoming, he was well and favorably known to Cecil Andrus, Governor of Idaho, who recommended his confirmation.

Third. Governor Hathaway is a good administrator. Even his strongest detractors admit that he is well-qualified as an executive to handle the job of Secretary of the Interior.

Fourth. Governor Hathaway's undertakings on environmental matters, given to the Interior Committee during the hearings, were reassuring.

He made pledges on the following important environmental areas:

He assured the committee that regulations affecting coal mine leasing would reflect the basic standards with regard to strip mining of coal on public lands that were contained in last year's strip mining legislation as passed by the Congress and vetoed by the President.

He said he would defer issuing further coal leases on public lands until Congress has had a reasonable amount of time to act on amendments to the Coal Leasing Act.

He said he had no "hang ups" about wilderness and agreed that we should continue to study new areas for inclusion in the wilderness system.

Of particular importance to Idaho and the Northwest, Governor Hathaway pledged, in response to my questioning, that he would respect the currently existing 10-year moratorium on interbasin transfers of water contained in the Central Arizona Project Act, and would not advocate the diversion of Columbia River Basin water. This is of vital importance to Idaho where the covetous eyes of the Southwest are constantly fixed upon our water.

Upon examination, Governor Hathaway's environmental record while Governor of Wyoming was, as is so often the case, neither as good as his supporters had claimed nor as bad as his detractors would have had us believe. But the proposition that he is unfit to serve as Secretary of the Interior, was simply not established by the evidence.

In view of the assurances received by the Interior Committee, I must take the nominee at his word. If he abides by it, Governor Hathaway can be an acceptable, perhaps even a strong, Secretary of the Interior.

I will cast my vote for his confirmation.

Mr. BARTLETT. Mr. President, I am pleased to join in support of the nomination of Gov. Stanley Hathaway to be the new Secretary of Interior.

I have known Governor Hathaway since we were governors of Wyoming and Oklahoma, respectively.

As a fellow Governor I was most impressed with the leadership and the good sense he demonstrated as his State's chief executive officer. I am confident he will bring those same qualities to the post of Secretary of Interior.

It is not news that this appointment has been controversial. There has been a concerted effort to depreciate Governor Hathaway's integrity as well as his philosophy of government. Senators have been asked to vote against his confirmation for both of these reasons.

Historically there have been two avenues of thought on the role which the Senate should play in "advise and consent."

Senator James Reed, speaking in 1925 on the nomination of Charles Warren to be Attorney General, set forth one position on the Senate's role. He said:

> An insidious whisper has been whispered around this Chamber. It is that the Senate has no responsibility; that we should say to the President: "This is your office. Do with it as you please. Handle it as you might your own private property, and then in the end we will hold you responsible." Mr. President, a falser doctrine was never promulgated. It is false in fact, false in logic, and infamous to a degree that can scarcely be portrayed.

Fourteen years later in 1939, Senator Guy Gillette took the opposite position in the debate over the nomination of Harry Hopkins to be Secretary of Commerce. He said:

> I do not believe that there is any greater burden that can be laid upon human shoulders than the Presidency of the United States . . . . He is charged with full responsibility for the executive department. If there is any right upon which he should jealously insist, if there is any right that we should zealously see that he retains, it is the right to name those with whom he is to work that department, and particularly the official family, who are close to him, and his nearest advisers. I cannot conceive, Mr. President, how we as Senators can in justice to the Chief Executive, deprive the President of that right. There is not a Senator in the Chamber who would not insist on such a right were he President of the United States. . . .
>
> One of the last men on earth I would want in my Cabinet is Harry Hopkins. However, the President wants him. He is entitled to him. I think it is absolutely unjust for persons like myself, who harbor resentments, to deprive the President of his right. I shall vote for the confirmation of Harry Hopkins.

I am happy to say that under either of these philosophies Stanley Hathaway should be confirmed by the Senate today.

He has had an outstanding public career and training uniquely qualifying him to be Secretary of Interior. He has a balanced record on conservation and the ecology indicating his ability to resist the blandishments of extremists on either side of these issues.

Second, he is a man in whom the President has great trust as an advisor. If a man is rejected solely because a majority of Senators disagree with his philosophy, a President from a minority party could seldom have an appointment confirmed.

I was impressed with the manner in which Governor Hathaway conducted himself in response to the close scrutiny by the Senate Interior Committee as well as the Senate as a whole.

My State of Oklahoma is vitally affected by the decisions of the Department of Interior. I look forward to a close and rewarding association with Governor Hathaway in this new and demanding role he will undertake.

Mr. CURTIS. Mr. President, I strongly support the nomination of Stanley Hathaway to the position of Secretary of the Interior.

Of course, I feel a regional bond between myself and former Governor Hathaway, who was born in Osceola, Nebr., and returned to our State to attend the University of Nebraska, where he earned his Bachelor of Arts and Law Degrees. But I support Stanley Hatha-

way for a different reason: He is a man of integrity, eminently qualified to become Secretary of the Interior.

Mr. Hathaway's nomination was hotly disputed on the basis of his record on environmental issues as Governor of Wyoming. He was charged with opposition to a number of "sound environmental measures," as I recall from the background material which I surveyed. Mr. President, as I read these allegations time and time again, they seemed less and less to be founded on truly substantial evidence. Only rarely did I see extensive documentation of these allegations, documentation that I myself, as a concerned citizen. could verify.

I think that as Governor of Wyoming Mr. Hathaway acted in the best interests of his State. Throughout the hearings on his nomination, those who endorsed him could cite the problems which Wyoming faced before Stanley Hathaway's election to the governorship and the issues which he resolved as Governor. When the number of sheep and lambs lost to predatory animals rose, Stanley Hathaway worked for predator control. When Wyoming Indians faced communication problems with the Federal Government, Stanley Hathaway stepped in to clear the communications path. When Wyoming's air quality deteriorated, Stanley Hathaway established tough new air quality standards.

Mr. President, I could continue to provide such examples of Mr. Hathaway's concern for the interests of his constituents. But by far, the most impressive credit to his actions as Governor emerged during the nomination hearings. To a great extent, his opponents were groups that had had little contact with Stanley Hathaway as Governor or with the State of Wyoming itself. Those who endorsed him were Wyoming State citizens, as evidenced by this list: Senator GALE W. MCGEE, Senator CLIFFORD HANSEN, Congressman TENO RONCALIO and Governor Ed Herschler, Hon. Rogers C. B. Morton, Hon. Jack Williams, former Governor of Wyoming, Mr. David A. Flitner, president, Wyoming Farm Bureau Federation, Mr. Donald Meike, president, Wyoming Wool Growers Association, Mr. Ben Snyder, representing the Shoshone Indian Tribe, Wind River Reservation, Wyo., Mr. Ernest SunRhodes representing the Arapahoe Tribe of the Wind River Reservation, Wyo., and so on.

Mr. President, I think the fact that Mr. Hathaway ably served the people of Wyoming during his period as Governor testifies to his ability to serve the people of the United States in the position of Secretary of the Interior. I firmly believe that Stanley Hathaway's integrity and dedication and loyalty qualify him to become our common civil servant as the Secretary of the Interior.

Mr. PELL. Mr. President, the Senate is voting today on the nomination of a person to hold one of the two most important and sensitive posts in the Federal Government in terms of safeguarding the vast natural resources with which our Nation is blessed.

The Secretary of the Interior is truly the custodian of many of those resources. And I believe it is vital at this time in our history when there are so many pressures for development and exploitation of those resources that the Secretary of the Interior be a man of wisdom and sensitivity, a man alert to the needs of today but equally concerned about the needs and the rights of the generations which will come after us.

The Secretary of the Interior must be a strong man who can say "no" to the apostles of unlimited development and expansion, a man who understands the true worth of these resources to our Nation's quality of life—now and in the future.

Mr. President, I have reviewed carefully the record of Governor Hathaway who has been nominated for this post and I regret that I have come to the conclusion that he is not the man for the job.

I do not question Governor Hathaway's integrity or his administrative ability as demonstrated as Governor of Wyoming. But I do not find in his record as Governor nor in his testimony before the Committee on Interior and Insular Affairs the sensitivity and passionate concern for safeguarding our Nation's natural resources which I believe the Secretary of the Interior in this difficult time must have.

Mr. MUSKIE. Mr. President, I ask for the yeas and nays on the motion to recommit.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. FANNIN. Mr. President, I reserve the remainder of my time.

Mr. HASKELL. Mr. President, I reserve the remainder of my time.

Mr. FANNIN. Mr. President, how much time is remaining?

The PRESIDING OFFICER. The proponents have 5 minutes. The opponents have 4 minutes.

The time runs equally if neither side yields time.

Mr. GARY W. HART. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll, on whose time? On whose time is the quorum call?

Mr. HASKELL. How much time is remaining on both sides?

The PRESIDING OFFICER. There is now 4 minutes to a side, that is a total of 8 minutes remaining.

Mr. FANNIN. Mr. President, is time running?

I reserved the remainder of my time.

The PRESIDING OFFICER. The time runs equally when neither side yields time.

Mr. FANNIN. How could it change from 5 to 4 then, to 4 to 4?

The PRESIDING OFFICER. Because the time is running.

Mr. FANNIN. The time was running, it would have to run equally.

Mr. HANSEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HANSEN. Mr. President, the point being made by the Senator from Arizona is that the time running is to be applied equally. We have 5 minutes, the opponents have 4. How would we wind up 4 to 4?

Mr. HASKELL. Mr. President, if the Senator from Arizona will yield back his time, I will be simply delighted to yield back my time.

Mr. FANNIN. I yield back my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on the motion to recommit.

Mr. HASKELL. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HASKELL. The vote comes at 12:30. Am I correct?

The PRESIDING OFFICER. The Senator is correct, and under the previous order the Senate would now return to legislative session to proceed to the consideration of the conference report (H.R. 4485). When the Senator from Wisconsin arrives with the report, the clerk will state the report.

Mr. MANSFIELD. Mr. President, has all time expired?

The PRESIDING OFFICER. All time has expired.

Mr. MANSFIELD. Mr. President, it is the intention of the leadership, with the approval of the Senator from Wisconsin (Mr. PROXMIRE), who is on his way to the Chamber, and as long as we are in executive session, to call up the nomination of Mr. Richard C. Holmquist, of Connecticut, at which time the Senator from Wisconsin would like to make a few remarks.

It will not be possible to get to the conference report as anticipated until somewhere between 12:30 and 12:45.

At this time I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

NOMINATION OF RICHARD C. HOLMQUIST, OF CONNECTICUT, TO BE A MEMBER OF THE RENEGOTIATION BOARD

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate turn to the consideration of the nomination of Richard C. Holmquist, of Connecticut, to be a member of the Renegotiation Board.

The PRESIDING OFFICER. The nomination will be stated.

The second assistant legislative clerk read the nomination of Richard C. Holmquist, of Connecticut, to be a member of the Renegotiation Board.

Mr. PROXMIRE. Mr. President, the nomination of Richard C. Holmquist as Chairman of the Renegotiation Board seems to represent another cut at an agency which is dying a death of a thousand cuts.

The ineffectiveness of the Renegotiation program is as notorious as it is shocking.

Here is an agency with less than 200

employees, including professionals, secretaries and janitors, which is supposed to ride herd over the tens of billions of dollars of defense contracts negotiated each year.

The primary purpose of the program is to recapture excessive profits on defense contracts. But the amount of excessive profit determinations made in recent years is so pathetically small compared to the amount of defense contracts, and compared with the excessive profits recaptured by this agency 20 years ago and more, that the program has become more symbol than substance.

We have the shadow of renegotiation and not the substance. Most of the large defense contractors do not even get renegotiated, although they comply with the law by filing their annual reports with the Board.

But the Board is so understaffed and so ill-equipped to handle the thousands of filings that are received each year, that most of the contractors reports are simply accepted at face value and not investigated.

This, in the jargon of the Board, is referred to as the "screening process." The screening process is conducted by 8 or 10 examiners in the Washington office, and it consists of barely glancing at the reports and shunting most of them aside.

Imagine that—8 or 10 examiners when we have this vast defense industry involving billions and billions of dollars.

In the numerous investigations I have conducted both in my capacity on the Appropriations Committee and on the Joint Economic Committee numerous instances of negligent, irresponsible, and ineffectual actions by the Renegotiation Board have been made a matter of record.

Just a few months ago, for example, I held a hearing in which testimony was received that the recent report of the Northrop Corp. was routinely dismissed, although there was evidence in the facts contained in the report itself that excessive profits existed. But the majority of the Board voted not to investigate the Northrop Corp. and that report now is part of the mountainous heap of corporate filings that have never been properly investigated. The Northrop Corp., of course, is the same defense contractor which has been making improper and illegal payments in connection with its sales of military equipment.

There is little doubt in my mind that had this agency been doing its job, the illegal activities of this company and others, and the fact that they are taking millions of dollars in excess profits, would have been revealed long ago.

The fact is that the Renegotiation Board indicts itself in its own annual reports.

What we find when we examine the figures supplied by the Board, is that defense contractors are being allowed to retain excessive profits even after they have been renegotiated,, after the renegotiation process.

What we find is that defense contractors are making profits of 50, 75, 100, 200 percent, and more on their annual defense sales, when we measure their profits as a percentage of net worth.

Defense contractors are being allowed to retain profits that are several times the average profit rates being made by their industry as a whole.

Now, why does this deplorable situation exist? One reason is that the Board is seriously under staffed, as I indicated earlier. The present number of less than 200 employees should be compared with the more than 700 employees that the Board had in 1953.

A more important reason is the absence of leadership on the Board. For years, this agency has been a haven for refugees from political and private life. It is a "safe house" for out of work politicians and business executives between jobs.

The previous Chairman, Chairman Whitehead, had to be dismissed from his position by the White House because his poor performance had been brought to public attention.

President Ford said in October of last year that he intended to appoint a new Chairman and that he also intended to reinvigorate the Board so that it could play a part in the fight against inflation.

But rigor mortis is likely to set in before reinvigoration.

It took more than 6 months for the President to find a new Chairman.

What is the background and qualifications of the nominee, Richard C. Holmquist for this position? He holds an undergraduate degree in business administration, obtained in 1937, and he has spent his entire professional life in business.

He was with the General Electric Co. from 1937 through 1961. From 1961 through 1965 he was a consultant on industrial development to the Governor of the State of Virginia. From 1965 through 1974 he was with Lone Star Industries.

So Mr. Holmquist comes to this job with a strong business background, and that is to his credit.

He is not an accountant or an auditor, and he has had no legal training or experience. Neither has he had any significant experience in Government procurement.

It is not my judgment that he should be disqualified automatically because of his apparent lack of experience or training for this job. After all, there have been other appointees to high Government positions who did not seem to be particularly qualified for those positions but who served quite well.

There is such a man now on the Renegotiation Board. Mr. Goodwin Chase is one of the most outstanding members of the Renegotiation Board in its entire history, a man of intelligence, integrity, and industry who has tried valiantly to bring the Board out of its doldrums.

But we in the Senate have been burned so often with appointments of unqualified individuals to high positions of responsibility that Mr. Chase's example must be considered a rare exception.

I therefore look with extreme skepticism at this appointment. There is nothing in Mr. Holmquist's background to indicate that he is especially suited for the role of Chairman of the Renegotiation Board.

What we really need in this agency are individuals of the caliber of the Comptroller General, Elmer Staats, and of the caliber of the present Chairman of the Security Exchange Commission, Ray Garrett.

Perhaps Mr. Holmquist can rise to the occasion. I will give him the benefit of the doubt, and go along with this appointment. I do not intend to vote against it.

But his efforts and the work of the Renegotiation Board will be watched very closely in the coming months. I do not expect to wait a year or more to decide whether this agency has shaped up.

The time for improvement is now. The time for this agency to get its house in order is now. The time for moving aggressively against defense contractors, and I mean the larger defense contractors not the small ones which this Board has spent most of its energies on, is now.

Congress is in the midst of a total revaluation of the Renegotiation Act. The law expires at the end of this year. Several studies of ways to reform the Board are underway. And I am assured that hearings will be held by the appropriate committees later this year.

As I have stated on many occasions before, I strongly support the principles of renegotiation. I do not support ineffective programs, however.

Mr. President, one of the most acute experts in procurement is Admiral Rickover. Admiral Rickover, of course, has served this country for many years. I think he has been in the Navy for some 50 years. He is always candid and frank, and he has almost always, in my experience, been right.

He calls the Renegotiation Board the biggest sieve in the Government. He said it is not doing its job, and he suggested it be made an agency of Congress, like the GAO.

Whether we do that or not is something we can decide in the future, when the Renegotiation Act comes before us. However, I think Members of the Senate should be aware of the fact that this board has not done its job, that we are losing hundreds of millions of dollars we should have recovered, and that this understaffing is a disgrace. For every dollar we spend on competent staff, we could, I think, bring in $100 or maybe more of excess profits that are being lost.

This program is badly in need of reform, and if Mr. Holmquist takes immediate steps to transform it from one of the laziest and sleepiest agency in the Government to the most industrious wide awake one, I will do everything in my power to cooperate with him.

Mr. President, let me say in summary that while Mr. Holmquist does not have outstanding qualifications, I have no reason to oppose his nomination. But I do hope he will bring to the position the kind of energy, force, and conviction that this Board so badly needs.

The PRESIDING OFFICER. The question is, Will the Senate advise and con-

sent to the nomination of Richard C. Holmquist, of Connecticut, to be a member of the Renegotiation Board?

The nomination was confirmed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of this nomination.

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

AMENDMENTS CONSIDERED AS READ UNDER RULE XXII—SENATE RESOLUTION 60

Mr. CRANSTON. Mr. President, as in legislative session, I send to the desk an amendment to Senate Resolution 60 and ask that it be considered as read under rule XXII.

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

Mr. GRAVEL. Mr. President, I have several amendments at the desk and, as in legislative session, I ask that they be considered as read under rule XXII.

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

Mr. CANNON. Mr. President, as in legislative session, I send two amendments to the desk and ask that they be considered as submitted for the purposes of rule XXII.

The PRESIDING OFFICER. The amendments will be received and printed, and will lie on the table.

NOMINATION OF STANLEY K. HATHAWAY, OF WYOMING, TO BE SECRETARY OF THE INTERIOR

The Senate continued with the consideration of the nomination of Stanley K. Hathaway, of Wyoming, to be Secretary of the Interior.

Mr. GARY W. HART. Mr. President, I ask unanimous consent that during the balloting on the nomination of Governor Hathaway, Peter Knowles and Tom Moore of my staff have the privilege of the floor.

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

Mr. JACKSON. Mr. President, I ask unanimous consent that Owen Malone, of the staff of the Committee on Interior and Insular Affairs, have the privilege of the floor during the consideration of the Hathaway nomination.

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

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

ORDER FOR RECOGNITION OF SENATOR BARTLETT

Mr. MANSFIELD. Mr. President, as in legislative session, I ask unanimous consent that the distinguished Senator from Oklahoma (Mr. BARTLETT) now be recognized.

The PRESIDING OFFICER. Without objection, the Senator from Oklahoma is recognized.

(The remarks made by Mr. BARTLETT at this point appear in today's RECORD under Statements on Introduced Bills and Joint Resolutions.)

Mr. JACKSON. Mr. President, I ask unanimous consent that Grenville Garside be granted the privilege of the floor during the consideration of the vote on the Hathaway nomination.

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

Mr. JACKSON. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

Mr. MANSFIELD. Mr. President, I yield to the distinguished Senator from Wyoming.

Mr. McGEE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McGEE. When will the vote on the Hathaway nomination occur?

The PRESIDING OFFICER. At 12:30, in about 1 minute.

Mr. McGEE. And that vote will be what?

Mr. LEAHY. It will be on the motion to recommit the nomination, with instructions.

Mr. McGEE. It will be a recommittal. So those who support the nomination would vote "no" on recommittal.

The PRESIDING OFFICER. Those who did not want it recommitted would vote "no."

Mr. McGEE. I did not know how else to get in that plug. I wanted to get it under the tenor of a parliamentary inquiry.

If the motion to recommit is rejected, will there be a vote immediately on the confirmation of the nomination?

The PRESIDING OFFICER. If the motion to recommit is rejected, the question will recur on the confirmation of the nomination.

Mr. MANSFIELD. Mr. President, I think the Senator from Wyoming has made his point, because the queries he is propounding are not parliamentary inquiries. I believe it is time to vote.

The PRESIDING OFFICER. The hour of 12:30 having arrived, the Senate will proceed to vote on the motion to recommit. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD (when his name was called). Mr. President, on this vote, I have a pair with the Senator from North Carolina (Mr. MORGAN). If he were present and voting, he would vote "nay." If I were permitted to vote, I would vote "yea." Therefore, I withhold my vote.

Mr. ROBERT C. BYRD. I announce that the Senator from Louisiana (Mr. LONG), and the Senator from North Carolina (Mr. MORGAN) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Massachusetts (Mr. BROOKE), and the Senator from New Jersey (Mr. CASE) are necessarily absent.

The result was announced—yeas 40, nays 54, as follows:

[Rollcall Vote No. 219 Ex.]

YEAS—40

Abourezk	Hollings	Muskie
Bayh	Huddleston	Nelson
Biden	Humphrey	Pastore
Chiles	Inouye	Pell
Clark	Javits	Proxmire
Cranston	Johnston	Ribicoff
Culver	Kennedy	Schweiker
Glenn	Leahy	Stafford
Gravel	Magnuson	Stevenson
Hart, Gary W.	Mathias	Stone
Hart, Philip A.	McGovern	Tunney
Hartke	McIntyre	Williams
Haskell	Metcalf	
Hathaway	Mondale	

NAYS—54

Allen	Eastland	Packwood
Baker	Fannin	Pearson
Bartlett	Fong	Percy
Beall	Ford	Randolph
Bellmon	Garn	Roth
Bentsen	Goldwater	Scott, Hugh
Brock	Griffin	Scott, William L.
Buckley	Hansen	Sparkman
Bumpers	Hatfield	Stennis
Burdick	Helms	Stevens
Byrd, Harry F., Jr.	Hruska	Symington
Byrd, Robert C.	Jackson	Taft
Cannon	Laxalt	Talmadge
Church	McClellan	Thurmond
Curtis	McClure	Tower
Dole	McGee	Weicker
Domenici	Montoya	Young
Eagleton	Moss	
	Nunn	

PRESENT AND GIVING A LIVE PAIR AS PREVIOUSLY RECORDED—1

Mansfield, for.

NOT VOTING—4

Brooke	Long	Morgan
Case		

So the motion to recommit was rejected.

Mr. JACKSON. Mr. President, I ask for the yeas and nays on confirmation.

The VICE PRESIDENT. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The VICE PRESIDENT. The question is, Will the Senate advise and consent to the nomination of Stanley K. Hathaway, of Wyoming, to be Secretary of the Interior? 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 North Carolina (Mr. MORGAN) is necessarily absent.

I further announce that, if present and voting, the Senator from North Carolina (Mr. MORGAN) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Massachusetts (Mr. BROOKE) and the Senator from New Jersey (Mr. CASE) are necessarily absent.

The result was announced—yeas 60, nays 36, as follows:

[Rollcall Vote No. 220 Ex.]

YEAS—60

Allen	Fong	Moss
Baker	Ford	Nunn
Bartlett	Garn	Packwood
Beall	Goldwater	Pearson
Bellmon	Gravel	Percy
Bentsen	Griffin	Randolph
Brock	Hansen	Roth
Buckley	Hartke	Scott, Hugh
Bumpers	Hatfield	Scott, William L.
Burdick	Helms	Sparkman
Byrd, Harry F., Jr.	Hruska	Stennis
Byrd, Robert C.	Jackson	Stevens
Cannon	Johnston	Symington
Church	Laxalt	Taft
Curtis	Long	Talmadge
Dole	Magnuson	Thurmond
Domenici	McClellan	Tower
Eagleton	McClure	Weicker
Eastland	McGee	Young
Fannin	Metcalf	
	Montoya	

NAYS—36

Abourezk	Hollings	Muskie
Bayh	Huddleston	Nelson
Biden	Humphrey	Pastore
Chiles	Inouye	Pell
Clark	Javits	Proxmire
Cranston	Kennedy	Ribicoff
Culver	Leahy	Schweiker
Glenn	Mansfield	Stafford
Hart, Gary W.	Mathias	Stevenson
Hart, Philip A.	McGovern	Stone
Haskell	McIntyre	Tunney
Hathaway	Mondale	Williams

NOT VOTING—3

Brooke	Case	Morgan

So the nomination was confirmed.

Mr. McGEE. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. FANNIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. FANNIN. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nomination.

The VICE PRESIDENT. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. FANNIN. 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.

AMENDMENTS CONSIDERED AS READ UNDER RULE XXII—SENATE RESOLUTION 60

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all amendments at the desk at the time of the vote on the motion to invoke cloture today on Senate Resolution 60 be considered as having met the reading requirements under Senate rule XXII.

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

EMERGENCY HOUSING ACT OF 1975—CONFERENCE REPORT

The VICE PRESIDENT. Under the previous order, the Senate will proceed to the consideration of the conference report (H.R. 4485).

Mr. PROXMIRE. Mr. President, I submit a report of the committee of conference on H.R. 4485.

The VICE PRESIDENT. The report will be stated by title.

The assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4485) to provide for greater homeownership opportunities for middle-income families and to encourage more efficient use of land and energy resources, 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 Senate proceeded to consider the report.

(The conference report is printed in the House proceedings of the CONGRESSIONAL RECORD of May 22, 1975, at pp. 15843–15844.)

Mr. PROXMIRE. Mr. President, I ask unanimous consent that on the vote, if there is a vote, on the conference report on the Emergency Housing Act of 1975, the staff director of the Committee on Banking, Housing and Urban Affairs, Ken McLean, and the staff director of the Housing Subcommittee, Carl Stone, be permitted to remain on the Senate floor.

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

Mr. PROXMIRE. Mr. President, I yield to the Senator from Washington.

CONGRESSIONAL REVIEW OF ADMINISTRATIVE ACTIONS UNDER THE EMERGENCY PETROLEUM ALLOCATION ACT OF 1973

Mr. JACKSON. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on H.R. 4035.

The PRESIDING OFFICER (Mr. GARY W. HART) laid before the Senate H.R. 4035, an act to provide for more effective congressional review of proposals to exempt petroleum products from the Emergency Petroleum Allocation Act of 1973 and certain proposed administrative actions which permit increases in the price of domestic crude oil; and to provide for an interim extension of certain expiring energy authorities.

The PRESIDING OFFICER. Without objection, the bill will be considered as having been read twice by its title, and the Senate will proceed to its consideration.

Mr. JACKSON. Mr. President, I ask unanimous consent that the text of S. 621, previously passed by the Senate, be substituted for the text of the House bill.

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

The amendment is as follows:

That this Act may be cited as the "Petroleum Price Increase Limitation Act of 1975".

SEC. 2. FINDINGS AND PURPOSE.—(a) The Congress hereby finds that—

(1) the President's state of the Union message announced his intention to lift all price controls on domestic oil under the authority of existing law;

(2) the removal of petroleum price controls would increase the price of crude oil and all petroleum products, including gasoline, home heating oil, and residual fuel oils, substantially, thereby creating major inflationary pressures throughout the economy.

(b) The purpose of this Act is to permit the Congress an opportunity to review and the right to disapprove and, if desirable, the time to develop fair and equitable alternatives to any proposal to remove existing price ceilings or to raise the price of domestic oil.

SEC. 3. LIMITATIONS ON PETROLEUM PRICE INCREASES.—The Emergency Petroleum Allocation Act of 1973 (87 Stat. 627), as amended, is further amended by adding a new section 8, as follows:

"SEC. 8. MAXIMUM PRICE FOR DOMESTIC CRUDE OIL.—(a) Not later than thirty days after the date of enactment of this section, the President shall promulgate and implement an amendment or amendments to the regulation established pursuant to section 4 (a) of this Act which shall establish a price or prices (or the manner of determining a price or prices) for all crude oil (including that crude oil otherwise subject to section 4 (e)(2) of this Act) not classified as 'old' oil under regulations in effect on January 31, 1975. The price or prices established by the President pursuant to this section shall be no greater than the price generally prevailing as of January 31, 1975, for the crude oil subject to such amendment or amendments. Such price or prices shall be effective immediately upon their inclusion (or the inclusion of the method for determining such price or prices) in such regulation.

"(b) Except as provided in section 7 of the Petroleum Price Increase Limitation Act of 1975, no exemption of any classification of petroleum, or increase in the price permitted for (1) oil classified as 'old' oil under regulations promulgated pursuant to section 4 of this Act and in effect on January 1, 1975, or (2) any other crude oil subject to the amendment or amendments required by subsection (a) of this section may be established except in accordance with the procedures established in section 5 of the Petroleum Price Increase Limitation Act of 1975.".

SEC. 4. PRICE FLOORS FOR DOMESTIC FUELS.—No tariff, import fee, quota, or other measure that restricts or controls imports of petroleum shall be established or employed for the purpose, or with the effect, of establishing or maintaining a minimum price for any domestically produced fuel or form of energy, except as provided in section 5 of this Act.

SEC. 5. REVIEW BY CONGRESS.—(a) No action covered by the provisions of section 8(b) of the Emergency Petroleum Allocation Act of 1973, as amended by this Act, or section 4 of this Act may be undertaken unless—

(1) such action is specifically authorized by law enacted after the date of enactment of this Act, or

(2) the specific action proposed to be taken is submitted to both Houses of the Congress. Each House then shall have the opportunity to disapprove of such action within thirty days of the receipt of the proposal pursuant to the procedures provided for in sections 906 (a), (b), and (c), 908, 909, 910, 911, 912, and 913 of title 5, United States Code, except that for the purposes of this Act:

(A) the period of congressional review and opportunity for disapproval shall be thirty calendar days rather than sixty calendar days;

(B) any reference in such sections to "reorganization plan" shall be deemed to be a reference to (i) "petroleum pricing action," which for the purposes of this Act shall mean all actions referred to in section 8(b) of the Emergency Petroleum Allocation Act of 1973, as amended by this Act; or (ii) "action to establish a petroleum price floor," which for the purposes of this Act shall mean any action referred to in section 4 of this Act; and

(C) such thirty-day review period shall begin when such action is submitted to the Congress.

(b) If any action covered by the provisions of section 8(b) of the Emergency Petroleum Allocation Act of 1973, as amended by this Act, or of section 4 of this Act is disapproved by either House within the thirty-day review period, no officer or agency of the Federal Government shall have the authority to take any action inconsistent with the provisions of subsection (a) of this section.

(c) Any action required to be submitted to both Houses of the Congress pursuant to this section shall be accompanied by a finding and report, which shall contain the following:

(1) the need for the proposed action;

(2) the prices of imported and domestic petroleum and other fuels and forms of energy that are in fact anticipated to result from the proposed action;

(3) the impact of the proposed action upon domestic production and consumption of petroleum and other fuels and forms of energy;

(4) the impact of the proposed action and of the resulting prices of petroleum and other fuels and forms of energy upon living costs, employment and unemployment, and real incomes; and differential economic impacts among regions, socioeconomic groups, and industrial sectors of the United States; and

(5) the anticipated effects, with respect to the considerations in (3) and (4) of this subsection, of reasonable alternatives to the proposed action.

SEC. 6. EFFECT ON PRESIDENTIAL AUTHORITY.—Nothing in this Act shall be deemed to establish any new authority or to enlarge any existing authority of the President to impose or amend any tariff, fee, or quota on imported petroleum.

SEC. 7. ENCOURAGEMENT OF ENHANCED OIL RECOVERY.—Section 4(e) of the Emergency Petroleum Allocation Act of 1973, as amended (87 Stat. 627), is amended by adding a new paragraph 4(e)(3), to read as follows:

"(3)(A) In the event that the price regulation promulgated under subsection (a) of this section provides for more than one price (or manner of determining a price) for a given grade and quality of crude oil produced in a given producing area, the regulation shall provide that the price applicable to 'enhanced recovery oil', as defined in subparagraph (B) of this paragraph, shall be the highest price applicable to the given grade and quality of crude oil produced in the given producing area.

"(B) For the purposes of this paragraph 'enhanced recovery oil' refers to any crude oil produced from any property in any calendar month, in excess of a percentage, specified in the regulation, for each subsequent calendar year, of the volume of crude oil produced from that property in the corresponding calendar month of 1972.

"(C) The percentage specified for each calendar year pursuant to subparagraph (B) of this paragraph shall reflect and take into account the rate of decline in production normally expected from individual oil reservoirs in the absence of enhanced recovery techniques, such as measures to increase the permeability of the reservoir, including acidizing and fracturing, measures to restore reservoir pressure by injection of water, steam, or gas, and measures to reduce oil viscosity or capillarity by the introduction of injected substances or heat.".

SEC. 8. ENTITLEMENTS.—(a) Section 4 of the Emergency Petroleum Allocation Act of 1973, as amended (87 Stat. 627), is amended by adding at the end thereof the following new subsection:

"(h) Insofar as any regulation promulgated and made effective under subsection (a) of this section shall require the purchase of entitlements, or the payment of money through any other similar cash transfer arrangement aimed at equalizing the cost of crude oil to domestic refiners, such regulation shall exempt the first fifty thousand barrels per day of those refiners whose total refining capacity (including the refining capacity of any person who controls, is controlled by, or is under common control with such refiner) did not exceed on January 1, 1975, one hundred thousand barrels per day from said requirement: *Provided*, That nothing herein shall be taken to restrict the right of any small refiner as defined in section 3(4) of this Act to receive payments for entitlements or through any other such cash transfer arrangement.".

(b) The amendment made by subsection (a) of this section shall be effective for payments due, pursuant to any regulation referred to in such section, with respect to crude oil receipts and runs to stills occurring on or after February 1, 1975.

Passed the Senate May 1 (legislative day, April 21), 1975.

The PRESIDING OFFICER. 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 a third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (H.R. 4035) was passed.

Mr. JACKSON. Mr. President, I move that the Senate insist upon its amendment, request a conference with the House, and that the Chair be authorized to appoint conferees.

Mr. GRIFFIN. Mr. President, reserving the right to object——

Mr. JACKSON. This has been cleared.

Mr. GRIFFIN. I wonder if the chairman would advise me and the Senate whether or not there is any controversy about this.

Mr. JACKSON. No. It has been fully cleared with Senator FANNIN, the ranking minority member.

This deals purely with a, shall we say, technicality.

We passed our bill, a Senate bill. The House sent over a House bill with a House number. So, rather than have the Senate go through the same thing all over again, this is the purpose of it, so we can go to conference.

Mr. GRIFFIN. I thank the distinguished Senator.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Washington.

The motion was agreed to, and the Presiding Officer (Mr. GARY W. HART) appointed Mr. JACKSON, Mr. CHURCH, Mr. METCALF, Mr. FANNIN, and Mr. HANSEN, conferees on the part of the Senate

EMERGENCY HOUSING ACT OF 1975—CONFERENCE REPORT

The Senate continued with the consideration of the conference report on the bill (H.R. 4485) to provide for greater home ownership opportunities for middle-income families and to encourage more efficient use of land and energy resources.

Mr. PROXMIRE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. PROXMIRE. How much time has been running against my side on this?

The PRESIDING OFFICER. Time for debate on this conference report is limited to 30 minutes, equally divided and controlled by the Senator from Wisconsin and the Senator from Texas.

Mr. PROXMIRE. Mr. President, has that time started running yet, or is it starting now?

The PRESIDING OFFICER. The time starts right now.

Mr. PROXMIRE. All right, I yield to the Senator from Texas.

Mr. TOWER. Mr. President, I ask for the yeas and nays on H.R. 4485, final passage.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered

Mr. JAVITS. Mr. President, will the Senator yield to me for a brief statement?

Mr. TOWER. I yield on my time to the Senator from New York.

Mr. JAVITS. Mr. President, I thoroughly support the conference report. I think they did a great job.

I shall make a statement on this matter following the remarks of the distinguished managers of the bill.

Mr. PROXMIRE. Mr. President, the Senate and House conferees on H.R. 4485, the Emergency Housing Act of 1975, reached agreement on May 12, 1975. The House passed the bill agreed to in conference. In reporting this bill to the Senate, I urge approval for emergency action to restore homebuilding activity across the country, to increase employment at a time when 9 percent unemployment faces the Nation, and to provide critically needed housing for families now priced out of the housing market.

It is designed, in addition, to protect the homes of some 100,000 workers who have been deprived of income by the current recession because we have foreclosure provisions in the bill. By putting idle men and resources to work, I estimate that the $1.3 billion Federal investment in housing programs authorized will increase Federal revenues almost threefold, and will result in a reduction of the Federal budget deficit by at least $1 billion. The Emergency Housing Act is anti-inflationary legislation.

Unemployment is so high in this area. The need for houses is so great that the additional supply of houses would tend to reduce the price and certainly there is no argument that I can think of that would argue that if you put people to work in an industry that has 20 percent of unemployment there is any kind of inflationary pressure. We have all kinds of lumber, cements, and all other building materials.

Mr. President, there are many reasons for adopting this conference report. One is unemployment, and there is no action I can think of that will provide more jobs more quickly at less cost to

the Government and the taxpayer than will this bill.

Mr. President, the emergency housing bill approved in conference is designed to aid 400,000 middle-income families purchase homes to generate more than 800,000 new jobs and over $12 billion in production activity over the next year.

The emergency bill establishes three new initiatives for recovery. First, a temporary housing program that is expected to result in 400,000 additional housing starts during the next 12 months. Under the program, middle-income families would be able to obtain either a 6-percent mortgage for 3 years, followed by a gradual increase in interest payments for an additional 3 years up to market; or a 7-percent mortgage for the life of the contract; or alternatively, by the amendment of the Senator from Massachusetts (Mr. BROOKE) a $1,000 incentive to reduce downpayment at the time of purchase.

Second, a homeowner's relief program that would authorize HUD to make payments up to $250 monthly for a period of no longer than 2 years on behalf of delinquent homeowners facing foreclosure because of unemployment, or to purchase the mortgage in order to help cure the delinquency. A total of $500 million is authorized for this program over a 2-year period. I believe most Senators will support that section of the bill.

Third, an expansion of the existing GNMA tandem program to include apartments and condominiums, making use of the almost $2 billion in existing authority.

In addition to these major initiatives, the bill would also extend the present program providing low-interest loans for housing rehabilitation by authorizing $70 million in new loans over the next 2 years.

How does this bill differ from the bill that passed the Senate by a 72-to-26 vote earlier this year?

The bill I am recommending today differs from the Senate-passed emergency act in two major respects. First, the bill does not contain the permanent countercyclical housing program that I introduced last February. Under that program, a flow of Federal mortgage credit would have been automatically triggered when housing starts fell below a critical level and off when housing production was restored to a level consistent with our national housing goals. While the House conferees indicated that they were definitely interested in a program to end the boom-and-bust cycle that has affected the housing industry in recent years, they insisted that they would need to hold hearings on the subject before they could recommend action to House Members. The Senate conferees, in the interest of getting a bill out at this time, agreed to defer action for now on a permanent countercyclical program.

The Senate conferees also agreed to defer action on the energy conservation provisions approved in the Senate bill. The House conferees stated that they had not been able to complete action on housing-related energy legislation, but would do so in the very near future.

While the bill agreed to in conference falls short of the excellent bill passed by the Senate, I have no reservations in urging my colleagues to pass the measure before us. I believe this bill is an essential first step to restoring the economic health of the Nation. During consideration of this legislation we heard considerable testimony to the effect that "what is good for housing is good for the Nation."

As a matter of fact, people in the automobile industry, when I asked them what was the best thing we could do to help the automobile industry move out of the doldrums, said "Effective, vigorous housing legislation that would provide the jobs we need in housing."

Mr. President, I would like to conclude by reading from a letter from Mr. Norman, president of the National Association of Homebuilders, written on June 11, in which he said:

> The approval of the conference report is extraordinarily important to the rejuvenation of the Nation's homebuilding industry. Without enactment of this legislation we see no chance of housing starts in 1975 exceeding 1.1 million units, the lowest production level since 1946.

That means we are in the most serious housing depression that we have been in in some 30 years. Certainly, this legislation is most timely for that reason. Mr. Norman goes on to say:

> The 400,000 homes the middle-income families would be assisted in buying under this bill would not otherwise be produced without the assistance the bill provides. With today's mortgage interest rate level of 9 percent, close to 70 percent of the American population will find themselves unable to buy a new home. This has resulted in the most drastic decline in housing production in 30 years and an unemployment rate in construction of 21.8 percent. In homebuilding we estimate the unemployment rate is 42 percent.

Mr. President, this is called an emergency housing bill but, as I say, it is the most effective, lowest cost way to put people to work that I think the Senate has considered.

Mr. President, syndicated columnists Rowland Evans and Robert Novak wrote this morning—in the Washington Post—that the bill before us is loaded down with "questionable high cost subsidy programs."

Unfortunately, they based their article chiefly on one source in the House and to put it simply, they did not get their facts straight.

First. The bill is not "high cost." I have argued above that the Federal investment will be more than paid back in increased employment, production and Federal revenues. The bill is anti-inflationary, not inflationary.

Second. The bill is not higher cost than the two original House bills. In fact the conference bill is lower than these two bills. The Senate middle-income subsidy provisions provide lower-cost options than the House bill. The original House committee report on these bills indicate that the housing subsidy and foreclosure relief provisions would cost approximately $1.7 billion. The bill before us is estimated by both House and Senate at about $1.3 billion.

Third. The bill does not contain questionable items that add cost to our housing programs. The only added program that authorizes additional appropriations is the section 312 rehabilitation loan program. This is a highly successful program particularly in smaller communities across the country. The amount authorized is $35 million yearly, or less than one-third of 1 percent of the total authorized in the bill.

Fourth. The bill does not include the energy conservation program proposed by the President and passed overwhelmingly by the Senate—because the House refused to accept the Senate bill. The Senate receded on this important matter in order to give the House more time to act. We actually unloaded the bill of an item the President and the Senate felt was an urgent matter.

As you can see Mr. Evans and Mr. Novak did not get a number of facts straight. They reported incorrectly that Mr. BOLAND of Massachusetts had voted against the emergency housing bill, when in fact he voted for the measure.

I could go on with other items that would call to your attention the fact that the emergency housing bill is exactly that—a bill that we need to pass right now.

Mr. President, I ask unanimous consent to have printed in the RECORD an article by Messrs. Evans and Novak as it appeared in the Washington Post of today, June 1, 1975, entitled "The Demoralized Democrats."

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

THE DEMORALIZED DEMOCRATS

(By Rowland Evans and Robert Novak)

Deepening demoralization within the Democratic majority in Congress reached a climax last week just before the House voted to approve a $1.3-billion housing bill viewed by middle-road Democrats as the probable victim of another successful presidential veto.

Rep. Thomas (Lud) Ashley of Ohio, a longtime housing stalwart on the House Banking Committee, privately put this question to House Majority Leader Thomas P. (Tip) O'Neill: "How long do we have to take the gas, Tip, before we begin to hurt?"

In one form or another, that question is being asked by every Democrat in the top-heavy Democratic Congress as President Ford consolidates his control over the divided federal government, gives his party its first taste of political cheer since Watergate and watches the Democrats' dream of congressional government go down the drain.

The point of Ashley's question was this: The housing bill had become hopelessly loaded down with questionable high-cost subsidy programs after the original House version went to conference with a far broader Senate housing bill. Ashley, a House conferee, refused to sign that conference report. He then carried the battle to the closed-door House Democratic caucus last Wednesday.

But Rep. Henry Reuss of Wisconsin, House Banking Committee chairman, never really joined battle. Reuss simply read to the

caucus a letter signed by Speaker Carl Albert, O'Neill and Rep. Jack McFall of California, the majority whip, in which the leadership appealed to every Democrat to vote for the swollen bill.

In the House vote that passed the bill the next day, 43 Democrats broke away from the leadership and voted against the subsidy-rich housing bill—a defection from party ranks that would virtually assure the House upholding President Ford's expected veto of the bill. Indeed, Democrats voting no nearly double the 22 Democratic defectors who made it possible for Mr. Ford to win his spectacular fight against the House attempt to override his veto of the jobs bill last week.

The 43 Democrats who rejected the Albert-O'Neill-McFall leadership should have sent shivers down their spines. Rep. Edward Boland, an intimate Massachusetts colleague of O'Neill, voted with Ashley and against the veto-targeted housing bill. So did Washington's Rep. Thomas Foley, chairman of the Agriculture Committee and past chairman of the Liberal Democratic Study Group, Rep. Sam Gibbons, a bonded liberal from Florida, and Rep. Robert Giaimo of Connecticut, a liberal with close ties to the leadership.

What this adds up to is crisis for the Democratic leadership on Capitol Hill and what one Republican strategist calls "the decisive competitive edge" for Gerald Ford as he rolls a Democratic Congress unable to find or assert a collective will. That "competitive edge" is now spreading far beyond Capitol Hill, displaying a political maturing in President Ford that is enhancing his prestige nationally.

The contrast with extravagant Democratic plans last January is particularly vivid. Then, the Democrats unfurled a 14-point legislative program to give them the initiative over an unelected President to solve the energy crisis, recession, inflation and kindred ailments. Ironically, two of those 14 points were the heart of the original housing bill in the House: interest subsidies for middle-income homebuyers and foreclosure relief for unemployed mortgage-holders.

A presidential veto of such a lean housing bill would almost certainly be overridden, and the Democrats then could justify their claim of making responsible congressional government work. But now the housing bill has become an easy victim of Mr. Ford's veto pistol.

Such fine points seem beyond the grasp of the House leadership, which has been functioning this year in an admittedly difficult role as administrators, not leaders, of a huge majority bent on obliterating the old, institutional power centers of the House. Against such an opposition, Mr. Ford is doing very nicely.

Mr. PROXMIRE. Mr. President, I reserve the remainder of my time.

Mr. McCLELLAN. Will the Senator yield?

Mr. PROXMIRE. Mr. President, before I yield the floor, I yield to the distinguished Senator from Arkansas.

Mr. McCLELLAN. I would like to ask the Senator a question. What level of income is necessary to make a person eligible for these interest rate reductions?

Mr. PROXMIRE. 120 percent of the median income in the area.

Mr. McCLELLAN. How will that be determined?

Mr. PROXMIRE. The Federal Government computes income in various areas of the country. HUD does it already for their existing housing programs. Those figures are available and we would rely upon them.

Mr. McCLELLAN. I received a call last night from a builder in my State who constructs houses, and who has been in this business for quite a long time. He expected difficulty with people in the middle-income group, as he referred to them, being able to buy houses at the cost they are now.

He would hope that this method provided in this bill would be available to what he termed middle-income people.

Mr. PROXMIRE. May I say to the Senator from Arkansas——

Mr. McCLELLAN. I do not know what to tell him, whether it is middle income or what it is.

Mr. PROXMIRE. That is precisely the purpose of the bill. By providing those with median incomes of 120 percent or less to qualify, the middle-income group, that is, those whose incomes are in the area of $8,000, $10,000, $12,000, or $14,000 a year would be just the people who would be in a position to buy under this bill.

Mr. McCLELLAN. Of course, any housing that is of any high quality, other than just cheap housing, sells for around $30,000, $35,000, or $40,000. Are the people who are going to be buying those houses entitled to these reductions?

Mr. PROXMIRE. The limit here is $38,000, except in high-cost areas where it goes to $42,000.

Mr. McCLELLAN. So in my State, then, they would be eligible for housing costing that much?

Mr. PROXMIRE. Yes, indeed.

Mr. McCLELLAN. I thank the Senator.

Mr. PROXMIRE. Mr. President, I reserve the remainder of my time.

Mr. TOWER. Mr. President, when we originally considered H.R. 4485, the Emergency Housing Act of 1975, I opposed the measure. I did so very reluctantly because it was the first major piece of housing legislation that I have ever opposed in my Senate career. After reviewing the conference report, I find that I must continue to oppose this measure.

Discounting the cost factors, in my opinion the programs provided by this legislation will, at the very least, be ineffective, and at the worst, exacerbate the current crisis in the housing industry.

Many of the questionable provisions of the bill have been retained.

H.R. 4485 still contains the $1,000 grant to anyone who wants to buy a new house. Its purpose was to assist in making the downpayment. I still question this, as the downpayment for a $35,000 FHA house is only 6 percent, and the downpayment for conventionally financed houses can be comparable if private mortgage insurance is used. For the most part, in my opinion, much of this money will be used to assist those families who would have purchased homes whether this program was available or not. Because of this, I think it will have a negligible impact on spurring new housing construction, and thereby alleviating the severe unemployment in the housing industry.

In addition to the program which provided for Government subsidies so that 6-percent mortgages could be available, the conference committee agreed to a new program whereby GNMA will provide 7-percent mortgage money. Again, in my opinion, both of these programs are questionable.

The 6-percent program is billed as a program that will phase out over a 6-year period. I would just like to comment that I have seen few, if any, programs like this that, in fact, were phased out. I think that there will be enormous pressures from the thousands of participants in this program to make it permanent. And what is so magic about 6 percent anyway? During the period of our greatest housing production—during 1971–72—interest rates were about 7½ percent on the average. If we could have such great production when interest rates were at that level 3 years ago, I do not see the need now for the artificially low rate of 6 to 7 percent.

Mr. President, no one can deny the importance of the homebuilding industry to our economy. And, I might add, just a few weeks ago, thousands of homebuilders were in town to remind us of this fact. I welcomed meeting these builders because it is extraordinarily educational to meet with the person who has to work directly with the programs we enact.

I told them what I thought about this legislation and the basis for my beliefs. Several in the group of about 50 disagreed with me, but many of them supported my position. On the one hand they acknowledged the problem and some thought that this bill might bring some short-term relief. But most thought that we must first look to the resolution of the long-term problem. They strongly thought we must give our financial institutions sufficient powers so that they can support a nongovernmentalized housing industry.

These builders know that more Federal programs mean more confusion on the part of the buyer and seller, more paperwork, and more regulation. This is something they emphatically do not want and they know that if we pursue this course, the homebuilding industry can only suffer.

In the words of one prominent builder with whom I met—

> This is another stop-gap type of legislation which provides superficial treatment rather than getting to the source of the problems presently causing havoc with our industry.

I completely agree with this statement. I strongly urge the defeat of the conference report on H.R. 4485.

One indication of why this will not do any good is that, as Senator PROXMIRE said before the Joint Economic Committee, the required minimum annual income for a $41,000 house is $23,330 a year. Only 15 percent of the families in the country make that much, and therefore I submit that by the reckoning of the Joint Economic Committee itself, this bill will not solve anything, and may even exacerbate the problem.

Mr. PROXMIRE. Mr. President, will the Senator yield on that point?

Mr. TOWER. I yield.

Mr. PROXMIRE. That is the whole point. With 9-percent interest, of course, they have to have this very high income in order to buy a home. By reducing it

to 6 percent, it makes it possible for people who otherwise cannot buy a home, to be able to buy it.

Mr. JAVITS. Mr. President, I strongly support the conference report on H.R. 4485, the Emergency Housing Act of 1975. This bill will provide the needed aid to middle-income home buyers which is so necessary at this time of trouble in the housing market.

The bill provides for interest reduction payments to bring down mortgages to a rate of 6 percent. The bill also authorizes home purchase incentive payments of $1,000 to make downpayments on new homes. In other sections, the section 312 rehabilitation loan program is extended for 2 years with new authorizations and most importantly my amendment is included which would allow State housing agencies to raise income limits for admission to non-FHA-insured section 236 projects and to adjust rent-income ratios. This provision will allow agencies such as the Urban Development Corporation of New York to put their projects on a more stable basis. Finally, the bill provides for mortgage relief payments to homeowners in an amount up to $250 per month to meet mortgage payments. This payment would go to homeowners whose incomes have been substantially reduced because of unemployment or underemployment.

I think that H.R. 4485 is a good bill and is needed in today's housing situation. I am hopeful that the President will not veto this legislation since the cost is not great and HUD has discretion in administering the programs in the bill.

Mr. PROXMIRE. I yield 2 minutes to the chairman of the Joint Economic Committee, the Senator from Minnesota (Mr. HUMPHREY).

Mr. HUMPHREY. Mr. President, one of the reasons why I favor the Omnibus Emergency Housing Act of 1975, and have supported it before the committee, is because of the studies that have been made relating to the difficulties our people are having in the purchase of new housing, due to two factors: The high interest rates and, for a period of time, the tightness of the mortgage money market.

This bill, while not the total answer to our housing needs, will do several things that are important.

First, it gives the person wishing to buy a house, for a short period of time, a subsidized interest of 6 percent, for a period of 3 years, and a 7-percent mortgage for the lifetime of the mortgage, which is, of course, decidedly better than we have under the present system.

Of equal significance, it is a job-producing bill. So it performs two very important social and economic functions: First, housing, particularly for middle-income families; and second, jobs for a large number of construction workers who are out of work today. The housing industry employs more workers, both skilled and not skilled, than almost any other industry, once it is in motion. Many of our unemployed unskilled workers today would find jobs in a reactivated housing industry, particularly in the cities. I thank the Senator from Wisconsin, and I hope this proposal will be adopted.

The PRESIDING OFFICER. Who yields time?

Mr. TOWER. Mr. President, I yield the Senator from Utah such time as he may require.

Mr. GARN. Mr. President, on the face of this bill it says it is the Emergency Housing Act of 1975. I serve on the Committee on Banking, Housing and Urban Affairs, and sat in on all the hearings concerning this bill, and that is one of the things that concern me. We are constantly dealing with emergency legislation rather than getting into any long-term planning of what the housing market needs and what the solutions to the housing problems are. We are, moreover, responding in a devious manner.

That is what we do in this case. There were some 10 to 14 bills introduced and before the committee, and, not knowing what to do with them, we put them all together in a big Christmas tree, the Omnibus Emergency Housing Act of 1975.

I think we are responding after the fact; and when I mentioned this to a staff member, he stated, "I think you are right; the current emergency is over, but we will try to respond now to the next emergency," without understanding what the character of that emergency might be.

Nevertheless, this omnibus bill did pass the Senate and went to the House of Representatives. I was a member of the conference committee. It was a very difficult conference, because the House bill, in my opinion, was a more responsible bill than that of the Senate; it did not include so many ornaments on the Christmas tree.

I signed the original conference report, although I did not agree with some of the provisions it contained, but I object to this one on two bases, if this is the way we are to do business in the Senate of the United States and the House of Representatives. First, I object to conference procedure by staff. It has been mentioned the last couple of days that the Senate and House staffs have too much influence, and I certainly agree with that. In this case, I refused to sign the second conference report. The first one was signed, but some of the House Members disagreed and asked for another conference. But an additional conference was not called. Some Senators' staff members and some Representatives' staff members got together, and I was notified by a very brief summary which I found on my desk, and asked the question in a telephone call as to whether or not I would sign the conference report I stated I would not.

I believe that Senators and Representatives, who are elected by the people of their States and are responsible to them, are the ones who ought to work on these bills, because the staff members never have to stand for election.

So I not only oppose the conference report as a big Christmas tree, too much and too late, but I object to not calling the members of the conference back together. This final conference was conducted by staff members.

Mr. TOWER. Mr. President, I yield the Senator from Virginia such time as he may require.

Mr. HARRY F. BYRD, JR. Mr. President, it seems to me that there is considerable merit in this proposal.

However, as I understand the thrust of title I, the long-term interest payment, interest subsidies, and other benefits to be given to the individual building a home are to go to middle-income families; but that does not mean, necessarily, those in the $10,000 to $12,000 to $14,000 brackets. It will mean to middle-income families as defined as "single individuals and families whose incomes do not exceed 120 percent of the median incomes for the area."

Let me take three areas in the State of Virginia to show how individuals in those localities will be affected.

The median income for Lee County, Va., according to the 1974 Department of Housing and Urban Development Statistics, is $5,500; 120 percent of that figure is $6,600. So anyone making more than $6,600 would not be eligible for the subsidies and interest rate reductions involved in the act.

Taking a nearby area, the town of Norton, in Wise County, again in the far southwestern part of the State, the median income figure there is $10,200, so that would break a family or an individual earning up to $12,000——

Mr. PROXMIRE. Mr. President, will the Senator yield briefly?

Mr. HARRY F. BYRD, JR. If the Senator will let me cite one more figure. We have a figure of $12,000, to represent the maximum income for eligibility.

Then, coming all the way across the State to northern Virginia, when we come to the Washington, D.C., metropolitan area, the median figure there is $18,100; 120 percent of that figure is $21,720.

So there is a considerable discrepancy, it seems to me, in the figures, as they apply throughout the Nation.

I yield to the Senator from Wisconsin.

Mr. PROXMIRE. I say to the Senator from Virginia that he makes an excellent point. That is one of the difficulties in these bills. They do not provide the kind of equity we would like if we could work it out perfectly.

We do have a problem because, obviously, it would mean that in many sections of the country we would not get any home construction at all if we had a limitation that was standard throughout the country, say, $8,000, or $10,000, or $12,000.

I think that there are two answers that are not complete to the Senator, but I think they represent something. Part of it is the fact that there is a price limitation on the house of $38,000, with some somewhat higher in high cost areas, but $38,000 is generally the limit.

The other part of it, of course, is that this is fundamentally not really a home construction bill, although the point is useful there, but it is a job bill. It puts people to work.

As we know, we have heavier unemployment in construction than in almost any other industry in the country. More

than 20 percent of the people in construction are out of work.

But the Senator puts his finger on the weakness in the bill, and I will agree to that.

I do think, in my view, at least, it is overcome by the fact that it does provide more jobs, and the cost to the Federal Government is less than any other job-producing legislation that I think we have enacted.

Mr. HARRY F. BYRD, JR. I thank the Senator from Wisconsin and yield back the remainder of my time to the Senator from Texas.

The PRESIDING OFFICER. Who yields time?

Mr. TOWER. Mr. President, I think I would be remiss if I did not note what this is going to cost. The total cost involved in this bill is $2.2 billion. I just do not think that we help the homebuilders, people seeking to buy houses, or anyone else in this country, if we push the Federal Government further and further into the debt market.

The Government already occupies 60 percent of the debt market in this country, and with the kind of deficit we are going to pile up this year, even a more and larger percentage of that debt market is going to be preempted. That means that the average citizen pays. If we raise taxes to pay for the program, the citizens would raise the dickens with us about it. But sometimes they do not undertsand that they pay anyway when the Government goes into the money market to deficit spend. They pay through higher interest rates. This is precisely what this is going to do.

It is going to be another one of those things that is going to have an aggregate effect of driving up interest rates through increased Government preemption of the debt market to the exclusion of the percentage of debt market available for capital, and capital expansion is the thing that is most calculated to get the economy back on its feet.

The PRESIDING OFFICER. Who yields time?

Mr. PROXMIRE. Mr. President, I will use my remaining minute or so to reply to the Senator.

The fact is that the foreclosure of this bill is a loan. It is repaid. The cost that we compute is $1.7 billion, but the most important element here is that Federal Government revenues will increase by $2 billion or $3 billion—we figure by a minimum of $3 billion—because of the additional activity, because of the additional jobs. People will pay more taxes, and, of course, as that happens revenues increase. The deficit declines because we compute that the revenues of the Federal Government revenues will increase by substantially more than $2 billion.

Mr. President, I ask unanimous consent that the letter I read from the Home Builders be printed at this point in the RECORD.

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

NATIONAL ASSOCIATION OF HOME BUILDERS,
Washington, D.C., June 11, 1975.

Hon. WILLIAM PROXMIRE,
Chairman, Committee on Banking, Housing and Urban Affairs, U.S. Senate, Washington, D.C.

DEAR SENATOR PROXMIRE: I understand that the Senate is due to vote today on the Conference Report of the Emergency Housing Act of 1975, H.R. 4485. The approval of the Conference Report is extraordinarily important to the rejuvenation of the nation's home building industry. Without enactment of this legislation, we see no chance of housing starts in 1975 exceeding 1.1 million units, the lowest production level since 1946.

The 400,000 homes that middle income families would be assisted in purchasing under this bill would not otherwise be produced without the assistance that the bill provides. With today's mortgage interest rate levels of 9 per cent, close to 70 per cent of the American population find themselves unable to purchase a new home. This has resulted in the most drastic decline in housing production in 30 years and an unemployment rate in construction of 21.8 per cent. In home building, we estimate the unemployment rate is 42 per cent.

The enactment of H.R. 4485 and the over 500,000 jobs it would create are essential to a recovery of the home building industry and to a recovery in the nation's economy. I urge on behalf of this industry your continued strong support for early enactment of H.R. 4485.

Sincerely,
J. S. "MICKEY" NORMAN, Jr.,
President.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that Mr. Robert Malakoff, of the staff of the Housing Subcommittee, be granted the privilege of the floor during the vote.

Mr. TOWER. Mr. President, will you add the name of Tom Brooks?

Mr. PROXMIRE. And Mr. Tom Brooks.

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

Mr. TOWER. Mr. President, I ask the distinguished Senator from Wisconsin by whom was that figure quantified that the Senator cited of $3 billion going to flow into the Treasury?

Mr. PROXMIRE. This computation was done by the staff of the Committee on Banking, Housing and Urban Affairs on the basis of computations that I have seen repeatedly as to what happens when you stimulate activity in the economy. We can compute how much more economic activity we have, when we have 400,000 new house starts, and the cost of those housing starts over a period of a year. We figure that is about $12 billion. The revenue to the Federal Government is around a fifth or sixth of that, on the basis of all our previous experience.

Mr. TOWER. What about the 400,000 or 500,000 house overhang that we have now? What if we do not sell all these houses that are going to be built? That is not going to bring in much in the way of additional revenues.

Mr. PROXMIRE. The tax credits are designed to take care of that. We already passed that. I was not in favor of that particular provision. But that should help.

Mr. TOWER. I joined the distinguished Senator from Wisconsin in not favoring that provision. But I do not think we can accurately quantify what might flow into the Treasury.

Mr. PROXMIRE. We have to do our best on this.

Mr. TOWER. I could not quantify what impact it is going to have on the debt market and what it is going to do with interest rates in the private sector. I think it is a certainty the more the Government goes into the money market the less is available for capital borrowing and the higher interest rates are going to go.

I think we ought to alert the American people to the fact that if we are going to have all these visionary programs probably we will not solve the problem anyway. They are going to pay through the nose through higher interest rates.

Mr. DOMENICI. Mr. President, today I will again oppose H.R. 4485, the Emergency Housing Act of 1975. When the Senate first began debate on this measure, I was undecided because I supported the jobless homeowners mortgage relief provision but strongly opposed the temporary mortgage interest subsidy programs. I finally cast my vote in opposition when I learned that Chairman SPARKMAN of the Housing Subcommittee planned to keep S. 1457, which dealt with mortgage relief loans on the calendar and would call it up for debate, if as expected President Ford vetoed H.R. 4485.

I had, however, hoped that my colleagues had learned a lesson from the disastrous effects of temporary subsidy programs which can only artificially pump temporary money into the housing market. This temporary money could possibly meet some short term needs but would then only cause financial chaos when expired. The problem can only be solved by long term programs which promote stability not uncertainty in the market.

The sponsors of H.R. 4485, have now devised a short term temporary program which authorizes HUD to subsidize at 6 percent for up to 400,000 families, the mortgages for middle income families. Also included is a limited $1,000 grant to be used as incentives to purchase new homes and thus stimulate housing construction.

Mr. President, I seriously question whether such haphazard short term programs will accomplish anything more than temporarily meeting some people's housing needs. Let us turn instead to realistically examining the effect that short term Government programs have on the market and whether it would be more reasonable to promote programs with more stability.

I would, however, like to reiterate my intention to support S. 1457, if called to the floor because I do feel that mortgage relief loans are necessary to aid other jobless during these recessionary periods.

Mr. President, I urge my colleagues to oppose H.R. 4485 as a shortsighted approach to our housing problems.

Mr. HUMPHREY. Mr. President, I fully support the conference report on the Emergency Housing Act of 1975. This legislation is an important component of

any comprehensive strategy to return growth and prosperity to our economy. It will produce housing, it will produce jobs, and it will contribute to the strength of our economic recovery.

No one can deny that our housing industry is currently in the depths of a severe depression. Housing starts are at a seasonally adjusted annual rate of 990,000 in April, virtually unchanged from the rate of housing starts in March—the lowest monthly rate in eight years. Building permits, which did show a promising reversal in April, are still well below levels necessary to meet our national housing goals. In fact, the seasonally adjusted annual rate of housing production for the first four months of this year is less than 40 percent of the national goal that was established in the 1968 Housing Act.

The drastic decline in home construction has had a devastating effect on employment in the construction industry. According to the Bureau of Labor Statistics, a full 19.3 percent of all construction workers were unemployed in April. This is an extraordinary waste of resources that simply cannot be tolerated.

Moreover, this statistic masks even more severe hardship in specific labor markets and specific trades. According to the AFL–CIO, construction unemployment is 40 percent in Phoenix, 30 percent in Los Angeles, 49 percent in Miami, 32 percent in Newark, and 37 percent in St. Paul. Within building trades, 80 percent of the boilermakers in Louisville are unemployed, 75 percent of the plasterers in Chicago, 65 percent of the plasterers in Minneapolis, and 50 percent of the painters in Philadelphia. This is no recession for this industry, it is a full blown depression.

Unfortunately, the prospects are dim, in my opinion, for returning, in the near future, to levels of construction and employment that are more consistent with our national housing and employment goals. No one would deny that new deposits are flowing into our thrift institutions at unprecedented rates. Nor, would anyone deny that there is an enormous amount of excess capacity in the construction industry, both labor and capital. But these conditions only set the stage for recovery. They do not deal with what I believe is the more significant constraint on a recovery in housing—the inability of the vast majority of American families to be able to afford to purchase a home.

A recent study prepared by the Congressional Research Service for the Joint Economic Committee, at my request, demonstrated the devastating effect that rising housing, interest and utility costs, combined with declining real incomes, have had on home purchasing power. The study showed that the minimum annual household income—spending one quarter of household income on housing—required to support the median-priced existing home jumped from $16,700 in 1973 to $21,170 in 1974. The percentage of American families having sufficient annual income to pay the housing expenses on the median-priced existing home declined from 29.6 percent in 1973 to approximately 20 percent in 1974, a decline of 33 percent in 12 months.

The situation is quite similar for new homes purchases, as the minimum annual income required to support the median priced new home rose from $19,060 in 1973 to $23,330 in 1974. The percentage of American families having sufficient income to afford the median-priced new home declined from 21.5 percent in 1973 to approximately 15 percent in 1974, a decline of 30 percent .

What these statistics say is that no matter how much money is flowing into the thrift institutions and no matter how much excess capacity exists, we simply are not going to get a vigorous housing recovery unless we do something to improve the home purchasing power of American families. That means we have to strenghten the demand for housing as well as the supply of housing. The excess capacity and the savings flows set the stage, but demand must be strengthened if housing is to recover.

The conference report that we are considering today does just that. It provides necessary assistance to middle-income families who otherwise might be unable to purchase housing. It offers low interest mortgages that will reduce the annual costs of homeownership. It provides the option of downpayment assistance to those families that have been unable to accumulate a downpayment during the last few years of economic chaos. And finally, it provides assistance to unemployed persons who are in danger of losing their housing through foreclosure because they have lost their jobs. It strengthens the demand for housing which improves the strength of the housing recovery.

Mr. President, it is time that we deal with the severe depression in the homebuilding industry; it is time that we put people back to work. It is time to utilize our idle capacity; and it is time to get the homebuilders back on their feet. I urge my colleagues to support this legislation because it will make a major contribution to strengthening the expected housing recovery.

Mr. McINTYRE. Mr. President, as a conferee on the emergency housing legislation, I want to clarify for my colleagues the provision dealing with the sanctions of the Federal flood insurance program. As you may remember, during debate on this legislation, Senator THOMAS EAGLETON and I, joined by Senators SYMINGTON, THURMOND, MCGOVERN, STEVENS, BAYH, DOLE, KENNEDY, HARTKE, ABOUREZK, EASTLAND, and CHILES, offered an amendment in an attempt to ease the sanctions contained in amendments approved last year to the Federal Flood Insurance Act. Our amendment would have removed each Federal instrumentality responsible for the supervision, approval, regulation, or insuring of banks, savings and loan associations, or similar institutions from the obligation to deny mortgage credit to flood-prone areas; would have limited the sanction on disaster assistance in nonparticipating communities to only flood disaster assistance; and would have allowed individuals who were willing to comply with HUD standards on their own property to purchase flood insurance at the subsidized rates even if the community has not joined the program.

When this flood-insurance program was drastically changed in 1974, the Congress recognized the failure of the voluntary program in encouraging flood protection, and the need to provide low-cost comprehensive flood insurance. Therefore, a mandatory program was approved with Federal sanctions to force participation. An individual who does not buy flood insurance is denied FHA, VA, SBA, and all Federal assistance for acquisition or construction in the flood plain as well as the ability to receive funds through any federally supervised, approved, regulated, or insured bank, savings and loan association, or similar institution.

This, in essence, is a taking of an individual's property by rendering it, for all practical purposes, worthless, with the only form of redress being the purchase of flood insurance. While this is a strong sanction, it is not unworkable. Congress, however, saw fit to add a Catch–22 provision which does make the sanction unworkable. An individual is not eligible to purchase flood insurance unless the community agrees to adopt the program. A community must adopt land use regulations in the flood plain, building codes and zoning requirements. It is assumed that the individual living in the flood plain will be able to convince the town to adopt these land management requirements. This seems to bring pressure to bear unfairly on an individual who may be unable to force an action by his community.

Our amendment would have allowed individuals who wish to protect their homes through flood insurance and who are willing to comply with HUD standards on their own property to enter the program.

The substantive amendment was considered to be too sweeping a change in the program without the benefit of hearings. In order to give Congress time to consider these changes and give communities relief from the fast approaching deadline, a 6-months delay on all sanctions was proposed and agreed to in the Senate.

The Senate conferees did a commendable job of supporting this amendment. Senator PROXMIRE and Senator GARN were particularly helpful in this regard. The House conferees, however, were adamantly opposed to this 6-months delay. After some discussion of the proposal a few House Members did agree that this program may be stretching the long arm of Government beyond a reasonable point. The majority of the conferees, however, were strongly supportive of the present program, particularly the land use provisions.

We were forced to offer several compromise proposals, all of which the House failed to accept. The version of the 6-months delay included in the conference report is clearly a far cry from the relief intended. The only delay is for 6 months on the prohibition against existing residential mortgage lending. I fail to see what real relief is offered. What bank will

extend mortgage money on a home which in 6 months may be tied up in perpetuity?

My aim is not to weaken the Federal flood insurance program. I feel very strongly that the Federal Government should not expend taxpayers dollars without some guarantee that flood prone areas are trying to protect themselves. However, protection of land against future development in the flood plain should not be mandated at the expense of denying individuals the ability to purchase insurance. This sanction should bring pressure not on existing structures but on future development.

The amendment included in this conference report does not offer the kind of relief I feel is necessary. On June 13, Friday of this week, the Housing Subcommittee of the Senate Banking Committee will be holding hearings on S. 810, the original legislation introduced by Senator EAGLETON and me, as well as trying to determine the present status of this program. I hope this hearing will point out the extreme hardship this program brings to many communities, the unfair disadvantage many individuals face due to local opposition of Federal intervention and the Federal land use requirements mandated by this act.

The provision in this conference report is a very small start in rectifying this overzealous legislation.

Mr. BENTSEN. I am pleased to support the conference report on H.R. 4485, the Emergency Housing Act of 1975. Unemployment nationwide has reached a postwar high of 9.2 percent. This means 8.5 million people out of work. Some 2 to 3 million have taken part-time employment instead of full-time work they seek. And more than a million have become so frustrated that they have given up their search and dropped out of the labor market entirely.

This nationwide recession is alarming in itself, but the effect on the housing industry has been even more disastrous. Unemployment among construction workers reached 21.7 percent in April and is increasing at a rapid rate. In several key metropolitan areas, the figure is much higher: 40 percent in Phoenix, 32 percent in Cincinnati, 49 percent in Miami, 32 percent in Newark, and 30 percent in St. Paul. And nationwide, 40 percent of the Nation's home building construction workers are out of jobs.

In the Housing Act of 1968, we set a 10-year national housing goal of 26 million units, 2.8 million of which we should be building this year. But the annual rate of new housing starts has remained about 1 million since December, only one-third of our goal.

And prospects for future housing starts are not nearly as bright as forecast earlier this year. The number of new building permits issued in March was on one-half of the number issued in March of 1974. The sum of the matter is that the housing industry is in deep trouble, and in some areas of the country, homebuilding is at a virtual standstill.

High interest rates, which for many of the past 18 months have been the highest since the Civil War, and the resulting lack of mortgage credit, have contributed substantially to our current recession and the depression in the housing industry.

We must take immediate action to stimulate the home building industry, and I believe the first step is to make mortgage money available once again. H.R. 4485 will provide needed stimulation to the housing industry by authorizing the Secretary of HUD to provide home mortgage financial assistance to middle income families via three basic subsidy programs. First, subsidies are provided to cover all costs of a market rate mortgage which exceed 6 percent to be covered 100 percent for the first 3 years, assistance which will be gradually, phased out over an additional 3 years. Second, a payment of $1,000 can be made to reduce the down payment for home purchases. And third, HUD can purchase 7 percent mortgages which would be backed by GNMA issuing Government-backed securities. In addition, the act provides relief to unemployed homeowners who are delinquent in their mortgage payments and have received notice of impending foreclosure by supplementing, up to a limit of $250 per month, the amount which the homeowner is capable to contributing toward such mortgage payments. These payments would be made for an initial 12-month period, with one extension not to exceed another 12 months.

Finally, several adjustments are made in Federal programs in order to meet various other needs of our national housing situation.

In enacting this legislation, the Congress is taking a needed first step toward breathing new life into the housing industry.

The nation has waited too long for the Federal Reserve Board to act. The Emergency Housing Act of 1975 is a needed step in our effort to aid the Housing industry which is so vital to our Nation's economic welfare, and I am pleased to support its passage.

Mr. TAFT. Mr. President, I will vote for this conference report as an anti-unemployment measure which also helps housing. I have reservations about it when viewed strictly as housing policy.

Last Friday the Bureau of Labor Statistics announced that the construction industry's unemployment rate has increased to 21.8 percent, the highest rate on record. The middle-income housing subsidies in this bill undoubtedly will combat that situation, by providing a boost to the weakest part of the industry. In addition, the foreclosure relief loan provisions should save thousands of unemployed homeowners from the tragedy of losing their homes. These provisions are very similar to legislation which I introduced over 2 years ago, as part of the Home Preservation Act of 1973—S. 971, 93d Congress.

The Senate bill also contained some major housing policy initiatives. Some of the most important provisions were designed to counteract the historic boom-or-bust mortgage credit cycle, bring multifamily units into the mortgage credit program, establish mandatory building energy conservation standards and revitalize the housing rehabilitation loan program. All of these initiatives either were discarded completely by the conferees or were watered down drastically. Instead, the provisions retained which will have the most effect on the housing stock provide subsidies for the purchase of low- to medium-priced new single family housing. Were it not for that title's likely contribution to the dismal construction unemployment situation, I would be tempted to call it the Suburban Sprawl Act of 1975.

A housing program which encourages the production of detached single family homes has appeal to politicians who view a detached home as an indispensible component of the American dream. There is certainly a great need for additional housing units and for a diversity of housing facilities to satisfy the needs of our citizens. Furthermore, the directive that HUD try to encourage energy and land conservation practices for the subsidized housing construction should be helpful.

Nevertheless, I have warned before against reliance on Federal housing policies designed largely to foster the building of personal ponderosas. The construction costs, land costs, energy costs and environmental costs are simply too great. These same factors also help to render questionable a Federal housing policy which relies too heavily not only on single-family construction as opposed to apartment and condominium construction, but also on new construction of any kind as opposed to housing preservation and rehabilitation.

For these reasons, the deletion and alteration of some of the Senate provisions I have mentioned concern me greatly. For example, last February 19 I introduced S. 751, which would have taken a step toward remedying the emergency mortgage credit program's concentration on single family housing by providing authority for the financing of multifamily projects under the program. Although the conferees adopted this proposal with the language virtually intact, they did not accept the Senate's proposal to extend the October 18 expiration date for the entire mortgage credit program. Thus, the provision is likely to have little, if any, effect.

The Senate had proposed to continue the section 312 3-percent rehabilitation loan fund for the 3 years at an annual authorization level of $150 million annually, with substantive changes to improve the financing mechanism and make the program more cost effective. These provisions were along the lines of S. 1212, introduced and urged by the Senator from California (Mr. CRANSTON), myself and others in March. The conferees instead dropped all the substantive program changes and extend the program at an authorization level of only $35 million per year. The House conferees apparently had such a closed mind on section 312 that they would not consider even changes designed to make the program less costly per unit of housing rehabilitated, by increasing the interest rate for borrowers who could afford it.

I realize that the Senator from Utah (Mr. GARN) and other Senate conferees fought very hard to obtain the final section 312 provision. I commend them for

it and I feel that the funding level, while low, is high enough to be significant. Nevertheless, I continue to believe that Congress was right when it declared in the 1974 act that we have not devoted sufficient attention to the preservation of existing housing and neighborhoods, and I do not think the situation has changed since that act was passed.

Therefore, today I am introducing the Housing Preservation Alternatives Act of 1975. This bill authorizes several demonstrations, and makes several changes in existing law, which would promote the use of private and local government funds for housing preservation. While its Federal cost would not be likely to exceed $25 million annually, I believe it would promote a far greater amount than that of housing preservation and rehabilitation. I urge the committee to consider this bill, which I have explained in a separate speech today, as a complement to community development block grants and whatever section 312 money we authorize.

I am also extremely concerned that the provisions mandating building energy conservation standards were deleted. These provisions were obviously important, in view of the committee report estimate that building energy consumption could be reduced by at least 30 percent through energy conserving practices and materials. While I realize the concern that this title was not considered thoroughly enough, I am afraid that our action may symbolize Congress inability or unwillingness to grasp what a serious energy squeeze we are in. With only about a decade's worth of domestic reserves left of oil and gas and OPEC threatening to raise prices drastically again, it seems imperative that Congress reconsider building energy conservation legislation promptly.

I urge the President to sign this bill for the primary purpose of combating unemployment and its effects. But at the same time, let us vow to do better on the policy questions which were raised during the bill's legislative history, but were not resolved favorably.

Mr. MONDALE. Mr. President, I am extremely pleased that the Senate is about to approve the housing bill conference report.

This is an important bill, Mr. President. It will stimulate housing construction; it will provide employment to thousands of idle workers; it will lead to general economic recovery.

By its terms, the legislation agreed upon by the conferees will provide the potential homeowner with important help. The bill will provide 6-percent mortgage loans, with interest rates increasing to current market rates over a 6-year period. It will also provide a $1,000 downpayment aid for use by the new homebuyer.

These are important features of the bill. I have been an enthusiastic supporter of these features since their original introduction many months ago by the distinguished chairman of the Banking, Housing and Urban Affairs Committee (Mr. PROXMIRE). I testified at the Housing Subcommittee hearings on the bill in favor of these provisions.

But, Mr. President, I would like to call my colleagues' attention to another aspect of the bill. This is the provision designed to give much-needed and long-awaited help to thousands of American families who are in danger of losing the homes they now have.

There are more than 8 million unemployed workers in this country at the present time. Many of these are heads of households. Millions of these unemployed workers own homes and must meet mortgage payments. Yet, as their unemployment continues, their unemployment benefits decrease or disappear, and no prospect for employment appears, these workers face a desperate situation.

They can no longer meet mortgage payments, and foreclosure looms on the horizon.

It was in recognition of this problem that, nearly 2 years ago, I introduced legislation designed to help the homeowner faced with foreclosure. Several days ago, as the Senate considered the new housing bill, I added a foreclosure relief provision to the bill as an amendment.

I am pleased to report that the House-Senate conferees have included my emergency relief provision in the conference report.

By its terms, the measure reported by the conference committee will provide payments of up to $250 per month, for up to 2 years, to homeowners faced with foreclosure because of a substantial loss of income due to unemployment or underemployment due to our current economic conditions. The provision is designed with safeguards to insure against abuse and to protect public funds.

This will cost money, of course, but I can think of no better way to spend Federal money than to help thousands of American families save their homes. Also, in the long run, the Government will get the money back—in repayments and interest.

Mr. President, I was very disturbed to hear rumors to the effect that the President might veto this bill. This Congress has been repeatedly accused of doing too little about our economic problems. Over and over again, we hear calls to action.

This bill is action. It will provide jobs, it will provide shelter, it will stimulate the housing industry, it will stimulate related industries, it will greatly enhance the prospects for rapid economic recovery.

A veto of this bill will expose the criticism of Congress for what it is—rubbish. We are doing something. We are doing something constructive. Now, we will see if the President will allow us to act.

But, the effects of a veto go beyond charges and countercharges about congressional action. A veto of this bill will mean that thousands of American families will lose their homes in the coming months. A veto of this bill will be a cruel, thoughtless blow to thousands of American families.

I only wish the President could read my mail on this subject before he decides whether to veto this bill. I wish he could read the letters from hundreds of Minnesotans who are literally terrified at the prospect of foreclosure. I wish he could listen to their calls for help.

Mr. President, I implore President Ford to sign the housing bill when it reaches his desk. For millions of American families, it is their last hope.

Mr. SPARKMAN. Mr. President, I strongly support the conference report on the emergency housing bill, S. 4485.

This is primarily an antirecession bill. The prime thrust of the legislation is to produce jobs. The authority in the bill would produce 400,000 new housing units. This means 800,000 jobs because for every house built two jobs are created.

Housing starts today are at the lowest level since World War II. So despite our Nation's growth in population and, in fact, in every important economic activity we are producing today starts at a 1946 level or a level of less than 1 million units. The National Association of Home Builders say that without passage of this legislation the starts for 1975 are not likely to exceed 1.1 million housing units. This would be the lowest level since 1946.

Mr. President, we have other housing programs on the statute books but HUD is not using them and we need this legislation at this time more than ever.

The Nation's economy with a 9.2 percent unemployment rates needs a boost and housing construction can provide the economic support needed to get us out of this recession.

This bill is not inflationary. Construction workers have an unemployment rate of well over 20 percent and there is a surplus of building materials so that any increase in production will not push up prices.

On the contrary, prices are very likely to rise in rents and in housing prices unless housing starts are increased.

Nor is this bill a "budget buster." The cost to the Treasury will not exceed $1.35 billion over a 3-year period. The increased taxes resulting from 800,000 new jobs and 400,00 new homes and the economic stimulus created by this program will return income taxes to the Federal Government far in excess of the $1.3 billion. It is estimated that the return to the Treasury equal to $3 for every dollar spent on this legislation.

One important title in this bill is title II, the foreclosure relief provision. This would make available to the many unemployed people an opportunity to save their homes in case they can no longer pay their monthly housing costs. This bill is tailored after the Home Owner Loan Act which was so effective in saving homes in the 1930's. The unemployment compensation program is being helpful now in saving homes, but very soon these benefits will run out and we need a program of this sort to help many people save their homes.

Mr. WILLIAMS. Mr. President, I rise in support of the conference report on H.R. 4485, the Emergency Housing Act of 1975.

Our economy is in the midst of a very serious recession—the most serious since the 1930's. The rate of unemployment across the Nation has reached the level

of 9.2 percent, and scant improvement is likely in the immediate future.

The housing industry is in even worse shape than other sectors of the economy. Indeed, I can say without exaggeration that it is in a depression. The seasonally adjusted rate of unemployment in the construction industry is 18 percent nationally, and in my home State, New Jersey, the estimates range up to 40 percent.

In 1974, we produced only 1.35 million new housing units. This is the lowest level in 8 years. In December, the annual housing starts rate had dropped to 860,000, and it has risen only slightly over the past several months. New Jersey has experienced a similar downturn in housing starts, and the construction of new homes is proceeding at a rate which is estimated to be less than one-third of that which is necessary to meet the needs of our citizens.

The depression in the housing industry is attributable in part to the increasing costs of construction, but perhaps more importantly, to record high interests rates and lack of mortgage credit. Due to lack of mortgage credit at affordable rates, a single-family home is out of reach for more than one-half of all American families.

I am convinced that the stimulus which the Emergency Housing Act of 1975 would provide to the housing industry is essential to a full recovery of our economy.

Title I of H.R. 4485 establishes a program which is similar to the one which I introduced in another bill. In order to increase housing starts and to create jobs, homebuyers whose family income does not exceed 120 percent of the median income for their area would be offered three options to assist them in purchasing homes. They could elect an interest subsidy which would reduce the effective interest rate on their mortgage to 6 percent for a period of 3 years. After 3 years, the rate would gradually rise to the market rate. In the alternative, homebuyers could elect a one-time home purchase incentive payment of $1,000 which could be applied toward the downpayment. The final option available to the prospective homebuyer is a home mortgage with an interest rate of 7 percent for the life of the mortgage.

This title is designed to serve families primarily in the $10,000 to $18,000 bracket. These are hardworking Americans who need a minimum of help to make a go of homeownership. Homes under this program could be financed either through FHA or VA programs, or with conventional mortgages, and assistance payments under this title could only be made with respect to modestly priced homes—those whose appraised value does not exceed $38,000 or $42,000 in high-cost areas.

Title I could provide assistance for up to 400,000 home buyers, and it could create between 650,000 and 740,000 jobs. The jobs created, of course, will be entirely within the private sector, and the cost will be relatively little—between $1,000 to $2,500 per job. This small initial cost, however, should be weighed against the additional tax revenue and the reduced public assistance and unemployment insurance payments which would result from the increased employment.

Title II authorizes the Secretary of HUD to make repayable mortgage relief payments to homeowners whose incomes have been substantially reduced because of involuntary unemployment or underemployment. This title is designed to prevent the loss of homeownership for families who are unable to make full mortgage payments due to the current adverse economic conditions.

Title III contains several miscellaneous provisions including an extension of the 312 rehabilitation loan program until August 22, 1977; an extension of the 235 homeownership assistance program until July 1, 1977; and an increase of $150 million in the set-aside of public housing funds available for the use of public housing agencies, one-half of which must be used for conventional or turnkey projects.

Mr. President, I feel that H.R. 4485 will provide sorely needed relief for the housing industry, and I urge my colleagues to support it.

Mr. ROTH. Mr. President, I cannot support the emergency housing legislation we are considering today, although I strongly support the provision of the bill to authorize Government loans to the unemployed to prevent mortgage foreclosures. This provision, which was added to the bill during the floor debate, would allow people who have lost their jobs through no fault of their own to seek Federal loans of up to $250 per month to avoid mortgage foreclosures on their home. These loans would have to be repaid, with interest, to the Government, and they would be made only to persons who would be able to fully resume their mortgage payments when the economy recovers.

I think it is important for Congress to provide at least some relief to help the victims of the recession keep their most valued possessions, and this type of loan program will provide that relief without increasing the burden on the American taxpayers. And although I am voting against the bill this provision is attached to, I am confident that this particular section will be enacted into law separately.

I ask unanimous consent to have printed in the RECORD a letter to the editor reflecting my objections to the housing bill.

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

U.S. SENATE,
Washington, D.C., June 9, 1975.

LETTERS TO THE EDITOR,
Morning News, Orange Street, Wilmington, Del.

DEAR SIR: The article in the Morning News of June 5, written by Mr. Alvin T. Schwartz of the Delaware Homebuilders Association and entitled "Some Facts on Housing" ignores some very basic facts both on my position and on the impact of the so-called Emergency Housing Act of 1975.

Mr. Schwartz indicates that I am opposed to the legislation to provide repayable loans of up to $250 per month to people who are unemployed and facing mortgage foreclosures. I strong support this legislation, but he ignores the fact that the provision, which was originally a separate piece of legislation with widespread support, was added to the housing subsidy bill in order to attract more support for that relatively weak piece of legislation. I am in favor of the mortgage foreclosure provision, and although I voted against the bill it was attached to, I am confident this particular section will be enacted into law separately.

Mr. Schwartz claims that the 6 percent interest subsidy provision of the housing subsidy bill would make it possiole for future homeowners to purchase homes at a significantly lower monthly mortgage payment. Specifically, he said that the monthly mortgage payments for a $45,000 house would be $65.81 cheaper if this legislation was enacted. However, he completely ignores the more important question of who is going to make up the $65.81 difference. The answer is simple—the average taxpayer is going to pay the difference. In other words, every single taxpayer in the country would have to subsidize the mortgage payment of a few people. In my opinion, it is just not fair to expect Delaware taxpayers, especially those who cannot afford a home or those who are now struggling to meet existing mortgage payments, to subsidize the housing industry and the mortgage payments of a lucky few homebuyers who would be eligible to receive this subsidy.

Mr. Schwartz also claims that the housing subsidy would return approximately $74.3 million in Federal, state and county taxes to Delawareans. But he ignores the fact that the housing subsidies would cost the taxpayers of this country over $1 billion.

The main problem with the housing market is that years of Government deficit spending have eroded the capital markets and driven mortgage interest rates upward. Piecemeal emergency programs and constant Government intervention just do not work, and we are only hurting the economy and the housing industry by continually throwing more and more money into these programs.

Congress has already adopted, and I have supported a variety of measures to help the housing industry, including the $10 billion Emergency Housing Act of 1974. I have also advocated a proposal to allow a percentage of interest income from savings accounts to be tax-exempt. This proposal would encourage people to invest in savings accounts and provide additional mortgage funds for the housing industry.

The Government has done its share to help the housing industry, and more Government intervention will only increase the Federal budget deficit, unleash inflationary pressures, and result in higher levels of unemployment.

Sincerely,

WILLIAM V. ROTH, Jr.,
U.S. Senate.

The PRESIDING OFFICER. The time of the Senator from Wisconsin has expired.

Mr. TOWER. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The yeas and nays have been ordered.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from North Carolina (Mr. MORGAN) is necessarily absent.

I further announced that, if present and voting, the Senator from North Carolina (Mr. MORGAN) would vote "yea."

Mr. GRIFFIN. I announce that the

Senator from Massachusetts (Mr. BROOKE), and the Senator from New Jersey (Mr. CASE) are necessarily absent.

I further announce that, if present and voting, the Senator from Massachusetts (Mr. BROOKE) would vote "yea."

The result was announced—yeas 72, nays 24, as follows:

[Rollcall Vote No. 221 Leg.]

YEAS—72

Abourezk	Hathaway	Nunn
Bayh	Hollings	Packwood
Bentsen	Huddleston	Pastore
Biden	Humphrey	Pearson
Bumpers	Inouye	Pell
Burdick	Jackson	Percy
Byrd, Robert C.	Javits	Proxmire
Cannon	Johnston	Randolph
Chiles	Kennedy	Ribicoff
Church	Leahy	Schweiker
Clark	Long	Scott, Hugh
Cranston	Magnuson	Sparkman
Culver	Mansfield	Stafford
Eagleton	Mathias	Stennis
Eastland	McClellan	Stevens
Fong	McGee	Stevenson
Ford	McGovern	Stone
Glenn	McIntyre	Symington
Gravel	Metcalf	Taft
Hart, Gary W.	Mondale	Talmadge
Hart, Philip A.	Montoya	Tunney
Hartke	Moss	Weicker
Haskell	Muskie	Williams
Hatfield	Nelson	Young

NAYS—24

Allen	Curtis	Hruska
Baker	Dole	Laxalt
Bartlett	Domenici	McClure
Beall	Fannin	Roth
Bellmon	Garn	Scott, William L.
Brock	Goldwater	Thurmond
Buckley	Griffin	Tower
Byrd, Harry F., Jr.	Hansen	
	Helms	

NOT VOTING—3

Brooke	Case	Morgan

So the conference report was agreed to.

ADDITIONAL SENATE COMMITTEE EMPLOYEES

The Senate resumed with the consideration of the resolution (S. Res. 60) authorizing each Member of the Senate to employ additional assistants to work on matters pertaining to committees on which Senators serve.

CLOTURE MOTION

The PRESIDING OFFICER. Under the previous order and pursuant to rule XXII, the Chair lays before the Senate the pending cloture motion, which the clerk will state.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate upon S. Res. 60, authorizing each Member of the Senate to employ additional assistants to work on matters pertaining to committees on which Senators serve.

Bill Brock, Alan Cranston, Mike Gravel, Mike Mansfield, Lloyd Bentsen, Floyd K. Haskell, Bob Packwood, Wendell H. Ford, Jake Garn, Paul Laxalt, William D. Hathaway, Hubert H. Humphrey, Walter F. Mondale, Lee Metcalf, Joseph M. Montoya, Edward M. Kennedy, Jennings Randolph, Pete Domenici.

VOTE

The PRESIDING OFFICER. The question is, is it the sense of the Senate that debate on the resolution (S. Res. 60), authorizing each Member of the Senate to employ additional assistants to work on matters pertaining to committees on which Senators serve, shall be brought to a close?

The yeas and nays are mandatory under the rule.

The clerk will call the roll.

Mr. ALLEN. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. ALLEN. Does this cloture motion require a two-thirds vote of the Senators present, or does it require merely 60 votes to invoke cloture?

The PRESIDING OFFICER. Being a measure to amend the Senate rules, it requires two-thirds vote of the Senators present and voting, a quorum being present.

Mr. ALLEN. We are still under the old rule, then, as regards this cloture motion.

The PRESIDING OFFICER. If that is the Senator's desire to interpret it that way.

Mr. ALLEN. I thank the Chair.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from North Carolina (Mr. MORGAN) is necessarily absent.

I further announce that, if present and voting, the Senator from North Carolina (Mr. MORGAN) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Massachusetts (Mr. BROOKE) and the Senator from New Jersey (Mr. CASE) are necessarily absent.

The yeas and nays resulted—yeas 77, nays 19, as follows:

[Rollcall Vote No. 222 Leg.]

YEAS—77

Abourezk	Gravel	Metcalf
Baker	Griffin	Mondale
Bayh	Hansen	Montoya
Beall	Hart, Gary W.	Moss
Bellmon	Hart, Philip A.	Muskie
Bentsen	Hartke	Nelson
Biden	Haskell	Nunn
Brock	Hatfield	Packwood
Buckley	Hathaway	Pastore
Bumpers	Hollings	Pearson
Burdick	Hruska	Pell
Byrd, Robert C.	Huddleston	Percy
Chiles	Humphrey	Randolph
Church	Inouye	Ribicoff
Clark	Jackson	Roth
Cranston	Javits	Schweiker
Culver	Johnston	Scott, Hugh
Curtis	Kennedy	Stevens
Dole	Laxalt	Stevenson
Domenici	Leahy	Symington
Eagleton	Magnuson	Taft
Fannin	Mansfield	Tower
Fong	Mathias	Tunney
Ford	McClure	Weicker
Garn	McGee	Williams
Glenn	McGovern	

NAYS—19

Allen	Helms	Sparkman
Bartlett	Long	Stafford
Byrd, Harry F., Jr.	McClellan	Stennis
	McIntyre	Stone
Cannon	Proxmire	Talmadge
Eastland	Scott, William L.	Thurmond
Goldwater		Young

NOT VOTING—3

Brooke	Case	Morgan

The PRESIDING OFFICER (Mr. PERCY). On this vote, the yeas are 77, the nays are 19. Two-thirds of the Senators present and voting having voted in the affirmative, the motion is agreed to.

Each Senator now has 1 hour for debate.

Who yields time?

AMENDMENT NO. 560

The PRESIDING OFFICER. Each Senator now has 1 hour for debate. Who yields time?

Mr. BROCK. Mr. President, I yield myself 5 minutes, and I call up amendment No. 560.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk read as follows:

The Senator from Tennessee (Mr. BROCK) proposes an amendment No. 560.

The amendment is as follows:

In lieu of the language proposed to be inserted by Mr. GRAVEL, insert the following: That rule XXV of the Standing Rules of the Senate is amended by adding at the end thereof the following new paragraph:

"8. (a) Subject to the limitations contained in subparagraph (b) of this paragraph, each Senator serving on a committee is authorized to hire staff for the purpose of assisting him in connection with his membership on one or more committees on which he serves as follows:

"(1) A Senator serving on one or more standing committees named in paragraph 2 shall receive, for each such committee as he designates, up to a maximum of two such committees, an amount equal to two times the amount referred to in section 105(e)(1) of the Legislative Appropriations Act, 1968, as amended and modified.

"(2) A Senator serving on one or more standing committees named in paragraph 3 or, in the case of a Senator serving on more than two committees named in paragraph 2 but on none of the committees named in paragraph 3; select and special committees of the Senate; and joint committees of the Congress shall receive for one of such committees which he designates, an amount equal to one and one-half times the amount referred to in section 105(e)(1) of the Legislative Appropriations Act, 1968, as amended and modified.

"(b)(1) The amounts referred to in subparagraph (a)(1) shall be reduced, in the case of a Senator who is—

"(A) the chairman or ranking minority member of any of the two committees designated by the Senator under subsection (a)(1);

"(B) the chairman or ranking minority member of any subcommittee of either of such committees that receives funding to employ staff assistance separately from the funding authority for staff of the committee; or

"(C) authorized by the committee, a subcommittee thereof, or the chairman of the committee or subcommittee, as appropriate, to recommend or approve the appointment to the staff of such committee or subcommittee of one or more individuals for the purpose of assisting such Senator in his duties as a member of such committee or subcommittee,

by an amount equal to the total annual basic pay of all staff employees of that committee or subcommittee (i) whose appointment is made, approved, or recommended and (ii) whose continued employment is not disapproved by such Senator if such employees are employed for the purpose of assisting such Senator in his duties as chairman, ranking minority member, or member of such committee or subcommittee thereof as the case may be, or to two times the amount referred to in section 105(e)(1) of such Act, whichever is less.

"(2) The amount referred to in subsection (a)(2) shall be reduced in the case of any Senator by an amount equal to the total annual basic pay of all staff employees (i)

whose appointment to the staff of any committee referred to in subsection (a)(2), or subcommittee thereof, is made, approved, or recommended and (ii) whose continued employment is not disapproved by such Senator if such employees are employed for the purpose of assisting such Senator in his duties as chairman, ranking minority member, or member of such committee or subcommittee thereof as the case may be, or an amount equal to one and one-half times the amount referred to in section 105(e)(1) of such Act, whichever is less.

"(c) An employee appointed under this paragraph shall be designated as such and certified by the Senator who appoints him to the chairmen and ranking minority members of the appropriate committee or committees as designated by such Senator and shall be accorded all privileges of a professional staff member (whether permanent or investigatory) of such committee or committees including access to all committee sessions and files, except that any such committee may restrict access to its sessions to one staff member per Senator at a time and require, if classified material is being handled or discussed, that any staff member possess the appropriate security clearance before being allowed access to such material or to discussion of it.

"(d) An employee appointed under this paragraph shall not receive compensation in excess of that provided for an employee under section 105(e)(1) of the Legislative Branch Appropriations Act, 1968, as amended and modified.

"(e) Payments made with respect to individuals appointed to the office of a Senator under this paragraph shall be paid out of the contingent fund of the Senate.

"(f) Individuals appointed as employees under this paragraph shall be in addition to employees otherwise authorized to be appointed to the office of a Senator.".

SEC. 2. Paragraph 8 of rule XXV of the Standing Rules of the Senate (as added by the first section of this resolution) shall be suspended and shall have no force or effect during any period during which, by law, a legislative assistance clerk-hire fund is established and funded to provide for legislative assistance for Senators serving on committees at rates not less than those provided in such paragraph 8, and subject to no more conditions and no greater limitations than those provided in such paragraph.

SEC. 3. Each Senator and the chairman of each committee on which he serves shall, not later than five days (not including Saturdays Sundays, or holidays) after the date on which this resolution is adopted certify to the Secretary of the Senate a list containing the names and the total aggregate annual compensation of any professional staff member on such committee whose appointment is made, approved, or recommended by such Senator. Whenever such certification has been made and is no longer applicable, the Senator and chairman of that committee shall jointly notify the Secretary of the Senate accordingly. Such certification shall be effective on the date received by the Secretary of the Senate.

Mr. BROCK. Mr. President, I yield to the Senator from West Virginia.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I yield myself not to exceed 2 minutes with the understanding that Mr. BROCK not lose his right to the floor.

The PRESIDING OFFICER. The Senate will be in order.

The Senator from West Virginia.

Mr. ROBERT C. BYRD. I thank the Chair.

REMOVAL OF INJUNCTION OF SECRECY AND REFERRAL OF TREATIES TO COMMITTEE ON FOREIGN RELATIONS

Mr. ROBERT C. BYRD. Mr. President, as in executive session, I ask unanimous consent that the injunction of secrecy be removed from the Protocols for the Further Extension of the Wheat Trade Convention and of the Food Aid Convention (Executive C, 94th Congress, 1st session), and the agreement with the Federative Republic of Brazil concerning shrimp (Executive D, 94th Congress, 1st session), both transmitted to the Senate today by the President of the United States.

I also ask unanimous consent that the two treaties with accompanying papers be referred to the Committee on Foreign Relations and ordered to be printed, and that the President's messages be printed in the RECORD.

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

The messages of the President are as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Protocols for the Further Extension of the Wheat Trade Convention and of the Food Aid Convention, which together constitute the International Wheat Agreement, 1971. These Protocols were formulated by a Conference of Governments which met in London on February 14, 1975, and were open for signature in Washington from March 25 through April 14.

I transmit also, for the information of the Senate, the report of the Department of State with respect to the Protocols.

The Protocol for the Further Extension of the Wheat Trade Convention, 1971, extends the Convention until June 30, 1976, and maintains the framework for international cooperation in wheat trade matters. It also continues the existence of the International Wheat Council.

The Protocol for the Further Extension of the Food Aid Convention, 1971, also extends until June 30, 1976, commitments of parties to provide minimum annual quantities of food aid to developing countries. It is the intention of the United States not to deposit ratification of this Protocol unless the European Economic Community becomes a party to the Protocol. The United States formally recorded this intention by written declaration when the Protocol was signed.

Both Protocols provide that instruments of ratification shall be deposited no later than June 18, 1975. The Wheat Council may, however, grant an extension of time to any signatory government that has not deposited an instrument of ratification by that date.

It is my hope that the Senate will give early and favorable consideration to the two Protocols so that ratification by the United States can be effected and instruments of ratification can be deposited without undue delay.

GERALD R. FORD.

THE WHITE HOUSE, *June 11, 1975.*

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Agreement between the Government of the United States of America and the Government of the Federative Republic of Brazil concerning Shrimp. Also enclosed are an Agreed Minute, a related exchange of notes concerning compensation, an exchange of notes concerning interim undertakings, and translations of the Brazilian notes. These documents were signed at Brasilia on March 14, 1975.

The Agreement establishes a basis for regulating the conduct of shrimp fishing in a defined area off the coast of Brazil. Such regulation will help to conserve shrimp resources and will provide an interim solution to problems which have arisen over jurisdiction over those resources.

The measures prescribed in the Agreement will safeguard the economic interests of the shrimp industries of both countries and protect from prejudice their respective legal positions on the extent of coastal state jurisdiction over ocean fisheries under international law. The interim nature of the Agreement reflects the expectation that this underlying question may in the near future be settled by general international agreement on the law of the sea.

A more detailed explanation of the Agreement is contained in the report of the Department of State which also accompanies this message.

This Agreement will contribute to maintaining and strengthening the friendship and cooperation which have long characterized relations between the United States and Brazil. I recommend that the Senate give it early and favorable consideration.

GERALD R. FORD.

THE WHITE HOUSE, *June 11, 1975.*

UNANIMOUS-CONSENT AGREEMENT—H.R. 5899

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at such time as the House message on H.R. 5899, the supplemental appropriation, is laid before the Senate, there be a time limitation thereon of 30 minutes to be equally divided between Mr. MCCLELLAN and Mr. YOUNG, and that the matter be laid before the Senate not later than 5 p.m. today.

The PRESIDING OFFICER. Is there objection?

Mr. MCCLELLAN. Will the Senator yield?

Is that on the supplemental conference report?

Mr. ROBERT C. BYRD. Yes.

Mr. PASTORE. Will the Senator yield?

Can we make that 4:30? I have to be at the White House at 5 o'clock.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the House message be laid before the Senate not later than 4:30 p.m. today.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President,

I thank the distinguished Senator from Tennessee.

ADDITIONAL SENATE COMMITTEE EMPLOYEES

The Senate continued with the consideration of the resolution (S. Res. 60) authorizing each Member of the Senate to employ additional assistants to work on matters pertaining to committees on which Senators serve.

PRIVILEGE OF THE FLOOR—SENATE RESOLUTION 166

Mr. CRANSTON. Mr. President, I ask unanimous consent that during consideration of Senate Resolution 166, my administrative assistant, Roy Greenaway, have the privilege of the floor.

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

The Senator from Tennessee.

Mr. BROCK. Mr. President, I have called up and the matter now pending is my amendment No. 560.

Mr. ROBERT C. BYRD. Mr. President, could the distinguished Senator agree to a time limit for debate on this?

Mr. BROCK. Of course, I would be delighted.

Mr. ROBERT C. BYRD. What would the Senator suggest?

Mr. BROCK. We have discussed this matter forever, it seems. I think I could summarize in 5 minutes and that the opponents could do the same, unless somebody on the proponents' side would like some time that I do not know about.

Mr. ROBERT C. BYRD. May I hear from the distinguished Senator from Nevada?

Mr. CANNON. Mr. President, I certainly do not intend to take much time. I think we can shorten this.

Mr. TALMADGE. May we have order in the Senate here?

The PRESIDING OFFICER. Will the Senate be in order?

Mr. ALLEN. Mr. President, reserving the right to object, before we agree on the time limit on the amendment I would like to raise a point of order that the amendment is not in order, because it seeks to amend the Gravel amendment which is not before the Senate, it purports to amend the Gravel amendment, but actually it is an amendment to the resolution itself.

So it is out of order as not being an amendment to the committee resolution.

The PRESIDING OFFICER. The Chair was just about to say the amendment is out of order for the reasons described by the Senator from Alabama.

Mr. ALLEN. I thank the Chair.

AMENDMENT NO. 568

Mr. BROCK. Mr. President, if I may, I would like to call up amendment 568.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. TALMADGE. Mr. President, may we have order? I cannot hear.

The PRESIDING OFFICER. The Chair is going to ask that there be no further proceedings until the Senate is in order.

It is impossible to conduct business without the decorum of the Senate, the way we have been operating the last hour or so.

The Senate will please be in order?

The clerk will continue.

The legislative clerk proceeded to read the amendment.

Mr. BROCK. 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:

Strike out all after the resolving clause and insert in lieu thereof the following:

That rule XXV of the Standing Rules of the Senate is amended by adding at the end thereof the following new paragraph:

"8. (a) Subject to the limitations contained in subparagraph (b) of this paragraph, each Senator serving on a committee is authorized to hire staff for the purpose of assisting him in connection with his membership on one or more committees on which he serves as follows:

"(1) A Senator serving on one or more standing committees named in paragraph 2 shall receive, for each such committee as he designates, up to a maximum of two such committees, an amount equal to two times the amount referred to in section 105(d)(2)(i) of the Legislative Appropriations Act, 1968, as amended and modified.

"(2) A Senator serving on one or more standing committees named in paragraph 3; select and special committees of the Senate; and joint committees of the Congress shall receive for one of such committee which he designates, an amount equal to one and one half times the amount referred to in section 105(d)(2)(i) of the Legislative Appropriations Act, 1968, as amended and modified.

"(b)(1) The amounts referred to in subparagraph (a)(1) shall be reduced, in the case of a Senator who is—

"(A) the chairman or ranking minority member of any of the two committees designated by the Senator under subsection (a)(1);

"(B) the chairman or ranking minority member of any subcommittee of either of such committees that receives funding to employ staff assistance separately from the funding authority for staff of the committee; or

"(C) authorized by the committee, a subcommittee thereof, or the chairman of the committee or subcommittee, as appropriate, to recommend or approve the appointment to the staff of such committee or subcommittee of one or more individuals for the purpose of assisting such Senator in his duties as a member of such committee or subcommittee,

by an amount equal to the total annual basic pay of all staff employees of that committee or subcommittee (i) whose appointment is made, approved, or recommended and (ii) whose continued employment is not disapproved by such Senator if such employees are employed for the purpose of assisting such Senator in his duties as chairman, ranking minority member, or member of such committee or subcommittee thereof as the case may be, or to two times the amount referred to in section 105(d)(2)(i) of such Act, whichever is less.

"(2) The amount referred to in subsection (a)(2) shall be reduced in the case of any Senator by an amount equal to the total annual basic pay of all staff employees (1) whose appointment to the staff of any committee referred to in subsection (a)(2), or subcommittee thereof, is made, approved, or recommended and (ii) whose continued employment is not disapproved by such Senator if such employees are employed for the purpose of assisting such Senator in his duties as chairman, ranking minority member, or member of such committee or subcommittee thereof as the case may be, or an amount equal to one and one half times the amount referred to in section 105(d)(2)(ii) of such Act, whichever is less.

"(c) An employee appointed under this paragraph shall be designated as such and certified by the Senator who appoints him to the chairmen and ranking minority members of the appropriate committee or committees as designated by such Senator and shall be accorded all privileges of a professional staff member (whether permanent or investigatory) of such committee or committees including access to all committee sessions and files, except that any such committee may restrict access to its sessions to one staff member per Senator at a time and require, if classified material is being handled or discussed, that any staff member possess the appropriate security clearance before being allowed access to such material or to discussion of it.

"(d) An employee appointed under this paragraph shall not receive compensation in excess of that provided for an employee under section 105(d)(2)(i) of the Legislative Branch Appropriations Act, 1968, as amended and modified.

"(e) Payments made with respect to individuals appointed to the office of a Senator under this paragraph shall be paid out of the contingent fund of the Senate.

"(f) Individuals appointed as employees under this paragraph shall be in addition to employees otherwse authorized to be appointed to the office of a Senator."

SEC. 2. Paragraph 8 of rule XXV of the Standing Rules of the Senate (as added by the first section of this resolution) shall be suspended and shall have no force or effect during any period during which an appropriation is made, specifically referring to the additional staffing authorized by such paragraph, for a legislative assistance clerk hire fund for Senators at rates not less than those provided in such paragraph and subject to similar conditions and limitations.

Mr. BROCK. Now, back to the time agreement. If the Senator from Alabama would like to talk about a time agreement on this one, it is exactly the same amendment and I am still prepared to discuss it in a very limited time frame.

Mr. TALMADGE. Mr. President, will the Senator from Tennessee yield?

Mr. BROCK. Yes.

Mr. TALMADGE. Is this the same amendment that the Senator from Tennessee proposed heretofore, tabled twice by this body?

Mr. BROCK. My amendment was not tabled. The Gravel amendment was tabled, and my amendment is an amendment thereto, so no action has been taken.

Mr. TALMADGE. The Rules Committee stated the cost was $11 million?

Mr. BROCK. That is not my figure, but——

Mr. TALMADGE. Would the Senator give an estimate on the figure?

Mr. BROCK. $8 million.

Mr. TALMADGE. I understood it authorized some 440 new assignments to committees, is that correct?

Mr. BROCK. We discussed it extensively yesterday. It is our impression, using the same figures that were developed by the Rules Committee, that this would increase staff allowances by about 259 positions, which is 159 in excess of the pending motion from the Rules Committee and only 59 in addition

to the matter now pending on the floor and the matter pending before the Rules Committee.

Mr. TALMADGE. Will the Senator yield further?

Does it auuthorize each Senator who is a member of a committee to appoint two individual staff members of that committee at salaries of $33,750 a year?

Mr. BROCK. Approximately that, yes.

Mr. TALMADGE. And if they desire to break it down into lesser units, they could appoint four staff members if they broke the salary and did not use all of their allotment for only two individuals?

Mr. BROCK. That is correct.

Mr. TALMADGE. Does it include all standing committees of the Senate?

Mr. BROCK. That is correct.

Mr. TALMADGE. All select committees of the Senate?

Mr. BROCK. The select committees are in a different formula, amounts to approximately 1½.

Mr. TALMADGE. One and one-half units for the select committees. How about the joint committees?

Mr. BROCK. Well, either select or joint or special or standing, but only one beyond the initial standing committees, whatever the Senate chooses.

Mr. TALMADGE. Will the Senator yield further?

Mr. BROCK. Yes.

Mr. TALMADGE. Are these individuals appointed by the Senator to be considered members of the Senator's personal staff or of the committee staff?

Mr. BROCK. They are in legal terms the committee staff, but in point of fact and logic they are obligated in responsibility to the individual Senator.

Mr. TALMADGE. I did not hear the response. Would the Senator respond a little louder?

Mr. BROCK. They are charged to the committee, paid out of the committee fund, but they are effectively, by the terms of the resolution, employed by the Senator. He names the individual and sets the rate of pay. So they are responsible to the individual Senator.

Mr. TALMADGE. They are responsible to the individual Senator and not to the committee as a whole?

Mr. BROCK. That is correct.

Mr. TALMADGE. Where will they be housed?

Mr. BROCK. We do not try to say where they would be housed in this resolution, because there are some committees that have space and some that do not. Where they do not have space, they would be in the Senator's office, or in the Immigration Building.

Mr. TALMADGE. Would the Senator agree to an amendment, as agreed to in all three proposals yesterday, that they be housed in the offices of the individual Senators?

Mr. BROCK. I do not know if that amendment would add very much. It seems to me that there are Senators who are in the same position as the committees are. I believe I would probably leave that to the discretion of the Senators.

Mr. TALMADGE. If the Senator will yield further in that regard, the Committee on Agriculture and Forestry has inadequate working space now. The staff director has an office about four times the size of this desk in front of me. If the Senator's resolution is agreed to by the Senate and each Senator takes advantage of his opportunity under this proposal, it will add at least 24 individuals on the staff of the Senate Committee on Agriculture and Forestry, whereas we are doing a perfectly adequate job with 21 individuals at the present time. We simply do not have the space to house them. We have inadequate space now.

Mr. BROCK. I understand that. I also understand that the Senators in this body are competent to reach individual judgment as to management of their staff and their own offices.

Mr. GRAVEL. Will the Senator yield on that point?

Mr. BROCK. I do not believe the Senate should direct the siting of an employee.

Mr. GRAVEL. Will the Senator yield on that point?

I wish to address this to the question about space of the Committee on Agriculture and Forestry. The information I have is that the total staff of the committee in 1974 was 20. The number of rooms occupied by the committee is seven. Is that correct? I am asking the Senator from Georgia if that is a correct figure.

Mr. TALMADGE. I do not remember the correct figure.

Mr. GRAVEL. Does it sound close to being correct?

Mr. TALMADGE. There are 21 members on our staff.

Mr. GRAVEL. That would be about three members per room. I would say that every single Senator here who is under 50 has more than three staff members per room.

Mr. TALMADGE. I certainly do in my personal office. Our committee has three rooms in the Senate Office Building. There are little nooks and crannies elsewhere that have been selected by the Rules Committee for us.

Mr. GRAVEL. It still comes to three members per room.

Mr. TALMADGE. How large are the rooms? I have not visited them all, but I do know the rooms——

The PRESIDING OFFICER. The Senator from Tennessee has the floor.

Mr. GRAVEL. I thank my colleague from Tennessee.

The PRESIDING OFFICER. Has the Senator from Tennessee yielded? If so, to whom?

Mr. BROCK. I yield to the Senator from Georgia for a response.

Mr. TALMADGE. I thank the Senator.

If the Senator will visit the quarters we have in the Russell Building, which is where we hold our hearings, he will find that we have three rooms up there divided into little cubbyholes. The staff director has an office about four times the size of this desk. We have other employees that the Rules Committee has had to place in farflung premises around here somewhere; I know not where. I do not have the time to inspect them.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. LONG. Will the Senator yield?

Mr. BROCK. Before I yield, are we going to try to reach a time agreement or not? If not, I would like to proceed on a different approach.

Mr. CANNON. Mr. President, I would be willing to agree to a time agreement on any of the proposals and any amendments thereto. I do not want to foreclose anybody. There are two or three technical amendments that have been suggested.

Mr. BROCK. I do not know what the assistant majority leader was seeking in terms of a time agreement. I do not see him in the Chamber at the moment. I do think we ought to expedite this process. I believe it has been fairly debated. The Senator from Nevada has adequately presented his case, and very ably.

Mr. LONG. Mr. President, I object.

Mr. President, it seems to me that this amendment has been voted down already. If the Senator wants to expedite the proceeding, he ought to withdraw the amendment.

Mr. BROCK. If I may correct the RECORD, this amendment has not been voted upon.

Mr. LONG. May I ask the Senator a question about his amendment? Just looking at a single name, and I do happen to serve on several committees, I see that Senator MONDALE is serving on the Budget Committee. I would like to ask the Senator how many people he would be entitled to under his resolution, in addition to what he already has. He is serving on the Budget Committee, the Finance Committee, and the Labor and Public Welfare Committee. In addition to that, he is serving on the Small Business Committee, the Committee on Nutrition, the CIA Committee, and the Committee on Aging. That makes three standing committees and four select committees.

Can the Senator tell me how many employees, in addition to what he already has, that Senator would be entitled to have?

Mr. BROCK. I will give a clear answer. First of all, I know with what he has in terms of employees he cannot possibly serve on that many committees as well as he is capable of serving. I believe the whole purpose of this amendment is to provide him with the staff so that he can do the kind of job of which he is eminently capable. In terms of how many additional employees, here is how it would work. The Senator would get the equal of two professional staff people on each of two standing committees.

Mr. LONG. That makes six.

Mr. BROCK. No. Two. That is four.

Mr. LONG. That is four.

Mr. BROCK. He gets the equivalent of 1½ professional staff people on any additional standing committee, be it standing, joint, special or other. So we are talking about 5½ professionals. From that we must deduct those staff people who are already allocated to him on those committees where you have 100 percent offset. I do not know the individual Senator's circumstances. It could be he has no individual staff.

Mr. LONG. I personally went before the Rules Committee and asked the Rules Committee to provide Senator MONDALE with an additional man to help him with

his Finance Committee work and to provide a secretary to go along with the professional, to help the Senator with his very heavy and important responsibilities. That is about all the additional assistance, it seems to me, that the man needs. The amendment of the Senator is just exactly an illustration of what I believe has been wrong about this Congress in the 26 years I have been here. It looks like we cannot do anything without overdoing it. The man needs one more person and perhaps a secretary, and the Senator provides 5½.

I suppose basically that is the problem. Why not just give everybody a $30,000-a-year-man and give them a secretary to go along with him. I do not want one. If they want him, let them have an additional $30,000-a-year-man with a secretary and see if that will do the job. If it will not, let them come in and ask for another one.

On behalf of the Senators, I went before the Rules Committee, asking what we thought we would need. This Senator has gone in several times with what was thought to be needed. It seems to me that one of these days we ought to try something and see how it works before we go and just overdo it. It looks like we cannot do anything about safety without fixing it so that you cannot start the automobile without a mechanic to show you how to start it, or do anything about pollution without getting it so your automobile will not get but 5 miles per gallon. Why can we not do something and see if it works, and, if it does not work, if we have not overloaded, do something else.

Mr. BROCK. Mr. President, is this on the Senator's time?

Mr. LONG. Charge it to me.

Why is it that we cannot do anything around here without drastically overdoing it?

Mr. BROCK. I just agree with the Senator so thoroughly, as I usually do. I might point out that only difference between the Senator and me is that he says he wants to give me 1½ people and I say two. I do not think it is overdoing it that much.

Mr. LONG. I am not aware that Mr. MONDALE either asked for or expected more than two. The Senator wants to give him 5½.

Mr. BROCK. No; the Senator is offering him 1½ on one committee and I am offering two. That is the difference that has to be kept in mind. If he has an equivalent responsibility on another committee, he gets two.

The PRESIDING OFFICER. The Senator from Tennessee propounded a question to the Chair which was not responded to.

The time is running against the time alloted to the Senator from Tennessee when he yields for a question unless another Senator charges the time for that response against his own time by unanimous consent.

Mr. BROCK. I am not particularly worried about using up my time.

May I make a 2-minute summary and then if no one wants to speak against this thing or for it, I am prepared to vote.

I think most people know the issues. This proposal gives each Senator up to two professionals per standing committee for two committees, and only two. It gives each Senator the equivalent of an additional 1½ staff for one committee, be it standing, select, special, or joint. The maximum, in effect, is 5½. But from that we must deduct any professionals that are now allocated within a particular committee. In some instances there obviously will be no net increase at all. The net effect is 259 people, at a cost of about $8 million.

May I remind the Senators one more time that this amendment is less expensive than the proposal before the Rules Committee and the proposal the Rules Committee has on the floor today. It is less expensive, not more expensive. There are less people, not more, than in the resolution pending from the Rules Committee and here in the Chamber by a sum of better than $1 million.

I think the issue is fairly clear. It is an issue simply of who has the opportunity to assign the staff, and whether or not an individual Senator has the right to get the kind of information he needs to legislate intelligently on issues of national consequence.

Mr. TALMADGE. Mr. President, will the Senator yield?

Mr. BROCK. I yield.

Mr. TALMADGE. Will the Senator pick up his legislative calendar, and look at page 5, at the Select Committee on Standards and Conduct?

Under the Senator's amendment, I presume that Senators STENNIS, TALMADGE, BROOKE, and YOUNG, being neither the ranking minority member nor the chairman thereof, could, if they saw fit, take advantage of the Senator's amendment and appoint two individuals each, could they not?

Mr. BROCK. I think we debated this day before yesterday, but to repeat it again, if they have no staff at the moment, that is correct, if this is the additional committee that they select, rather than other Senate committees on which they serve.

Mr. TALMADGE. The Senator's proposal would authorize us to add 16 employees to that staff, would it not?

Mr. BROCK. Again, with the condition that there are no other committees they wish to choose.

Mr. TALMADGE. We now have two members of that staff, one man and one secretary, which is entirely adequate; but the Senator's amendment would increase it by 16 more. That is an increase, as I understand it, of some 800 percent on one committee.

Mr. BROCK. Mr. President, the Senator is beginning to say something I am surprised at. He is saying the members of the Ethics Committee of the U.S. Senate would hire people that are not necessary for the Ethics Committee staff. I am amazed that the Senator would make that statement. I cannot believe they would.

Mr. TALMADGE. Did the Senator ever see a staff allowance appropriation that was not expended?

Mr. BROCK. Yes.

Mr. TALMADGE. When, where, and how?

Mr. BROCK. The Senator from Georgia has turned back staff allowance.

Mr. TALMADGE. I have, and so have other Members of the Senate. I would have no strong objection if any Member of this body feels he has inadequate clerk-hire allowance to increasing it modestly. But I have been a Member of this body for 18 years, and I have always had an adequate clerk-hire allowance. My staff sometimes works 12 hours a day, 7 days a week. Moreover, they earn the money they receive. I get to the office at 7:15, and half the members of my staff beat me there, and they stay as long as necessary. They earn the money they receive.

I know the avalanche of mail, phone calls, and constituent service business we have. There are clerks on every Senator's staff who do things that they need not do. However, it is entirely possible that several Members do need additional clerk hire.

But the staff is top-heavy on virtually every one of our committees. This proposal would load it further, and I believe it is an outrage on the taxpayers of this country.

I do want to commend the Senator from Tennessee for doing this: If this amendment is agreed to, he has made it clear that these people will be employees of the Senator hiring them. I congratulate him on that, because the other proposition would create a hybrid that is neither fish nor fowl. As the Senator knows, we now have two groups of employees, the Senators' personal staffs and the legislative committee staffs. The Reorganization Act created a professional committee staff; they are trained, skilled, know what they are doing, and have tenure.

Under the original Brock proposal, we would have had a hybrid monstrosity. We would have had staff members responsible neither to the committee nor the Senator appointing them. With that, we would have chaos in this body.

One of the frustrations the Senator from Georgia has found in being in the Senate is that virtually every Member of this body has some smart people who have some wide-eyed thoughts and dreams. When they get to Washington, they have visions of grandeur and come up here to reform the world. They spend their time thinking up new ideas to create new Federal agencies and to spend more money and do various things to create more grandeur for their Senator in the eyes of the electorate of his State.

If the Senator from Tennessee adds this squad of new employees to every Senator's staff, they will be able to think up more ideas, and we will have more Senators coming on the floor, asking unanimous consent for the right of wide-eyed staff people to join them while they read a speech or propose the creation of some new form of public assistance.

I would suggest to the Senator that we could shorten the sessions of this body if we would fire half the staff members of the House and Senate, not permit staff members to come on the floor of the Senate by unanimous consent, and not permit the reading of a piece of paper on the floor of this body. We could finish

our business, adjourn, and go home by July 4.

But the Senator is not trying to correct that situation. I sadly say he is trying to compound it.

Mr. BROCK. As I told the Senator from Georgia a couple of days ago, I have great affection and respect for him, and I agree with him more often than not. I just disagree on this issue, because I honestly think that unless we get the information for research that is essential to our functioning as Senators of the United States of America, we do not serve our constituencies nor the country very well. It does rather surprise me to hear the arguments made against giving younger Members two people per committee, when the number of people we have requested is less than the number requested by the committee chairman and the ranking minority member.

Mr. TALMADGE. Mr. President, will the Senator yield again?

He keeps referring to committee chairmen. If he will look at the list of sponsors of this measure, he will find that they are not all new or junior Members. They include present and former Presidential candidates, former chairmen of committees—this is not a fight of junior Members at all. It is an effort to create chaos by an overabundance of committee staff.

Mr. BROCK. I am aware that we have Members of great seniority, and that very few of them have anything to gain by this proposal. They are doing it as a matter of principle. I think that says something for the proposition.

Mr. TALMADGE. I have been here 18 years. If I took full advantage of the Senator's amendment, I could hire a host of employees, to spend all their time campaigning for me.

Mr. BROCK. The Senator from Georgia does not need to campaign. He could get elected without a campaign in the State of Georgia.

Mr. TALMADGE. The Senator is overgenerous, but I thank him.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Tennessee (Mr. BROCK).

AMENDMENT NO. 577

Mr. CANNON. Mr. President, I call up my amendment No. 577 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Nevada (Mr. CANNON) proposes an amendment numbered 577.

Mr. CANNON. Mr. President, I ask unanimous consent that the further reading of the amendment be dispensed with.

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

Mr. CANNON'S amendment (No. 577) is as follows:

Amend Cranston-Brock substitute (No. 568) for S. Res. 60 by striking all after resolving clause and insert in lieu thereof the following:

That (a) each Senator serving on a standing committee of the Senate is entitled to a professional staff member to assist him in his duties as a member of such committee and its subcommittees. The chairman and ranking minority member of each standing committee shall, to the maximum extent practicable, authorize the appointment or designation of a professional staff member of that committee, or of a subcommittee thereof if appropriate, to serve as the staff member of an individual Senator. The chairman and ranking minority member of each standing committee shall certify to the Secretary of the Senate the names of those Senators serving on that committee for whom a professional staff member of that committee or a subcommitee thereof is not so appointed or designated by them. Whenever such certification has been made and is no longer applicable, the chairman and ranking minority member of such committee shall notify the Secretary of the Senate accordingly.

(b) Any Senator currently certified pursuant to subsection (a) may appoint, in addition to any employee otherwise authorized to be appointed by such Senator and within the overall limitations of this subsection, a legislative assistant and not more than one clerical assistant, as he may find appropriate, to assist him in connection with his duties as a member of a standing committee and its subcommittees. The total amount available to any Senator for each committee asssignment is the amount referred to in section 105(e)(1) of the Legislative Branch Appropriations Act, 1968, as amended and modified. A legislative assistant appointed under this subsection shall not receive compensation in excess of that provided for an employee under section 105(e)(1) of such Act, and a clerical assistant appointed under this subsection shall not receive compensation at a rate in excess of that authorized for clerical assistants employed by standing committees, except that the total aggregate amount available for the annual compensation of both such individuals may not exceed the amount referred to in section 105(e)(1) of such Act.

(c) An employee appointed under subsection (b) shall be designated as such and certified by the appointing Senator to the chairman and ranking minority member of the committee and shall be accorded all privileges of a staff member of that committee and its subcommittees.

(d) Payments made with respect to any individual appointed under subsection (b) shall be paid from the contingent fund of the Senate until otherwise provided by law.

(e) Any individual appointed by a Senator under subsection (b) shall be listed separately in the Report of the Secretary of the Senate as appointed to assist that Senator in his duties as a member of that committee and its subcommittees.

SEC. 2. It is the sense of the Senate that—

(1) the maximum number of professional staff members who may be employed by standing committees be increased not later than three years following the date of adoption of this resolution in order to supersede the requirements of the first section of this resolution; and

(2) the entitlements recognized by the first section of this resolution be contained in any provision effecting the increase referred to in paragraph (1) to insure that each Senator serving on a standing committee is entitled to appoint or designate one professional staff member to the staff of each committee on which he serves.

SEC. 3. (a) The chairman and ranking minority member of each standing committee of the Senate shall, not later than thirty days after the date on which this resolution is adopted, certify to the Secretary of the Senate the names of those Senators serving on that committee for whom a staff member of that committee or a subcommittee thereof is not appointed or designated by them in accordance with subsection (a) of the first section of this resolution. The Secretary of the Senate shall transmit such certifications to the President of the Senate for publication in the Congressional Record.

(b) The chairman and ranking minority member of each standing committee shall report in writing to the Committee on Rules and Administration not later than January 31 of each calendar year on their progress in complying with the provisions of the first section of this resolution. Such report shall include the names of those Senators who have appointed or designated any individual under subsection (a) of the first section of this resolution and the names of the individuals so appointed or designated.

Amend the title so as to read: "Resolution authorizing additional Senate committee employees.".

Mr. CANNON. Mr. President, this amendment gets back to our original basic concept, and I will take about 3 minutes and we will be able to vote, as far as I am concerned.

This amendment goes back to the concept that a Senator would be entitled to appoint a staff member on every standing committee on which he serves, on which he does not have representation. It changes the figure in the Brock amendment to the $33,975 pay figure, and it makes a total estimated cost of roughly $3.7 million, and basically has the effect of the Hatfield amendment.

Mr. JOHNSTON. Mr. President, will the Senator yield?

Mr. CANNON. The distinguished Senator from Alabama was the author of the amendment. He may be able to respond.

Yes, I will yield.

Mr. JOHNSTON. There is some confusion in the Chamber among those of us who discussed the committee amendments. My question is this: This allows one employee per major committee. Who will have the right to select that staff member?

Mr. CANNON. May I yield to the author of the amendment, Senator ALLEN?

Mr. ALLEN. I believe this is the original concept of the Hatfield resolution. The staff member will be chosen by the Senator involved and the salary will be set by the chairman, the ranking minority member, and the Senator.

Mr. JOHNSTON. The Senator himself then can choose that staff member?

Mr. ALLEN. That is right.

Mr. JOHNSTON. But the salary is set by the committee chairman and the ranking minority member?

Mr. ALLEN. That is my understanding.

Mr. BROCK. What if they set the salary at zero?

Mr. ALLEN. The employee would not have to work under those conditions.

Mr. JOHNSTON. If they could set the salary, what is the meaning of the $33,000?

Mr. ALLEN. That is the limit.

Mr. JOHNSTON. That is the limit. All right.

Who can fire this staff member?

Mr. ALLEN. The Senator can withdraw the assignment.

Mr. JOHNSTON. The Senator can fire, and then he could appoint a replacement as well?

Mr. ALLEN. That is correct.

Mr. GRAVEL. Mr. President, will the Senator yield for clarification?

Mr. JOHNSTON. Yes. But let me ask one question. It is not the sense or the intent of the language as given the committee chairman and the ranking minority member——

The PRESIDING OFFICER. The Chair must announce at this time that, since this amendment attempts to put into the bill exactly the language that the Brock amendment strikes out, it is not in order.

AMENDMENT NO. 570

Mr. CANNON. Mr. President, I withdraw the amendment, then. I offer my amendment No. 570 to No. 568, which I send to the desk, and, Mr. President, I ask that the amendment be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. CANNON. 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 legislative clerk read as follows:

The Senator from Nevada (Mr. CANNON) proposes an amendment to amendment No. 568 numbered 570.

The amendment No. 570 is as follows:

In the first section strike out all of subparagraph (a) of paragraph 8 of rule XXV of the Standing Rules of the Senate, as proposed to be added by the amendment, and insert in lieu thereof the following:

"8. (a) Subject to the limitations contained in subparagraph (b) of this paragraph, each Senator serving on a standing committee is authorized to hire staff for the purpose of assisting him in connection with his membership on each such committee on which he serves. A Senator serving on one or more standing committees of the Senate shall receive, for each such committee, as he designates, an amount equal to the amount referred to in section 105(e)(1) of the Legislative Appropriations Act, 1968, as amended and modified.

In the first section of the resolution in subparagraph (b)(1) of paragraph 8 of rule XXV of the Standing Rules of the Senate, as proposed to be added by the amendment, strike out "(1)" the first three times it appears, and strike out "section 105(d)(2)(1)" and insert in lieu thereof "section 105(e)(1)", strike out all of subparagraph (b)(2), and strike out in subparagraph (d) "section 105(d)(2)(1)" and insert in lieu thereof "section 105(e)(1)".

Mr. CANNON. To get back to my original statement, this amendment amends the Brock amendment and applies to standing committees only. It provides for one staff person on standing committees only. It drops the figure from the figure in the Legislative Appropriations Act, and that breakoff of $34,000 would apply to the Brock amendment, $34,000 and a fraction, to the $33,975 figure. The estimated cost is exactly the same as I stated earlier. We believe it will cost out roughly at $3.7 million to $3.9 million, and it will apply on our estimate to roughly 100 new committee staffers.

Mr. BROCK. Mr. President, a parliamentary inquiry.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. CANNON. Yes.

Mr. PASTORE. I say frankly I am not asking for any representative. As a matter of fact, my feeling is in opposition to both propositions, both that of the Senator from Tennessee, and also the one from the Senator from Nevada, although I would be more amenable to the one of the Senator from Nevada, because I think it is much more modest. As I understand it now, it is confined to those standing committees.

I am the Chairman of the Joint Committee on Atomic Energy, which is the only joint committee that has legislative power. When we introduce any legislation in the Chamber that has to do with atomic energy, it goes to the Joint Committee on Atomic Energy, and we have the same powers as the standing committee to consider that legislation and bring it back to the Chamber and also to manage it in the Chamber.

I am talking now about the authorization of atomic energy which is over $2 billion a year.

The only point I make now is that we are discriminating a little bit. We are discriminating a little bit.

I tell the Senator very frankly it would make me happy if we did not do anything at all. If the Senator is going to do it, I think he would have to include every committee that has legislative authority.

There are standing committees and select committees that can only make a recommendation. But the only joint committee that has legislative jurisdiction under the law is the Joint Committee on Atomic Energy.

I think that the amendment should be amended in that regard because I think it would be most unfair, because we have a greater responsibility, not only in weaponry, but in the peaceful uses of atomic energy, much more so than some standing committees. I daresay that this is being unjust and being unfair.

Mr. CANNON. Mr. President, the Senator makes a good point there, but I do not think that we can discriminate by saying one joint committee should have it and another one not.

Mr. PASTORE. All the Senator is saying is any committee that has legislative jurisdiction. We are the only joint committee that has legislative jurisdiction under the law. There is no other committee, be it the joint committee on this, or the joint committee on that. All they can do is recommend, and then it goes to a legislative committee.

But we have legislative power, and we deal with $3 billion of the people's money. We deal with atomic bombs. We deal with nuclear submarines. We deal with aircraft carriers that are nuclear. Our responsibility is greater than most any legislative committee that is a standing committee.

I think this is being most unjust.

Mr. CANNON. Mr. President, I think we would have a problem now under the parliamentary situation for any other amendment. It would require unanimous consent.

If the Senator wants to try to secure unanimous consent and offer that suggestion, that it include any joint committee having legislative power, I would be willing to accept that precise amendment. But this, basically, gets back to roughly the same condition of the Hatfield amendment, although it does incorporate the basic idea of the Brock amendment, but it does not go to the two staff persons per standing committee and the one-and-a-half on the other committee, and it gets the pay schedule in line with the other pay schedules.

Mr. PASTORE. If the Senator will yield, as to the amendment that was pending of the Senator from Tennessee, I am ready to vote against it. I am ready to vote against the amendment of the Senator from Nevada, and that would satisfy me. But why do we not keep them separated? I would not then have to put in an amendment. I am against both. But the Senator does not give me a chance to vote against both.

Mr. JOHNSTON. Mr. President, will the Senator yield?

Mr. CANNON. Yes, I yield.

Mr. JOHNSTON. On this amendment, as I understand it, the committee chairman has the initial right to hire or select for the individual Senator the staff member to be assigned to him. Is that correct?

Mr. CANNON. That is correct.

Mr. JOHNSTON. Once a staff member is so assigned to him, who has the right to fire that staff member?

Mr. CANNON. I think the Senator from Tennessee yesterday pointed out that the Senator, the appointing authority, would have the authority to terminate his employment.

I would assume that if he has been acting in such a fashion that the chairman asked him to withdraw that appointment that he would do so. But the Senator who hires the man is the appointing and terminating authority.

Mr. JOHNSTON. That means that if, say, I am a committee chairman, and all of my professional staff members are from Louisiana—they are my distant cousins down there—I hire them all on my professional staff.

Mr. CANNON. The Senator could not do that.

Mr. JOHNSTON. And I put them out and assign them to some Senators on the committee. I initially appointed them, as committee chairman, so only I have the right to fire. Is that correct?

Mr. CANNON. The Senator could not appoint. He could not designate a staff man to serve for the individual Senator if the Senator did not want to accept him.

Mr. JOHNSTON. As I understand this language on page 4 of the bill, it says:

The chairman and ranking minority member of each standing committee shall, to the maximum extent practicable, authorize the appointment or designation of a professional staff member of that committee, or of a subcommittee thereof if appropriate, to serve as the staff member of an individual Senator.

Mr. CANNON. The Senator is going to the original text. Is that not the amendment as reported by the committee?

Mr. JOHNSTON. I think that is correct.

Mr. CANNON. My amendment goes to the Brock amendment.

If the Senator from Tennessee will listen for a moment, I think he can respond. In other words, my amendment

goes to his amendment, and he can respond to the Senator from Louisiana as to that precise question.

Mr. BROCK. Mr. President, will the Senator repeat the question?

Mr. JOHNSTON. I think the key question—at least, so far as I am concerned—is, who has the right to hire and who has the right to fire?

Mr. BROCK. Under my amendment, the right to hire, the right to fire, and the right to set salary is the responsibility of the individual Senator, period.

Mr. JOHNSTON. The amendment of the Senator from Nevada, or the substitute to the Brock amendment, would carry forward the same limitation or the same provision.

Mr. CANNON. With the exception that the top of the salary level is the $33,975 figure which is in the basic——

Mr. BROCK. There is an additional difference. The Senator would have the right to hire and fire under Senator CANNON's amendment, but I do not think there is a right to set salary without the agreement of the committee chairman.

Is that not so?

Mr. CANNON. The amendment is to the amendment of the Senator from Tennessee, and it does not change that provision.

Mr. BROCK. Mr. President, in order to expedite this process, I am going to withdraw this amendment at the moment.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. JOHNSTON. The amendment is withdrawn?

Mr. PASTORE. Yes.

AMENDMENT NO. 565

Mr. PACKWOOD. Mr. President, I call up amendment No. 565.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Oregon (Mr. PACKWOOD) proposes amendment numbered 565.

The amendment is as follows:

Strike out all after "Resolved" and insert in lieu thereof the following: That rule XXV of the Standing Rules of the Senate is amended by adding at the end thereof the following new paragraph:

"8. (a) Subject to the limitations contained in subparagraph (b) of this paragraph, each Senator serving on a committee is authorized to hire staff for the purpose of assisting him in connection with his membership on one or more committees on which he serves as follows:

"(1) A Senator serving on one or more standing committees named in paragraph 2 shall receive, for each such committee as he designates, up to a maximum of two such committees, an amount equal to two times the amount referred to in section 105(e)(1) of the Legislative Appropriations Act, 1968, as amended and modified.

"(2) A Senator serving on one or more standing committees named in paragraph 3 or, in the case of a Senator serving on more than two committees named in paragraph 2 but on none of the committees named in paragraph 3; select and special committees of the Senate; and joint committees of the Congress shall receive for one of such committees which he designates, an amount equal to one and one-half times the amount referred to in section 105(e)(1) of the Legislative Appropriations Act, 1968, as amended and modified.

"(b)(1) The amounts referred to in subparagraph (a)(1) shall be reduced, in the case of a Senator who is—

"(A) the chairman or ranking minority member of any of the two committees designated by the Senator under subsection (a)(1);

"(B) the chairman or ranking minority member of any subcommittee of either of such committees that receives funding to employ staff assistance separately from the funding authority for staff of the committee; or

"(C) authorized by the committee, a subcommittee thereof, or the chairman of the committee or subcommittee, as appropriate, to recommend or approve the appointment to the staff of such committee or subcommittee of one or more individuals for the purpose of assisting such Senator in his duties as a member of such committee or subcommittee,

by an amount equal to the total annual basic pay of all staff employees of that committee or subcommittee (i) whose appointment is made, approved, or recommended and (ii) whose continued employment is not disapproved by such Senator if such employees are employed for the purpose of assisting such Senator in his duties as chairman, ranking minority member, or member of such committee or subcommittee thereof as the case may be, or to two times the amount referred to in section 105(e)(1) of such Act, whichever is less.

"(2) The amount referred to in subsection (a)(2) shall be reduced in the case of any Senator by an amount equal to the total annual basic pay of all staff employees (i) whose appointment to the staff of any committee referred to in subsection (a)(2), or subcommittee thereof, is made, approved, or recommended and (ii) who continued employment is not disapproved by such Senator if such employees are employed for the purpose of assisting such Senator in his duties as chairman, ranking minority member, or member of such committee or subcommittee thereof as the case may be, or an amount equal to one and one-half times the amount referred to in section 105(e)(1) of such Act, whichever is less.

"(c) An employee appointed under this paragraph shall be designated as such and certified by the Senator who appoints him to the chairmen and ranking minority members of the appropriate committee or committees as designated by such Senator and shall be accorded all privileges of a professional staff member (whether permanent or investigatory) of such committee or committees including access to all committee sessions and files, except that any such committee may restrict access to its sessions to one staff member per Senator at a time and require, if classified material is being handled or discussed, that any staff member possess the appropriate security clearance before being allowed access to such material or to discussion of it.

"(d) An employee appointed under this paragraph shall not receive compensation in excess of that provided for an employee under section 105(e)(1) of the Legislative Branch Appropriations Act, 1968, as amended and modified.

"(e) Payments made with respect to individuals appointed to the office of a Senator under this paragraph shall be paid out of the contingent fund of the Senate.

"(f) Individuals appointed as employees under this paragraph shall be in addition to employees otherwise authorized to be appointed to the office of a Senator.".

SEC. 2. Paragraph 8 of rule XXV of the Standing Rules of the Senate (as added by the first section of this resolution) shall be suspended and shall have no force or effect during any period during which, by law, a legislative assistance clerk-hire fund is established and funded to provide for legislative assistance for Senators serving on committees at rates not less than those provided in such paragraph 8, and subject to no more conditions and no greater limitations than those provided in such paragraph.

SEC. 3. Each Senator and the chairman of each committee on which he serves shall, not later than five days (not including Saturdays, Sundays, or holidays) after the date on which this resolution is adopted certify to the Secretary of the Senate a list containing the names and the total aggregate annual compensation of any professional staff member on such committee whose appointment is made, approved, or recommended by such Senator. Whenever such certification has been made and is no longer applicable, the Senator and chairman of that committee shall jointly notify the Secretary of the Senate accordingly. Such certification shall be effective on the date received by the Secretary of the Senate.

Mr. PACKWOOD. Mr. President, I am not sure of all the amendments that have been handed in at the desk. Will the Chair advise whether there are any amendments pending to amendment 565?

The PRESIDING OFFICER. There are no amendments at the desk.

Mr. PACKWOOD. I thank the Chair.

Mr. CANNON. Mr. President, if the Chair was responding as to whether or not any amendments to the Senator's amendment are at the desk, the Chair's response is incorrect. There is an all-purpose amendment at the desk that is applicable to the Senator's amendment, and I can assure the Senator that it will be offered.

Mr. PACKWOOD. I ask the Chair again whether there are any amendments pending to amendment 565.

The PRESIDING OFFICER. There is an amendment at the desk which says "at the appropriate place in the amendment." It does not specify to what amendment.

Mr. PACKWOOD. Is that amendment in order or not in order as an amendment offered to amendment 565?

The PRESIDING OFFICER. The amendment is in order.

Mr. PACKWOOD. Then, we are back to the same square we were on before.

This is, in essence, the Brock amendment, which once more provides almost identically the same provisions as we were previously discussing—not exactly the same provisions.

I might respond to Senator NUNN and Senator JOHNSTON, who were asking the question a few minutes ago as to how staff is hired.

I am trying to do this in the simplest fashion possible.

The problem in our mind, apart from the fact that the amount of money in the committee resolution is inadequate, is that the Senator cannot, I cannot, Senator BROCK cannot, and Senator CRANSTON cannot hire anybody without the approval, without the acquiescence, of the chairman or the ranking member, and at a salary agreed upon by the ranking member.

If the Senator wants to hire somebody at $23,000 a year and the chairman says that is $5,000 too high, the Senator can-

not hire that person. We wanted to create a situation in which the Senator from Louisiana or I or any other Senator would have a right to hire whomever we wished, to direct that person in that committee work on our committees, and not be beholden to a ranking member, not be beholden to a chairman, in order to select whom we want.

The Brock amendment to the initial Gravel amendment would have provided that. The committee amendment does not.

So we are talking about two philosophical things: To whom should this appointee be responsible and who should have the power to set his salary, and should that person in any way be subject to orders of the chairman or the ranking member? We think not. That is the principal reason why we have gone this avenue.

Mr. CANNON. The Senate is not in order, Mr. President. May we have the well cleared?

The PRESIDING OFFICER. The Senate will be in order.

Mr. PACKWOOD. I want to come back again, because, unfortunately, we seem to plow and replow and replow once more the same ground.

We have had committee chairman after committee chairman and we have had ranking members testify in committee and say on the floor of the Senate that everybody in the Senate is satisfied with the committee allotment they have, that the committee staff serves everybody equally; that if any Member, Republican or Democrat, no matter how junior, wants to ask some committee staff member to do work for that Senator, that committee staffer will or will not be fired. I say to my fellow Senators that that is not true.

I cited a specific instance 2 days ago. When I was on the Committee on Banking, Housing and Urban Affairs, trying to propose a log support limitation that was opposed by the chairman of the committee and the ranking member, I tried to get committee help, and I was specifically denied any committee help on that bill, which was germane, and hearings were being held before that committee. I was specifically refused help.

That is the situation we are trying to avoid; and that situation will continue to obtain so long as the ranking member or the chairman may say, "Well, you can hire John Jones, but not Patty Smith. You can hire him at $14,000, not $16,000. You can pay him what we pay the other staffers."

That is not fairness and equality with respect to access to staffers in this body, and the group listening to these arguments knows it.

Senator CANNON said it himself when he mentioned who came in and testified for and against these amendments. He said it in his opening statement, and I am going to read it so that the RECORD is quite clear.

Who are the people who appeared in opposition to any amendment, especially the Brock amendment? Senator CANNON, himself, elected 1958; Senator RANDOLPH, 1958; Senator Moss, elected 1958; Senator PROXMIRE, 1957; Senator CHURCH, 1956; Senator TALMADGE, 1956; Senator PASTORE, 1950; Senator SPARKMAN, 1946; Senator MAGNUSON, 1944.

In every instance, it was a committee chairman in opposition to the amendments, and in every instance they had been elected for the first time in 1958 or before. Those are from Senator CANNON'S own words when he put them into the RECORD.

Who testified in favor of some kind of amendment as to committee equity? Senator HANSEN, elected 1966; Senator BAKER, 1966; Senator GRAVEL, 1968; Senator CRANSTON, 1968; Senator PACKWOOD, 1968; Senator SCHWEIKER, 1968; Senator BROCK, 1970; Senator HASKELL, 1972; Senator ABOUREZK, 1972; Senator BIDEN, 1972; Senator DOMENICI, 1972; Senator BARTLETT, 1972.

In every instance, they were elected from 1966 or onward, and everyone of them felt that he was being denied equal access to staff, and everyone in this Chamber knows it. Anybody who says that everybody has equal access to staff is fooling themselves or trying to fool us.

Mr. President, I withdraw my amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

AMENDMENT NO. 559

Mr. GRAVEL. Mr. President, I call up my amendment No. 559.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Alaska (Mr. GRAVEL) proposes an amendment numbered 559.

The amendment is as follows:

Strike out all after the resolving clause and insert in lieu thereof the following: That rule XXV of the Standing Rules of the Senate is amended by adding at the end thereof the following new paragraph:

"8. (a) Subject to the limitations contained in subparagraph (b) of this paragraph, each Senator serving on a committee is authorized to hire staff for the purpose of assisting him in connection with his membership on one or more committees on which he serves as follows:

"(1) A Senator serving on one or more standing committees named in paragraph 2 shall receive, for each such committee as he designates, up to a maximum of two such committees, an amount equal to two times the amount referred to in section 105(d)(2)(i) of the Legislative Appropriations Act, 1968, as amended and modified.

"(2) A Senator serving on one or more standing committees named in paragraph 3; select and special committees of the Senate; and joint committees of the Congress shall receive for such committees which he designates, an amount equal to one and one-half times the amount referred to in section 105(d)(2)(i) of the Legislative Appropriations Act, 1968, as amended and modified.

"(b)(1) The amounts referred to in subparagraph (a)(1) shall be reduced, in the case of a Senator who is—

"(A) the chairman or ranking minority member of any of the two committees designated by the Senator under subsection (a)(1);

"(B) the chairman or ranking minority member of any subcommittee of either of such committees that receives funding to employ staff assistance separately from the funding authority for staff of the committee; or

"(C) authorized by the committee, a subcommittee thereof, or the chairman of the committee or subcommittee, as appropriate, to recommend or approve the appointment to the staff of such committee or subcommittee of one or more individuals for the purpose of assisting such Senator in his duties as a member of such committee or subcommittee,

by an amount equal to the total annual basic pay of all staff employees of that committee or subcommittee (i) whose appointment is made, approved, or recommended and (ii) whose continued employment is not disapproved by such Senator if such employees are employed for the purpose of assisting such Senator in his duties as chairman, ranking minority member, or member of such committee or subcommittee thereof as the case may be, or to two times the amount referred to in section 105(d)(2)(i) of such Act, whichever is less.

"(2) The amount referred to in subsection (a)(2) shall be reduced in the case of any Senator by an amount equal to the total annual basic pay of all staff employees (i) whose appointment to the staff of any committee referred to in subsection (a)(2), or subcommittee thereof, is made, approved, or recommended and (ii) whose continued employment is not disapproved by such Senator if such employees are employed for the purpose of assisting such Senator in his duties as chairman, ranking minority member, or member of such committee or subcommittee thereof as the case may be, or an amount equal to one and one half times the amount referred to in section 105(d)(2)(ii) of such Act, whichever is less.

"(c) An employee appointed under this paragraph shall be designated as such and certified by the Senator who appoints him to the chairmen and ranking minority members of the appropriate committee or committees as designated by such Senator and shall be accorded all privileges of a professional staff member (whether permanent or investigatory) of such committee or committees including access to all committee sessions and files, except that any such committee may restrict access to its sessions to one staff member per Senator at a time and require, if classified material is being handled or discussed, that any staff member possess the appropriate security clearance before being allowed access to such material or to discussion of it.

"(d) An employee appointed under this paragraph shall not receive compensation in excess of that provided for an employee under section 105(d)(2)(i) of the Legislative Branch Appropriations Act, 1968, as amended and modified.

"(e) Payments made with respect to individuals appointed to the office of a Senator under this paragraph shall be paid out of the contingent fund of the Senate.

"(f) Individuals appointed as employees under this paragraph shall be in addition to employees otherwise authorized to be appointed to the office of a Senator.".

Mr. GRAVEL. Mr. President, I yield to the Senator from California.

Mr. CANNON. Mr. President, a point of order. A Senator can yield for a question only.

The PRESIDING OFFICER. The point of order is well taken. The Senator can yield only for a question.

Mr. GRAVEL. I yield for a question.

Mr. CRANSTON. Will the Senator explain his amendment? It has not been read.

Mr. GRAVEL. Mr. President, what this amendment does is the same as the Brock amendment.

I think that it is going to get through to the American public, what the issue is here. It is a very simple and a very

fundamental one: that is between those who are opposed to reform and improvement and those who are trying to reform and trying to improve the Senate. That is clearly what the issue is.

Let us look a little bit at the history of how this evolved. It will give us some idea that we do not have to have the numbers; all we have to have is the clout.

Let us look at the numbers. This proposal was first initiated last October. We had 57 cosponsors. As a result of clout, the number of cosponsors was whittled away and reduced.

Mr. CRANSTON. Mr. President.

Mr. CANNON. Mr. President.

Mr. CRANSTON. Mr. President, I send to the desk an amendment as a substitute for the amendment offered by Senator GRAVEL and ask for its immediate consideration.

AMENDMENT NO. 560

The PRESIDING OFFICER. The substitute amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. CRANSTON. Mr. President, I ask unanimous consent that further reading be dispensed with.

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

The amendment is as follows:

In lieu of the language proposed to be inserted by Mr. GRAVEL, insert the following: That rule XXV of the Standing Rules of the Senate is amended by adding at the end thereof the following new paragraph:

"8. (a) Subject to the limitations contained in subparagraph (b) of this paragraph, each Senator serving on a committee is authorized to hire staff for the purpose of assisting him in connection with his membership on one or more committees on which he serves as follows:

"(1) A Senator serving on one or more standing committees named in paragraph 2 shall receive, for each such committee as he designates, up to a maximum of two such committees, an amount equal to two times the amount referred to in section 105(e)(1) of the Legislative Appropriations Act, 1968, as amended and modified.

"(2) A Senator serving on one or more standing committees named in paragraph 3 or, in the case of a Senator serving on more than two committees named in paragraph 2 but on none of the committees named in paragraph 3; select and special committees of the Senate; and joint committees of the Congress shall receive for one of such committees which he designates, an amount equal to one and one-half times the amount referred to in section 105(e)(1) of the Legislative Appropriations Act, 1968, as amended and modified.

"(b)(1) The amounts referred to in subparagraph (a)(1) shall be reduced, in the case of a Senator who is—

"(A) the chairman or ranking minority member of any of the two committees designated by the Senator under subsection (a)(1);

"(B) the chairman or ranking minority member of any subcommittee of either of such committees that receives funding to employ staff assistance separately from the funding authority for staff of the committee; or

"(C) authorized by the committee, a subcommittee thereof, or the chairman of the committee or subcommittee, as appropriate, to recommend or approve the appointment to the staff of such committee or subcommittee of one or more individuals for the purpose of assisting such Senator in his duties as a member of such committee or subcommittee,

by an amount equal to the total annual basic pay of all staff employees of that committee or subcommittee (i) whose appointment is made, approved, or recommended and (ii) whose continued employment is not disapproved by such Senator if such employees are employed for the purpose of assisting such Senator in his duties as chairman, ranking minority member, or member of such committee or subcommittee thereof as the case may be, or to two times the amount referred to in section 105(e)(1) of such Act, whichever is less.

"(2) The amount referred to in subsection (a)(2) shall be reduced in the case of any Senator by an amount equal to the total annual basic pay of all staff employees (i) whose appointment to the staff of any committee referred to in subsection (a)(2), or subcommittee thereof, is made, approved, or recommended and (ii) whose continued employment is not disapproved by such Senator if such employees are employed for the purpose of assisting such Senator in his duties as chairman, ranking minority member, or member of such committee or subcommittee thereof as the case may be, or an amount equal to one and one-half times the amount referred to in section 105(e)(1) of such Act, whichever is less.

"(c) An employee appointed under this paragraph shall be designated as such and certified by the Senator who appoints him to the chairmen and ranking minority members of the appropriate committee or committees as designated by such Senator and shall be accorded all privileges of a professional staff member (whether permanent or investigatory) of such committee or committees including access to all committee sessions and files, except that any such committee may restrict access to its sessions to one staff member per Senator at a time and require, if classified material is being handled or discussed, that any staff member possess the appropriate security clearance before being allowed access to such material or to discussion of it.

"(d) An employee appointed under this paragraph shall not receive compensation in excess of that provided for an employee under section 105(e)(1) of the Legislative Branch Appropriations Act, 1968, as amended and modified.

"(e) Payments made with respect to individuals appointed to the office of a Senator under this paragraph shall be paid out of the contingent fund of the Senate.

"(f) Individuals appointed as employees under this paragraph shall be in addition to employees otherwise authorized to be appointed to the office of a Senator.".

SEC. 2. Paragraph 8 of rule XXV of the Standing Rules of the Senate (as added by the first section of this resolution) shall be suspended and shall have no force or effect during any period during which, by law, a legislative assistance clerk-hire fund is established and funded to provide for legislative assistance for Senators serving on committees at rates not less than those provided in such paragraph 8, and subject to no more conditions and no greater limitations than those provided in such paragraph.

SEC. 3. Each Senator and the chairman of each committee on which he serves shall, not later than five days (not including Saturdays, Sundays, or holidays) after the date on which this resolution is adopted certify to the Secretary of the Senate a list containing the names and the total aggregate annual compensation of any professional staff member on such committee whose appointment is made, approved, or recommended by such Senator. Whenever such certification has been made and is no longer applicable, the Senator and chairman of that committee shall jointly notify the Secretary of the Senate accordingly. Such certification shall be effective on the date received by the Secretary of the Senate.

Mr. CRANSTON. Mr. President, we are now back to a situation where we have before the Senate the Brock plan that we have been trying to get a vote on since March of this year. To recapitulate briefly, in January—January 15, to be precise—the Democratic Caucus, not unanimously but overwhelmingly, approved the basic concept of providing adequate staff to all members of a committee. The Republican conference, at about the same time, overwhelmingly, and perhaps unanimously, adopted the same principle.

Then there was considerable time spent in sharpening the exact proposal. Last March, we spent a great deal of time on all this. Those of us who were seeking to bring about this change to enable us to do our work properly wanted to vote at that time on the floor. Understandably, the Committee on Rules, overwhelmed with the great work brought to it by the New Hampshire election matter, could not put this ahead of that, so there was a delay. But we reached an agreement that this would come to the floor in 2 weeks, in some form—whatever form the committee chose—2 weeks after the committee completed its work on New Hampshire. Hence it has now come to the floor in the form of the Hatfield proposal.

Since March, we have spent a substantial amount of time trying to figure out what would be more acceptable and appropriate than the original plan that was proposed by Senator GRAVEL and Senator BROCK. So we came forward with a plan offered on Monday by Senator BROCK. That substantially cut the amount of staff funding that we are requesting and it additionally modified the proposal to meet some of the objections of committe chairmen and to allow the jurisdiction to transfer from the Committee on Rules to the Committee on Appropriations. We have made every effort to cooperate with the Rules Committee and to accommodate the leadership on the matter of when all this should come to a vote.

We were ready to vote on the Brock amendment on Monday. We were not permitted to.

We were ready to vote on the Brock amendment on Tuesday. We were not permitted to vote on it.

Finally, in desperation, we filed a cloture motion to bring the matter to a head and enable us to achieve our objective to vote up or down the Brock proposal.

Mr. President, the difference between the two proposals before us—Hatfield on one hand and Brock on the other—is $5 million. The Brock amendment will add $8 million to the Senate budget, the Hatfield amendment will add $3 million. Neither the difference between the two proposals nor the total funding involved justifies the number of Senate hours that have been spent on this issue. So I ask my colleagues to vote on the Brock amendment which, in effect, is what I have called up.

For me, the Brock amendment will allow little in the way of additional legislative staff. What it will do is permit me

to transfer to a new legislative payroll current staff members whom I have assigned to work on matters related to committe assignments I have, because I do not get enough stuff from the committees for that.

I expend $78,787, or more than 10 percent, of my clerk-hire funds for professional and clerical staff to supplement the work of the committee staff assigned to me for the committees I serve on, because it is inadequate from the committees.

Since the total I would get from the Brock amendment is approximately $103,000, all that would remain after I transferred existing staff doing committee work now, would be $24,500, or, at best one new professional person not at the top of the professional staff grade.

The freeing of my clerk-hire of the burden of supplying legislative staff for committees I work on would help but not resolve my problem of answering the incredible volume of mail that I receive. I need to allocate $144,000 additional to handling my mail volume, as I explained in a detailed Senate speech on Monday. Thus I would still be about $65,000 short of achieving my goal of responding reasonably promptly to the mail I get from my enormous California constituency.

Finally, on the point Senator JOHNSON was asking about a bit ago in colloquy with the chairman, there were various arguments made that staff professionals hired by the chairman can meet the needs of members of the committee. In some areas, they can be of help. They can give information and fulfill specific requests if they are permitted to do so by their boss, the committee chairman, and if they have time to do so after completing the various assignments they are given by their boss, the committee chairman.

But in the areas of judgment, of advice on policy, of analysis of constituent concerns, or of creative problem-solving, the chairman's professional staff are not an adequate or reliable resource for the individual Senator. The reason is obvious. Fulfilling these responsibilities requires a loyalty to and commonality of purpose with the individual Senator. And the allegiance of a professional staff member is properly given to his boss and to the needs of the committee on which he serves.

Thus, one difference between the Hatfield proposal and the Brock proposal is extremely important.

Under the committee proposal, the Hatfield proposal, the committee chairman or the ranking minority member—rather than the individual Senator—is authorized to determine whether the committee staff person is provided for individual members of the committee and to designate that person for the individual members of the committee. Only if the committee chairman states there is no staff provided can the Senator then choose staff via the Hatfield proposal.

Under the Brock proposal, on the other hand, which I have now offered, the power to appoint and the right to fire a Senator's assigned professional committee staff is given to the Senator himself, to the individual member. A Senator would have to have made, approved, or recommended the staff appointment to the committee chairman or ranking minority member and, further, would have to be able to authorize the termination of the staff member's duties in order for the staff person to qualify as a Senator's assigned committee staff. Any professional committee staff not meeting this test would be considered the staff of the full committee or of the chairman or the ranking committee member.

It seems to me, Mr. President, that we have debated these matters overlong. I hope we can now, at long last, get to a vote on the Brock amendment, which is now the pending matter.

Mr. ALLEN. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator from Alabama will state it.

Mr. ALLEN. I note on page 5 of the Cranston amendment, section 2, that it seeks to suspend Senate rule XXV under certain circumstances. Inasmuch as a suspension of a Senate rule takes a two-thirds majority rather than a simple majority, that it takes to amend the Senate rules, I wish to propound an inquiry as to whether it will take a two-thirds vote to agree to the Cranston amendment.

Mr. BROCK. Mr. President, may I be heard on that?

The PRESIDING OFFICER. Yes, the Senator may be heard on the parliamentary inquiry.

Mr. BROCK. Before the Chair answers?

The PRESIDING OFFICER. Before the Chair answers, of course.

Mr. CRANSTON. Mr. President.

Mr. BROCK. In section 2 of this amendment, we prospectively amend a rule which is incorporated in the amendment itself. How, then, can we require a two-thirds vote if the matter is not at hand before the Senate? It allows for a prospective ruling and this amendment sets the rule itself. For the life of me, I think it is prejudging.

Mr. McCLURE. Will the Senator yield for a question on that point?

Do I understand the Senator to be saying that the rule amendment to which the Senator from Alabama made reference is the suspension of a rule which is contained in another section of the same bill and not to an existing rule of the Senate?

Mr. BROCK. This resolution amends rule XXV of the Standing Rules of the Senate, and it then sets the conditions under which we will operate under rule XXV.

To say that an amendment to the amendment which is amending the rule—if I have not lost everybody in that process—is subject to a two-thirds vote is incredible. I cannot imagine that you could reach that kind of a conclusion.

Mr. CRANSTON addressed the Chair.

Mr. BROCK. Will the Chair respond?

The PRESIDING OFFICER (Mr. PERCY). The Chair is ready to issue a ruling. Is there anybody else who wishes to be heard first? It is in response to a parliamentary inquiry.

The suspension mentioned by the Senator from Alabama is not considered a suspension of the rules as that is outlined beginning on page 799 of Senate Procedure, and thus the amendment would not require a two-thirds vote.

Mr. BROCK. I thank the Chair very much.

Mr. ALLEN. I heard the Chair just a moment ago say it did take a two-thirds vote. Is he reversing himself so quickly?

The PRESIDING OFFICER. The Senator asked if he could be heard and the Chair answered yes.

Mr. ALLEN. The Chair has changed his mind?

The PRESIDING OFFICER. The Chair has not changed his mind. The Chair was not issuing a ruling. The Chair was only responding to the Senator from Tennessee.

Mr. ALLEN. I thought, in response to the Senator from Alabama, the Chair said that it would take a two-thirds vote. I was just asking the Chair if he had changed his mind in the matter of a minute and a half.

The PRESIDING OFFICER. The Chair did not respond to the Senator from Alabama. The Chair had not even conferred with the Parliamentarian at the time.

Mr. ALLEN. I misunderstood the Chair.

The PRESIDING OFFICER. The Chair merely answered a question of the Senator from Tennessee.

Mr. BROCK. I wish the Senator from Tennessee had the eloquence to convince the Chair so quickly.

Mr. WILLIAM L. SCOTT. Mr. President, it is my intention to vote against the various amendments that have been offered, the ones by the Senator from Alaska and the Senator from Tennessee. Yet I would commend both of our distinguished colleagues for the part that they played in attempting to bring about a change in the staffing of our committees. Without the efforts of the distinguished Senator from Alaska, I do not believe this matter would be before us, and certainly the distinguished Senator from Tennessee and many others have worked to bring a fairer allotment of committee staffers.

This has been somewhat of a battle between the haves and the have-nots, and I have been one of the have-nots, and so I do commend my distinguished colleagues for the efforts they have made.

But, on the other hand, we cannot accomplish everything in 1 day or in 1 week or in one session of Congress, and I believe that the measure that has been reported from the Rules Committee is a fair compromise between our not getting any additional help and obtaining some degree of assistance, greater degree of assistance, from the committee staffs than we have been receiving in the past.

I had an amendment that I had proposed to offer, but I do not intend to at this time. I do not want us to digress any more than we have to from the resolution that was reported by the Committee on Rules and Administration. Would the distinguished chairman of the Committee on Rules and Administration respond briefly to a few questions that

I have that would have been in my amendment?

Mr. CANNON. Certainly.

Mr. WILLIAM L. SCOTT. I had proposed that the annual compensation be determined by the Senator who appointed or recommended the appointment of a committee staff, his member on a committee staff.

Is it the intention of the bill as it came from the Committee on Rules and Administration that the Senator who appoints would fix the salary? What is the intention of the bill as it came from the committee?

Mr. CANNON. May I say to my colleague that the issue that came up in committee was the problem where an appointing Senator might designate a pay scale that was higher than other comparable members of the staff and thus create a staffing problem within the committee itself.

So the committee wrote in there, in the Hatfield proposal, the proposition to fix the salary in consultation with the ranking minority member and the chairman. That procedure is followed, I may say, in most of the committees presently which authorize the appointment by other people today. It is followed in our own Rules Committee. We fix the salary in consultation, and every Republican member on that committee has a staff person, and I have got to assume that the committee chairmen and Senators are going to work in good faith, and I would assume that a Senator would not want to appoint one of his people to a committee staff at $35,000 or $34,000-something a year if the comparable staff people were at the $33,000 figure.

We fixed in there—we dropped down from the $34,000 figure to the $33,975 because that is one of the breakoff points in the Legislative Appropriation Act, and we say not to exceed that amount because there are only certain numbers that can be employed above that amount without amending the Legislative Appropriation Act.

Mr. WILLIAM L. SCOTT. Not exceeding $33,975 at the present time.

Mr. CANNON. That is right.

Mr. WILLIAM L. SCOTT. But it would be the thought of the chairman that this would be a good will exchange between the appointing Senator and the ranking member and the chairman, and they would——

Mr. CANNON. Certainly.

Mr. WILLIAM L. SCOTT. Try to work together.

Mr. CANNON. Certainly.

I may say we have not had any instances of lack of cooperation in that regard between the chairman and members. I impute honorable intentions to every Member of the Senate. I think we can rely on that.

Mr. WILLIAM L. SCOTT. Let us hope we all do in our relationship with one another.

The second question I want to ask it, is it the intention of the bill as it came from the committee to permit a Senator not only to appoint but to remove at his pleasure someone whom he has named to a committee?

Mr. CANNON. The Senator is correct. The author of the amendment is here and he could respond to that, but certainly the intent is not, if a Senator is given the right to appoint a person to the staff, that he would not have the right to ask that he be removed from the staff.

Mr. WILLIAM L. SCOTT. Primarily the appointee would be responsible to that Senator who appointed him even though he would under the general direction of the staff director?

Mr. CANNON. I yield to the ranking minority member.

Mr. HATFIELD. Would the Senator repeat the question. But before he does that, would the Senator yield to me for a moment?

Mr. WILLIAM L. SCOTT. Yes.

Mr. HATFIELD. Mr. President, I ask unanimous consent that the amendment to require the new staff, if passed by the committee proposal, to be housed in the office, personal office, of the Senator——

Mr. WILLIAM L. SCOTT. Mr. President, will the Senator please use the mike. I cannot hear what he is saying.

Mr. HATFIELD. Mr. President, I ask unanimous consent that the proviso that was offered yesterday, and adopted as an amendment to the committee bill, requiring that any new staff members be housed in the personal offices of the Senator, be withdrawn.

The PRESIDING OFFICER. Is there objection?

Mr. ALLEN. I object. Reserving the right to object, Mr. President, I do object because I have an amendment, a substitute, that would be in order as long as that amendment is before the Senate. If withdrawn, my amendment would not be in order. I object.

Mr. HATFIELD. May I ask the Senator, to give us some idea of the time when he might be introducing that?

Mr. ALLEN. Well, it would depend on the parliamentary situation.

Mr. HATFIELD. Mr. President, I withdraw my request for a unanimous consent.

The PRESIDING OFFICER. The request is withdrawn.

Mr. WILLIAM L. SCOTT. Mr. President, the Senator has given rise to another question in my mind.

The bill as it is presently before us, what does it provide with regard to housing of someone that is appointed by an individual Senator to a committee staff?

Mr. HATFIELD. In order to answer that question, I would have to go back and put a lot of the information into context.

Mr. WILLIAM L. SCOTT. Please feel free to.

Mr. HATFIELD. The Rules Committee has considered the requests of the various standing committees of the Senate, and the special, select, and joint committees, from time to time, for their increase of staff. This is under existing Senate procedures, not bearing on today's proposal. We have attempted to set down a policy where we have required that housing of all committee staff shall be in the committee suites, not in personal offices.

In other words, we diligently have attempted to remove the practice of having staff hired by committee and doing committee work functioning within the personal offices of the Senators.

This is because there have been some allegations, proven or not proven, but at least serious allegations, that some such staff people who are committee staff people have performed functions and duties that relate more to the personal office duties and responsibilities of the individual Senator than the committee material.

Because this has been the policy of the Rules Committee, this same rule was in the original proposal that the Rules Committee brought before the Senate, which was the initial pending order of business. In the record of the hearings it was very clearly established that such additional staff people would not be housed in the personal offices of Senators.

Yesterday, while the chairman of the committee and I as the ranking minority member of the committee had been invited into the chambers of the majority leader to try to resolve some of the problems attending to this issue and also to the questions of New Hampshire, the Senator from Georgia (Mr. TALMADGE) rose on the floor and asked unanimous consent to amend not only the committee proposal or resolution, but also the Gravel resolution and the Brock resolution. His amendment required any additional personnel made under the provisions of any such resolution would have to be housed in the personal offices of the Senators making the appointment. With both of us attending this meeting, unanimous consent was agreed upon.

Now, this amendment is directly contrary to the policy of the Rules Committee that has been attempted to be established and executed. It is directly contrary to the hearings and the record made by the Rules Committee in bringing forth this resolution that was the original pending business.

Very frankly, it was the reason why I moved a minute ago to try to strike that, because it really ran contrary to the established policy and practice.

I do not know why the Senator from Georgia offered that particular amendment since he has spoken against all these amendments and, obviously, is very much in disagreement with all other amendments.

I do not know why the Senator should want to amend any one, let alone all three, to require a policy which is contrary to the policy of the Rules Committee, and what I think, we in the Senate generally are trying to get away from, because of the alleged abuses of such practice of having housed committee staff in our offices, or at least our vulnerability on the subject.

Mr. WILLIAM L. SCOTT. Is it the intention of the distinguished Senator to move to reconsider this?

Mr. HATFIELD. I would respond to the Senator to clarify one thing further, that the Brock amendment today, or the Gravel amendment today, or the Cranston amendment today, or any other amendment that has been offered as a substitute, would not include this particular proviso. It was just those which were pending yesterday and, of course, only one of those three that were pending yesterday is still pending today and that is; namely, the original committee resolution.

It is the intention of this Senator to try to correct that action that took place yesterday when very few Senators were on the floor, and when none of the leadership was on the floor, or the leadership of the committee, and, therefore, it will have to come at some appropriate time in parliamentary procedure, but that will be my intent.

Mr. WILLIAM L. SCOTT. I would think the distinguished Senator from Georgia would want to permit this to be corrected. I just do not believe that he intended to take advantage of the situation with the chairman and the ranking member being off the floor.

Mr. HATFIELD. I would like to respond, of course. I do not mean that as a statement or an allegation or a charge. I would not be so presumptuous to indicate that at all as to our colleague from Georgia.

I just raise the question as I do not understand why this action was taken.

I have since conferred with the Senator from Georgia who feels very strongly it should remain in the proposal.

I do feel that the full Senate may find itself with an opportunity to cast an individual vote on this issue at some appropriate time.

Mr. WILLIAM L. SCOTT. If the Senator would respond further before he asks his unanimous-consent request, I posed the question to the chairman as to whether or not a Senator might remove the person he had named to a specific committee and appoint somebody else.

Mr. HATFIELD. Yes.

Mr. WILLIAM L. SCOTT. Whether the person appointed was subject to removal, and I notice on page 9 of the report, it says:

> Rights of designating Senator.—It is the view of this committee that any Member of the Senate who designates a committee employee pursuant to the committee amendment should retain the right to terminate the employment of such employee, if desired.

If we take that a step further and if a Senator had someone that he would like to place a substitute for the person he had named—and we do not like for these things to occur, but if he did—he could just recommend or ask the committee chairman to remove the person he had appointed and to appoint someone else, is that the view of the committee?

Mr. HATFIELD. That is the view of the committee, with the appointing authority being the removal authority.

I think we sometimes get lost in the legalisms and the technicalities. I merely want to say this. I feel that so many of these concerns are already in practice in an informal, noncodified manner, and I have used illustrations in the past few days to illustrate the point. Simply, we will work together in these committees, in spite of the fact of the deficiency of staff which we are talking about today and have been talking about.

I do not think any one of us would charge any wrongdoing or any malicious intent to the majority party or to the minority party, ranking member, or to the staffs of either.

It is the broader issue inadequacies of staff that we are addressing ourselves to.

I have received fine support and help from the majority staff as well as the minority staff on committees where I have not had any staff appointments. But I can say to the Senator that since acquiring that place in seniority where I now have access to these staffs of committees that I serve on, I can operate far more efficiently and far more effectively.

We have done this on a gentleman's basis whereby we have worked this out in informal relationship with the chairman of the committee and the ranking minority member. I do not think we are going to get into this kind of confrontation. I do not anticipate we are going to have to collectively bargain on the point of committee appointments. I think these will all be worked out by the actual precise legal authority.

As the Senator has asked, the question is vested in the appointing Senator.

If he should decide to suspend or want to change that appointment, it would be up to him to change it. Again, I am sure that not only good manners and courtesy, but also professionalism and ethics would dictate that he consult with his colleagues on the committee, and the chairman or ranking minority member. That is what we do now.

Mr. WILLIAM L. SCOTT. Mr. President, I shall only take one further moment. I was in the Chamber when a suggestion was made when this bill first came up to the effect that those who made appointments, other than the ones made by the staff director or the chairman and ranking member of the committee, might not appoint professional people. Frankly, I did not enjoy hearing those remarks. I would hope that one Senator, one Member of this body, is just as responsive as any other Member of this body. I would hope that each Member would have in mind appointing someone who could be of service to the individual Senator, who could be of service to the committee, who could be of service to the entire Senate. This would be what I would intend to do, and I assume everyone else would be just as dedicated to getting a top professional assistant on the staff. Frankly, I do not think we even ought to talk about anything else.

Mr. CANNON. If the Senator will yield, I would say I share his views completely in that regard.

Mr. WILLIAM L. SCOTT. I thank the Senator.

Mr. TAFT. Mr. President, there is one area which has not been explored, and I am afraid there may be some confusion with regard to it as a result of the discussion by the distinguished Senator from Georgia earlier today. That is the matter of access by these staff appointments, if we authorize them, to the committee members, to the committee material. I would like to advise the Senate I have been faced with this problem over the last year and a half. I am a member of the Armed Services Committee, which has one of the smaller staffs of any of the major standing committees, certainly. I believe the staff is a competent and able staff. There are two or three of them who are assigned to the minority side from time to time. I have found, however, that in doing my committee work it would be absolutely impossible for me to be an effective member of that committee if I relied solely upon the present professional staff which is there.

For that reason, I have assigned a very well qualified young man exclusively to the affairs of that committee from my personal staff. He has top security classification. He has a PhD in the field in which he is dealing. Under the rules and operations of the Armed Services Committee, he is denied access to the executive sessions of that committee. I would say about half of our sessions are executive sessions.

I would like to make sure that if we are going to have these people assigned, that they are full members of the committee staff. I do not care where they are housed, though I hope we can find housing for them with the committee because that would be more effective. But the issue is that they are full members of the committee staff with access to all of the hearings of the committee and all of the information of the committee.

As I understand it, the resolutions before us do cover that point, but I think it is important from the point of view of legislative history that we clarify that abundantly here today. I would be glad to yield to the distinguished Senator from Oregon.

Mr. HATFIELD. I would be happy to respond to the Senator. On page 6 of the committee print we have these words:

> (c) An employee appointed under subsection (b) shall be designated as such and certified by the appointing Senator to the chairman and ranking minority member of the committee and shall be accorded all privilege of a staff member of that committee and its subcommittee.

Let me provide a little legislative history as it relates to the committee hearings and committee discussions. When we talk about access, I think we have to define the term and also recognize there are many types of access. One is access to information, data, and material that is housed in the committee suite. This involves various classifications in some instances, or at least security clearance, and so forth. That is one type of access. It was clearly understood that this staff person appointed by the Senator under the provisos of this resolution would have equal and all such access on that basis as any other staff person, professional, permanent, or what have you.

The second thing is access to the committee activities and the committee in executive session, in markup session, or other such special circumstances. Here, again, it was very clearly stated, and the legislative record is amply filled with evidence, that it was the intent to make this additional staff person equal to, in all respects, all committee session privileges of any other staff person.

If the committee wants to go into what I might call "executive-executive" session, with all staff removed, then all staff would be removed, including the permanent or these special appointments made by the individual Senators.

The third kind of access is to the daily nitty-gritty work of the committee. This, again, is where housing is a very important part of this whole thing.

Let me say to the Senator from Ohio it is my considered judgment that if we permit the Talmadge amendment to remain in any one of these amendments, whichever one passes, or whichever resolution passes, we are immediately setting up a second class citizenship for that staff that is housed in the personal office.

I am sure the Senator from Ohio is aware that there are things that come up unannounced, unanticipated, unscheduled, and that the Senator should be plugged into immediately. These are matters which happen on that committee among those on the staff. If his person on that committee is housed in his personal office, he is separated from that type of activity.

Mr. TAFT. If the Senator will yield, I would point out that on the armed services procurement bill, reported from a committee where I was serving, I was not notified when the matter came to the floor. That is how far it can go.

Mr. HATFIELD. That is an apt illustration. We can give examples of horror stories on that point. That is why it is so important, in my opinion, that the committee staff be integrated as a committee staff. Housing is very significant in achieving that objective. That is why it was very definitely part of the committee's policy that such committee staff should be housed in the committee suites.

Let me make one other point. The argument is made: "Where are we going to put these additional staff people?"

As I said during debate yesterday, under the normal procedures of budgeting for committees, which the Rules Committee has followed thus far this year, we have had 132 additional staff people requested by chairmen and ranking Republican members. For example, three requests from Aeronautical and Space Sciences, one from Agriculture and Forestry, four Armed Services, and on down the list of 132. In each instance under interrogation by the Rules Committee members, the chairman and the ranking member when asked the question, "Where are these additional staff to be housed?" responded, "We will find room for them. Just give them to us and we will find room for them."

They understood we were asking the question in the context of the policy of our committee was to get the staff people out of the personal offices.

My point was that here they have asked for 132 and indicated to the Rules Committee in each and every case they would find room for them. In effect, under the committee proposal, where we offered to add 100, it is a difference in the way the staff people are allocated. Under the normal procedures, it is still the chairman and ranking member, but under the committee proposal it is each person on that committee. I say I feel they can be housed in the committee suites if the appropriations are made for them. This is true with the requests from chairmen under the old procedures, and it will be true with our committee resolution now before us.

Mr. TAFT. I thank the Senator for his explanation. I yield the floor.

Mr. CANNON. Mr. President, I will take about 2 minutes and then bring the matter to a vote. I would like to respond to what Senator BROCK pointed out earlier, that the total cost of the committee proposal and the request of the committees was higher than his proposal. The total cost of the request of the committees is not at issue here. We have to consider those committee resolutions. Some of those may be negated by whatever action the committee takes here, but there is no question but what the Brock proposal would be in addition to that. So we are talking about $11.9 million in cost for Brock versus $3.7 million in cost for the committee.

More important, we are talking about 320 people as against about 100 new people added to the staff, or tripling the figure.

The Senator from California, in his statement, pointed out his desperate need for clerk hire. I wish he would listen to me, because he may not have been in the Chamber when the Senator from South Carolina (Mr. HOLLINGS), the chairman of the Legislative Appropriations Committee, indicated he has not even had any requests in that regard. He also indicated that he was perfectly willing to consider any requests that were made upon proper justification.

Mr. President, in order that we may get this matter off dead center, I shall move in a moment to lay on the table the Gravel amendment, which will carry the $40 million proposal, as reduced somewhat by Senator GRAVEL, and would carry the Brock amendment with it.

Mr. GRAVEL. Mr. President, will the Senator yield for a brief question?

Mr. CANNON. For a question.

Mr. GRAVEL. The chairman is in error. There is no $40 million being requested here. The original proposal is almost identical to the Brock proposal, so there are essentially two Brock proposals before us.

Mr. CANNON. If the Senator is correct in that, it is subject to a point of order.

Mr. GRAVEL. No, it is not. I said almost identical. There is sufficient difference to distinguish it.

Mr. CANNON. According to the staff——

Mr. GRAVEL. Our staff has not advised the chairman that it cost any $40 million.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senate will be in order. Has the Senator from Nevada yielded to the Senator from Alaska?

Mr. CANNON. Not for a statement.

Mr. GRAVEL. The Senator would not want to lie to the public, would he?

Mr. CANNON. I said $40 million is reduced by the present Gravel amendment, and that is what it is.

Mr. President, I move to lay on the table the Gravel amendment, and I hope immediately after this matter is disposed of we can get to a vote on the Hatfield proposition.

Mr. JACKSON. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER (Mr. PERCY). The question is on agreeing to the motion of the Senator from Nevada (Mr. CANNON) to lay on the table the amendment (No. 559) of the Senator from Alaska (Mr. GRAVEL).

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. PHILIP A. HART (when his name was called). Mr. President, on this vote I have a pair with the Senator from Massachusetts (Mr. BROOKE). If he were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." Therefore, I withhold my vote.

Mr. STONE (after having voted in the affirmative). Mr. President, on this vote I have a pair with the Senator from North Carolina (Mr. MORGAN). If he were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." Therefore, I withdraw my vote.

Mr. ROBERT C. BYRD. I announce that the Senator from North Carolina (Mr. MORGAN) is necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Massachusetts (Mr. BROOKE) is necessarily absent.

The result was announced—yeas 40, nays 55, as follows:

[Rollcall Vote No. 223 Leg.]

YEAS—40

Allen	Helms	Pastore
Bumpers	Hollings	Pell
Burdick	Inouye	Proxmire
Byrd, Harry F., Jr.	Jackson	Ribicoff
Byrd, Robert C.	Leahy	Roth
Cannon	Long	Scott, William L.
Church	Magnuson	Sparkman
Eagleton	McClellan	Stennis
Eastland	McGee	Talmadge
Fannin	McIntyre	Tower
Goldwater	Moss	Weicker
Hatfield	Muskie	Williams
Hathaway	Nelson	Young
	Nunn	

NAYS—55

Abourezk	Ford	McGovern
Baker	Garn	Metcalf
Bartlett	Glenn	Mondale
Bayh	Gravel	Montoya
Beall	Griffin	Packwood
Bellmon	Hansen	Pearson
Bentsen	Hart, Gary W.	Percy
Biden	Hartke	Randolph
Brock	Haskell	Schweiker
Buckley	Hruska	Scott, Hugh
Case	Huddleston	Stafford
Chiles	Humphrey	Stevens
Clark	Javits	Stevenson
Cranston	Johnston	Symington
Culver	Kennedy	Taft
Curtis	Laxalt	Thurmond
Dole	Mansfield	Tunney
Domenici	Mathias	
Fong	McClure	

PRESENT AND GIVING LIVE PAIRS, AS PREVIOUSLY RECORDED—2

Philip A. Hart, for.
Stone, for.

NOT VOTING—2

Brooke Morgan

So the motion to lay on the table was rejected.

Mr. BROCK. Mr. President, the pending question is the amendment of the Senator from California and myself, I believe. Is that not correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. BROCK. I see no need for further delay. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a

sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. CANNON. Mr. President, I see no reason to delay a vote on the matter.

Mr. TALMADGE. Mr. President, may we have order, so that we can hear the Senator?

The PRESIDING OFFICER. The Senate is not in order. Those who wish to carry on conversations will please retire to the cloakroom.

Mr. CANNON. Mr. President, so far as I am concerned, I see no reason to delay a vote on the matter. If Senators have indicated that they want to make this raid on the Treasury and the taxpayers to this extent, I am perfectly willing to vote. We do not have a time limit, so I am not in a position to yield back any time. Personally, I am prepared to vote at any time.

SEVERAL SENATORS. Vote. Vote.

Mr. ALLEN. Mr. President, it seems that we have come to a point as to whether the Senate will choose a Rules Committee resolution, which is the Hatfield plan, or will go the route of adding many more employees, possibly two and a half times as many employees, under the Brock plan.

The distinguished Senator from Tennessee has made some amazing statements on the floor of the Senate about the Rules Committee plan costing more than the Brock plan. His arithmetic must be the new math, because it is not the old math of the multiplication table.

With respect to the standing committees, his amendment would authorize two employees; whereas, the Hatfield plan would authorize only one employee. When did two employees start costing less than one employee?

In addition, the Hatfield plan, the Rules Committee resolution, limits the added employees to the standing committees; whereas, the Brock plan gives one and a half scoops—no reference to the distinguished Senator from Washington, however—the Brock plan gives one and a half scoops on these so-called minor committees or select committees, and the Hatfield plan provides for none. So how could 250 added employees cost less than 100 added employees?

The Senator from Alabama, by the way, has no staff members assigned to him; and, of course, if he saw fit, he would be a chief beneficiary under the Brock plan, if he wanted to avail himself of its provisions.

The Hatfield plan, the Rules Committee plan, allows every Senator who has no staff assigned to him on a committee to name one staff member or two staff members whose combined salary would equal one, for every standing committee on which he serves, provided that no staff is provided to him. On committees on which he has a staff equal to what he would be entitled to here, he would get no additional staff.

So it seems to me, Mr. President, that if the Senate is determined to add more expense to the Federal Government, if it is determined to add to the Federal bureaucracy, it would adopt the plan that would add at least to the Federal bureaucracy 100 additional staff members, which would seem to me to be more than could be accommodated under the present housing arrangement.

A number of committees come before the Rules Committee every year seeking more space. Many Senators come before the Rules Committee seeking more space. Where are we going to house the 250 new employees that the Brock amendment would add?

Mr. JOHNSTON. Mr. President, will the Senator yield for a question?

Mr. ALLEN. I yield.

Mr. JOHNSTON. The point I have been trying to clear up all day is this, and perhaps the Senator from Alabama can do it. As I understand it, under the Hatfield proposal, the ultimate power to hire, fire, and fix salaries would be with the committee chairman and not with the individual Senator. Is that not correct?

Mr. ALLEN. That is not exactly right. It is with the committee chairman and the ranking member and the Senator involved, with a limit, I believe, of $33,975.

Mr. JOHNSTON. That is on the fixing of the salary?

Mr. ALLEN. That is on the fixing of the salary.

As to employment, that is left entirely up to the Senator. He can hire and fire.

Mr. JOHNSTON. The Senator can hire and fire?

Mr. ALLEN. Under the Hatifield plan. I assure the Senator that is correct.

Mr. JOHNSTON. Without the necessity for any concurrence or any approval by the committee chairman or the ranking member?

Mr. ALLEN. That is absolutely correct. He could hire and fire every day of the week, if he wanted to do so.

Mr. JOHNSTON. As to the salary, suppose there is a difference of opinion among the Senator, the committee chairman, and the ranking member. Let us say there are three different figures, all three of which are below the limit in the bill. What figure would be taken?

Mr. ALLEN. It would be a figure that would be agreed upon by all three. I feel that with this authorization, there would be no difficulty as to an agreement among the chairman, the ranking member, and the Senator.

The point is this, I say to the Senator: The reason why that provision was put in there is that if a new employee, with very little background in committee work or very little experience in legislative matters, were to be added to the committee payroll or the committee staff and given the maximum salary, $33,975, it would be unfair to some of the loyal and efficient and dedicated employees already on the committee, to set salaries above theirs.

It was with that thought in mind that the committee allowed the chairman and the ranking minority member to participate in this, so that it could be adjusted. I do not believe that any Senator would like to put on an employee who would get more than a comparable employee who was already on the payroll. I do not believe there would be a great deal of difficulty about that.

Mr. JOHNSTON. The Senator has the floor, and there has been much confusion on the question of who has the right to hire and fire and fix the salary. Since the Senator has the floor, will he ask the distinguished chairman of the committee if he concurs with the Senator from Alabama, so that we can settle this once and for all?

Mr. ALLEN. I have no objection to appealing to the distinguished Senator from Nevada to confirm what I have said, if the Senator feels that that would satisfy him.

Mr. CANNON. Mr. President, there is no question about that. I am not the author of the amendment. If the Senator would like to check with the author of the amendment, the ranking minority member is the author.

Mr. ALLEN. It is only two and a half pages. The Senator might refer to the amendment himself, to answer that question.

Mr. CANNON. There is no question that the Senator would have the right to hire and fire.

Mr. ALLEN. I assure the Senator that he could put on anybody he wished. If they did not suit him, he could discharge them the next day or the same day and put on somebody to his liking.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. ALLEN. I yield.

Mr. McCLELLAN. Since we are on this issue, I should like to address this question to the chairman or to the author of the amendment.

Suppose, under the terms of the amendment, the Senator asks me, as chairman of the committee, to designate somebody already working on the committee as his employee or as his staff member. Then who has the right to discharge him? I hired him. Who has the right, then, to discharge him?

Mr. CANNON. May I refer to the Senator to the ranking minority member, the author?

Mr. HATFIELD. Let me draw one distinction, in responding to the question, with regard to the proviso in the committee bill which gives the possibility for the chairman of the committee and the ranking minority member to negotiate and work with the individual Senator to qualify, or appointing a staff person to designate an existing staff person, if he so desires. That is not in the Brock amendment. It is not compulsory, it is not mandatory.

Mr. McCLELLAN. Then it is not now before the Senate? It has been eliminated by the Brock amendment?

Mr. HATFIELD. Exactly.

The idea behind this is that it is hoped that whatever we adopt, the sooner we can integrate into full committee status these additional appointees, the more we will operate and continue to operate as we have been, except we have changed the allocation system of the staff of the committees.

That is all we have done. That is why we gave a 3-year transition period, based upon the turnover rate—we made a study and it occurs in about a 3-year period. We anticipated that those 100 additional new staff persons could become integrated within the committee by that time.

If the Senator who has that appointment authority does not wish to desig-

nate an existing staff person, he is not required to do so. He may designate someone entirely different. But the person that he designates—and I wish to comment to the Senator from Louisiana. This is a basic principle that I think is always in the case of hiring and firing, that the person who hires has the authority to fire.

On the question of setting salary, it is basically what we are doing now, simply that the salary will be set by the designating, appointing, Senator "in consultation with"—the words are "in consultation" with—the ranking minority member of the committee or the chairman. It is a courtesy. It is a practice that is engaged in now and I do not think any of us have found any problems or difficulty with this matter.

We say up to, not exceeding, $33,975. Again, to elucidate a little further on that point, if the designating Senator wishes, say, to appoint a professional at $20,000, he can use the remainder of the $13,975 to designate one additional clerical person. So he has the authority to designate one staff, one clerical, but the two of them combined are not to exceed $33,975.

Let me say to the Senator from Louisiana, that is not the proposition pending before us now. This is the committee proposal that has yet to be voted on.

Mr. JOHNSTON. Will the Senator yield now?

Mr. HATFIELD. Yes, I yield.

Mr. ALLEN. I yield the floor, then, so the two Senators may discuss the matter, because I yielded in the beginning. Maybe the Senator from Louisiana can get the Senator from Oregon to yield to him.

Mr. JOHNSTON. Does the Senator from Oregon have the floor?

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

Mr. HATFIELD. Mr. President, if I have the floor, I yield it to the Senator from Louisiana.

Mr. JOHNSTON. We are discussing two alternative propositions, as I understand it. There is the Cranston amendment, which is the pending business, and Senate Resolution 60, which is the committee amendment. That is correct; is it not?

Mr. HATFIELD. I am sorry, would the Senator repeat the question?

Mr. JOHNSTON. We are discussing two alternative propositions: The pending business, which is the amendment of the Senator from California (Mr. CRANSTON); and Senate Resolution 60, which is the work of the committee. Is that correct, Calendar No. 179, Senate Resolution 60?

Mr. HATFIELD. That is correct.

Mr. JOHNSTON. And Senate Resolution 60 is the work of the Senator from Oregon, which we refer to as the Hatfield amendment.

Mr. HATFIELD. It is the committee proposal and as a member of the committee, I worked on it, yes.

Mr. JOHNSTON. It is generally referred to as the Hatfield amendment.

Mr. HATFIELD. I have not asked that that be so. But go ahead.

Mr. JOHNSTON. I have been asked and told a number of times that hire-fire ultimate authority rests with the individual Senator on this. If that is so, I ask the Senator to turn to page 4 of that amendment, lines 18 through 23, where the following language appears. I am going to ask the Senator to explain what that means:

> The chairman and ranking minority member of each standing committee shall, to the maximum extent practicable, authorize the appointment or designation of a professional staff member of that committee, or of a subcommittee thereof if appropriate, to serve as the staff member of an individual Senator.

Then it goes on to say, in further language, that if that is not practicable or not done, then the Senator and the chairman shall certify that fact and the Senate can then appoint his own.

My question is, does that not mean that the chairman and ranking minority member have the right, not only to hire, but the right to designate that committee staff member?

Mr. HATFIELD. No; it does not mean that. Let me put it into context.

There was a question raised in our discussions, after we had firmly established the right of the individual Senator to make the appointment, to have the authority to set the salary in consultation with the ranking minority member and the chairman, and to fire, if necessary; that we then began to discuss the possibility of absorbing some of the existing committee staff people if that became the desire of the appointing authority; namely, the Senators with the new authority under this act. The question was raised as to whether or not they would have a unilateral authority to take an existing staff person where it might disrupt the present staffing and assignment of staffing of the committee. So that is why we put that wording in there "where practicable." We did not feel that any sitting Senator today had the right to preempt an existing staff person if it were not within the negotiated agreement with the chairman and the ranking member and other people on the committee.

Now, if the Senator will turn to page 9 of the committee report, we make this point very clear:

> This committee does not believe, however, that any Member of the Senate under this procedure should be forced to accept the designation of an existing employee against his will.

What we are doing is merely authorizing this possibility to reassign and to reallocate existing staff if the appointing Senator wishes to do that; or, second, if he does not wish to do that, to appoint somebody from totally outside the committee.

Mr. JOHNSTON. I think the Senator.

Mr. ABOUREZK. Will the Senator yield?

Mr. HATFIELD. I am happy to yield.

Mr. MANSFIELD. Will the Senator yield at this time so that we may keep our commitment to the Senate and take up the conference report on the supplemental appropriation bill, and after that is disposed of, on a 30-minute limitation, come back to the pending business?

Mr. ALLEN. Reserving the right to object, what is the request?

Mr. MANSFIELD. The request is to take up the conference report on the supplemental appropriation bill, which has already been agreed to, and this is about the time for it, and then come back, after it is disposed of, to the pending business.

Mr. ABOUREZK. I want to get my question in first.

Mr. MANSFIELD. Otherwise, we have to do it at 4:30, and the sooner we do it, the better off we will be and the more time we will have to dispose of this.

Mr. PASTORE. If the Senator will yield, as I look at the picture, I do not think there will be a vote before 4:30. I have an appointment with the President at 5 o'clock, but I want the record to show, should a vote occur on the pending amendment, that I am opposed to it and I should be shown in the negative, as opposed to it.

Mr. ABOUREZK. Reserving the right to object, is it the Senator's intention to bring up Senate Resolution 60 and the amendments thereto for a vote immediately after the supplemental is taken up?

Mr. MANSFIELD. Yes, indeed.

Mr. ABOUREZK. Could we get an agreement to vote immediately? I think we have debated this thing so thoroughly now that we should have some kind of time certain agreement.

Mr. MANSFIELD. I am ready to vote right now and I have been ready all day.

Mr. ABOUREZK. I am ready. Let us go.

Mr. GRAVEL. Let us vote. The yeas and nays have been ordered.

Mr. PASTORE. Mr. President, I want to vote. We have been talking about this for 2 or 3 days. Everybody's mind is made up. I hope we can culminate this and get on with everybody's business. I repeat, I am not asking for any personal favor, but I have to leave at 4:30. I was wondering if the chairman could establish that.

Mr. CANNON. Mr. President, I stated some time ago that I was willing to vote any time.

SEVERAL SENATORS. Vote!

Mr. MCCLELLAN. Why not handle this first and then vote to accommodate John.

Mr. ALLEN. How about final passage? Is the Senator going to have a vote on that, too?

Mr. PASTORE. All right. On final passage I would be recorded against that, too.

Mr. ALLEN. You could not possibly have two rollcall votes by 4:30.

Mr. PASTORE. No; but I would like to vote on this one. I think this is the major amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of Mr. CRANSTON and Mr. BROCK (No. 560). The yeas and nays having been ordered, the clerk will call the roll.

Mr. ALLEN. Mr. President, I ask the distinguished chairman of the committee

if he is ready at this time to vote on the Brock substitute for the Gravel amendment?

Mr. CANNON. Yes.

I may say to my colleague I am ready to vote on it now. I think the case has either been made or has failed, either one or the other, and it is a question of whether we are going to raid the Treasury now or 15 minutes later.

Mr. ALLEN. Very well, I yield the floor.

SEVERAL SENATORS. Vote.

Mr. PERCY. Mr. President, I am voting for the Brock compromise amendment because I feel it represents an equitable solution to a problem which has been allowed to fester in the Senate for too long.

The nature of the issues which we as Senators have to face each day is such that we require professional staff support to aid us in making decisions. Often during a day I will be scheduled for more than one hearing at the same time in my various subcommittees and full committees. In order to be able to keep on top of these committee deliberations, I require staff support to be where I cannot be and to send word to me if my presence is urgently needed.

As ranking minority member of the Government Operations Committee, I now have, for the first time since coming to the Senate 9 years ago, reasonably adequate staff except for my work on the Foreign Relations Committee and Joint Economic Committee. Every member of the minority of the Government Operations Committee has staff. But this committee is the exception and not the rule. Just because I have got mine, I cannot turn my back on those who are in the position that I was in just a few years ago.

Our personal staff should be primarily dedicated to serving our constituents. Each time a personal staff member is detailed to do work on a committee on which a Senator serves, that is time taken away from service to constituents. Every Senator in this Chamber is equal, and every Senator has an equal need to have adequate and competent staff support. If this need is to be satisfied, without being at the expense of a Senator's constituents, then some provision must be made for providing every Senator, no matter his seniority, staff support which will serve him as he undertakes his responsibilities connected with his committee assignments.

I was initially concerned by the provisions of the original Gravel resolution because of its scope. We just do not have enough room for the people envisioned in that resolution. Thus, I was gratified when the Brock compromise was offered. I believe it offers a reasonable middle ground by which every Senator who does not now have adequate staff support will in the future be assured of staff help on the committees on which he serves.

By allowing the extra staff to be housed in the offices of the Senators whom they serve, we will be able to spread out the extra staff and be able to absorb the new individuals without too much problem.

I want to emphasize that this proposal is designed to allow Senators to perform their committee duties better. A collateral benefit, by removing this duty from personal staff, will also allow Senators to represent their constituents better. It is a vital part of the struggle to bring the working machinery of the Senate into the 20th century, and reflects the growing complexity of our jobs as well as the growing size of our constituencies.

While I want to compliment my colleague from Oregon, Mr. HATFIELD, for his compromise, which was approved by the Rules Committee, and Senator CANNON and the members of the Rules Committee for their careful and patient consideration of this matter, I must say that I find the Brock compromise a more equitable solution to the problems we face.

Mr. HATFIELD. Mr. President, I would like just 1 minute. I think we have had sufficient debate on this, and I would only like to say this to my colleagues: To those who have led the battle for the initial reform to which this has culminated to this point, I feel very strongly that there are many Senators who have grave reservations about any reform we have recommended, whether it is the committee or BROCK or GRAVEL. I very strongly feel we have a better way to persuade and demonstrate the validity of these proposals by taking the smallest proposal possible. I really feel if we could take this one staff per person, as the committee amendment proposes, and make it work and prove it can work then we have a far better opportunity to eventually expand, if that is called for at a later date, than to start big and find ourselves in confrontations and antagonisms that eventually may arise because we just do not have enough space for these people to get around.

SEVERAL SENATORS. Vote! Vote!

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. BROCK. If I can say in 30 seconds what I have said several times, and apparently with inadequate articulation, I honestly believe this is the strongest approach.

SEVERAL SENATORS. Vote! Vote!

Mr. HATFIELD. Mr. President, I yield to the Senator from North Dakota.

Mr. YOUNG. I wanted to make a statement on my own.

On the Appropriations Committee we have 11 minority staff members. Two are ones who were appointed by Senator Bridges and Senator Saltonstall. I have appointed only one of the 11. All of the rest were appointed by other members of the minority. All, with the exception of two, Senators now have one staff member appointed by them.

The biggest advantage to these Senators and the staff members is that they have more job security. When I took over I only let one staff member go. I thought I should have a top man appointed by me. These staff members are on permanent status. If they are doing a good job they should remain. If I leave as the ranking minority member, I would hope the staff would remain on the committee. If each Senator appoints a staff member of his own under this proposal and subsequently leaves the Senate his staff member may not remain. I just want to point out the advantage of the present system that when you appoint a staff member he should have permanency, a career to look forward to, that is the proper way to do it.

Mr. ABOUREZK addressed the Chair.

Mr. ALLEN. Mr. President, I move to lay on the table the Brock amendment, and I call for the yeas and the nays.

Mr. ABOUREZK. Mr. President, parliamentary inquiry. Has not the tabling motion already been made and voted on and disposed of on this particular amendment and, therefore, is it not out of order?

The PRESIDING OFFICER. Not on the Brock amendment.

Is there a sufficient second?

Mr. MANSFIELD. Mr. President, will the Senator from Alabama consider withdrawing that motion so that we can have a straight up and down vote? I am not against tabling motions per se but I think we have reached the stage here where we ought to get away from it and either vote it up or down. I know how I am going to vote, and I think that is the way the majority of the Members here feel. So I would hope the Senator would reconsider offering a tabling motion.

The PRESIDING OFFICER. Is this motion withdrawn?

Mr. MANSFIELD. If not, we will go ahead with it.

Mr. ALLEN. I will accede to the request of the distinguished majority leader.

The PRESIDING OFFICER. The question is on agreeing to the amendment of Mr. CRANSTON and Mr. BROCK, No. 560. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. STONE [after having voted in the negative]. On this vote I have a live pair with the Senator from North Carolina (Mr. MORGAN). If he were present and voting, he would vote "yea." If I were permitted to vote, I would vote "nay." I withdraw my vote.

Mr. ROBERT C. BYRD: I announce that the Senator from North Carolina (Mr. MORGAN), and the Senator from Montana (Mr. METCALF), are necessarily absent.

The result was announced—yeas 47, nays 49, as follows:

[Rollcall Vote No. 224 Leg.]

YEAS—47

Abourezk	Dole	Mathias
Baker	Domenici	McClure
Bartlett	Fong	McGovern
Bayh	Ford	Mondale
Beall	Garn	Packwood
Bellmon	Glenn	Pearson
Bentsen	Gravel	Percy
Biden	Griffin	Schweiker
Brock	Hansen	Scott, Hugh
Brooke	Hartke	Stevens
Buckley	Haskell	Stevenson
Case	Huddleston	Symington
Chiles	Humphrey	Taft
Clark	Javits	Thurmond
Cranston	Kennedy	Tunney
Curtis	Laxalt	

NAYS—49

Allen	Byrd, Harry F., Jr.	Cannon
Bumpers	Byrd, Robert C.	Church
Burdick		Culver

Eagleton	Leahy	Proxmire
Eastland	Long	Randolph
Fannin	Magnuson	Ribicoff
Goldwater	Mansfield	Roth
Hart, Gary W.	McClellan	Scott, William L.
Hart, Philip A.	McGee	Sparkman
Hatfield	McIntyre	Stafford
Hathaway	Montoya	Stennis
Helms	Moss	Talmadge
Hollings	Muskie	Tower
Hruska	Nelson	Weicker
Inouye	Nunn	Williams
Jackson	Pastore	Young
Johnston	Pell	

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Stone, against.

NOT VOTING—2

Metcalf Morgan

So the Brock-Cranston substitute amendment (No. 560) was rejected.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to proceed for 1 minute.

The PRESIDING OFFICER. Is there objection? There is no objection. It is so ordered.

Mr. ROBERT C. BYRD. Mr. President, would it be possible to get unanimous consent to proceed immediately with a voice vote on the Gravel amendment and then immediately thereafter with a vote on final passage of the bill?

Mr. ALLEN. Reserving the right to object, and I shall not object, Mr. President, I feel, while I am opposed to the committee resolution, that that is the best that the Senate is going to be willing to do and I do not impose an objection.

Mr. GRAVEL. Mr. President, I would like to object to any move in that regard. I think this vote was so close, separated by seven votes, that certainly the spirit of compromise lies somewhere between the Cranston proposal and the Brock proposal. I would hope we could seek out the compromise area. What is before the body at this point in time is the Brock proposal, because we had it to the second degree. I think to expedite matters what we could do is to pull back that Brock proposal, or I think it was to my amendment, pull that one back and offer another one that might search out the area of compromise.

The PRESIDING OFFICER. The Senator's 1 minute has expired.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to proceed for 1 additional minute.

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

UNANIMOUS-CONSENT AGREEMENT—NEW HAMPSHIRE SENATORIAL CONTEST

Mr. ROBERT C. BYRD. Mr. President, while the Senators are present, I have been authorized by the distinguished majority leader to propound the following unanimous-consent request: I ask unanimous consent with respect to the New Hampshire election dispute, that beginning tomorrow, at no later than 1 o'clock, the Senate will proceed to the consideration of that matter; that on Friday at no later than 1 o'clock the Senate will resume consideration of that matter, and that daily next week, at the hour of 1 o'clock, the Senate will continue its consideration of the matter, provided that the first vote in relation to the matter occur next Tuesday at 3 o'clock on the motion which will be offered by Mr. WEICKER to declare the seat vacant and return the election to New Hampshire.

Mr. GRIFFIN. Mr. President, I will say that I have checked with the ranking Republican on the Rules Committee, the Senator from Oregon (Mr. HATFIELD) and with others who I am aware have an interest. I believe most Senators are here if there is objection to this procedure. I think it is a fair and reasonable way to get going on the New Hampshire election contest debate. If we vote on Tuesday at 3 o'clock on the first very important effort to be made to send it back to New Hampshire, it seems to me that that gives all Senators enough time to present their arguments and enough notice to all Senators so that we can have a vote.

Mr. ROBERT C. BYRD. I thank the Senator.

The PRESIDING OFFICER. Is there objection?

Mr. HASKELL. Mr. President, reserving the right to object, I wonder if it would be possible, I say to the distinguished majority whip, to have the Tuesday vote at 5 o'clock.

Mr. ROBERT C. BYRD. Will the Chair indulge me and give me 1 additional minute without objection?

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

Mr. McCLURE. Mr. President, I wonder if the majority whip will yield for a question.

Mr. ROBERT C. BYRD. I would like to respond to the Senator from Colorado first, if I might.

Would there be objection to making the first vote at 5 p.m. next Tuesday?

Mr. JOHNSTON. Is this the time agreement referred to about television?

Mr. ROBERT C. BYRD. No, it is not a time agreement. We are just proceeding step by step

Mr. STENNIS. Reserving the right to object, Mr. President, may I ask this question: There has been no unanimous-consent request that the Senator from Mississippi knows to have the proceedings on this election contest televised. That is not included in the Senator's request now.

Mr. ROBERT C. BYRD. My response to the Senator from Louisiana was on that very point.

Mr. STENNIS. I did not hear the Senator.

Reserving the right to object, does the Senator from West Virginia contemplate making any request hereafter about the televising of this election proceeding on New Hampshire?

Mr. ROBERT C. BYRD. The televising of the proceeding under the resolution passed is conditioned upon two things: One, an overall time agreement; two, the mechanical aspect of lighting and the audio aspect would certainly have to be worked out in conformity and under the aegis, with the approval of, the joint leadership. There have been problems that have been encountered in that problem. We do not have an overall time agreement. Unless there is an overall agreement, that part——

Mr. MANSFIELD. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. MANSFIELD. Any decision made by the joint leadership, plus the chairman and the ranking member of the Rules Committee, would be subject to the Senate's approval or disapproval.

Mr. STENNIS. The Senator from Mississippi was not present when the unanimous consent was obtained and did not know it was going to be made. I object to the televising of the election proceedings. If we are going to start having proceedings televised, it seems to me an election contest is the last thing to start with rather than the first.

Mr. ROBERT C. BYRD. I can assure the Senator that matter is not involved in this request.

Mr. STENNIS. I am sure it is not either.

Reserving the right to object, I just wanted to make it clear that I would object to the televising of those proceedings. I would appreciate being notified if there are going to be further requests made in connection with that.

Mr. MANSFIELD. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. MANSFIELD. Not only will the Senator be notified but the whole Senate will be notified.

Mr. STENNIS. I thank the Senator.

The PRESIDING OFFICER. The Senator's 1 minute has expired.

Mr. ROBERT C. BYRD. What about the 5 o'clock vote?

The PRESIDING OFFICER. Will the Senator repeat the unanimous-consent request?

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to proceed for 1 additional minute.

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

Mr. ROBERT C. BYRD. Does the Chair wish the entire request repeated or just the modification?

The PRESIDING OFFICER. You might clarify the entire agreement.

Mr. MANSFIELD. Mr. President, it was the same agreement presented earlier, the only difference being the change from 3 o'clock to 5 o'clock. They have it at the desk.

The PRESIDING OFFICER. That clarifies it. Is there objection?

Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I thank the Senators.

Mr. McCLURE. Will the Senator from West Virginia yield for 1 minute?

Mr. ROBERT C. BYRD. I yield.

Mr. McCLURE. I thank the Senator from West Virginia for yielding.

Has any progress been made in regard to the negotiations with the television and radio networks with regard to the arrangements which might be made and presented to the Senate on the television and radio broadcasting of the proceedings?

The PRESIDING OFFICER. The Senator's 1 minute has expired.

Mr. GRIFFIN. Mr. President, I ask unanimous consent that the Senator from Idaho may have another minute.

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

Mr. McCLURE. I thank the Senator from Michigan.

Will the Senator from West Virginia or the Senator from Montana indicate whether any progress has been made in those arrangements?

Mr. MANSFIELD. Mr. President, I seek recognition on my own time. I wonder if the distinguished Senator from Alaska would not——

Mr. McCLURE. Mr. President——

Mr. MANSFIELD. Did I interrupt the Senator from Idaho?

Mr. McCLURE. Yes.

Mr. GRIFFIN. The Senator from Idaho is asking the majority leader a question. I do not think he heard it.

Mr. McCLURE. I asked the majority leader, or the assistant majority leader, if any progress is being made with regard to any possible arrangement for television or radio broadcasts that might be reported to the Senate at this time. I understand that there are Senators who have an interest in that matter; various Members have expressed such an interest and have been assured that we would notify them if there was to be any further action taken on that resolution. I wonder if there is anything we could report now, concerning possible progress in arranging for such a broadcast of the proceedings.

Mr. MANSFIELD. Mr. President, the answer, unfortunately, is no. There is nothing to add to the report which I endeavored to give to the Senate yesterday. Therefore, I would say that the situation is in a state of limbo, and as I said to the distinguished Senator from Idaho yesterday, and also the Republican leader, the assistant Republican leader, the Senator from Connecticut (Mr. WEICKER), the Senator from Oregon (Mr. HATFIELD), and others, regardless of that, we would get underway today. We cannot make it today. But whether or not there is TV—and I wish there would be TV—we will start tomorrow and carry through to a conclusion.

Mr. LONG. Mr. President, will the Senator yield?

Mr. McCLURE. I yield to the Senator from Louisiana.

Mr. LONG. It occurs to me that if we are going to put this matter on television we ought to amend the rules while we have a chance, and I ask unanimous consent that we amend them to restore the old rule which says, if anyone says anything derogatory of any Member of this body, any of his constituents, or any State, he could be directed to take his seat.

Mr. Ford changed that rule, and I do not think it was changed for the better, while he was here. I read in the papers that the Governor of New Hampshire is going to accuse everybody of being a thief who does not vote in accordance with his views. So if we are going to put this thing on television, we ought to go back to the old rule that says if any Member of the Senate impugns a Senator or one of his colleagues——

Mr. LONG. Or his State, he can be put in his seat on the motion of any Senator. Because I do not think it would be very good for the image of the Senate to go back to the old way as it existed prior to that rule, when there used to be fistfights on this floor. I can see that possibility, in view of the fact that the Governor has already accused everyone who does not agree with him of being a thief in advance.

Mr. HUMPHREY. Mr. President, that is the old rule XIX.

Mr. LONG. We ought to put the old rule XIX back in, so that if anyone accuses a Senator of being a thief, he can be put back in his seat.

Mr. ROBERT C. BYRD. Mr. President, if the Senator will yield, that rule is still in effect, and I for one would insist on the Chair enforcing it.

Mr. LONG. As I understand it, though, the way that rule has been amended, if a man gets up and says someone is a thief, you have to read it back, you have to get a quorum in here and debate it, and meanwhile you cannot make the man who has accused you of being a thief take his seat. We were far better off under the old rule, that says that if a Senator makes an observation against a Senator or his State that is derogatory, he has to take his seat right then and there.

Several Senators addressed the Chair.

Mr. MANSFIELD. Mr. President, who has the floor?

The PRESIDING OFFICER. The additional minute of the Senator from Idaho has expired.

Mr. MANSFIELD. Mr. President, I yield myself as much time as I may require, under the hour allotted to me under the cloture rule.

The PRESIDING OFFICER. Under a previous order, the Senate will proceed, at 4:30 p.m., to the consideration of H.R. 5899.

Mr. MANSFIELD. I ask unanimous consent that that order be temporarily vitiated.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. The Senator from Montana may proceed.

ADDITIONAL SENATE COMMITTEE EMPLOYEES

The Senate continued with the consideration of the resolution (S. Res. 60) authorizing each Member of the Senate to employ additional assistants to work on matters pertaining to committees on which Senators serve.

Mr. MANSFIELD. Now, Mr. President, I would like to make a personal and special request, in behalf of the distinguished Senator from Alaska, who has waged a good fight in behalf of a principle in which he deeply believes, which is that he does not push this proposal of his any further, that we come to a conclusion on it and decide on a final policy one way or the other.

Frankly, I think the Senate is sick and tired, regardless of its personal feelings, of the length of time we have spent on this subject, and I think the Senate would like to bring it to a conclusion.

I ask the Senator from Alaska, and I think it would be to his advantage, that he not push his proposal to drag the matter out that much longer.

Mr. GRAVEL. Mr. President, responding to the majority leader, I concur that it was not my intention to drag it out at all. In fact, we wanted to vote on it last April, but with the leadership we worked out a time delay.

Right now all I request—I believe there is a spirit of compromise abroad, and yet when the vote was so close, how do you measure?

So I have conferred with the Senator from Minnesota (Mr. HUMPHREY) concerning a compromise. I have five amendments at the desk that go to various orders. We consulted together, and we thought maybe a compromise could be reached.

The amount of money we were requesting was $190,000 per Member.

The next amendment I had was for $150,000 per Member, and then one for $139,000 per Member, and so on.

Mr. MANSFIELD. Well——

Mr. GRAVEL. I just want to announce the latest.

Mr. MANSFIELD. The Senator has said enough.

Mr. GRAVEL. After consultation, I suggested we drop right down to the rockbottom on it. I suggested we drop right down to the rockbottom, go to a compromise on $105,000, and go to a vote immediately on that. The subject is overworked.

So we could vote right now, as soon as I can call this matter up. If it is determined that the Senator is against us, then that is it. We can wrap our tents up right now.

Mr. MANSFIELD. If we vote on that right now, can we then vote immediately on final passage?

SEVERAL SENATORS. Yes.

Mr. GRAVEL. Yes.

Mr. MANSFIELD. What is the wish of the ranking Republican member and the chairman of the committee?

Mr. CANNON. Mr. President, I would have to take a look at the proposal, because it seems to me this is going to the clerk-hire issue, which the distinguished Senator from North Carolina is involved in.

Mr. HOLLINGS. South Carolina.

Mr. CANNON. I am not aware of which amendment is at the desk. I certainly cannot agree to something until I have a look at it. Last night we were trying to get votes, and we were told that the proponents of this position had lost some of their troops, and therefore they could not vote.

Senator PASTORE just voted against that last proposal and left. I know he would want to be here to vote on this proposition, because he is opposed to the Hatfield proposal.

Mr. GRAVEL. Senator BAYH has just left.

Mr. CANNON. I certainly cannot agree to a figure pulled out of a hat. And I cannot speak for my Republican colleague; he would have to speak for himself.

Mr. HATFIELD. Mr. President, if the Senator will yield, I do feel we have had ample airing of this whole issue of staff through talking about various numbers and levels. I think the Senator from Nevada (Mr. CANNON) has stated very appropriately that we have tried to be open and willing, and to work with the opposition on this.

They asked for an up or down vote on their proposal. They have had an up or down vote. They have had more than one up or down vote, either on a motion to lay on the table or on their proposal.

I think this is the time to give the committee proposal an opportunity to be voted up or down. Is it not fair to ask that we get, finally, to a committee proposal that has been waiting, waiting, and waiting while we have had all these other Senators trying to find out how we feel about the other side of the issue?

I really feel, I say to the Senator from Alaska, let us at least have a vote on this and move on. I think we have had ample consideration of this issue, and ample debate, and I think anything further is a delaying tactic.

Mr. CANNON. Mr. President, let me echo and join in the words of the Senator from Oregon (Mr. HATFIELD). Most of the last 2 days has been wasted in jockeying for position, to see who comes first, the committee proposal of Senator HATFIELD or the Brock amendment. The Brock amendment has been voted on and defeated, and they have still not let us come to a vote on the Hatfield amendment. I am still willing to take a vote in 2 minutes on either side of the Hatfield proposition, and stand on the vote on that proposition.

Mr. MANSFIELD. If I may say—and I wish that the distinguished Senator from Alaska would check me on this, as well as the distinguished Senator from California (Mr. CRANSTON), and the distinguished Senator from Oregon (Mr. PACKWOOD)—that when we grouped around this desk last night, trying to find a way out of the impasse in which the Senate found itself, as far as I can recall the statement was made that what we want to do is to have one more vote on the Brock amendment.

Am I wrong?

Mr. PACKWOOD. I believe the majority leader is correct. I left before the final agreement last night, but I recall that discussion.

Mr. MANSFIELD. So, this was it, and the chance was made available. We spent a long time on this. I, of course, cannot do anything but ask the distinguished Senator from Alaska to reconsider his position. I can understand his feelings. He has fought long and hard for the proposal, which has been before the Senate, and he has had to overcome much in the way of difficulties and obstacles, but we ought to bring this matter to a head and bring it to a head soon.

Mr. GRAVEL. I think the leader is correct. We have had many obstacles. One of the obstacles was to get a simple hearing in which the leader had to intervene to get us that. I could go through the recitation. I will not. But we all know how this body works, and it works through procedures. All we are asking for is when you lose something—this was lost on a compromise—that maybe the key to the solution is to compromise just a little more.

We are prepared to call this up to compromise. If that is the will of the body, then fine; we will go with that.

I see nothing wrong just to call up right now a compromise posture and try to get the votes on it, and then the delay, if they really want to fix the delay——

Mr. MANSFIELD. No. If the Senator will allow me to interject there as to what I said, I will. The Senator was right around this table along with the Senator from California (Mr. CRANSTON), the Senator from Oregon (Mr. PACKWOOD), the chairman, the ranking Republican Member of the committee, the assistant majority leader, and others. What the Senator wanted at that time was one vote today, and that was on the Brock amendment. If he got that, he would be satisfied.

Is that correct?

Mr. GRAVEL. I do not recall.

Mr. MANSFIELD. Am I right or wrong?

Mr. GRAVEL. I do not understand that. Maybe I could counsel with my colleague.

Mr. MANSFIELD. Yes.

Mr. HUMPHREY addressed the Chair.

Mr. MANSFIELD. Mr. President, I will await a reply from the distinguished Senator from Arkansas.

Mr. GRAVEL. The Senator from Oregon (Mr. PACKWOOD) tells me that was his understanding. It was not my understanding.

We had a little difficulty on our side because we are sort of like four horsemen trying to pull the carriage here, and sometimes it is tough to try to keep the horses all pulling the same weight on the harness. I think we found ourselves in that difficulty.

What is wrong if I called an amendment up? Are we being put on notice there is going to be additional delay? Is the delay our fault?

We are prepared to vote on another compromise.

Mr. HATFIELD. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. HATFIELD. I affirm the majority leader's recollection, having been a part of that consultation last night, that all that was asked for was an up-or-down vote on the Brock amendment, only one more vote, not tonight because some of the Senators had left the Senate.

Mr. GRAVEL. Including Mr. BROCK.

Mr. HATFIELD. Including Mr. BROCK, who was not here. He had left the Senate. If we could have one more vote up or down of Mr. BROCK's amendment tomorrow, that would be all we would ask for. That was the understanding.

Mr. GRAVEL. That should not bind Mr. BROCK, if he was not here. That would be a matter of conscience to him.

Mr. HATFIELD. I am only bringing Mr. BROCK in incidentally because his name was used and his amendment was mentioned.

Mr. GRAVEL. If I might mention to the leader, we had four votes on the issue up and down. We won three and lost one. We had a vote in each caucus, and won this one. Obviously, the tactics from January until now have been the tactics to delay the vote, to play the game, which was the best date for you.

All we are saying is we have a large attendance here. Almost everyone is in attendance. We could just call up this amendment and vote on it immediately.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the vote on the Gravel amendment occur within 6 minutes, the time to be equally divided between the Senator from Alaska and the Senator from Nevada.

The PRESIDING OFFICER (Mr. FORD). Is there objection?

Mr. BROCK. Mr. President, reserving the right to object——

Mr. TALMADGE. Reserving the right to object, Mr. President, I would not want to limit myself to 6 minutes. I know nothing about this new proposal.

Mr. MANSFIELD. There is nothing more to know. It has been gone over and over again. This is $105,000 instead of $175,000. That is the only difference I know of.

Mr. TALMADGE. Reserving the right to object, if the Senator will yield, is this a further allotment of $105,000 to each Member of the U.S. Senate for staff hire?

Mr. GRAVEL. Yes, it is.

Mr. McCLELLAN. That is over and above.

Mr. TALMADGE. Does it amend it?

Mr. GRAVEL. Not the clerk hire.

The PRESIDING OFFICER. Will the Senators just take a moment? The Senator from Montana has the floor. The Senator from Alaska has the floor.

Is the Senator yielding to the Senator from Georgia?

Mr. GRAVEL. I would like to answer the question.

Mr. MANSFIELD. We were asking a question.

The PRESIDING OFFICER. If we will reserve the question and answer to those two Senators, without others interrupting, we will try to keep it in order.

The Senator from Alaska is yielding to the Senator from Georgia for a question.

Mr. GRAVEL. Let me say that what I am offering is identical to what we just voted on. It is identical in every word. The only difference is the sum of money. As to what we voted on just a moment ago the sum of money was $190,000 per Member. What I am offering now is an amendment that would only have $105,000 per Member. It would mean that each Member would have $35,000 per committee and be limited to only three committees. That is less generous than what would be the aggregate.

Mr. TALMADGE. Mr. President, if the Senator will yield further, would that be at least 300 additional staff members at some $33,775 each?

Mr. GRAVEL. No. There would not be 300, because the Senator knows there is already an exclusion in this amendment that the chairman of a committee cannot get the money under this, so obviously, all the chairmen are excluded.

Mr. TALMADGE. Is it somewhere between 250 and 300?

Mr. GRAVEL. No, it would not be near that.

Mr. TALMADGE. There are only 18 chairmen of committees in the Senate.

Mr. GRAVEL. Then you have the ranking member who would qualify under this.

Mr. TALMADGE. I have no objection at this time.

Mr. GRAVEL. I think that the Senator is familiar with what the net effect is on this.

Mr. ALLEN. Mr. President, reserving the right to object——

The PRESIDING OFFICER. The Senator has the right to object.

Mr. ALLEN. I would like to ask the distinguished Senator from Alaska if the amendment he is talking about is the pending amendment rather than another amendment he is going to reach in his grab bag and pull out? Is it the pending amendment? Is that what the Senator is talking about that is the next amendment up, unless there are further amendments offered to this? What amendment is the Senator talking about? Is it a new amendment or a pending amendment?

Mr. GRAVEL. It is a new amendment. I had five amendments to that.

Mr. ALLEN. We have to dispose of the present amendment first.

Mr. GRAVEL. No. I am saying I was prepared to withdraw this.

The PRESIDING OFFICER. Let us have order in the Senate.

Mr. GRAVEL. I was prepared to withdraw the pending amendment in the spirit of compromise and save time, and then just offer this one, or Senator HUMPHREY would offer it, and we could vote on it immediately. Then, the matter would be disposed of.

Mr. HUMPHREY. Mr. President, will the Senator yield to me?

Mr. GRAVEL. I am happy to yield.

Mr. HUMPHREY. Mr. President, it is a fact, of course, that there has been a lot of time spent on this, but it is well worth it. We have wasted more time on other matters than we have on this one.

There are a number of Members of this body who feel that they are inadequately staffed, and they have every right to feel that way. They take care of their own offices and their own committee work. They have every right to make their presentation in this body. Others feel that they are appropriately staffed.

When I came back to the Senate in 1971, I knew what it was to be inadequately staffed. I am very much better staffed at this time because I happen to be chairman of a committee. But I remember when I was not, and I remember when I did not have subcommittees staffed.

There are Members here who are called upon to perform their duties like anyone else, and I think they have the right to try to at least express themselves as to what they think is necessary for adequate staffing of their offices.

We will have to take the heat back home, and it will be interpreted that, "You added a lot of extra money for your own pleasure."

Let anyone come to my office and answer 12,000 letters that wait to be answered, and we answer a lot of them. We get about 800 to 1,000 letters a day. It is not like it is a picnic or a pleasure.

I am not personally making any complaint, but there are Senators who deserve a better shake, and that is what Senator BROCK has been fighting about.

By the way, may I say about the distinguished Senator from Tennessee, he knows a good deal about management. He has run a company that runs a lot better than the Congress of the United States when it comes to management, and he has done a great deal along with the Senator from Texas (Mr. BENTSEN) to give us some sense of control of what goes on in our respective offices in terms of office management.

It used to be when Senators used to have it dished out here like we were some sort of morons, that we could not count our own money, and we did not know how to handle the postage, and did not know how to handle the telephone calls. At long last, we have been able to make those changes through the Committee on Rules and Administration, through representation that was made, particularly may I say, by the distinguished Senator from Texas (Mr. BENTSEN).

Now Mr. BROCK has taken an interest in this, and I commend him for it.

I think the original Gravel proposal is too much, and I have said so. I believe that the Hatfield proposal can get us by. I can live with it, so far as I am concerned.

But what is the proposal we are talking about now? The proposal is for $35,000 for each of the A, B, and C committees, with a limit of three committees. Senators who already have a subcommittee chairmanship and already have a staff member are out for that particular committee, if it is an A, B, or C committee. If a Senator has a chairmanship and has an assignment with personnel, he is out. But for those who have responsibilities, as a ranking member of a subcommittee, deeply interested in an issue that takes a great deal of time, it would permit the Senator to have an adequate staffman of his choosing somebody responsible to him, who works on that committee for him.

The professional staffs of most of our committees are very professional, highly competent; they are generalists for the whole committee. I will give a classic example. I serve on the Committee on Foreign Relations. We have a good staff, but I have to have one man in my office who spends his total time in the Committee on Foreign Relations. I receive a lot of mail on that committee. I do not burden the Committee on Foreign Relations with all that mail. First of all, they do not know how to answer it for me. I have my own point of view, and I am perfectly willing to work with my staff, to see that I give them good response.

What we are talking about here simply is a chance to equip ourselves with the personnel we need. If a Senator thinks he does not need it, he need not take it. Nobody is forcing it down his throat. If a Senator does not think he needs another person on that staff, he can put out a newsletter and say, "I'm the economizer. I didn't take it." But if a Senator thinks he needs it, he should have a right to have it.

This Congress has spent a great deal of time talking about the executive branch. We have loaded them with staff. They have dining rooms and cars and everything. I was down here waiting 45 minutes to take some guests into the dining room. It is the same size dining room we had when my grandfather visited here—and the country, by the way, has 212 million people. But we do not recognize it.

There comes a time when we should grow up. We have a chance here to take care of legitimate needs of the Senate. There are many legitimate needs that need to be served, and this is one of them.

I believe that $105,000, which is $35,000 per committee—if a Senator needs it, if he does not already have it—does not add up to colossal sums that are being bandied around here. One way a Senator can save money is by not taking the staff member. I do not think I have a right to say to a Senator who may be working hard on his committee and has his heart and soul in his work—with his constituents coming in here by the busload—that if he needs a staff member to take care of that committee work, he should not have one. I believe he is entitled to it.

Mr. ALLEN. Mr. President, will the Senator yield?

The PRESIDING OFFICER. The Senator from Alaska has the floor, and he yielded to the Senator from Minnesota.

Mr. GRAVEL. Mr. President, I withdraw my amendment.

Mr. ALLEN. Mr. President, I object.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. ALLEN. I object to the withdrawal of the amendment.

The PRESIDING OFFICER. Unanimous consent is not required to withdraw the amendment.

Mr. ALLEN. There already has been action with reference to it.

The PRESIDING OFFICER. There has not been action on the amendment.

SECOND SUPPLEMENTAL APPROPRIATIONS, 1975

Mr. ROBERT C. BYRD. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on H.R. 5899.

The PRESIDING OFFICER laid before the Senate a message from the House on H.R. 5899, an act making supplemental appropriations for the fiscal year ending June 30, 1975, and for other purposes.

The PRESIDING OFFICER. The clerk will report the message.

The assistant legislative clerk read as follows:

Resolved, That the House disagree to the amendment of the Senate to the amendment of the House to the amendment of the Senate numbered 107 to the bill (H.R. 5899) entitled "An Act making supplemental appropriations for the fiscal year ending June 30, 1975, and for other purposes."

Mr. McCLELLAN. Mr. President, I would like to have order, please.

The PRESIDING OFFICER. The Senate will please be in order.

The Chair recognizes the Senator from Arkansas. There is a time limitation of 30 minutes on H.R. 5899, 15 minutes to each side.

Mr. ROBERT C. BYRD. Mr. President, will the Senator from Arkansas yield for a question which might be of help to all Senators?

Mr. McCLELLAN. I yield.

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. Senators will please take their seats so that we can expedite the business of the Senate.

Mr. ROBERT C. BYRD. Mr. President, can the distinguished chairman of the Committee on Appropriations indicate whether or not, so far as he knows, a request for the yeas and nays will be made on this measure?

Mr. McCLELLAN. I have no intention to ask for the yeas and nays. No one has suggested to me that he wants the yeas and nays. This matter has been carried along here for some time and is something that should be disposed of. I am willing to make a very brief statement and vote, unless someone else wishes to speak.

Mr. ROBERT C. BYRD. Will the Senator allow me to ask Senator JAVITS the question, so that Senators may be informed?

Mr. JAVITS. If the Senator will yield, I agree with Senator McCLELLAN. This matter has to be disposed of. Unless some Member wishes it, I have no disposition to ask for the yeas and nays.

Mr. MANSFIELD. Mr. President, it looks as though, for the time being—

The PRESIDING OFFICER. The Senator from Arkansas has the floor.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. MANSFIELD. Mr. President, on the basis of the question raised by the acting majority leader, it appears that no Senator—at least in the Chamber—intends to ask for a rollcall vote on the conference report on the supplemental appropriations.

Mr. CANNON. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

EXTENSION OF TIME FOR THE COMMITTEE ON COMMERCE TO FILE ITS REPORT ON S. 692

Mr. CANNON. Mr. President, I ask unanimous consent for the Committee on Commerce to file its report on S. 692, a bill to regulate commerce to assure increased supplies of natural gas at reasonable prices for the consumer, and for other purposes, prior to midnight tonight.

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

ORDER FOR RECESS UNTIL 11 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, has an order been entered for the hour of convening tomorrow?

The PRESIDING OFFICER. There is no order.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business this evening, it stand in recess until 11 o'clock tomorrow morning.

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

ORDER FOR CONSIDERATION OF SENATE RESOLUTION 60 TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that on tomorrow, after the leadership has been recognized, the Senate return to the consideration of Senate Resolution 60, the unfinished business, which has been laid aside temporarily.

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

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, for the information of the Senate, in view of the impasse which has developed, it appears that there will be no further rollcall votes tonight.

SECOND SUPPLEMENTAL APPROPRIATIONS, 1975

The Senate continued with the consideration of the message from the House on the bill (H.R. 5899) making supplemental appropriations for the fiscal year ending June 30, 1975, and for other purposes.

Mr. McCLELLAN. Mr. President, I ask unanimous consent that the time that has been consumed up to now be charged to neither side.

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

Mr. McCLELLAN. Mr. President, I do not want to proceed until we have order.

The PRESIDING OFFICER. Will the Senate please come to order?

Mr. McCLELLAN. Mr. President, the issue that is before the Senate again is whether any money, any substantial sum, will be appropriated in this supplemental bill to meet the critical condition that prevails with a number of our railroads, and that is to provide money to reemploy——

The PRESIDING OFFICER. Will the Senator suspend?

The Senator is entitled to the respect of the Senate. Senators will please take their seats or retire to the cloakroom.

Mr. McCLELLAN. The issue before the Senate again is whether we will make any substantial appropriation to undertake the rehabilitation of railroads in the Nation that daily are further deteriorating due to lack of maintenance.

The money that way placed in the bill by the Senate was intended primarily to reemploy maintenance workings on railroads who have been laid off and thus to provide jobs or to restore jobs that have been lost, while at the same time making an investment in the improvement of roadbeds and railroad operations.

Mr. President, the Senate has been very strong in support of the money that was placed in the bill. The House has adamantly refused to make a reasonable compromise or to grant anything other than $5 million, which is its amendment that came before us, and which the Senate rejected and sent back to the House with an amendment providing for only $175 million instead of $700 million, as originally passed by the Senate. Now, Mr. President, the House has rejected that amendment and we now have before us again, the amendment that they adopted, which provides $5 million for planning and administration. This $5 million is not authorized, Mr. President, and it will not be authorized. This means that no money will be spent for this purpose.

Mr. President, I regret that the House has been so adamant and unwilling to show some deference to the judgment of the Senate, where it has manifested so strongly its position by the votes that have occurred on this item.

I ask unanimous consent to have printed in the RECORD at this point, Mr. President, a table of the votes that have been taken in both the House and the Senate, on this issue.

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

HOUSE AND SENATE VOTES ON AMENDMENT 107 (RAILROAD AMENDMENT) SECOND SUPPLEMENTAL APPROPRIATION BILL, 1975

	Yeas	Nays
May 22—House	136	215
COMMENT		
Rejected Conte motion to recede to Senate amendment on railroad provision, and insisted on its disagreement to Senate amendment.		
May 22—Senate	16	46
COMMENT		
Rejected Chairman's motion that the Senate recede from its amendment.		
June 2—House	228	95
COMMENT		
House receded and concurred in Senate amendment with an amendment providing $5 million.		
June 4—Senate	78	18
COMMENT		
Senate amended House amendment to provide $175 million (Bayh–Javits amendment).		
June 4—Senate	17	80
Senate	14	83
COMMENT		
Rejected Allen amendments to lower amount to $10 million and $50 million.		
June 9—House	273	101
COMMENT		
Insisted on its disagreement to Senate amendment.		

Mr. McCLELLAN. Mr. President, I regret very much that the Speaker of the House saw fit today to release to the press a statement undertaking to place the whole blame for the delay of the appropriations contained in this bill on the Senate.

Mr. STENNIS. Mr. President, may we have order? I wish to hear the Senator.

The PRESIDING OFFICER. The Senate will be in order.

Mr. McCLELLAN. I remind those who are listening, and also state for the RECORD, that I do not think the House is in a very good position to try and place all the blame for delay on the Senate. The Senate passed this and sent it over to the House at a time when the House did not have a quorum to act. It then took a recess for 10 days or 2 weeks. That is a big reason for the delay that occurred. If the House had acted then, there would not have been a delay.

I think it is very inconsiderate for the House to take that position now and for the Speaker to make that statement.

Mr. President, there are important appropriations in this bill to carry on imperative services of the Government. Some payments are now overdue. For that reason, Mr. President—not on a basis of regret for our effort to have this money made available for the restoration of these jobs, and the rehabilitation of the railroads but because of prevailing circumstances it is compelling that we do yield and recede from the Senate amendment. Mr. President I made the statement when I submitted the conference report—when I submitted the first conference report—that it was imperative that we make appropriations for other services provided in the bill.

At that time, Mr. President, I voted myself to go along with the House, trying to make accommodations, because I realized how adamant the House conferees were. But the Senate itself, Mr. President, spoke otherwise and gave directions to go back and to undertake to find a common ground of reason and accommodation, where the House and Senate could work together, with deference and respect for each other. That effort failed, Mr. President. Now we are back here. We have no other alternative. Under the circumstances, so I am going to move, Mr. President, that the Senate recede from the Senate amendment and concur in the House amendment.

Mr. HARTKE. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield to the distinguished Senator from North Dakota, first.

Mr. YOUNG. Mr. President, there is merit to the position that the distinguished chairman of the committee has taken with respect to appropriating money to repair the roadbeds of the railroads and, in doing so, provide thousands of jobs. Unfortunately, the House has taken a different position and the administration has proposed a program which is also different. There are very important and urgent items pending in this bill, so I think the time has come when we just have to clear this bill. I support the motion made by the chairman.

Mr. McCLELLAN. Mr. President, the distinguished Senator from Indiana (Mr. BAYH) who was the author of this proposal for this money for the railroads, had to leave this afternoon and at his request I am asking unanimous consent to place in the RECORD a statement by him to this issue.

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

STATEMENT BY SENATOR BAYH

It is with great reluctance that I come before the Senate today and offer a motion that the Senate recede from an amendment which I introduced last Wednesday, along with my colleagues, Senators Case, Javits, and Randolph, and which passed the Senate by a 78 to 18 vote. That amendment increased the House figure of $5 million to $175 million for the initation of a program of reemployment and rehabilitation of the Nation's railroad tracks and roadbeds. The $5 million figure was the House's proposal in lieu of the original Senate amendment number 107 in H.R. 5899 that appropriated $700 million. This $5 million, as was the $700 million, and the $175 million, was to become available only upon enactment of authorizing legislation along the lines of S. 1730, which passed the Senate weeks ago by a vote of 67 to 10. The $5 million, which is the amendment that the House is further insisting now that the Senate accept, is for administrative expenses and preparation of plans to provide assistance to financially distressed railroads.

It frankly strikes me that it would have been better if the House had flatly refused to accept the original $700 million amendment than to have sent back a figure of $5 million to study the problem, when there is already a Senate bill in existence for the entire program. I have difficulty understanding the purpose of passing a $5 million appropriation contingent upon passage of authorizing legislation, when the authorizing legislation, once passed, would authorize an entire $700 million program. Why would there be a need to study the problem at that point?

The problem right along has been that over 30,000 railroad employees are not at work repairing the railroad tracks and roadbeds because they have been laid off by the companies that could not afford to keep them on the payroll the last several months. That type of problem doesn't take a lot of studying. The Senate Commerce and Labor Committees recognized the problem and held hearings and marked the bill up and got it passed overwhelmingly in the Senate weeks ago. Yet, the authorizing committee in the House has yet to even hold a hearing on this bill or anything like it. For the life of me, I can't understand their reluctance to even hold hearings to consider whether this is a necessary and useful program or not. The Senate authorizing committees heard over 30 witnesses, and only one, as I understand it—and Senator Hartke or Senator Javits or Senator Randolph can correct me if I am wrong—was opposed to this legislation. That was Secretary of Transportation Coleman and I think he found himself in a difficult situation in testifying before the authorizing committees on this because he had to speak up against it. There were something like 31 cosponsors of S. 1730 and I was proud to be one of them.

What the House has failed to recognize throughout the debate on this issue is that the prime season to initiate work on railroad roadbeds is in the summer months. That is why we in the Appropriations Committee of the Senate departed from the usual practice of waiting for the authorization bill, the budget submission by the Department, and action in both appropriations committees of the Congress before making appropriations. We felt, and the Senate felt, in voting to send this amendment back to the House at $175 million a few days ago by a vote of 78–18, that the condition of the railroad tracks throughout the country demands immediate attention and improvement and that there is no reason in the world why maintenance-of-way workers should be drawing unemployment benefits when they could be out there preventing the roadbeds from further deterioration, doing the work they would have been doing if the railroad industry had not been the hardest hit industry in the nation by the recession. They lost over $100 million in the first quarter of this year as compared to profits of over $170 million for the same period last year.

I understand now that the House authorizing committee that has jurisdiction over railroad matters has now moved up the scheduled hearings on S. 1730 from the 23rd, 24th, and 25th of June to the 17th, 18th, and 19th. I would certainly encourage the members over there to act on this matter as soon as they can after those hearings are held and then a conference can be arranged between the two houses and the authorization can be sent to the President to get this program moving. The regular fiscal 1976 appropriation bill for the Department of Transportation and Related Agencies will be over here sometime in early July and, as Chairman of that Subcommittee, I intend to offer this same appropriation to the members of the Committee at that time.

Then, hopefully, the program can begin. There will not be the types of problems we are now facing in this bill with veterans and others in such dire need of the funds contained in this Second Supplemental Bill. I, therefore, reluctantly propose that the Senate recede from this amendment and accept the House figure of $5 million.

Mr. HARTKE. Mr. President, I compliment the chairman of the Committee on Appropriations for his diligence and his insistence to do what is really right for this country. In other words, what he provided for originally was money in the bill, subject to authorization, to provide for rehabilitation of the railroads of this Nation which are in such sad shape. It provided that we are ultimately going to have to do anyway, but it would have done it ahead of time. Ultimately, we are going to have to do exactly what my colleague, the Senator from Arkansas, provided.

Mr. McCLELLAN. Will the Senator yield?

Mr. HARTKE. I yield.

Mr. McCLELLAN. We are going to ultimately do it at greater cost.

Mr. HARTKE. That is right, not only at greater cost, but at greater cost to safety in this Nation and also, at the same time, with greater damage to those people who could be drawing salaries, not unemployment compensation.

Mr. McCLELLAN. Will the Senator yield further?

Mr. HARTKE. Yes.

Mr. McCLELLAN. Public statements have been issued by a Representative of the House placing all blame on the Senate for delay. I hope the House will be willing to take the blame for the consequences of which the Senator has just spoken.

Mr. HARTKE. I think the Senator is right.

I say again, as much as I feel in accord with the general sentiments of the Senator from Arkansas concerning the fact that this should be done, I think that, under the circumstances, the action that has been taken by the chairman of the Committee on Appropriations is correct. As chairman of the Committee on Veter-

ans' Affairs, I know we are feeling quite a bit of pressure to make sure those papers come forward as soon as possible. I concur heartily with the Senator from Arkansas in his motion.

Mr. McCLELLAN. I yield to the Senator from West Virginia.

Mr. RANDOLPH. Mr. President, I commend the approach by the Senator who is the manager of this appropriations bill. I know, also, that the able Senator from New York has been intensely interested in this matter, as has the chairman of the Subcommittee on Surface Transportation, the Senator from Indiana (Mr. HARTKE).

I have noted the remarks of the resourceful Senator from Indiana (Mr. BAYH), who attempted to work with the authorization process, but acting in a manner that indicated the concern of the Senate to rebuild the deteriorated roadbeds of the railroads as quickly as possible.

I shall say just these few words: There are 100 miles of railroad now in the State of Indiana that, frankly, no passenger trains can operate over—I say to the Senator from Arkansas and our colleagues here—because of the dangerous condition of the roadbeds.

I regret that we must do what we do now, but I know that this must be done. We do not retreat from our principle. We only pause now to return later to the subject matter in another way.

I ask the Senators who may read this RECORD to look at what I said on the subject in the Senate yesterday, which is on page 18205.

Mr. President, I commend all of those persons who have shown patience and well-reasoned consideration. I do not want to speak evil of the House. I have long remembered that no one should speak evil of someone, just write it on the sands near the water's edge. But I want to say that the House has acted in a way that I think was unresponsive to the need, and I regret it.

I appreciate the efforts made by my colleagues. I tried to join them in an earnest effort to do what should have been done.

Mr. JAVITS. Mr. President, will the Senator yield me some time?

Mr. YOUNG. I would be glad to yield some time.

Mr. JAVITS. Mr. President, this is not a pleasant operation. The Senate has taken a very decided position; it has been frustrated. The question is what is the path of responsibility now.

I believe the path of responsibility—and I am the principal spear carrier here—is to let this battle rest where it is for the moment and to accept the House amendment, and to permit this bill to go to the President and be signed. I regret very much to say that, but, in good conscience, I am convinced that that is what we have to do.

And now I ask this parliamentary question. I make this parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. JAVITS. If the Senate—I am trying to think of the proper word—recedes from its amendment, will that leave the bill in a position to go to the President with the House amendment which relates to $5 million?

The PRESIDING OFFICER. The Senate would have to recede from its amendment and concur with the House amendment. That is the motion that the Senator from Arkansas stated he would make.

Mr. JAVITS. That bill is then ready to go to the President; is that correct?

The PRESIDING OFFICER. The Senator is correct. That would clear the bill.

Mr. JAVITS. Now, Mr. President, as I say, this is a very painful decision for me to make but I have made it and I believe it is justified by the amount that is wrapped up in this bill, $15 billion, and the urgency of providing and the responsibility of continuing what could turn out to be a long-standing feud.

Mr. President, we have had to yield on this, there is no doubt about that, and there is no glossing it over. But, Mr. President, we will pick another day upon which to fight, and I am so pleased that Senator McCLELLAN, who is the chairman of that committee and a man of great authority in this body, said what he did about speaking to CARL ALBERT, whom I love as a personal friend but who, I wish, had not called the disgraceful situation the position of the Senate.

As Senator McCLELLAN has explained, it is the House that caused the long delay. But even beyond that the Senate has taken a very moral position and a highly public-spirited position at a time when additional jobs are so urgently required and when the public service jobs can be so very fruitfully used in this particular field.

If there is a disgraceful situation it was demonstrated in the other body, and I hope very much Speaker ALBERT, who is a man of generally fine character and utmost fairness, will be willing to draw this matter to a close and consider it closed, just as we are here today.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. MANSFIELD. Mr. President, I would not be too harsh on the Speaker. He has a very difficult job, as we all know, and he is the kindest and most considerate of persons.

I did read on the ticker where he said if we did not move he was going to talk it over with MIKE MANSFIELD. I think I should say to CARL ALBERT that JOHN McCLELLAN and JACK JAVITS talked it over with me and, taking the Speaker at his word, we are giving him quick action. We hope this will mitigate his feelings, because he is a very decent, considerate, and kind man, and I know he meant nothing derogatory.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. McCLELLAN. I agree with everything the Senator said about the very distinguished Speaker, who is my friend. But even when a friend says to me I am disgraceful, and if I am not, I am going to answer it. The House took a recess when we were in session here and we were trying to reach a compromise in the situation.

Mr. MANSFIELD. The answer has been given, but I think allowances should be made.

Mr. McCLELLAN. I have.

Mr. JAVITS. Mr. President, I did not consider myself as being very harsh on Speaker ALBERT at all. I was rather explaining the situation. But, be that as it may, that will unwind itself.

The important thing is that I would like to leave with the Senator—and I shall concur in the motion being made by Chairman McCLELLAN—the following:

First, we allowed ourselves—and I think the conferees will have this very much in mind—to give into the House, I believe, on three separate matters in which there was no authorization for which they sought an appropriation.

Mr. McCLELLAN. Mr. President, will the Senator yield at that point?

Mr. JAVITS. Yes.

Mr. McCLELLAN. There is no authorization for the amendment they placed on this bill.

Mr. JAVITS. That is right. I hope our conferees on the Appropriations Committee will bear that very much in mind. People around here are inclined to have long memories, and I am not worried about the fact, but we will in this case, especially with the attitude of the chairman of the Appropriations Committee.

Second, as was shown by the votes in the Senate, the program which we had in mind for the railroad roadbeds has enormous support in the country, and Members of the House, just like Members of the Senate, represent their people. There were two rollcall votes, Mr. President, on this matter in the House of Representatives. The reason that the matter came back in such an unsatisfactory way is because those rollcall votes went heavily against us. I hope, Mr. President, that those people in those areas will be heard from. It is very essential that they should so that their representatives may get some idea as to why Senators voted as overwhelmingly as they did from much the same States.

Next, Mr. President, Senator BAYH is chairman of the Transportation Subcommittee of the Appropriations Committee. I understand that he, too, is prepared to take up the cudgels on this issue when his subcommittee deals with the appropriations for the Department of Transportation.

Next, as to the administration, I have no condonation of it either, Mr. President. If it has a program in this matter, it is time that it came forward with it. If it does not have a program but intends to stay in flat opposition then we should know that.

Again this is a Government essentially of the people, and the view expressed by enough Americans upon this innovative, sound idea, which the President has so heavily supported, I believe, will have an

important effect upon the White House as well.

Mr. President, we have lost the battle but we have not lost the war, and it is that aspect of the matter to which I have addressed myself today.

Finally, let me say that no one could have behaved and acted and performed with better spirit and with greater integrity to his duty and to his own conscience than Senator McCLELLAN. I know Senator YOUNG also expressed how he felt about this matter in a very genuine way. I owe a great debt to Senator McCLELLAN without whose support we would not have had the major vote we did on the $175 million offer, and I count very heavily on the fact that he continues, as he has just said, to be very pronounced in favor of the proposition in which the Senate sought to maintain.

I thank the Chair.

Mr. YOUNG. I yield to the Senator from Alabama.

The PRESIDING OFFICER. Does the Senator from Arkansas yield time to the Senator from Alabama?

Mr. McCLELLAN. I yield.

Mr. ALLEN. I was asking for time of the distinguished Senator from North Dakota.

Mr. YOUNG. I yield to the Senator.

Mr. ALLEN. Mr. President, I commend the distinguished chairman of the Appropriations Committee, Mr. McCLELLAN, the distinguished Senator from New York (Mr. JAVITS), the distinguished Senator from Indiana (Mr. BAYH), and the distinguished Senator from West Virginia (Mr. RANDOLPH), for their determined fight in this matter for a principle in which they believe.

The Senator from Alabama, who did not support this program as strongly as did the Senators I have named, is very much pleased that the matter is now being resolved. He recalls that on May 22 when this matter was before the Senate, the Senator from Alabama sought to get the Senate to recede from its position at that time in order that the legislation might go to the President, feeling that it was very important, indeed, that the $15 billion that the two Houses had agreed might be appropriated was needed to be pumped into the economy and that the matter should not be held out seeking to obtain an additional appropriation of $700 million in an area that the House obviously did not want to appropriate in at this time.

I commend the Senators for their realistic approach to this problem at this time and their willingness to accept the House amendments setting the figure at $5 million.

Last week I believe the matter was before the Senate again. The Senator from Alabama authored an amendment setting the $5 million that the House had agreed to for a study, setting that at $10 million. That was overwhelmingly defeated.

He then offered an amendment, which believes would have been accepted by the House, setting the figure at $50 million. That, too, was overwhelmingly defeated here on the Senate floor.

But I am very much pleased that the Senate is now on the verge of settling this matter and putting this money appropriated by the bill, approximately $15 billion, to work in the economy.

Again, I commend the distinguished chairman of the Appropriations Committee, Mr. McCLELLAN, Mr. JAVITS, Mr. Mr. BAYH, and Mr. RANDOLPH, for the diligent manner in which they have fought for this program which they have supported.

As the Senator from New York has said, another day will come. I think it might be well that this matter be handled as a separate item in order that it would not become involved with other appropriation items.

At any rate, the bill will soon be passed, it will go to the President. Hopefully it will do much good for the economy, for unemployment, for the creation of jobs here in this country.

Again, I commend the distinguished Senators.

The PRESIDING OFFICER. Who yields time?

Mr. McCLELLAN. Mr. President, I believe I made the motion a while ago at the conclusion of my remarks.

The PRESIDING OFFICER. Will the Senator state his motion again?

Mr. McCLELLAN. The motion is that the Senate recede from its amendment and concur in the amendment of the House of Representatives.

The PRESIDING OFFICER. The question now is on the motion.

The motion was agreed to.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider nominations under new reports.

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

The PRESIDING OFFICER. The nomination will be stated.

DEPARTMENT OF STATE

The assistant legislative clerk read the nomination of Thomas A. Clingan, Jr., of Florida, to be Deputy Assistant Secretary of State for Oceans and Fisheries Affairs, with the rank of Ambassador.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

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

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

ENERGY RESEARCH AND DEVELOPMENT

The assistant legislative clerk read the nomination of Philip C. White, of Illinois, to be an Assistant Administrator of Energy Research and Development.

Mr. MANSFIELD. Mr. President, I have noted with interest and anticipation that the name of Philip C. White has been placed before the Senate for confirmation as an Assistant Administrator of Energy Research and Development within the Energy Research and Development Administration.

This nomination is an extremely important one. When confirmed, Dr. White will be in direct command of fossil energy development within ERDA which will have direct significant impact on the Western States and the use of the fossil fuels, particularly coal, located there. If the Western States, like Montana, are going to allow development of their fossil fuel resources, perfection of efficient conversion processes is of critical importance.

Magnetohydrodynamics—MHD—is one of those processes, and I have long supported development of the MHD technology. It was gratifying to hear of Dr. White's testimony during his confirmation hearing before the Senate Interior Committee. Dr. White's awareness of the potential of MHD and, more importantly, his understanding of congressional intent toward the development of MHD in the United States as demonstrated in the passage of Public Law 93-404 in the last Congress is important and necessary if ERDA is going to take the lead in moving this technology forward. I am confident that Dr. White will at last be the catalyst needed within the administration to assist Dr. Seamans in his sincere efforts to finally get the MHD program off the ground as we have been trying so long to do.

I am fully supportive of Dr. White's nomination and urge him to do his utmost to bring ERDA's fossil energy division, including the Office of Coal Research, up to the standards required for ERDA participation in successfully confronting this Nation's energy crisis.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

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

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

LEGISLATIVE SESSION

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

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

ORDER OF BUSINESS TOMORROW

Mr. MANSFIELD. Mr. President, the Senate is about to recess, and, to recapitulate, it will convene at 11 o'clock tomorrow morning.

After the two leaders have been recognized, it is then the intention to return to the consideration of Calendar No. 179, Senate Resolution 60, and at

the hour of 1 o'clock to turn to the consideration of the senatorial contest affecting the State of New Hampshire.

ORDER THAT HOUSE JOINT RESOLUTION 492 BE HELD AT DESK

Mr. MANSFIELD. Mr. President, I ask unanimous consent that House Joint Resolution 492, making urgent supplemental appropriations for summer youth employment and recreation for the fiscal year ending June 30, 1975, and for other purposes, temporarily be held at the desk.

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

ADDITIONAL SENATE COMMITTEE EMPLOYEES

The Senate continued with the consideration of the resolution (S. Res. 60) authorizing each Member of the Senate to employ additional assistants to work on matters pertaining to committees on which Senators serve.

Mr. HUMPHREY. Mr. President, I just want to inquire of the majority leader on a matter.

Mr. MANSFIELD. Yes.

Mr. HUMPHREY. Since Senator GRAVEL has left, it is about this Rules Committee matter. There was another amendment at the desk Senator GRAVEL had for himself, Senator BROCK and others, that related to what I was talking about earlier today and that amendment was not withdrawn, it was a different amendment, I want to ask the majority leader if I offered the amendment——

The PRESIDING OFFICER. The Chair has been informed that the amendment No. 559 was the amendment that was withdrawn.

Mr. HUMPHREY. Yes, and there is an amendment No. 562, I believe, at the desk.

The PRESIDING OFFICER. The Senator is correct.

Mr. HUMPHREY. Yes. So that could be called up as pending business, I understand, is that correct?

Mr. MANSFIELD. Yes, indeed.

The PRESIDING OFFICER. It is correct.

Mr. HUMPHREY. Yes.

May I ask the majority leader if that were done would it be possible tomorrow to have a quick vote on it, dispose of it one way or another prior to 1:30?

Mr. MANSFIELD. I would be delighted to and, of course, the Senator understands it would be necessary to get unanimous consent—not at 1:30, because at 1 o'clock——

Mr. HUMPHREY. We understand about the 1 o'clock.

Mr. MANSFIELD. But say at 12:30, or a quarter to one, the Senator from Montana will endeavor to get it and do all in his power to help in achieving a time limitation in that respect.

Mr. HUMPHREY. I want to assure the Senator, I do not want to delay any action or prolong this debate, but on behalf of my colleague I will ask to have it laid down as the pending amendment, and I have the text here which Senator GRAVEL gave to me, and I will just send it to the desk.

Do they have that, it had a different number at the bottom?

Mr. MANSFIELD. If the Senator will yield, may I say——

Mr. HUMPHREY. Let us make sure that it is the right amendment. I will send this amendment up to the desk.

AMENDMENT NO. 562

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

Mr. HUMPHREY, for himself, Mr. GRAVEL, Mr. CRANSTON, Mr. BROCK and Mr. PACKWOOD proposes an amendment.

The amendment is as follows:

Strike out all after "Resolved" and insert in lieu thereof the following:

That rule XXV of the Standing Rules of the Senate is amended by adding at the end thereof the following new paragraph:

"8. (a) Subject to the limitations contained in subparagraph (b) of this paragraph, each Senator serving on a committee is authorized to hire staff for the purpose of assisting him in connection with his membership on one or more committees on which he serves as follows:

"(1) A Senator serving on one or more standing committees named in paragraph 2 shall receive, for each such committee as he designates, up to a maximum of two such committees, an amount equal to the amount referred to in section 105(e)(1) of the Legislative Appropriations Act, 1968, as amended and modified.

"(2) A Senator serving on one or more standing committees named in paragraph 3 or, in the case of a Senator serving on more than two committees named in paragraph 2 but on none of the committees named in paragraph 3; select and special committees of the Senate; and joint committees of the Congress shall receive for one of such committees which he designates, an amount equal to the amount referred to in section 105(e)(1) of the Legislative Appropriations Act, 1968, as amended and modified.

"(b)(1) The amounts referred to in subparagraph (a)(1) shall be reduced, in the case of a Senator who is—

"(A) the chairman or ranking minority member of any of the two committees designated by the Senator under subsection (a)(1);

"(B) the chairman or ranking minority member of any subcommittee of either of such committees, that receives funding to employ staff assistance separately from the funding authority for staff of the committee; or

"(C) authorized by the committee, a subcommittee thereof, or the chairman of the committee or subcommittee, as appropriate, to recommend or approve the appointment to the staff of such committee or subcommittee of one or more individuals for the purpose of assisting such Senator in his duties as a member of such committee or subcommittee,

by an amount equal to the total annual basic pay of all staff employees of that committee or subcommittee (i) whose appointment is made, approved, or recommended and (ii) whose continued employment is not disapproved by such Senator if such employees are employed for the purpose of assisting such Senator in his duties as chairman, ranking minority member, or member of such committee or subcommittee thereof as the case may be, or to two times the amount referred to in section 105(e)(1) of such Act, whichever is less.

"(2) The amount referred to in subsection (a)(2) shall be reduced in the case of any Senator by an amount equal to the total annual basic pay of all staff employees (i) whose appointment to the staff of any committee referred to in subsection (a)(2), or subcommittee thereof, is made, approved, or recommended and (ii) who continued employment is not disapproved by such Senator if such employees are employed for the purpose of assisting such Senator in his duties as chairman, ranking minority member, or member of such committee or subcommittee thereof as the case may be, or an amount equal to one and one-half times the amount referred to in section 105(e)(1) of such Act, whichever is less.

"(c) An employee appointed under this paragraph shall be designated as such and certified by the Senator who appoints him to the chairmen and ranking minority members of the appropriate committee or committees as designated by such Senator and shall be accorded all privileges of a professional staff member (whether permanent or investigatory) of such committee or committees including access to all committee sessions and files, except that any such committee may restrict access to its sessions to one staff member per Senator at a time and require, if classified material is being handled or discussed, that any staff member possess the appropriate security clearance before being allowed access to such material or to discussion of it.

"(d) An employee appointed under this paragraph shall not receive compensation in excess of that provided for an employee under section 105(e)(1) of the Legislative Branch Appropriations Act, 1968, as amended and modified.

"(e) Payments made with respect to individuals appointed to the office of a Senator under this paragraph shall be paid out of the contingent fund of the Senate.

"(f) Individuals appointed as employees under this paragraph shall be in addition to employees otherwise authorized to be appointed to the office of a Senator.".

SEC. 2. Paragraph 8 of rule XXV of the Standing Rules of the Senate (as added by the first section of this resolution) shall be suspended and shall have no force or effect during any period during which, by law, a legislative assistance clerk-hire fund is established and funded to provide for legislative assistance for Senators serving on committees at rates not less than those provided in such paragraph 8, and subject to no more conditions and no greater limitations than those provided in such paragraph.

SEC. 3. Each Senator and the chairman of each committee on which he serves shall, not later than five days (not including Saturdays, Sundays, or holidays) after the date on which this resolution is adopted certify to the Secretary of the Senate a list containing the names and the total aggregate annual compensation of any professional staff member on such committee whose appointment is made, approved, or recommended by such Senator. Whenever such certification has been made and is no longer applicable, the Senator and chairman of that committee shall jointly notify the Secretary of the Senate accordingly. Such certification shall be effective on the date received by the Secretary of the Senate.

Mr. HUMPHREY. This amendment——

Mr. MANSFIELD. If the Senator will yield, may I say I do not think anybody is trying deliberately to delay the proceeding of this matter. I know that the Senator speaks from his heart and speaks for all Senators when he makes that statement which he does. There is no doubt in my mind that all Senators, those who have a tremendous personal interest and those who do not, are all, in their own way, trying to expedite consideration of the legislation.

Mr. HUMPHREY. I agree with that. I hope tomorrow, with a minimum of discussion, we can have an up-and-down vote. As far as I am concerned, I want to see that we get through with it. If the pending amendment is not agreed to, I

am going to urge that we move on the bill as it was reported from the committee.

Mr. GRIFFIN. Will the Senator from Minnesota yield to me?

Mr. HUMPHREY. Yes.

Mr. GRIFFIN. For the information of the Senate, is the amendment now being offered the same as the amendment which was described earlier?

Mr. HUMPHREY. Yes. The original amendment was voted down.

The difference is that the original Brock amendment was voted down 49 to 47. This has $105,000 involved. This is an amendment, as I attempted to explain before, that provides each Senator one additional person for the A, B, and C committees, provided they do not already have someone on there.

Mr. GRIFFIN. Mr. President, let me just say, for whatever it may be worth in terms of the situation, that I will join the Senator from Minnesota in voting for this, but I would like to caution my colleagues who have been carrying the battle, and whom I have been supporting, that I would not thereafter vote for any future amendment, but would vote against any further amendments.

I would hope we could get to a final vote, one way or the other. So, that being the case, I would hope the vote on the Humphrey amendment might occur earlier than a quarter to one, because that would allow us to have a final vote on the resolution, either as is or as amended.

Mr. HUMPHREY. Mr. President, I assure the Senator from Michigan that it is my intention only to vote on this one amendment. If this amendment does not pass, I would then be prepared to vote for the committee report, including what is known as the Hatfield amendment.

Mr. GRIFFIN. And, as one who has supported the Brock-Hatfield-Gravel-Cranston proposal, I indicate those are my own sentiments also.

Mr. ALLEN. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the Senator from Alabama.

Mr. ALLEN. The Senator from Minnesota has said there is $105,000 involved. He means for each committee, does he not?

Mr. HUMPHREY. I mean that is the total for any one Senator.

Mr. ALLEN. For any one committee?

Mr. HUMPHREY. No, for three committees.

Mr. ALLEN. There is that much permitted under the Hatfield amendment.

Mr. HUMPHREY. This permits the Senator to make his own selection of a staff member, to be assigned to the committee to represent the Senator's interests in that committee.

Mr. ALLEN. Well, it goes——

Mr. HUMPHREY. I think one of the major differences is the method of selection.

Mr. ALLEN. Well, it goes farther, though, does it not, than standing committees? Select committees, ad hoc committees, joint committees?

Mr. HUMPHREY. A maximum of three.

Mr. ALLEN. On each committee, though?

Mr. HUMPHREY. No, a maximum of 3, in the A, B, and C.

Mr. ALLEN. Then what about the select committees and the joint committees?

Mr. HUMPHREY. No. All it does is provide one Senator, for the A committee, if you are on an A committee, one person, if you are on a B committee, one, and one if you are on a C committee, provided that you do not already have someone, as being in the role of a subcommittee chairman, or a committee chairmanship.

For example, in my instance I think maybe the maximum would be one person, and possibly none, out of this arrangement. I do not think I would even get any. Some other Senators might.

But it does not provide that if a Senator is on, for example, 5 committees, he picks on all of them.

Mr. ALLEN. But say you had a staff member on Foreign Relations, but there were three other committees that you were serving on where you had no staff members. Would that mean you could keep that one and add three to it?

Mr. HUMPHREY. No. No, it does not. It means that you could keep the one and add two to it.

Mr. GRAVEL. May I explain it to the Senator?

Mr. HUMPHREY. Yes.

Mr. ALLEN. No one had seen the amendment.

Mr. HUMPHREY. May I say I was picking this up for my good friend from Alaska while he was off the floor, because I did not want to have this lost before we could recess.

Mr. GRAVEL. The limitation is on three. You are only entitled to three persons, and the amount is only $35,000 each. You are entitled to only three as far as the A, B, and C committees are concerned. If you are on joint committees and other committees, you are not entitled to them.

Mr. ALLEN. But you can, Senators can set those salaries, at any amount they want to up to $35,000, is that right?

Mr. HUMPHREY. That is right.

Mr. ALLEN. And you have a limit of three to be added somewhere?

Mr. HUMPHREY. That is right.

Mr. ALLEN. But it takes no concurrence by the chairman as to salary or as to putting them on?

Mr. GRAVEL. That is the major difference between the Hatfield proposal and our proposal.

Mr. HUMPHREY. The Senator is pointing out something that needed to be clarified here, that the main difference is, I guess you would call it procedural, in that the Senator who is privileged to have the additional representation would be able to make the selection and set the salary, but not more than $35,000 and not more than three, maximum, committee assignments; and most likely less, because some of us are already in a position to have assignments.

Mr. ALLEN. What is the total estimated cost of this resolution, or amendment?

Mr. HUMPHREY. I cannot give the Senator that, for the simple reason that I do not know how many Members of this body already have subcommittees, or whether they have a staff member assigned.

Mr. GRAVEL. About $3 million to $5 million, somewhere in there. In the same range as the Hatfield proposal. Again, it all depends on how many a Senator would be entitled to.

Mr. ALLEN. What about the Brock amendment? How much was that?

Mr. GRAVEL. That was $190,000 per Senator, which added up to about $8 million.

Mr. HUMPHREY. This is about half of the cost of the Brock proposal.

Mr. ALLEN. And the Senator states the main difference is, it gives a Senator more control over naming the staff person and setting the salary for the staff person?

Mr. HUMPHREY. That is essentially correct.

Mr. ALLEN. Would the Senators feel that it would be a good idea to pay a staff member $35,000 when some staff person who has been on the staff of that committee working for several years might be working, say, at $28,000? Would that not cause a lot of dissension in the staff?

Mr. HUMPHREY. Let me respond that I have people in my office at $22,000 doing five times as much work as some committee people working for $33,000. Moreover, all these salaries are published, so we have this problem all the time. I have young ladies that are working right up there tonight, at $14,000 or $15,000, and they see that the committee secretary is getting $22,000, and they may see them go home at 4:30, and when I come in at 7 o'clock they say, "Senator, did you ever hear about sweat shop labor?"

This is one of the problems we have to deal with. Senators know what the rules of comity are around here. We try not to raid each other's staffs, and we ought to be cognizant of what happens in our committees. I think the Senator from Alabama raises a very important point, because if you are going to assign someone to a committee, and you find his salary is higher than anyone else's, I would suggest that you not do that, because I do not think you will get much cooperation out of the committee. We have to learn how to live together here.

My interest is in trying to be a nice guy. I do not think I will benefit at all from this resolution, but I do feel it will do a great deal to aid Senators. Since I have been back here as a sort of a recycled Senator, coming back, I have listened to a great deal of rhetoric in some of the questions I have heard from other Senators. I am, in a sense, acting as an attorney without credentials in saying something here for those who would, maybe, like to get up and say a word themselves. Nothing would please me more than to have the help of the great Senator from Alabama, whom I consider to be one of the truly outstanding figures in this body.

Mr. ALLEN. The distinguished Senator from Alabama (Mr. SPARKMAN) is not on the floor at this time.

Mr. HUMPHREY. I want to say that Alabama is represented by two great Senators.

Mr. ALLEN. I thank the distinguished Senator.

Mr. CRANSTON. Will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. CRANSTON. I would like to join in one thing that the Senator from Minnesota said. This proposal, as amended or not amended, would not be of much direct benefit to the Senator from California, the figures that we are now talking about. However, I do strongly support it because I believe much in the principle that would be established, control by the Senator over the staff, and better service, I believe, from that staff.

I simply want to assure the Senator from Montana and the Senator from Michigan, the leadership generally, and all the Senators, that there will not be any other amendments offered as fallbacks. I can speak for myself, Senator GRAVEL, and I am sure also, for Senators BROCK and PACKWOOD, in stating this. We will abide by the decision on this resolution.

Mr. GRIFFIN. Can I ask the Senator from Minnesota a question? I had a question come to me from a Senator and I wonder if it could be cleared up. In explanation, it has been said that a Senator would be entitled to have a staff person on A committee, a B committee, and a C committee. What if a Senator is assigned to two A committees, one B committee and no C committees? What would be the effect?

Mr. HUMPHREY. I think he would be entitled to have three people.

Mr. GRIFFIN. I would hope so.

Mr. HUMPHREY. Yes; that is correct.

Mr. GRIFFIN. With the two committees, they would be even more entitling than the situation that has been described.

Mr. GRAVEL. If I can help on that, I believe the way the specific language was written, if he were not on a C committee he would not be able to get a third person.

Mr. HUMPHREY. He would not be?

Mr. GRAVEL. That is correct.

Mr. GRIFFIN. I do not know how the language should be changed, but I would think that would create some very inequitable situations.

Mr. GRAVEL. We are informed he will be able to get three people. The language was changed.

Mr. HUMPHREY. The language was changed to where he is in the situation where he is not on the C, with two A's and one B, he would get the assignment.

Mr. GRAVEL. I would like to confirm the statement to the leadership by the Senator from California that this is our last effort. I hope the leadership will use its very strong and persuasive powers to bring about a vote on this matter and dispose of it. I think if it is not disposed of, it will linger for months. It is a source of great acrimony and it should not be. We have shot our best shots.

Mr. MANSFIELD. The Senator from Alaska must have been reading my mind. I, too, wanted to thank the Senator from California for his assurances, and also the distinguished Senator from Alaska and the distinguished Senator from Minnesota combining, in effect, in offering this amendment, plus the distinguished Senator from Alabama (Mr. ALLEN), and the distinguished Senator from Michigan (Mr. GRIFFIN), two members of the Rules Committee.

I wonder if it would not be worthwhile to confer overnight on the possibility of a time limitation, say beginning at 11:15 tomorrow with a vote at 12:15.

Mr. HUMPHREY. It can be earlier.

Mr. MANSFIELD. I am not putting that now, but I would hope that the Rules Committee and others would give it consideration. I could contact Senators CANNON and HATFIELD, the chairman and ranking members, sometime tomorrow morning to see if they would approve it. I would hope that we would all be here, or most of us would be here, at 11:15.

Mr. HUMPHREY. May I assure the majority leader that that time frame would be more than adequate. Frankly, the majority leader can work out any time period. We do not really need any more debate on this, unless somebody wants it who may be in opposition. Whatever the majority leader can work out, I believe we can say for those of us who have sponsored the amendment, will be more than satisfactory.

Mr. MANSFIELD. I will take it up, having discussed it at least informally with the two members of the Rules Committee in the Chamber, with the chairman and the ranking Republican members of the committee tomorrow.

RECESS UNTIL 11 A.M.

Mr. MANSFIELD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until the hour of 11 o'clock tomorrow morning.

The motion was agreed to; and at 6:04 p.m. the Senate recessed until Thursday, June 12, 1975, at 11 a.m.

NOMINATIONS

Executive nominations received by the Senate June 11, 1975:

DEPARTMENT OF AGRICULTURE

James D. Keast, of Missouri, to be General Counsel of the Department of Agriculture, vice John A. Knebel, resigned.

IN THE ARMY

Brig. Gen. Wilton Burton Persons, Jr., [redacted] Army of the United States (colonel, Judge Advocate General's Corps, U.S. Army), for appointment as the Judge Advocate General, U.S. Army, as major general, Judge Advocate General's Corps, in the Regular Army of the United States, and as major general, Army of the United States, under the provisions of title 10, United States Code, sections 3037, 3442, and 3447.

Brig. Gen. Lawrence Harvey Williams, [redacted] Army of the United States (colonel, Judge Advocate General's Corps, U.S. Army), for appointment as the Assistant Judge Advocate General, as major general, Judge Advocate General's Corps, in the Regular Army of the United States, and as major general, Army of the United States, under the provisions of title 10, United States Code, sections 3037, 3442, and 3447.

IN THE NAVY

Rear Adm. Robert K. Geiger, U.S. Navy, for appointment as Chief of Naval Research in the Department of the Navy for a term of 3 years in accordance with title 10, United States Code, section 5150.

Rear Adm. Bernard B. Forbes, Jr., 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.

Rear Adm. John J. Shanahan, Jr., U.S. Navy, having been designated for commands and other duties of great importance and responsibility commensurate with the grade of vice admiral within the contemplation of title 10, United States Code, section 5231, I nominate him for appointment to the grade of vice admiral while so serving.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 11, 1975:

RENEGOTIATION BOARD

Richard C. Holmquist, of Connecticut, to be a member of the Renegotiation Board.

DEPARTMENT OF THE INTERIOR

Stanley K. Hathaway, of Wyoming, to be Secretary of the Interior.

DEPARTMENT OF STATE

Thomas A. Clingan, Jr., of Florida, Deputy Assistant Secretary of State for Oceans and Fisheries Affairs, for the rank of Ambassador.

ENERGY RESEARCH AND DEVELOPMENT

Philip C. White, of Illinois, to be an Assistant Administrator of Energy Research and Development (new position).

(The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.)

HOUSE OF REPRESENTATIVES—*Wednesday, June 11, 1975*

The House met at 11 o'clock a.m.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Study to show thyself approved unto God, a workman who needeth not to be ashamed.—II Timothy 2: 15.

O God, our Father, the light of all that is true, the strength of all that is good, and the glory of all that is beautiful, we lift our hearts above the swiftly moving scenes about us that we may receive from Thee wisdom, power, and love sufficient for all our needs.

Help us to walk in Thy light, to share Thy wisdom, to rest upon Thy love, and thus build our national life upon the sound foundation of moral living and spiritual vitality.

As we approach the work of this day help us to think clearly, to speak wisely, to act kindly, and to work diligently