and phony capitalists like him. Solzhenitsyn told a huge audience in Washington, D.C., on June 30, 1975, that there is an "alliance between our Communist leaders and your capitalists. This alliance is not new. The very famous Armand Hammer, who is flourishing here today, laid the basis for this when he made the first exploratory trip into Russia, still in Lenin's time, in the very first years of the Revolution. He was extremely successful in this . . . mission and since that time for all these 50 years, we observe continuous and steady support by the businessmen of the West of the Soviet Communist leaders.

"Their clumsy and awkward economy, which could never overcome its own difficulties by itself, is continually getting material and technological assistance. . . . And if today the Soviet Union has powerful military and police forces—in a country which is by contemporary standards poor—they are used to crush our movement for freedom in the Soviet Union—and we have western capital to thank for this also."

Hammer selected as his biographer a writer who could be counted upon to tell the story as he, Hammer, wanted it told. Considine obligingly overlooked the Communist record of Hammer's father and the record of bestiality compiled by Lenin, Khrushchev, and Brezhnev—all with the help of Dr. Hammer. We know that Lenin called Armand Hammer *Comrade*. What do you suppose Hammer calls Considine?—W.E.D.

SENATE—*Thursday, October 2, 1975*

(Legislative day of Thursday, September 11, 1975)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by Hon. PATRICK J. LEAHY, a Senator from the State of Vermont.

PRAYER

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

O God, the Father of Man and the Ruler of Nations, we thank Thee for this Nation, born in Thy faith and nourished in Thy truth. We commend to Thy care and to the guidance of Thy spirit all who serve in the Government that they may be given wisdom and strength to know and to do Thy will. Amid all the turbulence and changes of the present age may all the people hold steadfast to that vision of an order whose builder and maker is God.

Now unto Him that is able to keep you from falling, and to present you faultless before the presence of His glory with exceeding joy; to the only wise God our Saviour, be glory and majesty, dominion and power, both now and ever.—Jude 1: 24, 25. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

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

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., October 2, 1975.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. PATRICK J. LEAHY, a Senator from the State of Vermont, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. LEAHY 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 Wednesday, October 1, 1975, be approved.

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

SENATE RESOLUTION 228 PLACED UNDER "SUBJECTS ON THE TABLE"

Mr. MANSFIELD. Mr. President, I ask unanimous consent that Calendar No. 352, Senate Resolution 228, be placed under the heading "Subjects on the Table."

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

CERTAIN BUDGET AUTHORITY RESCISSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate turn to consideration of Calendar No. 395, H.R. 9600.

The bill (H.R. 9600) to rescind certain budget authority recommended in the message of the President of July 26, 1975 (H. Doc. 94–225), transmitted pursuant to the Impoundment Control Act of 1974, was considered by unanimous consent, ordered to a third reading, read the third time, and passed.

COMMITTEE MEETINGS DURING SENATE SESSION

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

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

EXECUTIVE SESSION

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

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

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

U.S. ADVISORY COMMISSION ON INFORMATION

The legislative clerk proceeded to read the nominations in the U.S. Advisory Commission on Information, as follows:

Arthur C. Nielsen, Jr., of Illinois, to be a member of the U.S. Aid Advisory Commission on Information, and George H. Gallup, of New Jersey, to be a member of the U.S. Advisory Commission on Information.

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

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

NOMINATIONS PLACED ON THE SECRETARY'S DESK

The legislative clerk proceeded to read sundry nominations in the diplomatic and foreign service placed on the Secretary's desk.

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

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

(All nominations confirmed today are printed at the end of the Senate proceedings.)

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be notified of the confirmation of these nominations.

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

LEGISLATIVE SESSION

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

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

SENATE JOINT RESOLUTION 16 PLACED UNDER "SUBJECTS ON THE TABLE"

Mr. MANSFIELD. Mr. President, I ask unanimous consent that Calendar No. 10, Senate Joint Resolution 16 be placed under the heading "Subjects on the Table."

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

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Does the majority leader seek recognition?

Mr. MANSFIELD. Mr. President, I yield my 5 minutes to the Senator from Kentucky (Mr. FORD).

Mr. FORD. I thank the majority leader.

Mr. President, I have a few remarks I would like to make and shall take approximately 5 minutes.

WHERE DOES THE PRESIDENT OF THE UNITED STATES REALLY STAND?

Mr. FORD. Mr. President, I am compelled to express my disappointment, and in fact, my wonderment, over recent actions and comments by the President of the United States, Gerald Ford.

Once more, President Ford has demonstrated his lack of concern toward the tobacco farmer by vetoing the tobacco support bill. This was a noninflationary measure. This was a means by Congress to help over 600,000 farm families. This was a means by Congress to help prevent the influx of foreign tobacco or synthetic sources.

To those who would oppose the growth of tobacco in this country, I hope they know that over 164 million pounds of burley tobacco was imported into this country in the year 1974.

In all candor, I cannot understand his insensitivity toward the small farmer whose very livelihood rests with tobacco production.

Just this week, President Ford said he at one time had an ambition to be an FBI agent. That may be true, but it is obvious he never had any ambition to be a farmer, and I can assure you that farming is also a most honorable vocation.

As a matter of fact, I wonder what this President really feels toward domestic needs in our country. He says he is against forced busing, but then turns around and admits he will not support a constitutional amendment to eliminate forced busing.

Where does this President really stand?

He claims to support education, but turns around and vetoes the educational appropriations bill.

Where does this President really stand?

He goes right along with an increase in salary for Members of this body, for high level Government employees, and others, but he will not give the farmer a price support boost which, in effect, helps guarantee that tobacco grower's ability to get a loan on his crop.

Where does this President really stand?

We have heard him speak out against abuse by Federal regulatory agencies. I even attended a White House meeting on how improvements can be achieved. Yet during all of this rhetoric, and I might say rhetoric for political rallies, has anyone questioned why, after 20 years in the House of Representatives, he suddenly is against overregulation?

Where does this President stand?

The same holds true in so many other areas—in jobs for the summer, in new housing, in nurses training. All of these are domestic needs, and we only have to look at his vetoes to logically question where his real priorities are.

If ever this country needed a bond of cooperation between the White House and Congress, it is now. Yet, we do not have it, and the prospects are growing dimmer. Time and again, President Ford has criticized Congress, and let me say, Mr. President, we are not immune from criticism, nor should we be free from criticism. But neither is this President, who serves without a national mandate, but acts in defiance of those of us who are here by mandate. That mandate is the vote of the people, who also are asking, Where does this President really stand?

I thank the majority leader for the time.

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

NEW YORK CITY'S FINANCIAL CRISIS

Mr. BARTLETT. Mr. President, a default by New York City on its bond payments would have serious repercussions among the holders of the debt as well as among municipal financial markets in general. The city moves from one financial crisis to another, virtually living on a hand-to-mouth existence.

The financial bankruptcy of New York City is still up in the air. The political bankruptcy of the policies which have brought this great city to such a low state is unequivocal.

Understandably, New Yorkers often express the fear that those who represent other sections of the country are insensitive to the special plight of their city.

It has been charged that non-New Yorkers are insensitive to the "generosity" which New York City has always displayed to those in need—immigrants from distant lands, the homeless, and the poor. In fact, Oklahoma itself springs from a tradition of similar concern about people. Our difference is not in attitude, but in the philosophy of how we believe Government can go about dealing with problems of people. As Oklahoma's generous sponsorship of Vietnamese refugees demonstrates, we want to help people, too, but we want to help them help themselves. We no longer believe in overpromising or overspending.

Just as New Yorkers are now discovering, the people of Oklahoma learned the hard way that Government cannot be all things, do all things for all the people, and do it on borrowed money—without eventual disaster.

In the early years of Oklahoma statehood, the State government undertook ambitious spending projects. At one point, the cumulative State debt had reached $36 million and the State was forced to sell short-term warrants to meet its payments.

So, financial crisis, resulting from a big heart but an empty pocketbook, is not a new observation for Oklahomans.

The point which I bring to my colleagues is the manner in which we dealt with our crisis. The people of Oklahoma, in 1941, enacted a stringent budget balancing amendment which stands strong today. The price of overspending is devastating, but Oklahomans paid that price. I recognize that stringent economies of government will not be easy to face for the leaders of New York, but it must be done.

In the end, a New York City which is on a sound financial footing will be of far greater benefit to all its citizens than a New York City which is staring bankruptcy in the face.

It is simply a myth that an adequate, decent, and human quality of life is inconsistent with sound and prudent standards of financial management. I might point out that in a survey earlier this year Oklahoma was one of only two States which had two cities in the top 10 based on the quality of life—Tulsa was second and Oklahoma City was ninth.

According to Treasury Secretary William Simon, expenditures have been increasing in New York at the rate of 15 percent per year, while revenues have been growing at only 8 percent per year. The per capita expenditures of New York City are far above those of other American cities. As a comparison, one can cite the per capita debt outstanding and per capita Government expenditures, using 1971 Department of Commerce data. I ask unanimous consent that this comparison table be printed in the RECORD.

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

THE 1971 PER CAPITA OUTSTANDING DEBT AND ANNUAL EXPENDITURES

	Debt	*Spending*
New York	$1,287.54	$1,207.40
Chicago	361.12	258.54
Los Angeles	550.71	309.13
Houston	392.54	156.44
Seattle	230.32	446.33
Philadelphia	571.58	395.90

The 1971 expenditures of New York City are greater than the combined expenditures of the next 24 largest cities, composing over 23 million people—though New York has but 8 million people.

Mr. BARTLETT. Mr. President, according to Fortune Magazine, during recent months New York City has repeatedly entered the market to sell more and more debt, while during their last fiscal year, Boston, Baltimore, Los Angeles, Philadelphia, Denver, and San Francisco all operated without debt or paid back any temporary borrowings by the close of the fiscal year.

Any solution to New York City's problem which fails to face up to the facts of economic life is no solution at all, and merely puts off the inevitable. Because the citizens of Oklahoma and many other governments can, and must, live with a balanced budget, there is no reason why they should be asked to support the refusal of New York City to do so.

The people of Oklahoma do not understand why they should be asked to subsidize the extravagant programs which New Yorkers apparently desire, such as the free college tuition and municipal employee salary and retirement benefits, which are far more generous than most Oklahomans working in private enterprise have.

What is particularly frightening to me is that the same political policies which have brought New York to its knees are still in vogue here in Washington. The majority of Congress still believes that the way to solve a problem is to throw money at it—and, for good measure, create a new agency.

The plight of New York City stands before us as a stark vision of what is developing on a national scale. All of the elements which have produced economic stagnation in Britain and financial chaos in New York are flourishing in Washington and continue to form the foundation for the majority wisdom of Congress.

The manifestations of the stagnation caused by excessive big government are growing throughout our economy: The death of individual initiative, mistrust of private enterprise, and bureaucratic regulations which entangle business and distort the marketplace.

Every failure of big government is greeted not with a call for less government, but with urgent cries for still more government.

To pay for this increasing burden, our tax system squeezes the middle class and business while viewing profits as something to be ashamed of rather than essential to economic growth. The problems of New York City were aggravated when these groups said that they had had enough of high taxes and big governments—enough of the helplessness of the taxpayer against the conspiracies of big government politicians and big labor bosses—they fled New York for the suburbs. But where can the American people flee when their National Government reaches the point of bankruptcy.

It was only the direct intervention of the State government which avoided a default of New York City's September bond payments. The effect on the interest rate required of New York State bonds was immediate. Investors sensed that no real solution to the problem of New York City had been found, and, more disturbingly, that the financial integrity of the Albany government is no longer as secure as it had been. I would like to point out that the State of Oklahoma is prohibited from bailing out a bankrupt city or town. The mayors and city councilmen of Oklahoma know they cannot go begging to the Governor and State legislature if they cannot pay their bills.

Before State intervention, New York City and the Big Mac could not find purchasers for their debt. New York City was saved by the direct intervention of the finances and full faith and credit of New York State. To whom does the Federal Government turn in 20 or 30 or 50 years when the public debt becomes so overwhelming that the Secretary of the Treasury is unable to sell Government bonds?

New York City is now confronted with its "day of reckoning." If Congress pursues its present fiscal policies, the Federal Government cannot escape the same fate.

The Federal Government has received several proposals to "bail out" New York City. Secretary Simon and the administration have wisely rejected these proposals.

Now, it is Congress which must have the backbone to say "no." We have before us several proposals for various forms of Federal intervention in the New York City financial crisis. Some measures would have the Federal Government guarantee municipal securities directly for localities through a Federal version of the Big Mac. The distortions which would be caused in bond markets by selective intervention are unknown, but there is no reason to reward the wayward at the expense of those cities which have acted responsibly. To get a drunk home safely, you do not give him another beer and the keys to your car.

Also, there are proposed amendments to allow an advance of two periods of revenue sharing funds. Besides the same argument which I have just elaborated, this is really no solution at all. It is only a predictable rerun of all the proposals to simply postpone the inevitable. The idea that 1- or 2-month bailouts will solve what is basically wrong in New York City is a fantasy. It would be unfair to endanger the future of revenue sharing with this tactic.

Those responsible for the politics of "overspend, overpromise, overspend" must bear the responsibility of telling New Yorkers in clear and uncompromising terms that the party's over—that they must start paying for the free lunches. This is the only real solution to the threatened default by our Nation's largest city.

I hope that the frightening spectacle of what is happening in New York City will alert us in the Congress to the most overriding fact of life—a government cannot live indefinitely beyond its means.

ROUTINE MORNING BUSINESS

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

NEW YORK CITY'S FINANCIAL CRISIS

Mr. HARRY F. BYRD, JR. Mr. President, the able Senator from Oklahoma has made an excellent presentation of a very important matter. The question will probably be before Congress as to whether the Federal Government should guarantee New York City bonds and, in effect, bail out that city from its financial difficulties.

The Senator from Oklahoma brought out vividly that the city government is being operated at a cost of from 2 to 4 times higher per capita as compared to the cost of other major cities of our Nation. The per capita cost of government in New York City is over $1,200, while the average per capita cost of other cities in the United States is $295.

Mr. BARTLETT. Will the Senator yield?

Mr. HARRY F. BYRD, JR. I yield to the Senator from Oklahoma.

Mr. BARTLETT. I congratulate the Senator from Virginia for his leadership in this area. He has been speaking out very strongly and effectively and convincingly to the people, not only of his own State of Virginia but to his colleagues and the people of the United States, as to what a mistaken course it would be for this Congress to guarantee the indebtedness of New York City. I congratulate him for this leadership.

Mr. HARRY F. BYRD, JR. I thank the Senator from Oklahoma. I think it would be a tragic step for the Federal Government to take to become involved in the problems of the many cities throughout the Nation.

I commend President Ford for his strong and determined opposition to a bailout for New York City.

President Ford has taken this position despite tremendous pressure which has been put on him. He has faced tremendous pressure from the politicians in New York and from most of the New York delegation in Congress, which is the second largest delegation in Congress.

More recently, he has faced tremendous pressure from the bankers in New York City, whose banks hold many of these bonds. Naturally, they would like to be bailed out. But I do not believe the Federal Government should become involved in bailing out the banks of New York City in regard to the tax-exempt bonds which they hold.

Those who have bought these New York City bonds have received tax-free interest, thus, very high interest rates. Undoubtedly, the bonds have been bought up by speculators as well as by the banks. Some bonds are yielding 12 to 13 percent tax free. In this free enterprise system of ours, as I conceive it, the people in our country have the opportunity to make a success of an enterprise, but if they lose, then they must take the consequences and not seek to have the Federal Government make up for their losses.

I am very glad that the able Senator from Oklahoma raised this question on the floor today. His comment on this situation will be tremendously helpful. I commend him and I commend President Ford. I hope he will continue to stand firm—and I believe he will.

I talked with him at the White House this morning. He gave every indication of continuing to stand firm on this issue.

If he does, I am convinced that Congress will never go along with guaranteeing the bonds of New York City.

It would create a bottomless pit. There would be no end to the demands that would be made on the Federal Government from politicians throughout our land.

One industry it probably would help, however, is the airlines. Public officials from throughout America would be coming to Washington to be bailed out of their self-created difficulties. It would

help the hotels in Washington, D.C., because they would be filled with people from all areas of the Nation.

I am convinced, from getting around the State of Virginia, and I do that with great frequency, that the average citizen of our Nation does not want his tax dollars used to clean up the mess created by New York City politicians. They must face the consequences and get spending under control. This is not anti-New York talk. I would take that same position against any city, whether it be in Virginia or New York or California or Mississippi or what have you, that seeks to have the Federal Government guarantee its bonds.

FULL DISCLOSURE OF COMMITMENTS IN THE MIDDLE EAST

Mr. HASKELL. Mr. President, I ask unanimous consent that the distinguished Senator from North Carolina (Mr. HELMS) be added as a cosponsor to Senate Resolution 245.

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

Mr. HASKELL. Mr. President, Senate Resolution 245 is the resolution that I introduced with the Senator from Oregon (Mr. HATFIELD) on September 17, to make public all U.S. commitments either to Israel or to Egypt. I would like to read for the record the letter from the distinguished Senator from North Carolina (Mr. HELMS) dated September 30, 1975:

DEAR FLOYD: I would be pleased to join as a co-sponsor on S. Res. 245, introduced by you and Senator Hatfield. It seems to me to be crucial to establishing a national consensus for the public at large to have the firm conviction that their representatives are voting upon this momentous issue with complete knowledge. Indeed, my only reservation about S. Res. 245 is that it does not go far enough, and ought to include disclosure of agreements between other parties, instead of just the bi-lateral agreements of the United States. If we are going to support peace-keeping arrangements, we are entitled to know the full extent of those arrangements. You may want to consider modifying your resolution when it comes to the floor, or I could propose such an amendment myself if you prefer.

I am enclosing a complete text of my remarks on the floor last week, to which you so graciously made reference.

Sincerely,

JESSE.

Mr. President, I would like to point out that after Senator HATFIELD and myself introduced Senate Resolution 245 on September 17, this resolution has been cosponsored by the Senator from South Dakota (Mr. ABOUREZK), the Senator from California (Mr. CRANSTON), the Senator from North Dakota (Mr. BURDICK), the Senator from Maine (Mr. HATHAWAY), the Senator from Connecticut (Mr. WEICKER), and the Senator from North Carolina (Mr. HELMS).

I would like to point out that this desire for complete disclosure to the American public of agreements not only has bipartisan support, but cuts across the entire political spectrum of this institution.

NATURAL GAS EMERGENCY ACT OF 1975

UNANIMOUS-CONSENT AGREEMENT

Mr. HASKELL. Mr. President, I am going to turn to another matter. I have a unanimous-consent request which I made yesterday. At that time, the Senator from Arizona (Mr. FANNIN) had an objection.

Since then I have talked with him twice and he does not object. I talked to the Senator from Kansas (Mr. PEARSON) this morning, and he does not object.

I have talked to the Senator from South Carolina (Mr. HOLLINGS), the Senator from Ohio (Mr. GLENN), and there apears to be no objection on either side.

My unanimous-consent request is that at the hour of 4 p.m. this afternoon the reserve reporting amendment which I discussed and which I will introduce on behalf of myself, Mr. HATHAWAY, Mr. HUMPHREY, Mr. RIBICOFF, and Mr. STEVENSON, will be voted upon. This amendment will be offered either to the amendment of the distinguished Senator from Kansas (Mr. PEARSON), if he prevails on the previous vote, or will be offered as a perfecting amendment to the Hollings amendment, if he does not prevail.

I would also request that whoever has the floor prior to the vote on my amendment not lose the right to the floor. In other words, they will have the floor after my amendment is voted upon.

I would also request if a Senator moves to table my amendment the motion be in order, but should I prevail on the tabling motion the vote upon my amendment occur immediately following thereon. I intend to ask for the yeas and nays at a later time.

Mr. PEARSON. Mr. President, will the Senator yield?

Mr. HASKELL. I yield.

Mr. PEARSON. I have not read the Senator's amendment very carefully, but I have looked it over. As a matter of fact, it is almost identical with section 7 of the bill we have.

I concur in the Senator's view that broad and extensive powers of investigation, factfinding, are essential for the Federal Power Commission. They have asked for them for a number of years.

If it turns out that the so-called Pearson-Bentsen amendment is the vehicle to attach this to, it would be my intention to urge my cosponsors to accept the Senator's amendment. In the event he wants to go ahead and get a record vote, he might include that in his unanimous-consent request.

Mr. HASKELL. I appreciate the remarks of the Senator.

The ACTING PRESIDENT pro tempore. Is there objection to the unanimous-consent request?

Mr. MANSFIELD. Mr. President, I understand this has been cleared all the way around and, on that basis, I urge its adoption.

The ACTING PRESIDENT pro tempore. Is there objection to the request? Without objection, it is so ordered.

NUTS TO TIME

Mr. MANSFIELD. Mr. President, in the September 22 issue of Time there was an article on Butte, Mont., which certainly did not sit well with me and does not sit well with the people of Butte nor with the people of the State which I have the honor to represent.

Time, in that article, refers to Butte by saying, "Today it is shabby because it is dying."

It is true that Butte is not one of the most beautiful cities in the United States, but it certainly is one of the most picturesque and, as far as its people are concerned, they just do not come any better.

Butte is a city in which I worked in the mines for 9 years, where I met my wife, who was a teacher in the Butte High School, and where I got my start in higher education by attending the Montana School of Mines, now known as the Montana College of Science and Technology. It is, incidentally, one of the great mining schools in the world, and it has a reputation which is surpassed by few, if any, other institutions of like caliber.

It has the opportunity not only to teach theory but also to put into effect the practice of mining and metallurgy because the degrees which are forthcoming from Montana Tech are in mining, engineering, metallurgy, geology, and petroleum engineering, just to mention a few.

Furthermore, Butte is going to be one of the coming centers in the area of magnetohydrodynamics, usually known as MHD, and the groundwork has been laid there for an expansion of this most important program in the development of coal for use for electrical purposes, and to do it in a way which will reduce the cost and make it a cleaner fuel.

Time indicates that Butte will run out of ore reserves in a decade. As a matter of fact, on the basis of the latest information given to me by the Anaconda Co., they have reserves there for at least 50 years, possibly longer, and the reserves are of a higher grade than those which have been worked up until recently.

It is true that there is a good deal of unemployment in Butte at the present time because of the low price of copper. But it is not true to refer to Butte as shabby nor as dying because, while many epithets of that sort have been applied to Butte in the years and decades gone by, none of them has borne fruit.

I recall, for example, when some FBI agent was testifying before a committee of Congress some 10 years or so ago he mentioned the fact that because he did not carry out the orders of J. Edgar Hoover, as he was supposed to, he was being exiled to Siberia, and Siberia meant he was being exiled to Butte.

Well, Butte is not Siberia. It is the headquarters of the Montana-Idaho District of the FBI. Approximately 35 agents are stationed there, and the record of that group of agents will compare with the record of any other group in any other part of the country.

Furthermore, Butte is surrounded by a beautiful scenic area, good hunting, good fishing, good hiking, and if I were a member of the FBI I would say, frankly, I would not know of a better place to which to be assigned, to raise a family, to be away from the social difficulties which confront the urbanized, congested East and West, and a place where one can really live as Americans used to live in decades gone by.

So I want to ask unanimous consent, Mr. President, that an editorial on the front page of the Montana Standard—this is most unusual—entitled "Nuts to Time" by D. R. Campbell, Jr., publisher of the Montana Standard, be incorporated at this point in the RECORD. I hope that those detractors of Butte from now on, who do not know what they are talking about, will take the opportunity to go to Butte, see what it is really like, become acquainted with the finest people I have ever known, and to read this editorial by Scotty Campbell, which I request be printed in the RECORD at this time.

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

[From the Montana Standard, Sept. 28, 1975]

NUTS TO TIME

(By D. R. Campbell, Jr.)

Time magazine's blast at Butte in its Sept. 22 issue is irresponsible journalism and certainly not worthy of a publication of that stature. Some of Time's statements are true, but more are completely false and misrepresented. The worst aspect of the story is the "slant" or feeling left with the reader that Butte's days are numbered. God rest her soul. Or as Time says of Butte: "Today it is shabby because it is dying."

Nuts!

A lot of publicity seeking people and uninformed publications have been saying that about Butte for the past 40 years. It hasn't happened, and won't happen for some time to come! Certainly not in this century.

So, what about the Time inaccuracies?

The article says Butte's population "which stood at 80,000 during the boom early in the century, has plummeted to 24,000 as many citizens fled in search of employment.

The fact is that while the 80,000 figure was a total count, the 24,000 figure is a city limits corporate population figure that ignores 18,000 Butte people that live in the country, contiguous with the city population and within 5 miles of the city center. Butte's population is actually 42,000 plus, and use of the gerrymandered corporate figure is completely deceptive.

Time inaccurately said further, "With the remaining ore reserves due to run out in a decade, (emphasis ours) the next step would be to dig into the rest of the mineral-rich hill on which the city stands."

Fact is that as recently as Aug. 28, the Anaconda Co. confirmed reports that in addition to other long-known reserves, a higher quality ore zone has been discovered beneath the Berkeley Pit. Company geologists figure 2 or 3 times as much copper remains under the Hill, as has been mined already. A long-time supply of reserves is here, deposited deep in the earth—like money in the bank. However, getting some of this "deep" ore to the surface is an economic problem, but one which is certain to be solved. Estimates of reserves in terms of years of mining range from a conservative 40-50 years to as high as the older ton-for-ton program estimates of 100 years.

It is true that if, and it's a big "if", but not impossible—if Butte can be moved off the Hill at some future date and fair compensation paid to the people and firms displaced and relocated, then the area covered by the "uptown" city could be profitably mined.

Time magazine also said in a blatant blooper, "with the exception of one small bank building, no major construction has taken place in Butte since 1962."

Fact is there has been a tremendous amount of construction in all areas of Butte since 1962. Millions and millions of dollars have been spent in both new building and remodeling in that time span. We need only to cite some of the projects of the past few years to completely rout that statement: Besides the beautiful First Metals Bank building to which Time must have been referring (and that institution has had considerable remodeling and construction since then, including a new drive-in installation completed just this year). Butte has had new and impressive quarters constructed for the Miners Bank of Montana; and for the First National Bank, including a separate and tastefully constructed drive-in building. Also adding to Butte's impressive financial complex is the entirely new and modern Montana Bank of Butte on Harrison Avenue. The relatively new Prudential Federal Savings and Loan structure would be a compliment to any city.

That's just the beginning! How about the substantial new construction and remodeling of the Montana Power Co. state headquarters at 40 E. Broadway; the current $500,000 remodeling of the old Murray Clinic to house Montana Power engineering departments and its sprawling new 46,000-square-foot structure on South Montana Street? The latter will be an M.P.C. central system warehouse.

How about the recent $1.5 million Mountain Bell spent on remodeling its main office and the very recent $3.5 million this telephone utility spent on installation and building in South Butte?

The Butte Plaza shopping center built in 1970 houses 26 retail stores and service firms and represents a sizable investment, including the "anchor" stores—Woolworth's department store, Skaggs and Buttrey Foods. Others in this complex are Austin's Fashions, Buttrey's Suburban, Curls and Swirls Beauty Salon, GAC Finance Co., Gallenkamp Shoes, Gamer Shoes, Goodie Shop, Harrison Avenue Realty and Insurance, House of Fabrics, How Clever Shop, Jay Vee's, Maggi-Ann's Junior Fashions, Mr. Mac, Plaza Barber Shop, Plaza OK Hardware, Plaza Pub, Plaza Family Restaurant, Plaza Twin Theaters and Lenz Cards and Gifts.

What about the medical complexes and clinics that have recently been built up around St. James Community Hospital and in other areas of Butte? They are simply tremendous.

What about commercial real estate complexes such as the new and attractive Executive Village on Front Street that houses a good representation of Butte firms?

What about Bob Ward's, Radio Engineering, Admiral Tape Deck and Showcase, Thurman Supply, Radio Shack, the new Eggers Food store complex; the new Circle K stores; the new restaurants—Country Kitchen, Lydia's, A&W Family restaurant; El Taco, Arctic Circle and John's Pork Chop Sandwich. There are others, too.

For that matter, what about the Ramada Inn and War Bonnet Inn, and the extensive remodeling done at dining-out places like the 4 B's, Terri's and Fred and Millie's Cafe and Lounge?

What about the beautiful new quarters of radio and FM station KBOW, and the recent remodeling done and still remaining to be done by KXLF radio and TV?

What about the new building that Currie Tire-Service put up on East Park Street, and the remodeling done by Cobre Tire?

What about Jim Kraut Chevrolet building and grounds, an all-new dealership complex out on Harrison Avenue; 93 Leasing Co. on Montana Street, the Highland Motor new building on Front Street; Mitchell Ford and Subaru of Butte, both on Harrison Avenue?

How about Montana Tech's newest structure, a $1.5 million classroom-laboratory complex which will be ready for use during this fall semester? That beautiful new Student-Union building was built just a few years ago.

How about the beautiful and tasteful new Richards Funeral Home, the plush new Butte Country Club, and the new Butte Aero Sales building?

Recently completed or still under construction is a $1.9 million nursing home, a new $650,000 community facilities building, a new $2.2 million apartment complex, a new hospital annex, a new public safety building, and Safeway Stores' $1.2 million expansion of its food warehouse. Then there's the Country Club Estates, Sunset Apts. and Hillcrest Apts.

Perhaps 500 new residential units have been provided in Columbus Plaza, Highland View Manor and the Legion Oasis.

There's no way to estimate the number of new homes built in Butte since 1962. But, for openers, we can site the 113 fine homes in the Hillcrest Addition, about 90 similar homes in Highland Park, and dozens more in the Skyway development near the Country Club and along Continental Drive to the Nine Mile.

The Time writer apparently never heard of Evel Knievel, who thinks Butte is a good place to live. He reportedly has invested about $600,000 in his mansion and grounds.

And, just so everyone doesn't think Butte's going to the devil too fast, there have been several beautiful churches constructed in recent years.

If you get into remodeling, the list is endless, but a few outstanding projects include the new J.C. Penney store on Harrison Avenue, Wein's Men's store, and Thomas' Family Apparel on West Park, Diana Hughes, JaVee's of Butte, the Elegant Jon on East Broadway, Hadnagy Photography on West Park, Finlen Hotel, Sportemen of Butte, Daniel Insurance Agency, Inc., and Eddie Thomas Insurance on West Broadway, Ossello's, Marty's Pharmacy, Rudolph's Standard Furniture, D.A. Davidson & Co., Jerry's Mobile Homes, Gilman Excavating, Dugdale Construction Co., General Constructors, Rite-Way Asphalt and Construction, and Moyle-Aanes and Associates.

I have taken the trouble to mention this incomplete, and I emphasize "incomplete" listing mainly to impress on Butte's citizens that Butte has not been stagnant and that we've got a base of modern up-to-date business and service facilities—and that we are in no way "shabby" in the sense Time reported, or a "dying" city. I'm absolutely certain, too, that I've overlooked many construction or remodeling jobs completed in recent years by Butte firms, so wherever I've been guilty of this oversight, it would be appreciated if you'd notify The Montana Standard, and we'll be happy to publish the fact of your construction or remodeling.

One other point. Time magazine's statement that "arson has become common as people who are unable to sell their devalued buildings burn them down for the insurance." There's no argument that the number of fires in Butte certainly suggests arson, but it is a ridiculous, irresponsible position to flatly state that these fires are being set by businessmen to collect insurance, and to make that statement borders on journalistic insanity.

So much for Time magazine. I would hope that it will be big enough to apologize for the damages done to Butte, Mont.

Our city is going to be around for a long time after all of us are gone.

In addition to the future impact of the Anaconda Co., Butte will be the site of a multimillion dollar experimental facility for magnetohydrodynamics (MHD), employing 200 to 300 scientists and professional people. By 1979, Butte will have become an all-important east-west, north-south Interstate hub. The new difference is "Interstate" and this fact will have great impact on our trade sector, as well as increase our tourism economy. We also have great expectations for the Port of Butte and the industrial park. The long-term outlook for Butte is good, and particularly from 1980 on into the future!

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. LEAHY) laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

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

MESSAGE FROM THE HOUSE

At 10:09 a.m., a message from the House of Representatives delivered by Mr. Hackney, one of its reading clerks, announced that the House has passed the bill (S. 2375) to extend the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, for 3 months, with amendments in which it requests the concurrence of the Senate.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. JACKSON, from the Committee on Interior and Insular Affairs, with amendments:

S. 506. A bill to amend the Water Resources Planning Acts to extend the authority for financial assistance to the States for water resources planning (Rept. No. 94-408).

MARITIME APPROPRIATION AUTHORIZATION ACT OF 1975—SUBMISSION OF CONFERENCE REPORT (REPT. NO. 94-407)

Mr. LONG submitted a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1542) to authorize appropriations for fiscal year 1976 for certain maritime programs of the Department of Commerce, and for other purposes, which was ordered to be printed.

EXECUTIVE REPORTS OF COMMITTEES

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

By Mr. EASTLAND, from the Committee on the Judiciary:

Earl J. Silbert, of the District of Columbia, to be U.S. attorney for the District of Columbia.

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

Mr. THURMOND. Mr. President, as in executive session, from the Committee on Armed Services, I report favorably the nomination of Maj. Gen. George Sammet, Jr., USA, to be appointed to the grade of lieutenant general. I ask that this name be placed on the Executive Calendar.

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

Mr. THURMOND. In addition, there are 3,015 in the Navy and Reserve of the Navy to the grade of captain and below; and, in the Marine Corps and Marine Corps Reserve, there are 2,434 for appointment to the grade of colonel and below. Since these names have already appeared in the CONGRESSIONAL RECORD and to save the expense of printing again, I ask unanimous consent that they be ordered to lie on the Secretary's desk for the information of any Senator.

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

(The nominations ordered to lie on the Secretary's desk were printed in the RECORD of September 3 and 16, 1975, at the end of the Senate proceedings.)

CHANGE OF REFERENCE—S. 545

Mr. PROXMIRE. Mr. President, the Committee on Banking, Housing and Urban Affairs has agreed to request that the committee be discharged from consideration of S. 545, which amends the Small Business Act to provide for compensation for small business and other losses arising out of the disturbances at Wounded Knee, S. Dak.

Mr. President, I ask unanimous consent that the Committee on Banking, Housing and Urban Affairs be discharged from consideration of this legislation and that S. 545 be referred to the Committee on the Judiciary.

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

REFERRAL OF H.R. 9005 TO THE COMMITTEE ON AGRICULTURE AND FORESTRY

Mr. HUMPHREY. I ask unanimous consent that H.R. 9005, which has been reported favorably by the Committee on Foreign Relations, be referred to the Committee on Agriculture and Forestry for that committee's consideration of title II of H.R. 9005 with instructions that it be reported back to the Senate not later than October 11, 1975.

Mr. President, H.R. 9005 is an act to authorize assistance for disaster relief and rehabilitation, to provide for overseas distribution and production of agricultural commodities, to amend the Foreign Assistance Act of 1961, and for other purposes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. CHURCH (for himself, Mr. RIBICOFF, Mr. KENNEDY, and Mr. WILLIAMS):

S. 2446. A bill to amend the Social Security Act to freeze medicare deductibles. Referred to the Committee on Finance.

By Mr. EASTLAND (for himself and Mr. HRUSKA):

S. 2447. A bill to amend title 5 of the United States Code to make it clear that Members of Congress may not, for purposes of State income tax laws, be treated as residents of any State other than the State from which they were elected. Referred to the Committee on the Judiciary.

By Mr. HARTKE:

S. 2448. A bill for the relief of Cesar, Amor M., and Cesar, Jr., Sison. Referred to the Committee on the Judiciary.

By Mr. ALLEN:

S. 2449. A bill to designate the library of the University of Alabama in Birmingham as a depository of Government publications. Referred to the Committee on Rules and Administration.

By Mr. TAFT:

S. 2450. A bill to amend the National Security Act of 1947, as amended, to include the Attorney General as a member of the National Security Council. Referred to the Committee on Armed Services.

By Mr. DOLE (for himself and Mr. MCGOVERN):

S. 2451. A bill to reform the food stamp program. Referred to the Committee on Agriculture and Forestry.

By Mr. HASKELL (for himself and Mr. GARY HART):

S. 2452. A bill to authorize the Secretary of Transportation to approve construction of a section on Interstate Route 70 as a parkway. Referred to the Committee on Public Works.

By Mr. HARTKE (for himself and Mr. PEARSON) (by request):

S. 2453. A bill to authorize the Interstate Commerce Commission to take preventive action when a rail car service emergency is imminent, and for other purposes;

S. 2454. A bill to increase the exemption from Commission approval for certain motor carrier tranfers, and for other purposes;

S. 2455. A bill to amend the Interstate Commerce Act, to grant additional authority to the Interstate Commerce Commission regarding conglomerate holding companies involving carriers subject to the jurisdiction of the Commission and noncarriers, and for other purposes;

S. 2456. A bill to amend the Interstate Commerce Act to allow exemption from regulation when such regulation serves no public purpose, and for other purposes;

S. 2457. A bill to authorize the Interstate Commerce Commission to make its orders effective in less than thirty days for good cause shown, and for other purposes; and

S. 2458. A bill to amend section 20(5) of the Interstate Commerce Act and for other purposes. Referred to the Committee on Commerce.

By Mr. KENNEDY (for himself, Mr. HARTKE, Mr. PASTORE, Mr. MCINTYRE, Mr. DURKIN, Mr. PELL, Mr. STAFFORD, Mr. BROOKE, Mr. HATHAWAY, Mr. CLARK, Mr. RIBICOFF, and Mr. LEAHY):

S. 2459. A bill to provide a program for the rehabilitation of the Nation's railroads. Referred to the Committee on Commerce.

By Mr. BUMPERS:

S. 2460. A bill for the relief of Dimitri A. Cotseones. Referred to the Committee on the Judiciary.

By Mr. BROOKE:

S. 2461. A bill to amend the Tax Reduction Act of 1975 to make it clear that refunds based on credits for earned income under section 43 of the Internal Revenue Code of 1954 are to be disregarded in the administration of Federal and federally assisted programs. Referred to the Committee on Finance.

By Mr. BUCKLEY:

S. 2462. A bill to amend title II of the Federal Water Pollution Control Act to provide for State certification. Referred to the Committee on Public Works.

By Mr. CLARK (for himself, Mr. HUGH SCOTT, Mr. HARTKE, and Mr. McGOVERN):

S. 2463. A bill to insure fair treatment for women and, to carry out the recommendations of the Presidential Task Force on Women's Rights and Responsibilities, and for other purposes. Referred to the Committee on the Judiciary.

By Mr. PACKWOOD:

S. 2464. A bill to revise the Real Estate Settlement Procedures Act of 1974. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. McCLURE:

S. 2465. A bill to accelerate the formation of investment capital required to expand both job opportunities and productivity in the private sector of the economy. Referred to the Committee on Finance.

By Mr. FANNIN (by request):

S. 2466. A bill to amend title XX of the Social Secuirty Act to require that State social services plans comply with the Federal interagency day care requirements, subject to the existing penalties (termination of Federal payments or 3-percent reduction therein) in cases of noncompliance. Referred to the Committee on Finance.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CHURCH (for himself, Mr. RIBICOFF, Mr. KENNEDY, and Mr. WILLIAMS):

S. 2446. A bill to amend the Social Security Act to freeze medicare deductibles. Referred to the Committee on Finance.

FREEZING MEDICARE HOSPITALIZATION DEDUCTIBLE AND COPAYMENT CHARGES

Mr. CHURCH. Mr. President, on behalf of myself and the Senator from Connecticut (Mr. RIBICOFF), the Senator from Massachusetts (Mr. KENNEDY), and the Senator from New Jersey (Mr. WILLIAMS) I introduce for appropriate reference a bill to freeze the medicare hospitalization deductible and copayment charges.

The administration announced 2 days ago that the medicare hospitalization deductible will increase from $92 to $104 on January 1, 1976.

Under existing law this increase is mandatory because the deductible is adjusted annually according to changes in the average per diem hospital costs covered by medicare.

As things now stand, the part A deductible is scheduled to increase by 13 percent at a time when millions of older Americans are scrimping on limited, fixed incomes.

This sharp increase—coupled with the runaway inflation during the past year—can have the effect of financially crippling many older Americans.

If the increase in the part A deductible goes unchecked, I fear that large numbers of aged persons will simply delay seeking necessary hospitalization—or perhaps wait until treatment is no longer effective.

The $104 deductible would also have a ripple effect—resulting in increased coinsurance charges for nursing home care and lengthy stays in the hospital.

The coinsurance change for qualifying skilled nursing care, for example, would rise from $11.50 to $13 per day for patients who are in long-term care facilities from 21 to 100 days.

Aged patients who are hospitalized from 61 to 90 days would also have their daily coinsurance charge raised from $23 to $26. And medicare beneficiaries who must draw upon their 60-day lifetime reserve would have their coinsurance charge boosted from $46 to $52 per day.

The effect of our proposal is to freeze the hospital deductible and coinsurance charges at their 1975 levels.

Nearly 5.8 million aged and disabled medicare beneficiaries are expected to be hospitalized in 1976.

Our bill can provide long overdue relief for these individuals.

Older Americans now account for about 27 percent of all medical expenditures, although they represent only 10 percent of our population.

Per capita health care costs for the aged amounted to $1,218 in fiscal year 1974, almost seven times the level for individuals under 19 and nearly three times as great for Americans in the 19 to 64 age category.

The harsh reality is that the elderly now pay more in out-of-pocket payments for medical care than the year before medicare became law. In fiscal year 1974 their per capita direct payments totaled $415, or $178 more than in fiscal 1966.

These out-of-pocket payments, moreover, do not include the part B premium, which now amounts to $80.40 per year for an individual.

It is time to put a lid on the rising hospitalization deductible, which hits those hardest who can least afford this cost.

Quite clearly, true security in retirement can never be a reality until our Nation overcomes the mounting health care costs which still pose a serious threat to the economic well-being of the elderly.

For these reasons, I urge prompt and favorable action to freeze the part A deductible at $92 for 1972.

Mr. President, 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. 2446

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a)(1) Section 1813(b)(1) of the Social Security Act is amended—

(A) by striking out "$40" and inserting in lieu thereof "$92"; and

(B) by striking out "1969" and inserting in lieu thereof "1977".

(2) Section (b)(2) of such Act is amended—

(A) by striking out "1968" and inserting in lieu thereof "1976";

(B) by striking out "$40" and inserting in lieu thereof "$92"; and

(C) by striking out "1966" and inserting in lieu thereof "1974".

(b) The amendments made by subsection (a) shall be effective with respect to services provided after December 31, 1975.

Mr. WILLIAMS. Mr. President, I wish to join my colleagues from Idaho (Mr. CHURCH), Massachusetts (Mr. KENNEDY) and Connecticut (Mr. RIBICOFF) in proposing a bill to freeze the medicare hospitalization deductible and copayment charges. In the past, I have sponsored legislation to freeze rising medical costs. Therefore, I give my strongest support for this legislation to resist administration attempts to make medicare and copayment charges even more expensive to elderly participants than they now are.

As a member of the Senate Committee on Aging, I have held many field hearings in New Jersey on the needs of our senior citizens. Within recent weeks, I have heard very moving testimony relating to the increasing costs of medical care. Time and time again, the elderly expressed their inability to meet the costs of rising medical bills.

Yesterday the administration stated that the medicare part A hospitalization deductible will increase by 13 percent on January 1, 1976. Under the administration's plan, the out-of-pocket expenses for medicare patients for hospital care would soar. Although this increase is mandatory under existing law, I feel it would be unacceptable to allow such increases in health care while the elderly struggle to adjust to steadily rising prices in budget areas of special importance to older Americans—food, shelter, and energy.

Despite its valuable protection, medicare still covers only 40 percent of the elderly's medical costs. It would, indeed, be a bitter "bullet to bite" to shrink medicare coverage even further. Increasing the deductible from $92 to $104 would result in increased coinsurance charges for nursing home care and lengthy hospitalization. To older persons trying to live at today's prices, such increases would result in a reluctance to seek proper medical care.

Increases in coinsurance charges will create additional hardships on the elderly's budget. Aged persons would see their coinsurance charge raised from $23 to $26 for hospitalized care for periods of 61 to 90 days. For extended nursing home care after release from the hospital, the beneficiary will be charged $13 compared with the present $11.50 for the 21st through the 100th day. Medicare also provides a lifetime reserve of 60 extra days that a beneficiary can use when he needs more than 90 days to recover from an illness. These beneficiaries drawing upon their 60-day lifetime reserve would have their copayment charge raised from $46 to $52 per day. These increases, accompanied by present inadequate compensation for losses in real income, will severely limit availability of health care services to the aged.

This legislation will offer an immedi-

ate solution to proposed increases in the medicare part A deductible. It simply freezes the deductible at the 1972 rate of $92 and heads off the increases in coinsurance payments which would follow.

Mr. President, senior citizens are least able to do anything to help themselves due to their limited incomes. We cannot ask them to absorb additional increases in health care. Therefore, I urge quick adoption of this measure to forestall further hardships on the elderly.

Mr. TAFT:

S. 2450. A bill to amend the National Security Act of 1947, as amended, to include the Attorney General as a member of the National Security Council. Referred to the Committee on Armed Services.

Mr. TAFT. Mr. President, I am today introducing legislation that would place the Attorney General on the National Security Council.

In reading the Rockefeller report, one aspect that stood out in my mind was the lack of coordination between those agencies that have jurisdiction over domestic intelligence gathering and those that have jurisdiction over foreign intelligence information. It seems to me that one very simple, yet logical step, would be to place the Attorney General on the National Security Council.

I believe that by placing the Attorney General on the National Security Council two goals could be achieved. The Attorney General could serve as legal adviser to the National Security Council and its decisions on whether or not to undertake a covert operation. By having the Attorney General or his representative at National Security Council meetings, there would be the opportunity to bring the FBI into discussions of any potential need to have domestic surveillance for those rare opportunities when it might be necessary in the national interest. By having the Attorney General on the NSC there could also be coordination between the FBI and the CIA, when it is necessary to coordinate the intelligence gathering information.

As the FBI falls under the jurisdiction of the Attorney General this seems like a logical step to take to avoid some of the misdirections that have been reported in the past. It would provide coordination at the highest decisionmaking levels.

I have written to the members of the Select Committee on Intelligence and have requested that they make this one of their recommendations and I will urge the Armed Services Committee to consider this matter.

By Mr. DOLE (for himself and Mr. McGOVERN):

S. 2451. A bill to reform the food stamp program. Referred to the Committee on Agriculture and Forestry.

THE FOOD STAMP REFORM ACT OF 1975

Mr. DOLE. Mr. President, on behalf of myself and the Senator from South Dakota (Mr. McGOVERN), I am today introducing "the Food Stamp Reform Act of 1975," a bill which fundamentally restructures the Nation's food stamp program to make it more responsive to both food stamp recipients and taxpayers.

As I am sure every Member of this body knows, an inordinate share of the debate over public assistance programs has been focused on food stamps in recent months. Such a focus is not surprising in light of the fact that it has grown most visibly during the recession, from about 14 million participants in the summer of 1974 to a peak of nearly 20 million earlier this year. Expenditures are now running at an annual rate of around $6 billion, amounting to well over half of the total budget of the Department of Agriculture.

That the program should grow at a rapid pace during a period of substantial economic decline is not, in and of itself, objectionable. For it is programs like food stamps, unemployment compensation, and other public assistance efforts which help cushion the effects of the recession on those unfortunate enough to be temporarily without the means to suppose themselves and their families.

What is objectionable is exploitation of the program by the nonneedy, unconscionable delays in getting assistance to the truly needy, and generally sloppy—and consequently wasteful—administration of the program by both Federal and State government. The bill I am introducing today is designed to correct each of these infirmities in the food stamp program by reducing wasteful expenditures and concentrating benefits on those most in need of assistance.

Passage of the simplified administrative procedures and tightened eligibility criteria of this bill, along with other reforms, could save the taxpayers hundreds of millions of dollars in a program which administrators admit has misspent 1 out of every 5 tax dollars. I am hopeful that these reforms of the program, with an improving economy, will result in savings of a billion dollars over the next year or two.

THE STANDARD DEDUCTION

The single most important section of this reform bill provides for elimination of the present cumbersome system of itemized deductions from income and institution of a single "standard" deduction formula which will be used by all food stamp applicants. Under current program regulation, an applicant household is permitted to deduct from gross income a variety of expenses including income and earnings taxes, social security payroll taxes, mandatory union dues, court-ordered alimony and child support, some shelter expenses, and a variety of additional expenditures.

The original purpose of allowing these deductions before computing eligibility for food stamps was to disregard the portion of a food stamp applicant's income which is spent on deductible items in order to determine the applicant's total resources available to purchase food. In practice, the complex itemized deduction system has permitted some households with income well beyond the scope of what is generally thought of as "needy" to qualify for food stamps. Itemized deductions are as the Department of Agriculture pointed out in its recent report to the Senate, the "loophole through which households who would not be considered poor can gain entry into eligibility." In addition, itemized deductions are a burden to many poverty level food stamp applicants since they necessitate an application form considerably more complex than the standard "1040" income tax return.

From a purely fiscal standpoint, the itemized deduction system accounts for literally millions of wasted taxpayer dollars. In the recently released quality control report which revealed that nearly $800 million had been improperly paid out in food stamp benefits, the USDA said that calculations of income accounted for over 43 percent of all errors with itemized deductions accounting for nearly 29 percent of errors.

Clearly, the savings attributable to a reduction in the error rate due to simplification of the income computation formula could save as much as $300 million in wasted food stamp program expenditures. Thus, the bill I am introducing today provides for a standard deduction of $125 from after-tax income of an applicant household and a $150 standard deduction if the household contains at least one elderly recipient. This standard deduction, which will be modified on a regional basis to reflect variations in the cost of living, will generally provide larger benefits to the poorest recipients while curtailing outlays to less needy households. It will reduce benefits—and participation—to higher income households who presently claim deductions larger than the standard while increasing benefits to poorer households whose itemized deductions are not as high as the standard. Under the bill, the only additional deduction from after-tax income would be for unusual disaster or casualty losses.

In addition to administrative savings and elimination of higher income individuals from the program, this simple standard deduction plan will also greatly reduce the redtape in the program by shortening substantially the application process which has caused unconscionable delays in getting food stamps to needy persons.

Finally, the standard deduction will effectively set absolute maximum income levels based on household size to assure that nonneedy middle-income households do not qualify for food stamps. For example, the maximum cash income for a family of four would be set at $7,776. Any household with income beyond that level will be absolutely ineligible to participate in the food stamp program. And, of course, the benefits at incomes near the maximum level are quite small.

Preliminary estimates by the Department of Agriculture are that as many as 1.5 million persons who are presently receiving food stamp benefits could be cut off the program if this provision was enacted. Many who presently get food stamps—especially the extremely poor—would have their benefits increased. And still others who do not now participate could be expected to apply. All in all, this provision redirects the emphasis of the food stamp program to those most in

need and will lead to more efficient use of the taxpayer's dollar.

THE PURCHASE REQUIREMENT

Another major provision of the bill would eliminate the "purchase requirement" sections of the present law. Under current procedures, eligible persons—except for the very poor—must purchase the stamps in accordance with their income and family size. For example, a family of four with net income of $250 pays $71 for a monthly allotment of $162 worth of stamps. Families with less income pay less for the same $162 food stamp allotment and households with net income in excess of $250 pay more.

Under the bill I am introducing today the purchase requirement is eliminated. Instead, the qualifying recipient would be given an amount of stamps equal to the difference between the allotment level and what he would otherwise have had to pay for the stamps under existing law—the "bonus." This streamlined system is expected to provide an administrative cost savings of at least $50 to $100 million at current participation levels.

Elimination of the purchase requirement, while still giving participating households basically the same Government subsidy which they presently receive, will cut in half the number of food stamps in circulation. Thus, the thriving black market for food stamps will be substantially reduced.

OTHER PROVISIONS

In addition to those provisions already outlined, the bill contains several other sections designed to improve the operation of the program. One provision eliminates so-called categorical eligibility of public assistance households. Under the bill, all public assistance recipients, including those receiving aid to families with dependent children—AFDC—and supplemental security income—SSI—will be treated like all other food stamp applicants. To qualify for participation in the food stamp program, they will have to meet the same income and resource guidelines. This provision will eliminate the discrepancy between welfare and nonwelfare applicants which exists in about 30 States and which permits some welfare applicants to receive food stamps at income levels which would disqualify them if they were not receiving other—nonfood stamp—public assistance. This inequitable situation was criticized by the General Accounting Office in its recent report on the food stamp program.

The bill also contains provisions which prohibit participation in the program by students who are tax dependents of ineligible families, a section which is designed to encourage more prosecutions of those who attempt to defraud the program, a section enabling elderly persons to use their food stamps to purchase meals on wheels, and several other modifications of the program.

OTHER BILLS

I am hopeful that the Senate Committee on Agriculture and Forestry will move quickly to report out a meaningful food stamp reform bill. The legislation I am offering today provides the framework for an improved food stamp program. In addition, other proposals which address the many administrative problems which plague the food stamp program should be given close scrutiny.

In particular, I am impressed by several provisions contained in S. 1993, the bill introduced by the Senator from New York (Mr. BUCKLEY). The sections on fraudulent transfers, work registration requirements, accountability for stamps, and identification of recipients have much merit. Similarly, I would hope that the Agriculture Committee would view with favor the provisions in S. 1993 which tighten up substantially on quality control in the administration of the program.

MERELY A STOPGAP

Of course, each of these suggested reforms in the food stamp program serves merely as a stopgap on the road to comprehensive reform of the Nation's social welfare system. For food stamps are only one part of the irrational web of Federal social programs which few, if any, Congressmen or Senators understand, which fewer of the needy can comprehend, and a decreasing number of taxpayers can defend. Clearly, the time has come for a fundamental reexamination of many, basic restructuring of others, and overall improvement in the coordination among all programs. But unfortunately, rationalization of this crazyquilt income security system is not likely in the immediate future. Nevertheless, we have an obligation to both the taxpayers and the needy to make existing programs fiscally responsible and responsive to human needs.

The bill I am introducing today is designed to achieve this limited objective. For in contrast to the morass of Federal social welfare schemes, these changes in the food stamp program amount to only so much elementary tinkering. But that does not mean they should be taken lightly. They would vastly improve the food stamp program and can serve to restore a bit of the public's faith in the integrity of Government's efforts to help the needy. In the irrational and fiscally inefficient world of Federal social welfare programs, that would be no small achievement.

Mr. President, I ask unanimous consent that the "Food Stamp Reform Act of 1975," together with a section-by-section analysis be printed in the RECORD.

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

S. 2451

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 "Food Stamp Reform Act of 1975."

ELIMINATION OF CATEGORICAL ELIGIBILITY

SEC. 2. The Food Stamp Act of 1964, as amended, is amended by:

(a) deleting in Section 3(e) the following: "No individual who receives supplemental security income benefits under title XVI of the Social Security Act shall be considered to be a member of a household or an elderly person for any purpose of this Act for any month if such person receives for such month, as part of his supplemental security income benefits or payments described in section 1616(a) of the Social Security Act (if any), an amount equal to the bonus value of food stamps (according to the Food Stamp Schedule effective for July 1973) in addition to the amount of assistance such individual would be entitled to receive for such month under the provisions of the plan of the State approved under title I, X, XIV, or XVI, as appropriate, in effect for December 1973, assuming such plan were in effect for such month and such individual were aged, blind, or disabled, as the case may be, under the provisions of such State plan or under Public Law 92-603, as amended. The Secretary of Health, Education, and Welfare shall issue regulations for the implementation of the foregoing sentence after consultation with the Secretary of Agriculture."

(b) Inserting in section 5(b) after "for participation by", the following: "public assistance and nonpublic assistance".

(c) Deleting the period in the first sentence of section 5(b) and inserting in lieu thereof the following: ": *Provided,* That Supplemental Security Income recipients in (1) a State which provides State supplementary payments of the type described in section 1616(a) of the Social Security Act, and (2) the level of which has been found by the Secretary pursuant to section 8 of Public Law 93-233 to have been specifically increased so as to include *bonus* value of food stamps, shall continue to be ineligible to participate in the food stamp program pursuant to this Act."

RELATEDNESS

SEC. 3. Section 3(e) of the Food Stamp Act of 1964, as amended, is amended by deleting the following: "related individuals (including legally adopted children and legally assigned foster children) or nonrelated individuals over age 60" and insert in lieu thereof the word: "individuals".

COOKING FACILITIES

SEC. 4. Section 3(e) of the Food Stamp Act of 1964, as amended, is amended by adding after the second sentence the following: "*Provided,* That households in which a member is eligible to participate in the nutrition program for the elderly under title VII of the Older Americans Act, or is authorized by section 10(h) of this Act to use coupons for meals on wheels, shall not be required to have cooking facilities.

STUDENTS

SEC. 5(a). Section 5(b) of the Food Stamp Act, as amended, is amended by deleting: "Any household which includes a member who has reached his eighteenth birthday and who is claimed as a dependent child for Federal income tax purposes by a taxpayer who is not a member of an eligible household, shall be ineligible to participate in any food stamp program established pursuant to this Act during the tax period such dependency is claimed and for a period of one year after expiration of such tax period.".

SEC. 5(b). Section 5 of the Food Stamp Act, as amended, is amended by redesignating 5 (d) as 5(e) and inserting a new section 5(d) as follows:

"(d) (1) Notwithstanding any other provision of law, a household shall not be available for assistance under this Act to the extent that the entitlement is attributed to an individual who: (i) has reached his eighteenth birthday; (ii) is enrolled in an institution of higher education; and (iii) is properly claimed as a dependent child for Federal income tax purposes by a taxpayer who is not a member of an eligible household."

"(d) (2) Exclusions from income shall include but not be limited to all educational loans, including scholarships to the extent they are used for tuition and mandatory school fees at an institution of higher learning or school for the handicapped."

WORK REGISTRATION AGE LIMIT

SEC. 6. Section 5(c) of the Food Stamp Act of 1964, as amended, is amended by deleting "sixty-five" and inserting in lieu thereof "sixty".

EMPLOYER HOUSING

SEC. 7. Section 5(b) of the Food Stamp Act, as amended, is amended by deleting:

": *Provided*, That such standards shall take into account payments in kind received from an employer to members of a household, if such payments are in lieu of or supplemental to household income: Provided further, That such payments in kind shall be limited only to housing provided by such employer to such employee and shall be the actual value of such housing but in no event shall such value be considered to be in excess of the sum of $25.00 per month." and inserting in lieu thereof a period.

STANDARD DEDUCTION

SEC. 8. Section 5(b) of the Food Stamp Act, as amended, is amended by striking out the colon preceding the first provision in the second sentence and inserting in lieu thereof a period and the following:

"In computing the income of any household for purposes of determining the eligibility and coupon allotment of such household under this Act, the Secretary shall allow a standard deduction after disaster or casualty losses, taxes and other mandatory deductions of $125 plus, if the household has one or more elderly persons, $25. Such standard deduction shall be adjusted semiannually to reflect any changes in the cost of living during the preceding six months (based on the Consumer Price Index published by the Bureau of Labor Statistics). Such standard deduction shall be modified by the Secretary on a regional and metropolitan—nonmetropolitan, basis to reflect variations in the cost of housing and utilities in different areas of the United States.

ELIMINATION OF THE PURCHASE PRICE

SEC. 9. (a) The first sentence of section 4(a) of the Food Stamp Act, as amended, is amended to read as follows: "The Secretary is authorized to formulate and administer a food stamp program under which, at the request of the State agency, eligible households within the State shall be provided with a supplement to their incomes, through the use of a coupon allotment, sufficient to provide such households with an opportunity to obtain a nutritionally adequate diet."

(b) The section head of section 7 of the Food Stamp Act of 1964 is amended by striking out: "AND CHARGES TO BE MADE".

(c) Section 7(a) of such Act is amended by striking out that portion preceding "adjusted semiannually." and inserting in lieu thereof the following: "The face value of the coupon allotment which State agencies shall be authorized to issue for any period to any household certified as eligible to participate in the food stamp program shall be in such amount as the Secretary determines to be the cost of a nutritionally adequate diet, reduced by an amount equal to 30 percent of such household's income: *Provided*, That for single person households and two person households the minimum allotment shall be $10: *Provided further*, That all other households shall be ineligible if the allotment is less than $5. The coupon allotment shall be adjusted semiannually by the nearest dollar increment that is a multiple of two to reflect changes in the prices of food published by the Bureau of Labor Statistics in the Department of Labor to be implemented commencing with the allotments of January 1, 1974, incorporating the changes in the prices of food through August 31, 1973, but in no event shall such adjustments be made for households of a given size unless the increase in the face value of the coupon allotment for such households, as calculated above, is a minimum of $2.

(d) Sections 7(b) and 7(d) of the Act are repealed.

(e) Section 7(c) is redesignated as 7(b) and the following is deleted: "which is in excess of the amount charged such household for such allotment."

(f)(1) Clause (7) of the second sentence of section 10(e) of the Food Stamp Act of 1964 is amended to read as follows:

"(7) notwithstanding any other provision of law, the institution of procedures under which any household participating in the program shall be entitled to have its coupon allotment distributed to it with any grant or payment to which such household may be entitled under title IX of the Social Security Act; and".

(2) Section 10(g) of the Food Stamp Act of 1964 is amended to read as follows:

"(g) If the Secretary determines that there has been gross negligence or fraud on the part of the State agency in the certification of applicant households, the State shall, upon request of the Secretary, deposit into a separate account established in the Treasury, a sum equal to the face value of any coupon issued as a result of such negligence or fraud. Funds deposited into such account shall be available without fiscal year limitation for the redemption of coupons."

(g)(1) The third sentence of section 16(a) of the Food Stamp Act of 1964 is repealed.

(2) Subsections (b) and (c) of section 16 of such Act are repealed and subsection (d) is redesignated as subsection (b).

(h) The amendments made by this section shall become effective with respect to coupon allotments issued on and after July 1, 1976.

NUTRITION EDUCATION

SEC. 10. Section 10(a) of the Food Stamp Act, as amended, is amended by deleting the second sentence and inserting in lieu thereof the following:

"To encourage purchases of nutritious foods, the Secretary shall carry out a program of nutrition education for recipients, including distribution of brief printed materials designed to teach recipients how to buy and prepare nutritious and economical meals, and, in addition, he shall enlist the voluntary cooperation of existing Federal, State, local or private agencies which carry out informational and educational nutrition programs for consumers. On January 1, of each year following the year of enactment, the Secretary shall report to the Congress, in twenty-five pages or less, on the steps he has taken with respect to nutrition education and the extent to which such nutrition education efforts have improved the diets of recipients.

RETROACTIVE BENEFITS

SEC. 11. Section 10 is amended by adding a new subsection (j) as follows:

"(j) Wrongfully denied food coupons shall be restored through a lump-sum cash payment."

MEALS ON WHEELS

SEC. 12. Section 10(h) of the Food Stamp Act of 1964, as amended, is amended by deleting the first sentence and inserting in lieu thereof the following:

"Subject to such terms and conditions as may be prescribed by the Secretary in the regulations issued pursuant to this Act, household members of persons who are elderly, housebound, feeble, physically handicapped, or otherwise disabled, to the extent that they are unable to adequately prepare all of their meals, may use coupons issued to them to purchase meals prepared for and delivered to them by a political subdivision or by a private nonprofit organization which: (1) is operated in a manner consistent with the purposes of this Act; and (2) is recognized as a tax exempt organization by the Internal Revenue Service."

BILINGUAL ASSISTANCE

SEC. 13. Section 10 is amended by adding a new section (k) as follows:

"(k) In such areas wherein numerous potentially eligible persons speak a language other than English, multi-lingual personnel, and printed material shall be used in the administration of the program."

PROGRAM NOTIFICATION

SEC. 14. Section 10(e)(5) is amended by inserting after the word "including", the following:

"notification of all Social Security, AFDC (Aid to Families with Dependent Children), Supplemental Security Income, and unemployment compensation recipients of the existence of the food stamp program and its income and resource guidelines, and"

CRIMINAL PENALTIES

SEC. 15. Subsections (b) and (c) of section 14 of the Food Stamp Act, as amended, are amended by striking out "$5,000" and inserting in lieu thereof "$1,000."

ASSETS

SEC. 16. The Secretary of Agriculture shall conduct a survey of households participating in the food stamp program under the Food Stamp Act of 1964 for the purpose of determining the average and distribution of assets held by such participants. The Secretary shall submit a written report to the Congress within 180 days after the date of enactment of this section disclosing the results of such survey including such explanations and comments on such results as he deems appropriate.

PILOT PROJECT AUTHORITY

SEC. 17. The Food Samp Act, as amended is amended by adding a new section as follows:

"SEC. 18. In carrying out the provisions of the Act, the Secretary is authorized to carry out on a trial basis, in one or more areas of the United States, experimental projects for purposes of increasing the program's efficiency and improving the delivery of benefits to eligible households: *Provided, however*, that no project shall be implemented which shall have the effect of reducing or terminating benefits to households eligible for assistance under this Act."

FOOD STAMP REFORM BILL

SECTION BY SECTION ANALYSIS

Section 2

Section 2 of the bill deletes Section 3(a) of the Food Stamp Act, the section relating to eligibility of supplemental security income recipients for food stamps. The current temporary provision under which supplemental security income recipients may automatically participate in the food stamp program will expire on June 30, 1976. On July 1, 1976, the complicated and costly provisions of Public Law 93-86 will become effective.

Subsection (b) of Section 2 contains a new provision governing the eligibility for food stamps of S.S.I. recipients. It would become effective on July 1, 1976.

Under the new provision, all welfare recipients, including S.S.I. recipients, would be treated like all other food stamp recipients. To qualify for participation in the food stamp program, they would have to meet the national income and resource guidelines. This provision will eliminate the discrepancy between welfare and non-welfare applicants which exists in about 30 States and which permits some welfare applicants to receive food stamps at income levels which would disqualify them if they were not receiving such public assistance. This inequity was criticized by the General Accounting Office in its recent report on the program. (The only exception would be for S.S.I. recipients in those States which exercised their option pursuant to Section 8 of P.L. 93-223 to cash out food stamps to S.S.I. recipients and include an extra amount in the S.S.I. check. These states are New York, Massachusetts, Nevada, and California.)

Section 3

Section 3 of the bill amends Section 3 of the Food Stamp Act of 1964, as amended, which defines the terms used in the Act.

Subsection (e) which defines the term "household" is amended to delete the requirement that household members under age 60 be related in order to qualify for the food stamp program. This requirement was ruled unconstitutional by the Supreme Court in its decision in the case of *Moreno* v. *USDA*, 413 U.S. 528. The amendment will bring the Act into conformance with the Supreme Court decision.

This provision was introduced at the request of the administration in the 93rd Congress, but no action was taken.

Section 4

Section 4 eliminates the "cooking facilities" requirement for elderly applicants who are eligible to participate in a senior citizens congregate meals program or who are authorized by Section 10 of this Act to use coupons to purchase meals on wheels. The requirement that a household have cooking facilities in order to qualify for food stamps has disadvantaged many elderly applicants who have their main hot meal at a congregate eating center.

Section 5

Section 5 deletes that portion of Section 5(b) of the Food Stamp Act which prohibits the participation of certain tax dependents in the food stamp program. The Supreme Court, in *Murray v. U.S.D.A.*, 413 U.S. 508, ruled that the "tax dependency" provisions of the Act is unconstitutional. Thus, the "tax dependency" provision is not enforceable.

This deletion was introduced at the request of the administration in the 93rd Congress, but no action was taken.

In lieu of this provision, the bill makes permanent the temporary student provision in the appropriation bill. It would eliminate all students who are tax dependents of an ineligible household.

Section 5 also provides that student loans and scholarships, to the extent they are used to pay tuition and mandatory student fees, are not to be included in computing income for purposes of participation in the program.

Section 6

Section 6 of the bill lowers the maximum age to which the work registration provisions of the Food Stamp Act apply from sixty-five to sixty. This is in accordance with a U.S.D.A. recommendation contained in the report by the Department in response to S. Res. 58.

Section 7

Section 7 revises subsection 5(b) of the Act, deleting in kind housing benefits from the computation of income.

The inclusion of housing payments in kind not in excess of $25 is most unpopular among the States. To determine the value of in kind income, State agencies must develop expertise in estimating the value of housing or obtain guidance on the matter through other agencies or organizations. In either case, any possible savings to the program are more than offset by the complexities, if not impossibilities, of effectively administering this provision.

This provision was introduced at the request of the administration in the 93rd Congress, but no action was taken.

Section 8

Section 8 establishes for the first time in the food stamp program a standard deduction formula for the purposes of determining the eligibility and coupon allotments of applicant households. The after-tax deduction of $125, plus $25 if the household has an elderly person, will replace the current itemization of deductions employed in determining an applicant's net income.

The use of a standard deduction will have a substantial effect on the administration of the food stamp program:

It will establish a gross income limitation for the first time.

Reduce the error rate by 28.8%.

Eliminate two of the six pages in the USDA food stamp application, expediting the certification process.

Greatly reduce the lengthy calculations that are now required of food stamp caseworkers.

The $125 standard deduction represents a reasonable substitute for the current itemization of hardship allowances based on the best estimates of the deductions now being claimed.

Mandatory tax withholdings and disaster or casualty losses are deducted in addition to the standard deduction, as was suggested by the Department of Agriculture. Assistant Secretary Feltner testified before the Nutrition Committee on July 31st that:

"Even with a standard deduction it may be desirable also to allow deductions for mandatory tax withholdings and disaster losses. This would assure equity and retain work incentives between households with income from public assistance which is not taxed and those with earned income that is taxed."

In addition, this $125 standard deduction ($150 if the household contains an elderly person) is modified on a regional, and metropolitan, non-metropolitan basis to reflect variations in the cost of housing and utilities in different areas of the United States. The following table illustrates the effect of applying the Bureau of Labor Statistics housing index to the standard $125 deduction:

Region	BLS index (percent)	Standard deduction
Northeast:		
Metropolitan	106	$132.50
Nonmetropolitan	96	120.00
North Central:		
Metropolitan	97	121.25
Nonmetropolitan	100	125.00
South:		
Metropolitan	94	117.50
Nonmetropolitan	78	97.50
West:		
Metropolitan	113	141.25
Nonmetropolitan	98	122.50

The benefit levels under this standard deduction are as follows:

Monthly income	1 person	2 persons	4 persons	8 persons
0	$48.00	$90.00	$162.00	$278.00
$100	48.00	90.00	162.00	278.00
$200	25.50	67.50	139.50	255.50
$300	10.00	37.50	109.50	225.50
$400		10.00	79.50	195.50
$500			49.50	165.50
$600			19.50	135.50
$700				105.50
$800				75.50
$900				45.50
$1,000				15.50

The maximum allowable cash (after tax) income based on household size is as follows:

Family size	Maximum income	Percent of poverty line
1	$4,080	152
2	5,100	148
3	6,420	152
4	7,776	144
5	8,976	141
6	10,176	142
7	11,292	127
8	12,420	139

Section 9

Section 9 of the bill provides for elimination of the purchase price. This provision, coupled with institution of the standard deduction and implementation of a uniform benefit reduction ratio (30%) is expected to provide an administrative savings of at least $50–100 million at the current participation levels. This does not include the savings expected from a large reduction in the error rate.

Under this proposal each participating household would receive the same government subsidy which they presently receive. The food stamp benefit would be what is now referred to as the "bonus", the net difference between the allotment and the purchase price.

Elimination of the purchase price will cut in half the number of stamps the government has to print and eliminate billions of dollars in transactions which must be monitored and accounted for.

It would also benefit those persons eligible for the program but not able to raise the purchase price at any one time during the month.

Section 10

Section 10 of the bill provides for a program of nutrition education for recipients to encourage purchase and preparation of nutritious and economical meals by food stamp recipients.

Section 11

Section 11 of the bill provides that wrongfully denied food stamp coupons be restored through a lump-sum cash payment rather than by temporarily reducing food stamp purchase requirements. This is in accord with a recommendation of the Department of Agriculture.

At present, if a recipient has had their food stamp benefits incorrectly denied, delayed, or terminated, the recipient is compensated through a "retroactive benefit", this means that the recipient's purchase price is lowered in future months until the amount owed them is paid back.

This procedure is administratively cumbersome and leads to error. USDA doesn't like it, the States don't like it, and the recipients don't like it. All agree that it would be cleaner and easier to compensate recipients for lost benefits with a cash payment. This is already done in cases where a recipient is over-charged for his stamps.

Section 12

Section 12 allows all food stamp recipients who are housebound, feeble, physically handicapped, or otherwise disabled, as well as all those over 60 years of age, to use food stamps for meals-on-wheels. Without this section, recipients must be both incapacitated and elderly to be able to get meals-on-wheels with stamps.

This section does not extend eligibility for the program, it simply says that those people who already qualify for food stamps and meals-on-wheels can use the stamps to pay for the meals.

This amendment offered on the floor by Senator Hugh Scott, passed the Senate by voice vote earlier in the year.

Section 13

Section 13 mandates that the Secretary, in such areas as is appropriate, shall provide the standard printed material in languages in addition to English. Personnel with bi-lingual skills should be among the employees.

Section 14

Section 14 of the bill provides for notification of all Social Security, S.S.I., A.F.D.C., and unemployment compensation insurance recipients of the existence of the Food Stamp Program and its income and resource guidelines.

Section 15

Section 15 of the bill amends Subsections (b) and (c) of Section 14 of the Food Stamp Act by reducing the maximum penalty for misdemeanors from the current $5000 to $1000. A reduction of the penalties would permit misdemeanors to be prosecuted before magistrates under the Federal Magistrates Act. Consequently, the number of cases on the criminal dockets of the U.S. District Courts would be reduced, encouraging swifter and more frequent prosecution of food stamp abuses.

This provision was introduced last year at the request of the administration and was recommended in the U.S.D.A. Report to the Senate in response to S. Res. 58.

Section 16

Section 16 requires U.S.D.A. to conduct a study of the resources of food stamp recipients. This survey will enable Congress to enact reasonable asset limitations which will insure that households with substantial resources do not qualify for food stamps.

Section 17

Section 17 of the bill grants to the U.S.D.A. authority to carry out experimental (pilot) projects in order to determine more efficient methods of operating the program. Under present law, the Department does not have such authority.

Mr. McGOVERN. Mr. President, I am proud to join my distinguished colleague from Kansas, Senator DOLE, in introducing this far-reaching and important legislation to streamline and strengthen the food stamp program.

In the President's July 25, 1975, food stamp message to the Congress, he urged us to work with him for a better, more equitable program. He set an agenda for reform:

We must work toward two goals:

In fairness to those truly in need, we must focus food stamp assistance on them;

In fairness to the overburdened taxpayers who must pay the bills, we must tighten eligibility and participation requirements.

I believe this bill meets both goals. It improves the program for those in need and prevents possibilities of abuse.

The Food Stamp Act states that the purpose of food stamps is "to safeguard the health and well-being of the Nation's population and raise levels of nutrition among low-income families." And, during the current recession, the food stamp program has done exactly what Congress intended. As unemployment rose from 5.4 percent in August 1974, to 8.6 percent in June 1975, food stamp participation increased by 5 million recipients, from 14 million to 19 million.

Food stamps, which traditionally have served Americans trapped in poverty, more recently have provided some protection to lower middle class and middle class workers who suddenly had low incomes or no incomes. People who once thought that they would never need food stamps now regard them, and rightly so, as a basic necessity of their lives. Their taxes supported the program over the years and now they are drawing on it to sustain their families through the worst recession since World War II, a national economic crisis that is a personal economic catastrophe for each of them.

One result of their participation and the consequent change in the composition of food stamp recipients has been to raise new questions about the program.

A recent Department of Agriculture report, in response to Senate Resolution 58, described the impact of program growth:

The sudden and dramatic increases in program participation which have occurred since last November are creating an even greater strain on program operations. The sudden influx of households seeking program benefits has seriously strained a system already nearing the limits of its capacity. Stories of long lines at certification centers have made headlines in local papers. The new visibility of the program and the growing numbers becoming affected by the economic situation have combined to generate debate of the program's pros and cons in Congress, among the public, and by Federal and State administrators.

The debate over the program has been intensified as advertisers in national publications have offered, at an apparently low price, what seems in effect to be a "how to" pamphlet about food stamps, which supposedly tells middle class families how to qualify for a sumptuous diet on a Government subsidy. One such advertisement, in Parade magazine was headlined: "Taxpayers Making Up to $16,000 a Year Now Eligible."

In this atmosphere, it may be hard, but it is essential to separate fact from exploitative fears and smears. The truth, however, according to USDA data is that 77 percent of food stamp recipients have incomes after taxes below $5,000 a year; 92 percent are below $7,000; virtually all earn less than $10,000. In fact, the food stamp program continues to be what it is supposed to be: A low-income program to feed those who otherwise cannot afford to feed themselves and their families.

Treasury Secretary William Simon has characterized the food stamp program a "haven for chiselers and rip-off artists," and warned of its runaway growth. In fact, the Department of Agriculture has reported a fraud rate of eight one-hundredths of 1 percent. In fact, growth in the program since July 1974, when it was first extended to all counties, has been less than 30 percent.

Nonetheless, certain structural features of the food stamp law are clearly a source of difficulty and of some abuse. Food stamp legislation was drafted to reflect the needs of people with persistently low incomes, without any significant capital assets. There seemed little prospect that large numbers of middle-class families would be reduced suddenly to low-income status. Few if any observers worried that the Food Stamp Act might include provisions that under certain circumstances would permit middle-income families to participate.

It has never been my intention, or as far as I know the intention of others who support food stamps, to provide Government subsidies for those who are not truly needy. To the extent that the Food Stamp Act allows such individuals or families to participate, the act must be changed. The changes must guard against excess and abuse. They need not, and they must not, deprive needy recipients of food stamps.

The legislation we are introducing today will conform the program to these principles. This legislation will:

Establish a standard deduction of $125 a month—$150 for the elderly—to replace the itemization of hardship allowances;

Eliminate the purchase price for food stamps, so that recipients will receive the same subsidy without the redtape of a cash transaction, and adopt a uniform benefit reduction ratio of 30 percent;

Eliminate automatic eligibility for welfare recipients, so that they are subject to the same national eligibility guidelines as nonpublic assistance households;

Eliminate all students claimed as tax dependents by taxpayers who themselves do not qualify for food stamps.

In the words of Assistant Secretary Richard Feltner:

A standard deduction and uniform reduction formula would greatly reduce the lengthy calculations that are now required of food stamp caseworkers.

There would be only four steps to be taken: (1) Determination of the gross income; (2) subtraction of mandatory allowances such as income taxes and casualty losses; (3) subtraction of standard deduction; (4) multiply by the standard percentage.

Elimination of the purchase price would provide even greater administrative efficiency.

For example, to determine the allotment of a family of four with an after-tax income of $400 a month, or $4,800 a year: First, subtract $125, getting a net food stamp income of $275; second, multiply by 30 percent, which yields $82.50; third, subtract $82.50 from $162, the cost of a nutritionally adequate diet, and fourth, the family receives $79.50 in food stamps.

It should be emphasized at this point that the 30-percent benefit reduction ratio in this bill is not to be confused with a 30-percent purchase price. The Congress spoke decisively on this issue last spring when it disapproved the President's proposal to charge all food stamp recipients 30 percent under the present system. A 30-percent benefit reduction without another major change we are proposing—elimination of the purchase price—would be opposed as strongly as it was earlier in the year.

This legislation by eliminating the purchase price, adopting a uniform benefit reduction ratio of 30 percent, and setting a standard deduction of $125, will save at least $50 to $100 million annually, at current participation levels, with other savings from a concomitant reduction in the error rate.

I ask unanimous consent to have some tables printed in the RECORD.

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

FOOD STAMP PARTICIPATION BY INCOME

Income (after taxes)	Participation (thousands)	Percent of total
Under $1,000	937	7
$1,000 to $1,999	2,338	19
$2,000 to $2,999	2,356	19
$3,000 to $3,999	2,602	21
$4,000 to $4,999	1,472	12
$5,000 to $5,999	1,236	10
$6,000 to $6,999	737	6
$7,000 to $7,999	401	3
$8,000 to $8,999	217	2
$9,000 to $9,999	311	2

	Cumulative participation (thousands)	Cumulative percentage
Under $1,000	937	7
$1,000 to $1,999	3,275	26
$2,000 to $2,999	5,631	45
$3,000 to $3,999	8,233	65
$4,000 to $4,999	9,705	77
$5,000 to $5,999	10,941	87
$6,000 to $6,999	11,678	92
$7,000 to $7,999	12,079	95
$8,000 to $8,999	12,296	97
$9,000 to $9,999	12,607	100

Note.—Data compiled from USDA, Food and Nutrition Service, "Food Stamp Program," a report in accordance with Senate Resolution 58, table 17, p. 50.

TABLE I

PERCENT DISTRIBUTION OF FOOD STAMP PARTICIPANTS BY GROSS MONTHLY INCOME CLASS AS REPORTED ON THE JULY 1975 CURRENT POPULATION SURVEY AND SIMULATED FOR JULY 1975

Monthly income class	Reported July 1974	Simulated July 1975
0 to 0	2	2
$1 to $99	6	5
$100 to $199	31	25
$200 to $299	25	24
$300 to $399	16	17
$400 to $499	9	11
$500 to $599	5	5
$600 to $749	3	5
$750 to $999	2	5
$1,000 and up	--------	1
Total	99	100

TABLE II

DISTRIBUTION OF ELIGIBLE AND PARTICIPATING FOOD STAMP HOUSEHOLDS, PARTICIPATION RATES, AND DISTRIBUTION OF NONPARTICIPATING ELIGIBLES BY GROSS MONTHLY INCOME CLASS

Gross monthly income class	Eligible households	Participant households	Participation rate	Nonparticipating households
Less than or equal to 0	456.3	113.0	0.25	343.3
$1 to $99	708.6	281.8	.40	426.8
$100 to $199	3,452.5	1,436.4	.42	2,016.1
$200 to $299	4,402.3	1,388.1	.32	3,014.2
$300 to $399	2,960.4	993.8	.34	1,196.6
$400 to $499	1,930.9	632.2	.33	1,298.7
$500 to $599	1,456.4	310.6	.21	1,145.8
$600 to $749	1,670.3	294.4	.18	1,375.9
$750 to $999	1,525.2	264.1	.17	1,261.1
$1,000 and up	394.5	81.2	.21	313.3
Total [1]	18,944.8	5,794.4	.31	13,150.4

[1] Figures may not total due to rounding.

TABLE III.—DISTRIBUTION OF PARTICIPANTS AND ELIGIBLES AS A PERCENT OF TOTAL PARTICIPANTS AND ELIGIBLES

Gross monthly income	Unit size 1	2	3	4	5	6	7	8	Total households
Participants (households) 5,794,417:									
<or =0	0.7	0.6	0.1	0.2	0.1	0.2	0.1	0	1.9
1 to 99	1.8	1.5	.8	.4	.1	.1	.1	(1)	4.9
100 to 199	13.3	5.4	2.5	1.7	.9	9.5	.3	.2	24.8
200 to 299	8.5	7.5	3.4	2.1	.8	.8	.2	.5	23.9
300 to 399	2.4	4.9	3.7	3.1	1.5	.7	.4	.5	17.1
400 to 499	.5	2.5	2.0	1.7	1.7	1.6	.7	.4	10.9
500 to 599	.1	.6	1.1	1.2	.6	.7	.7	.4	5.4
600 to 749	.1	.3	.6	1.4	1.0	.5	.8	.5	5.1
750 to 999	0	(1)	.2	.9	.9	.9	.8	.9	4.6
1,000 and up	0	0	(1)	.1	.2	.2	.3	.7	1.4
Total	27.3	23.4	13.2	12.7	7.8	6.1	4.4	4.1	100.0
Eligibles (households) 18,944,752:									
<or =0	1.2	.6	.2	.1	.1	.1	(1)	0	2.4
1 to 99	1.8	1.1	.4	.2	.1	.1	(1)	(1)	3.7
100 to 199	12.4	3.3	1.2	.6	.3	.2	.1	.1	18.2
200 to 299	11.3	7.6	2.0	1.2	.4	.3	.1	.2	23.2
300 to 399	3.4	6.2	2.6	1.9	.9	.4	.2	.2	15.6
400 to 499	.8	2.9	2.2	1.7	1.2	.8	.3	.2	10.2
500 to 599	.3	1.1	2.0	1.7	1.1	.8	.5	.3	7.7
600 to 749	(1)	.4	1.6	2.5	2.0	1.0	.7	.5	8.8
750 to 999	--------	.1	.4	1.5	2.1	1.8	1.0	1.1	8.1
1,000 and up	--------	(1)	.1	.1	.3	.4	.5	.8	2.1
Total	31.3	23.3	12.8	11.6	8.4	5.8	3.4	3.4	100.0

[1] Less than 0.05 percent.

TABLE IV.—DISTRIBUTION OF PARTICIPANTS AND ELIGIBLES AS A PERCENT OF THE TOTAL FOR EACH HOUSEHOLD SIZE

Monthly income	Unit size 1	2	3	4	5	6	7	8 plus	Total units
Participants:									
<or=0	2.7	2.5	1.0	1.2	1.3	2.9	1.4	--------	2.0
1 to 99	6.6	6.4	5.7	3.4	1.6	1.7	1.3	0.6	4.9
100 to 199	48.6	23.3	17.3	13.3	11.4	7.4	7.4	6.1	24.8
200 to 299	31.0	32.3	23.7	16.8	10.6	13.9	5.6	12.3	24.0
300 to 399	8.7	21.0	25.6	24.5	19.6	10.9	8.4	12.8	17.2
400 to 499	1.8	10.7	13.7	13.1	21.8	25.6	15.8	8.6	10.9
500 to 599	.3	2.4	7.6	9.3	7.7	11.6	16.8	9.9	5.4
600 to 749	.2	1.2	3.9	10.8	12.6	8.5	18.2	12.7	5.1
750 to 999	--------	.1	1.3	6.7	11.4	14.6	19.2	21.0	4.6
1,000 up	--------	--------	.2	.9	2.0	3.0	6.0	16.0	1.4
Total (5,794,417)	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	0.0
Eligibles:									
< or =0	3.7	2.6	1.8	1.2	1.4	1.7	1.0	--------	2.4
1 to 99	5.7	4.9	3.3	2.1	1.0	1.0	.8	.2	3.7
100 to 199	39.7	14.2	9.2	5.3	3.9	2.8	3.4	2.3	18.2
200 to 299	36.2	32.5	15.7	10.4	4.9	5.9	4.0	5.8	23.2
300 to 399	10.8	26.4	20.5	16.3	10.2	6.1	5.2	5.7	15.6
400 to 499	2.7	12.5	17.3	14.2	14.4	14.2	9.1	6.1	10.2
500 to 599	1.1	4.6	15.4	14.6	12.6	13.0	13.6	10.3	7.7
600 to 749	.2	1.9	12.7	21.8	23.5	17.2	20.6	14.3	8.8
750 to 999	--------	.3	3.5	13.2	24.7	31.9	29.0	31.8	8.1
1,000 up	--------	.1	.6	.8	3.5	6.2	13.3	23.5	2.1
Total (18,944,752)	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

TABLE V.—CURRENT PROPORTION OF PARTICIPATING HOUSEHOLDS WITH MONTHLY INCOME BELOW THE POVERTY LINE, AND HEAD OVER AGE 64

[Thousands of households]

	Aged	Nonaged	Total
Poverty	$1,109	$2,751	$3,860
Percent	19	48	67
Nonpoverty	$580	$1,354	$1,934
Percent	10	23	33
Total	$1,689	$4,105	$5,794
Percent	29	71	100

By Mr. HASKELL (for himself and Mr. GARY HART):

S. 2452. A bill to authorize the Secretary of Transportation to approve construction of a section on Interstate Route 70 as a parkway. Referred to the Committee on Public Works.

Mr. HASKELL. Mr. President, today I introduce, for myself and my distinguished colleague, Mr. GARY HART, a bill which is brief and simple but very significant in its impact for the people of Colorado—particularly those who live, work, and travel in the western part of the State.

This legislation would authorize the Secretary of Transportation to approve construction of a section of Interstate 70 through the Colorado mountains as a parkway. The section involved would total 17.5 miles through one of America's most spectacular scenic attractions, Glenwood Canyon. My bill would exempt from strict interstate highway design standards that short section.

The canyon now is the route for U.S. Highway 6 and 24 which connects at both ends of the canyon with completed four-lane segments of Interstate 70, the main auto route between the western part of the State and Denver on the eastern slope. Both the routing of the interstate through Glenwood Canyon and its design have been very controversial. There is no right or wrong in this case, Mr. President, just genuinely conflicting needs. The people of Colorado can resolve the conflicts, but only with the legislation I introduce today.

First, let me describe the canyon for you: The canyon is narrow, accommodating through much of its length only the Colorado River which carved it and the present highway on one side and railroad tracks on the other. Its depth ranges between 3,000 and 4,000 feet with sheer walls in some places, steep slopes and flat areas of vegetation in others.

Because of its depth, intersecting side canyons and the ever-changing light patterns depending on time of day and season, Glenwood Canyon is—without exaggeration—a kaleidoscope. In addition to the gorgeous scenery, the lucky traveler may see wild turkeys, mule deer, or bighorn sheep. In any event, even regular travelers are not apt to see the same scene twice as they round one of the many sharp curves in the road as it follows the course of the river.

And that is the other side of the problem, Mr. President. Western slope residents are forced to rely upon the present highway through Glenwood Canyon to get to Denver to conduct their business. They are not insensitive to the beauty of the canyon, but that appreciation is tempered with the knowledge that the narrow, winding road which is such a delight on a sunny afternoon can become a real hazard at night or when it is covered with rain or snow.

For these western Colorado residents, the accident rate in the canyon is unacceptably high. It has been pointed out that the accident ratio for the completed four-lane segment just east of the canyon is actually higher than in the canyon itself. But that does not alter the fact that there are too many accidents in the canyon and too many plunges into the Colorado River. The canyon is not very forgiving: With sheer walls rising on one side of the highway, there is nowhere left to go but the river for a car which has swerved out of control.

It is a rare western Coloradoan who has not either known someone who encountered that kind of difficulty in Glenwood Canyon or seen rescue groups searching the river for crash victims.

That is the conflict, Mr. President. The road through the canyon must be improved to link sections of the interstate. But present interstate design specifications will not permit that upgrading without destroying much of the canyon's natural beauty.

What I ask with this legislation is that the Secretary of Transportation grant the people of Colorado the widest possible latitude in selecting a design for the interstate through the canyon. This will accommodate both the scenic and the safety needs which exist. A scant 17 or 18 miles of the more than 2,000 along Interstate 70 are at stake—and I think it is safe to say they are among the most spectacular along the route.

The Governor of Colorado has met with Transportation Secretary Coleman and gained his assurance that the State will have full flexibility to examine alternative designs during that phase of the project. Furthermore, the Governor has promised the people of Colorado—both those who know the canyon best for its scenic values and those for whom it is a daily link with Denver—full participation in designing the highway through the canyon. So allowing an exemption from strict interstate standards locks no one into a two-, three-, or four-lane design; it merely assures them the flexibility to develop the best design for the circumstances.

There is ample precedent for relaxing interstate standards to take into account special natural and scenic values. Such exemptions have been made for the Franconia Notch in New Hampshire and Overton Park in Tennessee. Similar provisions were made near San Antonio, Tex., and in parts of West Virginia, indicating that Congress understands it cannot develop standards which will be workable throughout the Interstate System. What works in Kansas will not work in Glenwood Canyon, Colo. The legislation I introduce today is consistent with that understanding.

By Mr. HARTKE (for himself and Mr. PEARSON) (by request):

S. 2453. A bill to authorize the Interstate Commerce Commission to take preventive action when a rail car service emergency is imminent, and for other purposes;

S. 2454. A bill to increase the exemption from Commission approval for certain motor carrier transfers, and for other purposes;

S. 2455. A bill to amend the Interstate Commerce Act, to grant additional authority to the Interstate Commerce Commission regarding conglomerate holding companies involving carriers subject to the jurisdiction of the Commission and noncarriers, and for other purposes;

S. 2456. A bill to amend the Interstate Commerce Act to allow exemption from regulation when such regulation serves no public purpose, and for other purposes;

S. 2457. A bill to authorize the Interstate Commerce Commission to make its orders effective in less than 30 days for good cause shown, and for other purposes; and

S. 2458. A bill to amend section 20(5) of the Interstate Commerce Act and for other purposes. Referred to the Committee on Commerce.

Mr. HARTKE. Mr. President, at the request of the Interstate Commerce Commission, Mr. PEARSON and I are introducing several bills which would amend the Interstate Commerce Act.

These bills would increase the Commission's jurisdiction over conglomerate holding companies of transportation companies, increase the Commission's record inspection powers, permit more expeditious decisionmaking at the Commission, permit the Commission to eliminate certain regulations when regulation is no longer in the public interest and permit more expeditious action during emergency car shortages.

Mr. President, I ask that these bills and the Commission's explanation and justification for its proposals be printed in the RECORD.

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

S. 2453

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1(15) of the Interstate Commerce Act (49 U.S.C. 1(15)) is amended to read as follows:

"(15) Whenever the Commission is of opinion that shortage of equipment, congestion of traffic, or other emergency requiring immediate action exists or is likely to occur in any section of the country, the Commission shall have, and it is hereby given, authority, either upon complaint or upon its own initiative without complaint, at once, if it so orders, without answer or other formal pleading by the interested carrier or carriers, and with or without notice, hearing, or the making or filing of a report, according as the Commission may determine: (a) to suspend the operation of any or all rules, regulations, or practices then established with respect to car service for such time as may be determined by the Commission; (b) to make such just and reasonable directions with respect to car service without regard to the ownership as between carriers of locomotives, cars, and other vehicles, during such emergency as in its opinion will best promote the service in the interest of the public and the commerce of the people, upon such terms of compensation as between the

carriers as they may agree upon, or, in the event of their disagreement, as the Commission may after subsequent hearing find to be just and reasonable; (c) to require such joint or common use of terminals, including mainline track or tracks for a reasonable distance outside of such terminals, as in its opinion will best meet the emergency and serve the public interest, and upon such terms as between the carriers as they may agree upon, or, in the event of their disagreement, as the Commission may after subsequent hearing find to be just and reasonable; and (d) to give directions for preference or priority in transportation, embargoes, or movement of traffic under permits, at such time and for such periods as it may determine, and to modify, change, suspend, or annul them. In time of war or threatened war the President may certify to the Commission that it is essential to the national defense and security that certain traffic shall have preference or priority in transportation, and the Commission shall, under the power herein conferred, direct that such preference or priority be afforded."

EXPLANATION AND JUSTIFICATION

This proposal adds the phrase "or is likely to occur" to the statute, thus giving the Commission needed authority to exercise its emergency powers in a preventive manner so as to eliminate or mitigate the adverse effects events can cause in the supply and utilization of the nation's rail car fleet.

Now, the Commission can invoke its powers under section 1(15) only after it finds that an emergency exists. With enactment of the new language proposed here, the Commission would be able to initiate preventive action before a crisis develops in order to lessen the effects of an emergency situation.

Essentially, section 1(15) provides emergency powers whenever the Commission is of the opinion that shortage of equipment, congestion of traffic, or other emergency requiring immediate action exists in any section of the country. Briefly stated, the authority conferred by this section is (a) to suspend any or all of the rules, regulations, or practices established by the carriers with respect to car service for such time as may be determined by the Commission, (b) to make just and reasonable directions with respect to car service which will best promote the service in the interest of the public and the commerce of the people, (c) to require the joint or common use of terminals, and (d) to give directions for preference or priority in transportation, embargoes, or movement of traffic. Car service orders are utilized in many ways to prevent shortages, both localized and general in nature. Generally, they require the carriers to vary temporarily from their published rules and regulations, order the performance of certain functions, or prohibit practices that are detrimental to efficient car handling. Some subjects that have been covered by service orders are prompt handling of cars by carriers, penalties for detaining cars, restrictions on light-loading, limits on the use of particular types of cars for certain commodities, determination of free time for loading and unloading cars, demurrage rates, restrictions on the movement of certain commodities, rerouting of traffic in emergencies, furnishing empty cars for loading, distribution of grain cars, return of cars to the owning carrier, prohibiting peddling from refrigerator cars, and priorities for the movement of certain commodities.

The proposed amendment would strengthen the Commission's position for handling these situations. For example, if events in various parts of the world threaten foreign fuel supplies, the Commission would be authorized to take action to insure a greater availability of cars for transportation of domestic coal. In such an anticipated emergency, the Commission could issue orders to restrict the number of coal cars to be used for transporting commodities other than coal, limit the number of cars containing export coal to be held at the ports, and issue other such orders needed to improve the car supply at coal mines so as to insure continued maximum production to meet our nation's energy needs.

Similar actions could be taken to insure a sufficient car supply in connection with all heavy seasonal movements including grain, fertilizer, cotton, sugar beets, perishables, aggregates, lumber, etc.

Another advantage would be that if the order with respect to car placements is served prior to the actual emergency, any unforeseen inequities or defects in the order could be rectified in time to avoid the emergency or respond properly to it.

We are convinced that by giving us this power the Congress would be taking another necessary step in helping us to move expeditiously to solve the nation's freight car supply problem.

S. 2454

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 5(10) of the Interstate Commerce Act (49 U.S.C. 5(10)) is amended to read as follows:

"(10) Nothing in this section shall be construed to require the approval or authorization of the Commission in the case of a transaction within the scope of paragraph (2) where the only parties to the transaction are motor carriers subject to part II (but not including a motor carrier controlled by or affiliated with a carrier as defined in section 1(3)), and are Class III motor carriers as defined by the Commission.

"Nothing in this section shall be construed to require the approval or authorization of the Commission in the case of a transaction within the scope of paragraph (2) where the only parties to the transaction are street, suburban, or interurban electric railways none of which is controlled by or under common control with any carrier which is operated as part of a general steam railroad system of transportation."

EXPLANATION AND JUSTIFICATION

Under section 5 of the Interstate Commerce Act, Commission authorization is required for consolidation, merger, leasing, or acquisition of control of two or more carriers, or for the purchase by one motor carrier of the operating rights of another. Section 5(10) of the Act exempts from these provisions transactions where the parties involved are motor carriers whose aggregate gross revenues for a twelve-month period are less than $300,000. The proposed amendment would increase this exemption by extending it to all Class III motor carriers. The Commission presently classifies all motor carriers of property with average annual gross operating revenues of less than $500,000 and all motor carriers of passengers with less than $200,000, as Class III carriers. (See 49 C.F.R. 1240.4, 1240.5). Thus, under the amendment, mergers involving aggregate gross revenues of up to $1,000,000 could be exempted from section 5 procedures. Also, by basing the exemption amount on the Commission's administrative classification rather than on a set statutory figure, the amendment gives the Commission the flexibility to raise the amount when circumstances warrant.

The reason for this amendment is that Commission experience demonstrates that there is no strong public interest reason for subjecting carriers of this magnitude to a full adjudicatory proceeding under section 5. The raising of the exemption limit has the dual benefit of allowing more of these small mergers to occur without being impeded by unnecessary governmental interference and of enabling the Commission to focus its resources on other areas of greater public interest.

Transfers of operating rights would still be subject to Commission jurisdiction under section 212(b) of the Act (49 U.S.C. 312(b)); however, the proposal would increase the number of cases that could be processed by the Commission under the informal, expeditious section 212(b) proceedings, rather than the more stringent, formal section 5 procedures. Pursuant to its authority under section 212(b), the Commission has promulgated rules (49 C.F.R. part 1132), which provide an expedited approval procedure for operating rights transfers failing under that section. Pursuant to this procedure, the Commission, on a showing of fitness and nonapplicability of section 5, will approve a transfer without formal proceedings and subject only to petitions for reconsideration, which may be disposed of like any other such petition. This type of proceeding greatly reduces the procedural burdens for both the parties involved and the Commission and is plainly appropriate in cases such as the ones covered by this amendment, which have relatively little impact on the national transportation system.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 5(2)(a) of the Interstate Commerce Act (49 U.S.C. 5(2)(a)) is amended by striking out the period at the end of the subparagraph (ii) and inserting in lieu thereof "; or" and by adding at the end thereof the following new subparagraph:

"(iii) for any person which is not a carrier, or two or more such persons jointly, to acquire control through ownership of its stock or otherwise of any Class I railroad or motor carrier or Class A water carrier or freight forwarder, as defined by the Commission."

SEC. 2. The first and second sentences of section 5(3) of the Interstate Commerce Act (49 U.S.C. 5(3)) are amended to read as follows: "Whenever a person which is not a carrier is authorized by an order entered under paragraph (2), to acquire control, or whenever a person which is not a carrier is found by the Commission to be in control of any Class I railroad or motor carrier or Class A water carrier or freight forwarder, as defined by the Commission, or of two or more carriers, such person thereafter shall, to the extent provided by order of the Commission be considered as a carrier subject to such of the following provisions as are applicable to any carrier involved in such acquisition of control: section 20(1) to (10), inclusive, of this part, sections 204(a)(1) and (2) and 220 of part II, and section 313 of part III (which relate to reports, accounts and so forth, of carriers), and section 20a(2) to (11), inclusive, of this part, and section 214 of part II (which relate to issues of securities and assumptions of liability of carriers), including in each case the penalties applicable in the case of violations of such provisions. To the extent, if any, and at such time as the Commission orders the application of such provisions of section 20a of this part or section 214 of part II, in the case of any such person, the Commission shall authorize the issue or assumption applied for (a) if it finds that such issue or assumption could not affect the activities of any carrier under the control of such person, subject, however, to concurrent jurisdiction to be exercised by the Securities and Exchange Commission, or (b) if it finds that such issue or assumption (i) could affect the activities of any carrier under the control of such person, (ii) is consistent with the proper performance of service to the public by

each carrier under the control of such person, and (iii) will not impair the ability of any such carrier to perform such service. In the event, however, that the Commission neither approves nor disapproves such issue or assumption within 30 days after receipt of a properly completed application, or within 60 days if the Commission finds, for good cause shown, that the additional time is necessary, such person may issue the securities or assume the liabilities without Commission approval."

SEC. 3. Section 5(3) of the Interstate Commerce Act (49 U.S.C. 5(3)) is amended by inserting "(a)" immediately after "(3)" and by adding at the end thereof the following new subparagraph:

"(b) Any Class I railroad or motor carrier or Class A water carrier or freight forwarder, as defined by the Commission, which proposes to participate in any dealings or transactions involving the receipt and expenditures of moneys, transfers of land and buildings, or equipment, or any other financial transactions (other than those involving issuances of securities as provided in section 20a of Part I or those considered necessary to and normally conducted in the course of its carrier business) between any such carriers and any person controlling, controlled by, or under common control with such carrier, or any affiliate of such person, shall file an application with the Commission for approval of any such dealings and transactions prior to putting it into effect. The Commission shall disapprove any such transaction where it finds that it may result in impairment of the operations of the carrier or its ability to respond to the needs of the public. If, however, the Commission neither approves nor disapproves the proposed dealing or transaction within 30 days after receipt of a properly completed application, or within 60 days if the Commission finds, for good cause shown, that the additional time is necessary, the parties to the proposed dealing or transaction may put it into effect without Commission approval."

SEC. 4. Section 5(4) of the Interstate Commerce Act (49 U.S.C. 5(4)) is amended to read as follows:

"(4) It shall be unlawful for any person, except as provided in paragraph (2), to enter into any transactions within the scope of subparagraph (a) thereof, or to accomplish or effectuate, or to participate in accomplishing or effectuating, the control or management of a carrier or of two or more carriers, however such result is attained, whether directly or indirectly, by use of common directors, officers, or stockholders, a holding or investment company or companies, a voting trust or trusts, or in any other manner whatsoever. It shall be unlawful to continue to maintain control or management accomplished or effectuated after the enactment of this amendatory paragraph and in violation of its provisions. As used in this paragraph and paragraph (5), the words 'control or management' shall be construed to include the power to exercise control or management. For the purpose of this section, any person owning beneficially 10 per centum or more of the voting securities of a carrier shall be presumed to be in control of such carrier unless the Commission finds otherwise."

SEC. 5. Section 5 of the Interstate Commerce Act (49 U.S.C. 5) is amended by adding at the end thereof the following new paragraph:

"(17) Whenever the Commission, after notice and hearing, determines that control—of a carrier by another carrier or two or more carriers, or by a person which is not a carrier, or two or more persons—is being threatens to impair the ability of the aused in a manner which is impairing or fected carrier properly to perform its service to the public, it shall by order direct cessation of any actions or practices of the controlling party or parties and direct such affirmative conduct as in its judgment will enable any such carrier properly to perform its service to the public, or, where warranted by the facts and circumstances, the Commission shall require such further action as in its opinion is necessary or appropriate, including, among other things, the divestiture of control of the carrier whose service to the public has been impaired or threatened."

SEC. 6. Section 20(5) of the Interstate Commerce Act (49 U.S.C. 20(5)) is amended by inserting "(a)" immediately after "(5)" and by adding at the end thereof the following new subparagraph:

"(b) Any person having legal or beneficial ownership, as trustee or otherwise, of more than 1 per centum of any class of the capital stock or capital, as the case may be, of any Class I railroad, as defined by the Commission or 5 per centum of any class of the capital stock or capital, as the case may be, of any Class I motor carrier or Class A water carrier or freight forwarder as defined by the Commission, shall submit at such times and in such form as the Commission may require a description of the shares of stock or other interest owned by such person, and the amount thereof."

SEC. 7. Section 20(1) of the Interstate Commerce Act (49 U.S.C. 20(1)) is amended to read as follows:

"(1) The Commission is hereby authorized to require annual, periodical, or special reports from carriers, persons controlling, controlled by or under a common control with such carriers, lessors, and associations (as defined in this section), to prescribe the manner and form in which such reports shall be made, and to require from such carriers, persons controlling, controlled by or under a common control with such carriers, lessors, and associations specific and full, true and correct answers to all questions upon which the Commission may deem information to be necessary, classifying such carriers, persons controlling, controlled by, or under a common control with such carriers, lessors, and associations as it may deem proper for any of these purposes. Such annual reports shall give an account of the affairs of the carrier, persons controlling, controlled by, or under common control with such carrier, lessor, or association in such form and details as may be prescribed by the Commission.".

SEC. 8. Section 20(3) of the Interstate Commerce Act (49 U.S.C. 20(3)) is amended to read as follows:

"(3) The Commission may, in its discretion, for the purposes of enabling it the better to carry out the purposes of this part, prescribe a uniform system of accounts applicable to any class of carriers subject thereto, persons controlling, controlled by or under common control with such carriers, and a period of time within which such class shall have such uniform system of accounts, and the manner in which such accounts shall be kept.".

SEC. 9. Section 20(5)(a) of the Interstate Commerce Act (49 U.S.C. 20(5)(a)) as so redesignated by section 6 of this Act, is amended to read as follows:

"(5)(a) The Commission may, in its discretion, prescribe the forms of any and all accounts, records, and memoranda to be kept by carriers, persons controlling, controlled by or under common control with such carriers, and their lessors, including the accounts, records, and memoranda of the movement of a traffic, as well as the receipts and expenditures of moneys, and it shall be unlawful for such carriers, persons controlled by, or under common control with such carriers, or lessors to keep any accounts, records, and memoranda contrary to any rules, regulations, or orders of the Commission with respect thereto. The Commission or any duly authorized special agent, accountant, or examiner thereof shall at all times have authority to inspect and copy any and all accounts, books, records, memoranda, correspondence, and other documents of such carriers, persons controlling, controlled by, or under common control with any such carriers, lessors, and associations. The Commission or its duly authorized special agents, accountants, or examiners shall at all times have access to all lands, buildings, or equipment of such carriers, persons controlling, controlled by, or under common control with such carriers, lessors, and other records, memoranda, correspondence, and examine any and all such lands, buildings, and equipment. Such carriers, persons controlling, controlled by, or under common control with such carriers, lessors, and other persons shall submit their accounts, books, records, memoranda, correspondence, and other documents for the inspection and copying authorized by this paragraph, and such carriers, persons controlling, controlled by, or under common control with such carriers, and lessors shall submit their lands, buildings, and equipment to inspection and examination, to any duly authorized special agent, accountant, or examiner of the Commission, upon demand and the display of proper credentials."

SEC. 10. Section 20a(3) of the Interstate Commerce Act (49 U.S.C. 20a(3)) is amended by striking out the period at the end thereof and inserting the following: ": *Provided, however*, That in the case of a person considered a carrier pursuant to section 5(3) of this part, modifications, terms, or conditions may be specified only after a finding by the Commission that, otherwise, the proposed issue or assumption of securities would not be consistent with the proper performance of service to the public by each carrier which is under the control of such person and would impair the ability of any such carrier to perform such service in the absence of such modification, terms, or conditions.".

SEC. 11. Section 204(a)(1) of the Interstate Commerce Act (49 U.S.C. 304(a)(1)) is amended to read as follows:

"(1) To regulate common carriers by motor vehicles, persons controlling, controlled by, or under common control with such common carriers, as provided in this part, and to that end the Commission may establish reasonable requirements with respect to continuous and adequate service, transportation of baggage and express, uniform systems of accounts, records, and reports, and preservation of records.".

SEC. 12. Section 204(a)(2) of the Interstate Commerce Act (49 U.S.C. 304(a)(2)) is amended to read as follows: "To regulate contract carriers by motor vehicles, persons controlling, controlled by, or under common control with such contract carriers, as provided in this part, and to that end the Commission may establish reasonable requirements with respect to uniform sytems of accounts, records, and reports, and preservation of records.".

SEC. 13. Section 220(a) of the Interstate Commerce Act (49 U.S.C. 320(a)) is amended to read as follows:

"(a) The Commission is hereby authorized to require annual, periodical, or special reports from all motor carriers, persons controlling, controlled by, or under common control with such carriers, brokers, lessors, and associations (as defined in this section); to prescribe the manner and form in which such reports shall be made; and to require from such carriers, persons controlling, controlled by, or under common control with such carriers, brokers, lessors, and associations specific and full, true, and correct answers to all questions upon which the Commission may deem information to be necessary. Such annual reports shall give an account of the affairs of the carrier, persons

controlling, controlled by, or under common control with such carrier, broker, lessor, or association in such form and detail as may be prescribed by the Commission. The Commission may also require any motor carrier or broker to file with it a true copy of any contract, agreement, or arrangement between such carrier and any other carrier or person in relation to any traffic affected by the provisions of this part. The Commission shall not, however, make public any contract, agreement, or arrangement between a contract carrier by motor vehicle and a shipper, or any of the terms or conditions thereof, except as a part of the record in a formal proceeding where it considers such action consistent with the public interest: *Provided*, That if it appears from an examination of any such contract that it fails to conform to the published schedule of the contract carrier by motor vehicle as required by section 218(a), the Commission may, in its discretion, make public such provisions of the contract as the Commission considers necessary to disclose such failure and the extent thereof.".

SEC. 14. Section 220(d) of the Interstate Commerce Act (49 U.S.C. 320(d)) is amended to read as follows:

"(d) The Commission may, in its discretion, prescribe the forms of any and all accounts, records, and memoranda to be kept by motor carriers, persons controlling, controlled by, or under common control with such carriers, brokers, and lessors including the accounts, records, memoranda of the movement of traffic, as well as of the receipts and expenditures of moneys, and it shall be unlawful for such carriers, persons controlling, controlled by, or under common control with such carriers, brokers, and lessors to keep any accounts, records, and memoranda contrary to any rules, regulations, or orders of the Commission with respect thereto. The Commission may issue orders specifying such operating, accounting, of financial papers, records, books, blanks, tickets, stubs, correspondence, or documents of motor carriers, persons controlling, controlled by, or under common control with such carriers, brokers, or lessors, as may after a reasonable time be destroyed, and prescribing the length of time the same shall be preserved. The Commission or its duly authorized special agents, accountants, or examiners shall at all times have access to and auhority, under its order, to inspect and examine any and all lands, buildings, or equipment of motor carriers, persons controlling, controlled by, or under common control with such carriers, brokers, and lessors; and shall have authority to inspect and copy any and all accounts, books, records, memoranda, correspondence, and other documents of such carriers, persons controlling, controlled by, or under common control with such carriers, brokers, lessors, and associations (as defined in this section). Motor carriers, persons controlling, controlled by, or under common control with any such carriers, brokers, lessors, and persons shall submit their accounts, books, records, memoranda, correspondence, and other documents for the inspection and copying authorized by this paragraph, and motor carriers, persons controlling, controlled by, or under common control with such carriers, brokers, and lessors shall submit their lands, buildings, and equipment for examination and inspection to any duly authorized special agent, accountant, or examiner of the Commission upon demand and the display of proper credentials.".

SEC. 15. Section 313(a) of the Interstate Commerce Act (49 U.S.C. 913(a)) is amended to read as follows:

"(a) The Commission is hereby authorized to require annual, periodical, or special reports from water carriers, persons controlling, controlled by, or under common control with such carriers, lessors, and associations (as defined in this section), and to prescribe the manner and form in which such reports shall be made, and to require from such carriers, persons controlling, controlled by, or under common control with such carriers, lessors, and associations specific and full, true, and correct answers to all questions upon which the Commisison may deem information to be necessary. Such annual reports shall give an account of the affairs of the carrier, any person controlling, controlled by, or under common control with such carrier, lessor, or association in such form and detail as may be prescribed by the Commission. Said annual reports shall contain all the required information for the period of twelve months ending on the thirty-first day of December in each year, unless the Commission shall specify a different date, and shall be made out under oath and filed with the Commission at its office in Washington within three months after the close of the year for which the report is made, unless additional time be granted in any case by the Commission. Such periodical or special reports as may be required by the Commission under this paragraph shall also be under oath whenever the Commission so requires.".

SEC. 16. Section 313(c) of the Interstate Commerce Act (49 U.S.C. 913(c)) is amended to read as follows:

"(c) The Commission may in its discretion, for the purpose of enabling it the better to carry out the purposes of this part, prescribe a uniform system of accounts applicable to any class of water carriers, persons controlling, controlled by, or under common control with such carriers, and period of time within which such class shall have such uniform system of accounts, and the manner in which such accounts shall be kept.".

SEC. 17. Section 313(e) of the Interstate Commerce Act (49 U.S.C. 913(e)) is amended to read as follows:

"(e) The Commission may, in its discretion, prescribe the forms of any and all accounts, records, and memoranda to be kept by water carriers, persons controlling, controlled by, or under common control with such carriers and lessors, including the accounts, records, and memoranda of the movement of traffic, as well as of the receipts and expenditures of money, and it shall be unlawful for such carriers, persons controlling, controlled by, or under common control with such carriers, or lessors to keep any accounts, records, memoranda contrary to any rules, regulation, or orders of the Commission with respect thereto.".

SEC. 18. Section 313(f) of the Interstate Commerce Act (49 U.S.C. 913(f)) is amended to read as follows:

"(f) The Commission or its duly authorized special agents, accountants, or examiners shall have authority to inspect and copy any and all accounts, books, records, memoranda, correspondence, and other documents, of such water carriers, persons controlling, controlled by, or under common control with such carriers, and lessors, and of associations (as defined in this section). The Commission or its duly authorized special agents, accountants, or examiners shall at all times have access to all lands, buildings, or equipment of such carriers, persons controlling, controlled by, or under common control with any such carriers, or lessors, and shall have authority under its order to inspect and examine any and all such lands, buildings, and equipment. All such carriers, lessors, and persons shall submit their accounts, books, records, memoranda, correspondence, and other documents for the inspection and for copying authorized by this paragraph, and such carriers, persons controlling, controlled by, or under common control with such carriers and lessors shall submit their lands, buildings, and equipment for inspection and examination, to any duly authorized special agent, accountant, or examiner of the Commission, upon demand and the display of proper credentials.".

SEC. 19. Section 412(a) of the Interstate Commerce Act (49 U.S.C. 1012(a)) is amended to read as follows:

"(a) For purposes of administration of the provisions of this part, the Commission is hereby authorized to require annual periodical, or special reports from freight forwarders, persons controlling, controlled by, or under common control with such freight forwarders, and associations (as defined in this section), and to prescribe the manner and form in which such reports shall be made, and to require from such forwarders, persons controlling, controlled by, or under common control with such forwarders, and associations specific, full, true, and correct answers to all questions upon which the Commission may deem information to be necessary. Such annual report shall give an account of the affairs of the freight forwarder, persons controlling, controlled by, or under common control with such forwarder or association in such form and detail as may be prescribed by the Commission. The Commission may, in its discretion, for purposes of administration of the provisions of this part, prescribe a uniform system of accounts applicable to freight forwarders and persons controlling, controlled by, or under common control with such forwarders, and the period of time within which they shall have such uniform system of accounts, and the manner in which such accounts shall be kept. The Commission may also require any such forwarder to file with it a true copy of any contract or agreement between such forwarder and any person in relation to transportation facilities, service, or traffic affected by the provisions of this part.".

SEC. 20. Section 412(c) of the Interstate Commerce Act (49 U.S.C. 1012(c)) is amended to read as follows:

"(c) The Commission may, in its discretion, prescribe the forms of any and all accounts, records, and memorandums to be kept by freight forwarders and persons controlling, controlled by, or under common control with such forwarders, with respect to service subject to this part, and the length of time such accounts, records, and memorandums shall be preserved, including the accounts, records, and memorandums of the movement of traffic, as well as of the receipts and expenditures of money, and it shall be unlawful for freight forwarders and persons controlling, controlled by, or under common control with such forwarders to keep any accounts, books, records, and memorandums contrary to any rule, regulation, or order of the Commission with respect thereto.".

SEC. 21. Section 412(d) of the Interstate Commerce Act (49 U.S.C. 1012(d)) is amended to read as follows:

"(d) The Commission or its duly authorized special agents, accountants, or examiners shall at all times have access to and authority, under its order, to inspect and examine any and all lands, buildings, or equipment of freight forwarders and persons controlling, controlled by, or under common control with such forwarders; and shall have authority to inspect and copy any and all accounts, books, records, memorandums, correspondence, and other documents of freight forwarders and persons controlling, controlled by, or under common control with such forwarders and of associations (as defined in this section). Freight forwarders and persons controlling, controlled by, or under common control with such forwarders shall submit their accounts, books, records, memo-

randums, correspondence, and other documents for the inspection and copying authorized by this subsection, and freight forwarders, persons controlling, controlled by, or under common control with such forwarders shall submit their lands, buildings, and equipment for examination and inspection, to any duly authorized special agent, accountant, or examiner of the Commission upon demand and the display of proper credentials.".

SEC. 22. Section 660 of title 18, United States Code, is amended to read as follows:

"§ 660. Carrier's fund derived from commerce, State prosecutions.

"Whoever, being a president, director, officer, or manager of any firm, association, or corporation engaged in commerce as a common or contract carrier, person controlling, controlled by, or under common control with such carrier, or whoever being an employee of such common or contract carrier riding in or upon any railroad car, motor-truck, steamboat, vessel, aircraft, or other vehicle of such carriers moving in interstate commerce, embezzles, steals, abstracts, or willfully misapplies or willfully permits to be misapplied, any of the moneys, funds, credits, securities, properties, or assets of such firm, association, or corporation arising or accruing from, or used in, such commerce, in whole or in part, or willfully or knowingly converts the same to his own use or to the use of another, shall be fined not more than $5,000 or imprisoned not more than ten years, or both.

"The offense shall be deemed to have been committed not only in the district where the violation first occurred but also in any district in which the defendant may have taken or had possession of such moneys, funds, credits, securities, properties or assets.

"A judgment of conviction or acquittal on the merits under the laws of any State shall be a bar to any prosecution under this section for the same act or acts.".

SEC. 23. The amendments made by the foregoing provisions of this bill shall become effective ninety days from the date of their enactment.

EXPLANATION AND JUSTIFICATION

For a number of years it has been apparent that there is a trend for conglomerate holding companies and other non-carriers to assume control of carriers subject to this Commission's jurisdiction and for the carriers themselves to enter other fields. The possibility that this trend might ultimately result in a weakened common carrier system incapable of responding to the needs of the public has caused great concern in both the governmental and private sectors.

The trend towards conglomerates has reached the point where railroads controlled by conglomerates now account for approximately two-thirds of total industry revenues and ton-miles. Likewise, conglomerates control a substantial portion of the motor carrier industry. This trend has had disastrous consequences for the surface transportation industry. We estimate that the total cash loss of transportation companies to their conglomerate parents since 1968 is in the neighborhood of $3 billion. This financial drain plainly has had a substantial impact on the weakened financial position of many railroads and yet the Commission has insufficient regulatory tools to prevent it.

The Commission is increasingly concerned that the indiscriminate acquisition to transportation enterprises by holding companies having little or no interest in the performance of needed services for the shipping or traveling public may be inimical to the public interest. Similarly, the employment by carriers of the device of establishing a parent company to escape Commission jurisdiction also causes concern since it may serve to impair their ability to render efficient and economical services. We are also aware, however, of the potential benefits that corporate diversification can provide.

The Commission has, therefore, undertaken to draft a bill which we believe would provide us with the needed additional authority, and which, at the same time, would not unduly impede carriers from participating in profitable ventures unrelated to transportation.

The draft legislation has been written in terms that will enable the Commission to deal with major problem areas without, however, imposing undue burdens of administration upon the carriers regulated by us or our staff. This is accomplished by provisos that generally if the Commission does not approve or disapprove within 30 days of their receipt, applications for securities issuances covered by section 2 of the bill and intercorporate transactions governed by section 3, such actions may be taken without Commission approval. Furthermore, most provisions of the draft bill apply only to Class I railroads and motor carriers and to Class A water carriers and freight forwarders, as defined by the Commission. Thus, only the carriers in the class with the greatest annual operating revenues are affected by most of the provisions.

THE CONGLOMERATE TREND

Tables 1 through 5 of Appendix A show statistics for conglomerates in the railroad industry. The recent trend toward conglomerates of Class I railroads is reflected in Table 2. During 1962, two Class I railroads, the Missouri Pacific and Kansas City Southern, were acquired by parent holding companies.

At that time, the two carriers' share of total Class I railroad operating revenues and ton-miles was 3.6 and 4.0 percent, respectively. By the end of 1972, fourteen roads were under the control of conglomerate companies, the affected carriers accounting for 50.2 percent of total Class I operating revenues and 50.9 percent of total ton-miles. As may be seen in the tables, the extent of "conglomeratization" was only slightly greater in 1972 than in 1969, the banner year for conglomerate formation. However, with the formation of the Chessie System, Inc., on June 15, 1973, railroads controlled by conglomerate holding companies now account for approximately two-thirds of total industry revenues and ton-miles.

The intercity bus business is dominated by two systems, Greyhound and Trailways, both controlled by firms involved in conglomerate activities—The Greyhound Corporation and Holiday Inns, Inc. Approximately 85 percent of total Class I operating revenues in the bus industry were accounted for by conglomerates in 1973. This information is reflected in Tables 6 and 7.

Tables 8 and 9 indicate the extent of conglomerate involvement in the trucking industry. Although acquisition activity has slowed appreciably in this area recently, it is our belief that, if an economic upturn accompanied by easier financial market conditions occurs as is predicted for the latter half of this year and next year, there will be a resulting acceleration in the conglomerate trend in the trucking industry.

QUESTIONABLE AND IMPROPER PRACTICES OF CONGLOMERATES

In recognition of this growing trend towards conglomerates, the Commission initiated a review of carriers controlled by diversified holding companies. The complexity of transactions involving intercompany relationships made these reviews exceedingly difficult. However, the Commission developed special audit procedures which were instrumental in bringing to light many intricate transactions. Among the practices uncovered by the Commission were the following:

Carrier's assets were removed through questionable dividend practices.

Spin off of Carrier's valuable nontransportation assets.

Carriers required to pay special dividends to liquidate holding company loans.

Carriers required to pay dividends with highly appreciated assets.

Carriers required to obtain loan from holding company in order to finance payment of dividends back to holding company resulting in depletion of carrier's retained income and contributing to future cash problems.

Carriers' assets were removed at less than fair market value resulting in holding company profiting from appreciated value.

Carrier's assets were removed through payment of management fees, in excess of fair market value, for non-existent or negligible services.

Carriers were denied short term investment opportunities because of holding company restrictions on its use of cash.

Carriers required to maintain excessive bank balances for holding company credit.

Carriers required to advance cash to holding company at no interest or at below market interest rates.

Carriers' costs were increased because of arbitrary billing by holding company of intercompany transactions, such as leases, rental agreements and improper allocation of expenses.

Carriers' costs were increased and their cash position weakened because of being required to pay higher Federal income taxes by holding company tax allocation methods, such as:

Carriers were not given credit for losses of their subsidiaries.

Carriers did not receive any benefits from tax losses contributed to a consolidated return.

Carrier investment tax credits which produce a lower tax payment for the holding company were not passed down from the holding company.

Carrier management talent was diverted to non-carrier activities without compensation.

Specific examples of the above practices, some of which have been previously reported to Congress, are set forth in Appendix B.

PROPOSED LEGISLATION

In order to control these questionable practices, the Commission requests that the attached draft bill, which is reviewed below, be enacted.

Section 1 of the draft bill would confer jurisdiction over the Commission to authorize single carrier acquisitions, limited, however, to the requirement that authorization be obtained for any Class I railroad or motor carrier or Class A water carrier or freight forwarder, as defined by the Commission.

Section 2 of the draft bill would authorize the Commission to designate a person not a carrier to be a carrier for purposes of reporting, maintaining accounts and issuing securities, as the Commission may deem appropriate, at such time as the acquisition of control is authorized by the Commission or subsequently in the cases of any Class I railroad or motor carrier or Class A water carrier or freight forwarder, as defined by the Commission. The section further provides that any issuance or assumption not approved or disapproved by the Commission within 30 days can be put into effect without Commission approval, unless the Commission for good cause shown, extends the review period to 60 days.

Section 3 of the draft bill would require the Commission to approve or disapprove all transactions between affiliated companies and any Class I railroad or motor carrier or Class A water carrier or freight forwarder, as defined by the Commission.

Any transaction not approved or disapproved by the Commission within 30 days could be put into effect without Commission jurisdiction, unless the Commission for good cause shown, extends the review period to 60 days.

Section 4 of the draft bill would establish a presumption of control where any person owns 10 percent or more of the voting securities of the carrier.

Section 5 of the draft bill would enable the Commission to enter such orders as may be required, including divestiture, whenever it finds that the continued maintenance of control will impair the ability of the affected carrier to render its services.

Section 6 of the draft bill would require the recording, in the manner prescribed by the Commission, of the beneficial or record ownership of those who hold more than 1 percent of any class of stock of any Class I railroad or 5 percent of any Class I motor carrier, water carrier or freight forwarder.

Section 10 of the draft bill adds a proviso to section 20a(3) of the Act so that it will conform to change made in section 2 of the draft bill.

Sections 7 through 9 and 11 through 21, inclusively, of the draft bill would authorize the Commission to prescribe the accounts and reports to be rendered by persons controlling, controlled by and under common control with carriers, as well as those of the carriers themselves, and would permit the inspection of the records of such persons, as well as those of the carriers themselves.

Under separate cover, the Commission is sending a recommendation to Congess that section 20(5) of the Act be amended to allow the Commission to obtain financial forecasts from carriers. The proposal here is to be considered independently of that recommendation. If, however, Congress enacts both recommendations, a re-draft of the amendment to section 20(5) of the Act will be necessary.

Section 22 of the draft bill would make it a crime to misappropriate funds by the officials of carriers and, additionally, persons controlling, controlled by or under common control with such carriers.

Finally, section 23 of the draft bill would establish an effective date 90 days from the date of approval of the legislation.

As previously stated, the draft bill does not attempt to prevent carriers from availing themselves of profitable opportunities unrelated to transportation but rather seeks to control the flow of assets out of carriers connected with conglomerates. We believe that the enactment of the safeguards contained in the bill are necessary to the maintenance of a profitable surface transportation system.

TABLE 1.—*Major railroads directly controlled by holding companies and date of involvement*

RAILROAD AND EFFECTIVE DATE
Kansas City Southern Ry. Co., Jan. 29, 1962.
Missouri Pacific R.R. Co., Dec. 31, 1962.
Illinois Central Gulf R.R. Co., Mar. 26, 1963.
Boston & Marine Corp., May 1, 1964.
Bangor & Aroostook R.R. Co., Oct. 13, 1964.
Missouri-Kansas-Texas R.R. Co., Aug. 24, 1967.
Atchison, Topeka & Santa Fe Ry. Co., Aug. 19, 1968.
Seaboard Coast Line R.R. Co., Jan. 21, 1969.
Union Pacific R.R. Co., Feb. 17, 1969.
Denver & Rio Grande Western R.R. Co., Apr. 25, 1969.
Penn Central Transportation Co., Oct. 1, 1969.
Southern Pacific Transportation Co., Nov. 26, 1969.
Western Pacific R.R. Co., June 17, 1971.
Chicago, Milwaukee, St. Paul & Pacific R.R. Co., Mar. 23, 1972.
Chesapeake & Ohio R.R. Co., June 15, 1973.

NOTE.—Prior to 1972 Illinois Central Gulf R.R. Co. was Illinois Central R.R. Co.; new name adopted August 10, 1972, when Illinois Central merged with Gulf, Mobile & Ohio R.R. Co.

TABLE 2.—SELECTED STATISTICS FOR MAJOR CLASS I RAILROADS IN THE UNITED STATES DIRECTLY CONTROLLED BY CONGLOMERATE HOLDING COMPANIES YEARS 1969-74

	1969	1970	1971	1972	1973	1974
Operating revenues (thousands):						
Total class I railroads	$11,450,325	$11,984,994	$12,790,311	$13,585,893	$15,015,234	$17,228,641
Railroads under conglomerate control	$5,702,267	$5,922,820	$6,370,481	$6,824,997	$7,989,670	$9,067,738
Percent of total under conglomerate control	49.8	49.4	49.8	50.2	53.2	52.6
Freight revenues (thousands):						
Total class I railroads	$10,346,258	$10,915,771	$11,786,431	$12,571,707	$13,793,688	$15,783,726
Railroads under conglomerate control	$5,079,086	$5,323,494	$5,892,685	$6,406,739	$7,483,414	$8,456,611
Percent of total under conglomerate control	49.1	48.8	50.0	51.0	54.3	53.6
Ton miles (millions):						
Total class I railroads	767,841	762,544	739,746	777,851	851,629	853,886
Railroads under conglomerate control	370,891	368,899	367,733	395,969	462,573	453,876
Percent of total under conglomerate control	48.3	48.4	49.7	50.9	54.3	53.2

Sources: "Transport Statistics in the United States", annual reports forms A and R-1, 4th quarter R.E. & I. and OS-B, and statement No. 100.

TABLE 3.—SELECTED STATISTICS FOR CLASS I RAILROADS IN THE UNITED STATES DIRECTLY CONTROLLED BY CONGLOMERATE HOLDING COMPANIES, YEARS 1973-74

	Total operating revenues (thousands)		Freight revenues (thousands)		Ton miles (millions)	
	1973	1974	1973	1974	1973	1974
Bangor & Aroostook	$14,363	$15,692	$13,547	$15,087	488	495
Boston & Maine	82,723	93,639	67,956	77,492	2,749	2,798
Penn Central	1,963,673	2,247,261	1,702,876	1,939,364	86,061	87,382
Illinois Central Gulf	525,993	577,843	492,356	535,983	34,103	32,122
Seaboard Coast Line	614,404	680,104	590,939	654,906	34,979	35,151
Santa Fe	947,743	1,071,993	901,595	1,023,042	59,125	56,858
Denver & Rio Grande	118,874	140,814	115,902	137,487	8,320	8,799
Kansas City Southern	120,953	132,188	114,082	123,864	8,748	7,340
Missouri-Kansas-Texas	90,042	93,305	85,409	88,318	6,112	5,541
Missouri Pacific	532,035	633,591	510,045	607,031	36,960	37,730
Southern Pacific	1,192,914	1,323,391	1,159,993	1,287,454	71,920	70,008
Union Pacific	870,923	989,016	843,034	958,520	58,523	55,626
Western Pacific	89,578	105,395	88,117	103,940	5,496	5,638
Chicago, Milwaukee, St. Paul & Pacific	335,390	394,676	329,752	362,903	19,533	18,745
Chesapeake & Ohio	490,062	568,830	467,811	541,220	29,456	29,643
Total	7,989,670	9,067,738	7,483,414	8,456,611	462,573	453,876
U.S. total	15,015,234	17,228,641	13,793,688	15,783,726	851,629	853,886
Percent of U.S. total	53.2	52.6	54.3	53.6	54.3	53.2

Source: See table 2.

TABLE 4.—SELECTED STATISTICS FOR CLASS I RAILROADS IN THE U.S. INDIRECTLY CONTROLLED BY CONGLOMERATE HOLDING COMPANIES, YEARS 1973-74

	Controlled by	Total operating revenues (thousands)		Freight revenues (thousands)		Ton miles (millions)	
		1973	1974	1973	1974	1973	1974
Detroit, Toledo & Ironton	PC	$45,213	$48,477	$42,439	$44,869	1,454	1,377
Ann Arbor	PC	10,542	9,477	10,237	8,926	616	480
Lehigh Valley	PC	58,057	69,476	56,178	67,464	3,231	3,603
Monongahela	PC	7,468	8,362	7,386	8,302	399	398
Pennsylvania-Reading SSL	PC	9,828	11,683	8,310	9,992	124	133
Pittsburgh & Lake Erie	PC	42,797	52,753	39,082	48,084	1,389	1,588
Toledo, Peoria & W	PC-ATSF	12,621	14,606	11,989	13,729	505	549
Chicago & Eastern Illinois	MP	44,368	53,558	43,687	52,767	2,988	2,892
Texas & Pacific	MP	128,685	149,073	124,624	144,745	7,537	7,901
Missouri-Illinois	MP	6,949	8,491	6,843	8,263	266	294
Clinchfield	SCL	39,225	49,894	38,610	48,845	3,537	3,597
Louisville & Nashville	SCL	504,687	607,231	489,185	590,221	35,881	38,103
Georgia, Lessee Corp	SCL	11,258	14,666	10,707	14,235	696	926
Northwestern Pacific	SP	12,792	12,492	12,715	12,436	546	470
St. Louis Southwestern	SP	163,405	183,987	161,527	182,197	10,311	10,411
Baltimore & Ohio	C. & O.	555,426	648,383	532,882	624,133	28,896	29,729
Western Maryland	C. & O.	54,367	74,165	50,811	69,550	3,097	3,552
Total		1,707,688	2,016,774	1,647,212	1,948,758	101,473	106,003

Sources: "Transport Statistics in the United States" and annual report forms A and R-1.

TABLE 5.—SELECTED STATISTICS FOR CLASS I RAILROADS IN THE U.S. CONTROLLED BY CONGLOMERATE HOLDING COMPANIES, YEARS 1973-74

	Total operating revenues (thousands)		Freight revenues (thousands)		Ton miles (millions)	
	1973	1974	1973	1974	1973	1974
Total of directly controlled railroads	$7,989,670	$9,067,738	$7,483,414	$8,456,611	462,573	453,876
Total of indirectly controlled railroads	1,707,688	2,016,774	1,647,212	1,948,758	101,473	106,003
Total	9,697,358	11,084,512	9,130,626	10,405,369	564,046	559,879
U.S. Total	15,015,234	17,228,641	13,793,688	15,783,726	851,629	853,886
Percent of U.S. total	64.6	64.3	66.2	65.9	66.2	65.6

Sources: Tables 3 and 4.

TABLE 6.—A COMPARISON OF SELECTED STATISTICS OF CLASS I MOTOR CARRIERS OF PASSENGERS OWNED BY NONTRANSPORTATION FIRMS INVOLVED IN CONGLOMERATE ACTIVITIES YEARS 1973-74

[Thousands]

	1973			1974		
	Total	Aggregate U.S. totals [1]	Percent of U.S. totals	Total	Aggregate U.S. totals [2]	Percent of U.S. totals
Total operating revenues	$793,145	$951,128	83.4	$877,681	$1,057,172	83.0
Passenger revenue:						
Intercity service, regular route	511,554	577,069	88.6	579,675	652,896	88.8
Local service	68,012	87,397	77.8	66,933	88,135	75.9
Charter, sightseeing and other special services	100,992	146,600	68.9	96,897	167,464	57.9
Total number of revenue passengers carried	222,522	319,818	69.6	219,715	317,031	69.3
Revenue passengers carried:						
Intercity service, regular route	98,042	129,145	75.9	99,127	129,884	76.3
Local (excluding transfer)	110,405	152,071	72.3	106,691	149,620	71.3
Charter, sightseeing and other revenue passengers	45,075	37,972	37.1	13,897	37,527	37.0

[1] Revised.
[2] Preliminary figures, all class I motor carriers of passengers.

Source: Statement No. 750 and individual carrier reports to the Commission.

TABLE 7.—SELECTED DATA, MAJOR MOTOR CARRIERS OF PASSENGERS CONTROLLED BY CONGLOMERATES, 1973-74

[Dollar amounts in thousands]

	1973			1974 [2]		
	Totals	Aggregate U.S. totals [1]	Percent of U.S. totals	Totals	Aggregate U.S. totals	Percent of U.S. totals
Greyhound Corp.:						
Total operating revenues	$507,076	$951,128	53.3	$562,365	$1,057,172	53.2
Passenger revenues:						
Intercity service, regular route	361,149	577,069	62.6	406,171	652,896	62.2
Local service	17,438	87,397	20.0	16,879	88,135	19.2
Charter, sightseeing, and other special services	47,722	146,600	32.6	53,822	167,464	32.1
Holiday Inns (TCO Industries, Inc.):						
Total operating revenues	163,531	951,128	17.2	190,532	1,057,172	518.
Passenger revenues:						
Intercity service, regular route	104,254	577,069	18.1	123,862	652,896	19.0
Local service		87,397			88,135	
Charter, sightseeing, and other special services	23,943	146,600	16.3	28,518	167,464	17.0
Other:						
Total operating revenues	122,539	951,128	12.9	124,784	1,057,172	11.8
Passenger revenues:						
Intercity service, regular route	46,151	577,069	8.0	49,642	652,896	7.6
Local service	50,574	87,397	57.9	50,054	88,135	56.8
Charter, sightseeing, and other special services	29,326	146,600	20.0	14,557	167,464	8.7

[1] Revised.
[2] Preliminary figures, all class I motor carriers of passengers.

Source: Statement No. 750 and individual carrier reports to the Commission.

TABLE 8.—SELECTED STATISTICS OF CLASS I MOTOR CARRIERS OF PROPERTY OWNED BY NONTRANSPORTATION/CONGLOMERATE FIRMS, YEARS 1973-74 [1]

[In thousands]

	1973			1974		
	Totals	Aggregate U.S. totals [3]	Percent of U.S. totals	Totals	Aggregate U.S. totals [3]	Percent of U.S. totals
Operating revenue	$3,109,172	$16,600,133	18.7	2,726,359	$18,150,000	15.0
Intercity freight revenue	3,004,507	15,677,911	19.2	2,616,081	17,142,000	15.3
Tons of revenue freight carried intercity	103,598	698,127	14.8	81,181	676,100	12.0

[1] The change in the operating revenue requirement for class I motor carriers of property from $1,000,000 to $3,000,000 effective Jan. 1, 1974 affects the comparability of the 1973 and 1974 data.
[3] Revised.
[3] Estimates.

TABLE 9.—SELECTED STATISTICS FOR CLASS I MOTOR CARRIERS OF PROPERTY CONTROLLED BY CLASS I RAILROADS UNDER CONGLOMERATE HOLDING COMPANY CONTROL, YEARS 1974-73

[In thousands]

	Controlled by—	Total operating revenues		Intercity freight revenue		Tons of revenue freight service	
		1974	1973	1974	1973	1974	1973
Missouri Pacific Truck Lines, Inc.	MP	$23,887	$22,316	$10,025	$9,320	$526	533
New England Transportation Co.	PC	(1)	4,203	(1)	3,318	(1)	433
Pennsylvania Truck Lines, Inc.	PC	35,994	45,549				
Rio Grande Motor Way, Inc.	DRGW	14,650	13,492	14,013	12,799	333	352
Santa Fe Trail Transportation Co.	ATSF	39,185	39,504	28,729	25,719	482	471
Pacific Motor Trucking Co.	SP	72,886	79,213	38,612	43,740	1,959	2,859
Southern Pac. Transp. Co. of Texas and Louisiana	SP	22,830	19,954	15,958	12,283	489	412
Southwestern Transportation Co.	SLSW	18,897	17,228	13,916	12,280	429	407
Texas & Pacific Motor Transport Co.	TP	13,042	12,039	7,118	6,388	358	332
Union Pacific Motor Freight Co.	UP	4,418	4,216	123	192	145	177
Seacoast Transportation Co.	SCL	(2)	3,575	(2)	842	(2)	310
Total		245,789	261,289	128,494	126,881	4,721	6,286

[1] Not available.
[2] Class II carrier.

Source: Motor carrier annual report form M-1.

S. 2456

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

SEC. 1. Section 12(1) of the Interstate Commerce Act (49 U.S.C. 12(1)) is redesignated as section 12(1)(a) and is amended by adding a paragraph "(b)" thereto to read as follows:

"(b) Whenever the Commission, upon its own motion or upon application of any interested party, determines that the requirements of this part, in whole or in part, should not be applied to any person or class of persons or to any services or transportation performed under this part because such requirements are not necessary in order to effectuate the National Transportation Policy declared in this Act or to effective regulation by the Commission thereunder, and would serve little or no useful public purpose, it shall by order exempt such person or class of persons or such services or transportation from the provisions of this part for such period of time as may be specified in such order. The Commission may by order revoke any such exemption whenever it finds, after notice and reasonable opportunity for hearing, that the subjugation of the exempted person or class of persons or exempted services or transportation to the requirements of this part, in whole or in part, is necessary to effectuate the National Transportation Policy and to achieve effective regulation by the Commission and would serve a useful public purpose."

SEC. 2. Section 204 of the Interstate Commerce Act (49 U.S.C. 304) is amended by adding a paragraph "(g)" to read as follows:

"(g) Whenever the Commission, upon its own motion or upon application of any interested party, determines that the requirements of this part, in whole or in part, should not be applied to any person or class of persons or to any services or transportation performed under this part because such requirements are not necessary in order to effecuate the National Transportation Policy declared in this Act or to effective regulation by the Commission thereunder, and would serve little or no useful public purpose, it shall by order exempt such person or class of persons or such services or transportation from the provisions of this part for such period of time as may be specified in such order. The Commission may by order revoke any such exemption whenever it finds, after notice and reasonable opportunity for hearing, that the subjugation of the exempted person or class of persons or exempted services or transportation to the requirements of this part, in whole or in part, is necessary to effectuate the National Transportation Policy and to achieve effective regulation by the Commission and would serve a useful public purpose."

SEC. 3. Section 304 of the Interstate Commerce Act (49 U.S.C. 904) is amended by adding a paragraph "(f)" thereto to read as follows:

"(f) Whenever the Commission, upon its own motion or upon application of any interested party, determines that the requirements of this part, in whole or in part, should not be applied to any person or class of persons or to any services or transportation performed under this part because such requirements are not necessary in order to effectuate the National Transportation Policy declared in this Act or to effective regulation by the Commission thereunder, and would serve little or no public purpose, it shall by order exempt such person or class of persons or such services or transportation from the provisions of this part for such period of time as may be specified in such order. The Commission may by order revoke any such exemption whenever it finds, after notice and reasonable opportunity for hearing, that the subjugation of the exempted person or class of persons or exempted services or transportation to the requirements of this part, in whole or in part, is necessary to effectuate the National Transportation Policy and to achieve effective regulation by the Commission and would serve a useful public purpose."

SEC. 4. Section 403 of the Interstate Commerce Act (49 U.S.C. 1003) is amended by adding a paragraph "(g)" thereto to read as follows:

"(g) Whenever the Commission, upon its own motion or upon application of any interested party, determines that the requirements of this part, in whole or in part, should not be applied to any person or class of persons or to any services or transportation performed under this part because such requirements are not necessary in order to effectuate the National Transportation Policy declared in this Act or to effective regulation by the Commission thereunder, and would serve little or no useful public purpose, it shall by order exempt such person or class of persons or such services or transportation from the provisions of this part for such period of time as may be specified in such order. The Commission may by order revoke any such exemption whenever it finds, after notice and reasonable opportunity for hearing, that the subjugation of the exempted person or class of persons or exempted services or transportation to the requirements of this part, in whole or in part, is necessary to effectuate the National Transportation Policy and to achieve effective regulation by the Commission and would serve a useful public purpose."

EXPLANATION AND JUSTIFICATION

This amendment would allow the Commission to exempt certain segments of surface transportation from all or part of the regulatory requirements of the Interstate Commerce Act when such regulation serves no useful public purpose. The proposal is beneficial in two respects—it allows for the removal of regulatory controls when such controls are not in the public interest and it permits the Commission to commit its resources more efficiently to those regulatory areas that are necessary.

A considerable amount of controversy has been generated in recent months over the extent to which regulation of surface transportation is in the public interest. We firmly believe in the need for regulation of surface transportation; however, we disapprove of regulation for the sake of regulation and believe that the transportation modes under our jurisdiction should be subject to the restraints of the Interstate Commerce Act only to the extent that regulation furthers the public interest. Presently, however, the Interstate Commerce Act does not provide the Commission with a means of exempting specific or classes of transportation services

from the Acts requirements. Consequently, we are forced to exact compliance with franchise, rate, and other regulatory provisions from all carriers. This unnecessary regulation places a burden upon the Commission, the carriers, and potentially the public.

There are many ways in which this exemption authority could be exercised. There may well be many relatively unique commodities such as homing pigeons or race horses, the transportation of which is not likely to have any effect on the maintenance of an adequate, stable transportation system. Commodities such as these would be likely candidates for exemption. Also, it could be that certain services, because of their nature, are simply not appropriate for Federal regulation. The services that may fall in this category could include mass transit motor bus or rail operations that cross state lines and passenger boat operations conducted on bodies of water located in more than one state. There may also be some logical extensions of presently existing statutory exemptions.

Two important aspects of this legislation are the fact that it allows the Commission, if it finds it appropriate, to lift some, but not all regulatory requirements and the fact that it authorizes the Commission to reimpose regulation if the public interest requires. These provisions give the Commission considerable flexibility to try innovative, experimental programs to determine exactly what kind of less stringent regulation may work. A great deal of economic theory has been propounded concerning what may occur if regulatory requirements are eased, but there is no empirical information available on what the results of such changes may be. This proposal could provide a way to institute experiments leading to the gathering of such data, while at the same time protecting the public from any untoward consequences of these experiments.

While individual and specific legislative recommendations could be submitted from time to time with respect to each commodity or transportation service found by this Commission to be susceptible to statutory exemption, we believe enactment of the proposed general exempting power is in the best interest of all concerned. Not only would such authority relieve the Commission and the affected carriers of undue regulatory burdens, it would also tend to free the Congress of much of the legislative workload that would be encountered by a piecemeal approach. As an example, such authority probably would have eliminated the need for the last statutory exemption in section 203, which exempted from regulation the emergency transportation of accidentally wrecked or disabled motor vehicles.

Finally, it should be reemphasized that this exemption authority should have a beneficial effect on the Commission's efficiency in processing its caseload. By removing unnecessary regulatory functions, the Commission can allocate more resources to the more expeditious processing of the rest of its caseload. In light of the Commission's substantial and growing caseload, the efficient use of available resources is extremely important.

S. 2457

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

SEC. 1. Section 15(2) of the Interstate Commerce Act (49 U.S.C. 15(2)) is amended to read as follows:

"(2) Except as otherwise provided in this part, all orders of the Commission other than orders for the payment of money, shall take effect within such reasonable time as shall be prescribed in the order, which time shall not be less than thirty days from date of service unless the Commission for good cause shown, provides in the order that it shall take effect in less than said thirty days. Orders of the Commission shall continue in force until further order, or for a specified period of time, according as shall be prescribed in the order, unless the same shall be suspended or modified or set aside by the Commission, or be suspended or set aside by a court of competent jurisdiction."

SEC. 2. Section 221(b) of the Interstate Commerce Act (49 U.S.C. 321(b)) is amended to read as follows:

"(b) Except as otherwise provided in this part, all orders of the Commission other than orders for the payment of money, shall take effect within such reasonable time as shall be prescribed in the order, which time shall not be less than thirty days from date of service unless the Commission for good cause shown, provides in the order that it shall take effect in less than said thirty days. Orders of the Commission shall continue in force until further order, or for a specified period of time, according as shall be prescribed in the order, unless the same shall be suspended or modified or set aside by the Commission, or be suspended or set aside by a court of competent jurisdiction."

SEC. 3. Section 315(d) of the Interstate Commerce Act (49 U.S.C. 915(d)) is amended to read as follows:

"(d) Except as otherwise provided in this part, all orders of the Commission other than orders for the payment of money, shall take effect within such reasonable time as shall be prescribed in the order, which time shall not be less than thirty days from date of service unless the Commission for good cause shown, provides in the order that it shall take effect in less than said thirty days. Orders of the Commission shall continue in force until further order, or for a specified period of time, according as shall be prescribed in the order, unless the same shall be suspended or modified or set aside by the Commission, or be suspended or set aside by a court of competent jurisdiction."

SEC. 4. Section 416(c) of the Interstate Commerce Act (49 U.S.C. 1016(c)) is amended to read as follows:

"(c) Except as otherwise provided in this part, all orders of the Commission other than orders for the payment of money, shall take effect within such reasonable time as shall be prescribed in the order, which time shall not be less than thirty days from date of service unless the Commission for good cause shown, provides in the order that it shall take effect in less than said thirty days. Orders of the Commission shall continue in force until further order, or for a specified period of time, according as shall be prescribed in the order, unless the same shall be suspended or modified or set aside by the Commission, or be suspended or set aside by a court of competent jurisdiction."

EXPLANATION AND JUSTIFICATION

This proposal would allow the Commission to make its orders effective in less than thirty days from the date of service "for good cause shown." Presently, sections 15(2), 221(b), 315(d), and 416(c) require that, except when otherwise provided in the Act, all Commission orders be effective in not less than thirty days. This precludes the Commission from making its orders effective on relatively short notice even when the situation clearly calls for expeditious action.

A prominent example of this problem was the implementation of the Commission's final order in Ex Parte No. MC-43 (Sub-No. 2), *Adjustment of Compensation for Equipment Leased by Motor Carriers of Property Because of Rising Fuel Costs,* which required the modification of all contracts between carriers and owner-operators to provide for fuel cost increases. Although the order was intended to bring immediate relief to the owner-operators who were engaged in a nationwide truck strike, the Commission was powerless to make it effective on less than this thirty-day statutory period. Congress responded to that crisis by passing Joint Resolution 185, which allowed the Commission to make the order effective immediately.

Numerous situations may arise where time is of the essence, and the Commission should have the flexibility to make its final orders effective immediately or on short notice when the public interest so requires.

It should be noted that the thirty-day requirement was originally promulgated in the Hepburn Act of 1906. At that time, communications were such that at least thirty days were needed for adequate notice of Commission decision. But with improved communications, the need for the full thirty-day period clearly has diminished.

Under this proposal, the thirty-day period would remain in ordinary situations so that those affected could make whatever justifications are necessary. But the proposal would give the public the opportunity to seek more expeditious implementation of Commission orders when special circumstances exist which require such expedition.

S. 2458

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 20(5) of the Interstate Commerce Act (49 U.S.C. 20(5)) is amended by striking out the entire paragraph and inserting in lieu thereof:

"(5) The Commission may, in its discretion, prescribe the forms of any and all accounts, records, and memoranda to be kept by carriers and their lessors, including the accounts, records, and memoranda of the movement of traffic, as well as of the receipts and expenditures of moneys, and it shall be unlawful for such carriers or lessors to keep any accounts, records, and memoranda contrary to any rules, regulations or orders of the Commission with respect thereto. The Commission or any duly authorized special agent, accountant, or examiner thereof shall at all times have authority to inspect and copy any and all accounts, books, forecasts, records, memoranda, correspondence, and other documents, of such carriers, lessors, and associations, whether or not related to their prescribed or authorized accounting and corporate records, and such accounts, books, forecasts, records, memoranda, correspondence, and other documents, of any person controlling, controlled by, or under common control with any such carrier, as the Commission deems relevant to such person's relation to or transactions with such carrier. The Commission or its duly authorized special agents, accountants, or examiners shall at all times have access to all lands, buildings, or equipment of such carriers or lessors, and shall have authority under its order to inspect and examine any and all such lands, buildings, and equipment. Such carriers, lessors, and other persons shall submit their accounts, books, forecasts, records, memoranda, correspondence, and other documents for the inspection and copying authorized by this paragraph, and such carriers and lessors shall submit their lands, buildings, and equipment to inspection and examination, to any duly authorized special agent, accountant, or examiner of the Commission, upon demand and the display of proper credentials.

EXPLANATION AND JUSTIFICATION

The purpose of this amendment is to clarify the power of the Interstate Commerce Commission to inspect and copy all books and records of carriers regulated by it, including such items as the carrier's forecasts concerning its future finances and operations. This clarification would be accomplished by the addition of the word "forecasts" in lines 9, 12 and 20 of the proposal and the addition of the phrase, "whether or not related to their prescribed or authorized accounting and corporate records" in lines 11 and 12 of the proposal. Recent develop-

ments in the railroad industry have reemphasized the need for long-range planning by both the carriers and the regulatory agency. Thus, we believe that this amendment is a particularly timely piece of legislation.

In the past, our efforts to obtain necessary rail revenue forecasts have been stymied. Several years ago, in response to a request from Senator Hartke to supply his Subcommittee with a list of marginal railroads based on our analyses of the carriers' anticipated earnings, we attempted to get such data. In September 1970, we wrote to the Burlington Northern's Chief Accountant questioning the apparent practice of that carrier in declaring dividends in excess of earnings. In order to determine Burlington Northern's financial condition, we repeatedly requested the carrier's income and cash flow forecasts for 1970 and 1971. Lengthy litigation subsequently resulted when the Burlington Northern declined to comply with the Commission's request.

On December 22, 1970, in *Burlington Northern, Inc.* v. *Interstate Commerce Commission*, 323 F. Supp. 273, the District Court ruled in favor of the railroad's position that section 20(5), as presently worded, does not authorize the Commission to inspect income and cash flow forecasts of the carriers. On January 31, 1972, the United States Court of Appeals upheld the lower court's decision (462 F. 2d 280 (1972)). A writ of certiorari to the Supreme Court was denied (409 U.S. 891 (1972)), thereby creating the need for the attached legislation.

We believe that various other types of forecasts could be of substantial value to the Commission including:

(1) Projected traffic movements (carloadings, tonnage, ton miles, revenues), on a composite basis and by principal commodities.

(2) Anticipated new developments including expected shifts of large industries or companies to or from a trade area.

(3) Expected changes in competition from other modes.

(4) Budgets and projections of maintenance and capital programs.

Such information is essential to the performance of our regulatory mandate in our ever-changing economic climate. A few specific reasons for these forecasts are:

(1) Forecasts would enable the Commission to better plan and anticipate problems. For example, we would be able to estimate the timing and extent of future rate increase applications or detect anticipated changes in a carrier's traffic volume or commodity mix.

(2) Forecasts would provide the Commission with an oversight or monitoring tool. We would be able to determine and evaluate whether planned actions, such as maintenance or capital programs were actually undertaken or fulfilled.

(3) by analyzing forecasts submitted, the Commission would be able to detect or evaluate expected changes in regional characteristics, such as industry shifts, changes in commodity mix, and shifts in use of transportation modes.

(4) Forecasts would enable the Commission to better evaluate the prospects of carriers in poor and marginal condition. In the case of railroads, the Commission would be better able to anticipate and plan for possible directed operations under section 601(e) of the Regional Rail Reorganization Act of 1973.

(5) Information derived from forecasts could aid the Commission in evaluating applications by carriers to merge, issue securities, revise rates, and abandon track.

(6) Forecasts would enable the Commission to determine whether a railroad is adequately planning to correct maintenance deficiencies.

In Ex Parte No. 275, *Expanded Definition of Term "Securities,"* 344 I.C.C. 114, the Commission found that any carrier proposing to issue a security or assume any obligation or liability pursuant to section 20a of the Interstate Commerce Act would have to file with the Commission (1) a pro forma income statement showing its forecasted revenues, expenses, and net income for the 12 months following the application dates, and (2) a cash flow statement for the 12 months preceding the filing of the application and a forecasted cash flow statement for the 12 months subsequent to such filing.

This decision is presently pending on reconsideration. This limited requirement for forecasts is under attack as beyond the jurisdiction of the Commission. We, therefore, cannot overemphasize the importance of the attached legislation.

This amendment is necessary for another important reason. One of our present responsibilities is to keep the Congress informed of the financial condition of the major railroads and other carriers subject to regulation, particularly those in financial difficulty. The recent Congressional hearings on the financial condition of the Penn Central and the Rock Island bear out the need for accurate data on the true condition of such carriers. Yet without any knowledge of future plans affecting the carrier, it is next to impossible for the Commission to render a proper determination of the railroad's continued viability.

The information that the proposal would authorize the Commission to gather could be helpful in carrying out a number of other regulatory functions. It could be used:

To support the basis of equalization of maintenance expenses by the carrier. Since equalization accounting is based on budgetary considerations, we need to know what the annual projections show to determine the propriety of the accounting performed. Such projections are actually the basis for the equalization of such maintenance costs.

To determine long-range plans regarding the use of carrier funds.

To determine proposed uses of carrier assets in non-carrier activities that might adversely affect a carrier's financial status.

To compare long-range dividend plans and related cash needs.

To provide advance notice of possible reorganization proposals that would tend to weaken the carrier.

To analyze long-range financing needs, and a carrier's ability to meet long-term debt obligations when due.

To determine the propriety of charges to be assessed against a carrier by its parent or affiliates in the future.

To provide insight into management's outlook toward a carrier, such as, whether resources are to be used to improve the carrier's ability to serve the public, or to finance diversified activities.

To determine the effect of expansion or retrenchment programs, such as possible deferral of maintenance.

To gauge the effect of income projections on present accounting practice, which is important in understanding current accounting decisions and in detecting possible manipulation of income.

To determine the effect on a carrier of proposed intercompany transactions, including the transfer of assets to other members of a conglomerate group.

The foregoing listing is not intended to be all-inclusive; however, it does indicate some of the more important reasons for us to have access to such information.

By Mr. KENNEDY (for himself, Mr. HARTKE, Mr. PASTORE, Mr. CLARK, Mr. RIBICOFF, Mr. MCINTYRE, Mr. DURKIN, Mr. PELL, Mr. STAFFORD, Mr. BROOKE, Mr. HATHAWAY, and Mr. LEAHY):

S. 2459. A bill to provide a program for the rehabilitation of the Nation's railroads. Referred to the Committee on Commerce.

NATIONAL RAIL REHABILITATION PROGRAM

Mr. KENNEDY. Mr. President, I am introducing today, for myself and for the distinguished chairman of the Senate Surface Transportation Subcommittee, Mr. HARTKE, and for Senators PASTORE, MCINTYRE, DURKIN, PELL, STAFFORD, BROOKE, HATHAWAY, and LEAHY a bill to provide a national rail rehabilitation program.

A similar measure will be introduced in the House of Representatives.

The Rail Rehabilitation Act of 1975 authorizes the voluntary transfer of all rail rights-of-way to the Federal Government beginning with those in the Northeast in exchange for the Government rehabilitation, improvements, and maintenance of those lines.

It is designed to remedy serious flaws within the final system plan. More important, this bill will create for the first time a real possibility that our rail system can regain its previous strength and vigor.

For all too long, America's railroads have been traveling fast in only one direction, and that is down. Perhaps the clearest symbol of this decline is that in 1929, there were 20,000 intercity passenger trains. Today we are barely operating 200.

In the area of freight service, so crucial to our national economy, the statistics show a decline both in total ton miles of intercity freight carried and in freight revenues received.

How distorted we have allowed our transportation system to become is demonstrated by the Library of Congress finding that while carrying some 40 percent of intercity freight today, railroads only earn 20 percent of total freight revenues. The Interstate Commerce Commission has estimated that a minimum average annual rate of return of 6 percent, is necessary for the economic well-being of the railroads, yet they have exceeded 4 percent only 5 of the past 25 years.

The Northeast rail crisis only signifies the most glaring example of the national financial and physical deterioration of the railroads. The complex set of reasons for this fact is less important today than the realization that the rehabilitation of the Nation's railroads is vital to our achieving long term economic growth.

To a substantial degree, it also is a critical element to bring our energy needs into some balance, with available resources. Intercity rail is substantially more efficient than other forms of transportation in its use of fuel. Whether carrying passengers or freight, the long distance railroad is a crucial conservation tool.

This measure also would instill a desperately needed balance to the Federal role in transportation. It would set railroads in a more equal position with their competitiors than they have been in the past 30 years.

The Federal Government, for various reasons, determined that it would both fund and maintain the "rights of way" for the automobile and the airplane in intercity travel. We have financed the Interstate Highway System almost entirely from Federal funds and a substantial portion of the noninterstate highway

system as well. We have paid for virtually all of the airport and runway construction and we have aided domestic waterways.

To demonstrate the disequilibrium in the Federal role in transportation, let me note that the Federal Government, in the Northeast corridor alone, spent $10.3 billion on highways between fiscal year 1959 and fiscal year 1973. We did not spend a single Federal tax dollar on the interstate rail system.

We need a balanced national transportation system based on a mixture of the different modes of travel. We do not have it now. One of the most important causes has been the Federal Government's treatment of the railroads as the ugly duckling of transportation.

With the bankruptcy of six carriers in the Northeast, the inadequacy of this attitule has convinced most Americans of the need for a fundamental change in the way we treat the railroads.

The Regional Rail Reorganization Act of 1973 directed that a plan be developed which conformed to congressional criteria and which provided for the rehabilitation and restructuring of the Northeast system.

Yet, the final system plan now submitted to the Congress has several serious failings which not only may doom its possibility of long-term financial survival without periodic and unfettered transfusions of Federal dollars but surely will limit its capacity to improve rail service.

Major defects in the plan are the slowness of the rehabilitation program, the neglect of New England lines at all in the priority rehabilitation stages, the exclusion of the nonbankrupt railroads, overly optimistic costs of its financial situation and the massive abandonment program. An equally distressing failure is the lack of compliance with the requirement for action to implement the Northeast corridor rail passenger program, a provision that it introduced in the Senate.

The National Rail Rehabilitation Act I am introducing today attempts to meet these defects in a way that will boost rail transportation—both freight and passenger—to a more equitable level of Federal funding.

This proposal has been endorsed by the New England Regional Commission. But it is not a New England plan or even a Northeast plan. It is a national plan to meet the national needs of assuring a viable rail system throughout the country. It is open to railroads in every region of the Nation.

It should be emphasized that this measure clearly defines the Federal role and obligation and protects the public investment. Federal dollars will not go out to private carriers with no guarantee that service will be improved. Federal dollars will go to improve Federal rights of way.

The bill contains the following elements:

First, a Federal Railroad Property Administration would be established within the Department of Transportation as a seperate entity. It would acquire and maintain the rail rights-of-way.

Second, the acquisition would be through a voluntary transfer of rail properties by those railroads seeking to participate. The attraction of Government maintenance and improvement, and responsibility for the rights-of-way should be a sufficient inducement to attract profitable as well as bankrupt railroad participation.

Third, the new agency would have the responsibility for maintaining and upgrading the roadbeds and rail facilities to improved standards. All too many railroads operate today at speeds below what they did 20 years ago because of the deteriorated condition of the roadbeds.

Fourth, the railroads participating would be charged a user fee for the use of the lines. While it would not fully cover the costs, it would represent a reasonable charge for the service being performed by the Federal Government.

Fifth, funds as needed would be provided from the General Treasury through the appropriations process, subject to budgetary control.

Sixth, the bill establishes a mechanism for national rail planning including full public input to permit the establishment of an approved interstate railroad system plan, including the ConRail system as finally approved in a final system plan.

Seventh, the bill includes the provisions of S. 2368, which I previously introduced, to protect branch lines not included in the final plan.

Eighth, the bill requires scheduling of improvement and completion up to improved standards.

Ninth, requires the completion of the Northeast rail corridor project by January 1, 1979, up to the level of service established in the Secretary's 1971 report of 2½-hour service between Washington and New York with five stops. An overall authorization of $4 billion is included for this program.

These are the major elements in the Rail Rehabilitation Act which I hope will be part of the congressional consideration of the final system plan.

We can ill afford any further delay in setting the Nation's course on the rehabilitation and reinvigoration of our freight and passenger railroads.

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. 2459

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 "Rail Rehabilitation Act of 1975".

TITLE I—FINDINGS, PURPOSE, AND DEFINITIONS

FINDINGS AND PURPOSE

SEC. 101. (a) The Congress finds that modern, efficient rail service is essential to interstate commerce and to national defense; that the international energy crisis requires more intensive use of fuel-economic freight and passenger trains; that better utilization of existing rail rights-of-way is more compatible with the environment in terms of land use, air pollution, and noise levels than is expansion of facilities for other modes of transportation; that many railroad tracks and roadbeds have greatly deteriorated in recent years; that such deterioration has resulted in inferior railroad transportation for both freight and passengers, together with a sharp increase in train derailments; that rehabilitation of such tracks and roadbeds will provide substantial public benefits through improved rail freight and passenger service; that both the efficiency and quality of railroad service and the economic utilization of the railroad plant can be improved by freer access by rail carriers to rail lines and facilities they do not own.

(b) The purpose of this Act is to designate an Interstate Railroad System; to organize an Administration of the Department of Transportation to acquire, rehabilitate, maintain, modernize, and to restructure the rail lines included within such System; to transfer to the States responsibility for maintenance of rail lines not included within such System; to require minimum standards of maintenance for rail lines; to establish rights of access by rail carriers to rail lines they do not own; and to provide Federal funding to the Administration and to the States for rehabilitation of rail lines.

DEFINITIONS

SEC. 102. For the purpose of this Act, the term—

(1) "Administration" means the Federal Rail Property Administration created by this Act;

(2) "Administrator" means the Administrator of the Federal Rail Property Administration as established by this Act;

(3) "Association" means the United States Railway Association established by the Regional Rail Reorganization Act of 1973;

(4) "bridge traffic" means any traffic carried by a railroad which neither originates nor terminates on the railroad, but is received from and delivered to another carrier for further movement;

(5) "Commission" means the Interstate Commerce Commission;

(6) "Conrail" means the Consolidated Rail Corporation established by the Regional Rail Reorganization Act of 1973;

(7) "Governor" means the governor of any State and includes the Mayor of the District of Columbia;

(8) "Office" means the Rail Services Planning Office of the Interstate Commerce Commission established by the Regional Rail Reorganization Act of 1973;

(9) "overhead traffic" means any freight traffic carried over a rail line but which neither originates nor terminates on the line, nor is halted in its movement over the line for any purpose other than those incidental to freight transportation operations;

(10) "rail carrier" includes any railroad company; mail, express, or less-than-carload rail freight carrier; State, regional, or local transportation agency; the National Railroad Passenger Corporation; and any other private rail passenger carrier;

(11) "rail line" includes any main rail track (or tracks), side track, and yard track adjacent to such main track; the roadbed supporting such track, any signaling, communication, and power transmission structure and device as is permanently installed on or adjacent to such track and roadbed; any bridge, culvert, fill, tunnel, and other structure occupied by such track and roadbed; any real estate occupied by such track and roadbed; real estate adjacent to such track and roadbed which is used for drainage of, maintenance of, access to, and protection of such track and roadbed; any rail yard; any station and terminal track and facility, including air rights over, and mineral rights under, such track and roadbed and other property as acquired;

(12) "railroad company" means any class I or class II railroad, including the Consolidated Rail Corporation and switching and

terminal companies, as designated by the Interstate Commerce Commission and subject to part I of the Interstate Commerce Act, together with all subsidiaries, affiliates, and leased lines of such railroads;

(13) "Secretary" means the Secretary of Transportation;

(14) "State" includes the several States and the District of Columbia;

(15) "System" means the Interstate Railroad System established by this Act; and

(16) "transportation property other than rail lines" includes any facility or equipment used for the repair and maintenance of rolling stock, track, signals, power transmission facilities or any moveable property specifically designed for primary operation on rails; but shall not include any vehicle used or designed for personal transportation use primarily on highways, air, or water.

TITLE II—INTERSTATE RAILROAD SYSTEM

ESTABLISHMENT OF SYSTEM

SEC. 201. (a) Within ninety days after the date of enactment of this Act, each rail carrier shall provide the Secretary with the following items:

(1) A map showing each rail line owned, controlled, operated, or any combination thereof by the rail carrier including any leased line, rail property operated for the account of another, and rail line out of service but not abandoned or taken out of service pursuant to the provisions of the Interstate Commerce Act.

(2) One copy of the latest edition of each employee operating timetable of such carrier with related special instructions; all temporary and semi-permanent "slow orders" on such track in effect on the date of transmittal to the Secretary; all other restrictions on train operations on such date not included in the preceding items.

(3) A statement verified by the chief operating officer of such railroad, identifying each rail line or portion of rail line which is out of service on date of transmittal to the Secretary, but which has not been abandoned, or taken out of service pursuant to the provisions of the Interstate Commerce Act.

(4) A statement verified by the chief operating officer of such railroad identifying the reasons why each rail line identified pursuant to paragraph (3) of this subsection is out of service together with an estimate, if available, of the cost of restoring each of such rail lines to operation.

(5) Track charts, or other documents sufficient to identify all parameters of track geometry, including but not limited to radius of curvature, which preclude improving the track to Federal Railroad Administration Class VI for each main line and Federal Railroad Administration Class IV for all other lines.

(6) A statement verified by the chief operating officer of such railroad identifying the maximum speed authorized on each rail line identified pursuant to paragraph (1) of this subsection at any time since January 1, 1935, including the dates between which such speed was authorized.

(7) A statement verified by the chief operating officer of such railroad concerning each rail line where the present authorized speed for such line, identified pursuant to paragraph (2) of this subsection, is less than the highest maximum authorized speed authorized on such line since January 1, 1935, identified pursuant to paragraph (6) of this subsection; and identifying for each such rail line the reasons why the present authorized speed is less than previously authorized highest maximum speed.

(8) A statement verified by the chief operating officer of such railroad identifying the location, type, and condition of all signals, interlockings, and controls.

(9) Such data as is deemed by the Secretary as adequate to determine all rail lines owned or used by such rail carrier, which consist of more than one track, and identification of the information required pursuant to paragraphs (1) through (8), inclusive, of this subsection for each track in such rail lines containing more than one track.

(b) Upon request by the railroad, the Secretary may modify or waive any of the provisions specified in subsection (a) of this section for any railroad company designated as a Class II carrier by the Interstate Commerce Commission, provided that alternative information is offered by the rail carrier which the Secretary deems adequate to satisfy the intent of this section.

(c) Additions, deletions, and changes in the information required pursuant to subsection (a) of this section shall be forwarded by the rail carrier to the Secretary within seven days of any event which causes such additions, deletions, and changes to be made. The provisions of this subsection shall apply during the period of time beginning with the submission required in subsection (a) of this section, and ending with conveyance of any such rail line to the Administration pursuant to the provisions of this Act. Notwithstanding provisions found elsewhere in this subsection, no notice is required to be given of temporary show orders which are expected to be removed within fifteen days.

(d) Within one hundred and twenty days of the enactment of this Act, each rail carrier shall provide to the Secretary a verified statement identifying all rail lines of such carrier, or segments of such rail lines upon which have originated and terminated a total average of less than fifty loaded carloads of revenue traffic per mile during the 365 days preceding the date of enactment of this Act. Such Statement shall identify the stations on said rail lines where revenue traffic originated or terminated along with the number of carloads which originated or terminated at each such station during the 365 days preceding the date of enactment of this Act. Such statement shall also identify the amount of overhead traffic carried on each such rail line during the 365 days preceding date of enactment of this Act, the points of each such rail line between which such overhead traffic was carried, and the number of days that each such rail line was out of service during the 365 days preceding the date of enactment of this Act.

(e) Information supplied by the rail carrier to the Secretary pursuant to this section shall be, when practicable, on magnetic tape or other machine-readable form determined by the Secretary to be acceptable.

(f) The Secretary may waive or modify any of the provisions of subsections (a) and (d) of this section for any individual track within terminal and yard areas provided that such waiver or modification is deemed by the Secretary to be consistent with the intent of this Act.

INITIAL DESIGNATION OF THE SYSTEM

SEC. 202. (a) Except as provided in subsection (b) of this section, the Initial Interstate Railroad System (hereinafter called the Initial System) shall consist of:

(1) All rail lines operated within the United States by railroad companies on the date of enactment of this Act; all rail lines within the United States owned, leased or otherwise controlled by domestic railroad companies which are out of service on the date of enactment of the Act, but which have not been abandoned or taken out of service pursuant to the provision of the Interstate Commerce Act; and such rail lines outside the United States which are operated by a railroad company which primarily operates within the United States and which are deemed essential to the System by the Secretary.

(b) Notwithstanding the provisions of subsection (a) of this section, the Initial System shall not include any rail line which meets any of the following criteria:

(1) A rail line which has carried no overhead traffic during the 365-day period preceding date of enactment of this Act, except overhead traffic to and from other rail lines not in the Initial System, provided that such a rail line has been designated as unnecessary by the Governor of each State in which the rail line is located.

(2) A rail line ten miles or less in length which has been in service for not less than 350 of the 365 days preceding date of enactment of this Act; which has carried no overhead traffic in the 365 days preceding enactment of this Act, except overhead traffic to and from other rail lines not in the Initial System; which has carried no passenger service in the 365 days preceding the date of enactment of this Act; upon which service has been offered at least 100 times in the preceding 365 days; and upon which has originated and terminated a total average of less than twenty-five loaded carloads of revenue traffic per mile in the 365 days preceding the date of enactment of this Act.

(3) Rail lines between ten and fifty miles in length which have been maintained during the 365 days prior to enactment of this Act to or better than the Federal Railroad Administration Class II track standard, and which otherwise satisfy all of the conditions specified in subsection (b) (2) of this section, or

(4) Rail lines fifty miles or more in length which have been maintained during the 365 days prior to enactment of this Act to, or better than, the Federal Railroad Administration Class III track standard and which otherwise satisfy all of the conditions specified in subsection (b) (2) of this section.

(c) Within 180 days of the date of enactment of this Act, the Secretary shall prepare a report containing a concise description or summary, together with a map, of all rail lines included within the Initial System. Copies of the report shall be transmitted by the Secretary to the Association, the Office, the Governor of each State, the Public Utilities Commission of each State, the Congress, each court having jurisdiction over a railroad in reorganization, and interested persons. The Secretary shall further cause a copy of the report to be published in the Federal Register.

(d) Within 180 days of the date of enactment of this Act, the Secretary shall prepare a statement identifying all rail lines excluded from the Initial System pursuant to subsection (b) of this section, along with a statement of the reason for each such exclusion, and along with the data upon which each such exclusion is based. Copies of the Statement shall be transmitted by the Secretary to the Association, the Office, the Governor of each State, the Public Utilities Commission of each State, the Congress, each court having jurisdiction over a railroad in reorganization, and interested persons. The Secretary shall further cause a copy of the Statement to be published in the Federal Register.

HEARING BY THE OFFICE

SEC. 203. (a) Thirty days after release of the Initial System, pursuant to section 202 of this Act, the Office shall hold public hearings to solicit comments on the Initial System. Notice of date, time, and place of each such hearing shall be given in a manner as to assure a full and fair opportunity to be heard for consumers, shippers, rail carriers, rail passengers, industry, labor, state and local governments, and other interested persons.

(b) The Office shall employ and utilize the services of attorneys and such other personnel as may be required in order properly to

protect the interests of those communities and users of rail service which, for whatever reason, such as their size or location, might not otherwise be adequately represented in the course of the hearings and evaluations which the Office is required to conduct and perform under other provisions of this Act.

RECOMMENDATIONS OF THE OFFICE

SEC. 204. (a) Within 150 days after release of the Initial System by the Secretary under section 202 (c) and (d), the Office shall release and report to the Secretary its recommendations for additions to and deletions from such System.

(b) Such recommendations shall include, whenever possible, proposals for re-routing of through-train operations of one or more railroad companies onto a single rail line as long as adequate capacity appears to exist on such rail line for all present traffic and for all re-routed traffic and so long as such a re-routing will not seriously harm the quality or cost of rail services presently available, and so long as such a re-routing shall not constitute the granting of access to additional markets to the railroad companies whose traffic is to be re-routed, and so long as such re-routings do not create unreasonable circuity or require the use of connections with significant operational problems for any rail carrier so re-routed.

(c) Each recommended re-routing of through-train traffic operations shall be accompanied by a recommendation by the Office as to how adeqaute local rail service is to be maintained on the rail line from which through-train operations are recommended to be re-routed.

(d) The Office may recommend inclusion of any individual rail line into the System that was excluded by the Secretary pursuant to subsection (b) of section 202 of this Act. Each such recommended inclusion shall be accompanied by a report of findings by the Office that continued rail service on such line recommended for inclusion appears to be necessary to provide adequate rail service, to avoid significant violation of the Clear Air Act, to prevent excessive unemployment, to provide efficient transportation of fossil fuel resources from their source to their user, or to provide for the continued transportation of hazardous materials that should for reasons of safety, be transported via rail rather than via alternative modes.

(e) The Office may recommend exclusion from the system of rail lines designated by the Secretary as part of the Initial System. Each such recommended exclusion shall be accompanied by a report of findings by the Office that continued rail service on each such line recommended for exclusion appears to be not necessary to provide adequate rail services, to prevent excessive unemployment, to provide efficient transportation of fossil fuel resources from their source to their user, or to provide for the continued transportation of hazardous materials that should, for reasons of safety, be transported via rail rather than via an alternative mode.

(f) The Office may, as it deems necessary, publish from time to time addenda to the recommendations released pursuant to this section.

INTERMEDIATE DESIGNATION OF THE SYSTEM

SEC. 205. (a) Upon receiving the recommendations of the Office, the Secretary shall within 90 days, after giving full consideration to such recommendations and after giving consideration to whatever other information is available to the Secretary, prepare and release a concise descriptive summary, along with map and other description adequate to enable specific identification of the rail properties involved, of an Intermediate Interstate Railroad System (hereafter called the Intermediate System).

(b) The report of the Secretary shall include findings in support of each addition to or deletion from the Initial System.

(c) The Intermediate System shall reflect to the extent possible, the result of potential re-routed through-train operations recommended by the Office pursuant to subsection (b) of section 204 of this Act.

(d) The report of the Secretary shall include a detailed description of revisions to the System which would be necessary if re-routed through-train operations were not implemented due to failure of a railroad company to convey its rail facilities to the Administration pursuant to section 304 of this Act.

(e) The Intermediate System shall designate the future maintenance standards of each rail line in the System according to the following criteria:

(1) On all rail lines, ten miles or less in length, on which the Secretary anticipates no overhead traffic: FRA Class I.

(2) On all rail lines, between 10 miles and 50 miles in length, on which the Secretary anticipates no overhead traffic: FRA Class II.

(3) On all rail lines, 50 miles or greater in length on which the Secretary anticipates no overhead traffic: FRA Class III.

(4) On all rail lines on which the Secretary anticipates overhead traffic: FRA standards allowing the highest speeds operated at any previous time since January 1, 1935 on each given rail line.

(5) On all rail lines greater than ten miles on which the Secretary anticipates more than ten million gross ton miles per mile per year: FRA Class IV.

(6) On all rail lines on which the Secretary anticipates a total of more than twenty intercity passenger trains in all directions, daily: FRA Class IV.

(7) For the passenger corridor between Boston, Massachusetts, and Washington, D.C.: Standards allowing 150 miles per hour operation.

(8) For all lines upon which the Secretary anticipates a total of more than two intercity passenger trains in all directions daily: FRA Class III.

(f) When more than one standard applies to a given rail line pursuant to subsection (e) of this section, the higher standard shall apply.

(g) Notwithstanding the provisions of subsection (f) of this section, the Secretary may designate the maximum track standards allowed by the geometry of the right-of-way of a given right-of-way where such standards are lower than the standard prescribed pursuant to subsection (e) of this section. Such lower track standards shall apply only to portions of the rail line where such limited right-of-way geometry exists.

(h) The Secretary may set standards for any rail line higher than those specified in subsection (e) of this section.

(i) The Secretary may upon publication of findings that passenger service or service to freight shippers will not be adversely affected, reduce the standards specified elsewhere in this section for a given rail line by not more than one FRA Class, provided that no reduction of standards below FRA Class I shall be made.

HEARINGS BY OFFICE

SEC. 206. (a) Commencing thirty days after release of the Intermediate System, the Office shall hold public hearings to solicit comments on the Intermediate System. Notice of date, time, and places of such hearing shall be given in a manner as to assure a full and fair opportunity to be heard for consumers, shippers, rail carriers, rail passengers, industry, labor, State and local governments, and other interested persons.

(b) The Office may employ and utilize the services of attorneys and such other personnel as may be required in order properly to protect the interests of those communities and users of rail service which, for whatever reason, such as their size or location, might not otherwise be adequately represented in the course of the hearings and evaluations which the Office is required to conduct and perform under other provisions of this Act.

RECOMMENDATIONS BY THE OFFICE

SEC. 207. (a) Within 90 days after release of the Intermediate System by the Secretary, pursuant to section 205 of this Act, the Office shall release and report to the Secretary its recommendations for additions to and deletions from and changes to the system along with the reasons for such recommendations. A copy of the recommendations shall be published in the Federal Register.

FINAL DESIGNATION OF THE SYSTEM

SEC. 208. (a) Upon receiving the recommendations of the Office, the Secretary shall within 60 days, after giving full consideration to such recommendations, and with the cooperation and assistance of the office, prepare and transmit to the Congress the Final Interstate Railroad System (hereinafter called the Final System). The Final System shall be designed to promote and enhance the ability of rail carriers to provide modern, efficient, and economical interstate rail freight and passenger service responsive to present and future needs and demands. The report of the Secretary shall include findings in support of each addition to or deletion from the Intermediate System.

(b) The Final System shall contain no deletions from the Intermediate System other than deletions which were recommended by the Office pursuant to section 207 of this Act or deletions which were approved by the Governor of the State in which the rail lines to be deleted are located. The Secretary may choose to designate as part of the Final System any rail line designated as part of the Intermediate System notwithstanding recommendations by the Office or approval of deletion by the Governor of the State in which the rail line is located.

(c) The Final System shall contain future maintenance standards for each rail line which are no lower than those contained in the Intermediate System unless:

(1) A lower standard for any individual rail line was recommended by the Office pursuant to section 207 of this Act, and

(2) Such lower standard was approved by the Governor of the state in which such rail line is located, or

(3) The individual rail line was recommended for deletion from the Final System by the Office pursuant to section 207 of this Act, and

(4) Deletion of the individual rail line from the System was approved by the Governor of the State in which the rail line is located.

(d) The Final System shall be deemed approved at the end of the first period of sixty calendar days of continuous session of Congress after transmittal thereto unless either the House of Representatives or the Senate passes a resolution during such period stating that it does not favor the System. If either such body passes a resolution of disapproval, the Secretary with the cooperation and assistance of the Office shall prepare and transmit to Congress a revised System within 60 days of the date of passage of such resolution. Each such revised System shall be submitted to Congress for review pursuant to this subsection. Each such revised System shall be deemed approved at the end of the first period of sixty calendar days of continuous session of Congress after transmittal thereto unless either the House of Representatives or the Senate passes a resolution during such period stating that it does not favor

the system. For purposes of this subsection, continuity of session of Congress is broken only by an adjournment sine die, and the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of the sixty-day period. Upon becoming effective after review by Congress, the System shall not be subject to review by any court.

REHABILITATION, CAPITAL IMPROVEMENT AND MAINTENANCE PROGRAM

SEC. 209. (a) Upon receiving the recommendations of the Office made pursuant to section 207 of this Act, the Secretary shall within 90 days determine and publish a rehabilitation, capital improvement, and maintenance program for the restoration of all rail lines in the System to the future maintenance standards set forth in the Final System. Within such program projects scheduled to take place during the four years following enactment of this Act shall be individually scheduled. Each project within such program scheduled to take place more than four years after the enactment of this Act shall be identified as to approximate year of expected completion. If either body of Congress passes a resolution of disapproval pursuant to subsection 208(d) of this Act, the Secretary shall, within 90 days of passage of such resolution, publish a revised rehabilitation, capital improvement and maintenance program to correspond with the revised System prepared pursuant to subsection 208(d).

(b) The entire program shall be scheduled by the Secretary for completion within 12 years following enactment of this Act.

(c) Within three years after the date of enactment of this Act, the Secretary and the Secretary of the Army shall jointly undertake and carry out a study of the long-term capital needs for modernization of signal systems, line relocation, tunneling, highway grade crossing elimination, electrification, and other major upgrading to the Final System as revised. The study shall include recommendations for investment priorities among the various upgrading projects.

(d) Upon completion of the study, the Secretary and the Secretary of the Army shall submit to the President and to the Congress, and shall release to the public, a full report thereon together with their recommendations for such legislative, administrative, and other actions as they deem appropriate for implementing the report.

(e) Within 90 days of completion of the study, the Administrator shall determine and release a revised rehabilitation, capital improvement and maintenance program showing the schedule for completion of each element of the program. All elements of the program shall be scheduled for completion within twelve years following enactment of this Act. Provision shall be made for revision of such schedule should one or more railroad companies fail to transfer railroad facilities to the Administration pursuant to section 305 of this Act.

(f) The Administrator may, from time to time, revise the program as deemed necessary because of failure of one or more railroad companies to transfer in a timely fashion, railroad facilities to the Administration pursuant to section 305 of this Act.

RAIL PROPERTIES REORGANIZED UNDER THE REGIONAL RAIL REGIONALIZATION ACT OF 1973

SEC. 210. (a) Notwithstanding the contrary provisions in sections 201 through 208 of this title, all rail lines designated to be transferred to ConRail or to be offered for sale to a profitable railroad or to be purchased, leased, or otherwise acquired by the National Railroad Passenger Corporation pursuant to the Final System Plan of the Association developed under section 206(c) of the Regional Rail Reorganization Act of 1973, shall be part of the Final System.

REVISION OF FUTURE MAINTENANCE STANDARDS

SEC. 211. (a) The Administrator shall, from time to time, revise the future maintenance standards designated pursuant to subsection (e) of section 205 and pursuant to subsection (c) of section 208 of this Act so long as such revision shall reflect changes in the anticipated use of the individual rail lines. The Administrator may at any time specify future maintenance standards higher than those required to be specified pursuant to sections 205 and 208 of this Act.

VERIFICATION OF DATA SUPPLIED BY RAILROADS

SEC. 212. (a) Within 210 days of the date of enactment of this Act, the Secretary shall publish an inventory of all rail lines in the United States. Such inventory shall include, but not be limited to a listing of the maximum allowable speed for freight and passenger trains on July 1, 1975, on each portion of each rail line.

(b) Within 120 days after the date of enactment of this Act, all rail carriers shall supply the Secretary with a verified statement describing each slow order, speed restriction and change in employee operating timetable that became effective on or after July 1, 1975. Such verification statement shall also give the reason for each such slow order, speed restriction and timetable revision.

(c) The Secretary may make whatever physical inspections or other investigations which he deems necessary to insure that the inventory is correct.

(d) Upon receipt of satisfactory evidence that the inventory is incorrect, the Secretary shall correct such inventory.

TITLE II—FEDERAL RAIL PROPERTY ADMINISTRATION ESTABLISHMENT OF ADMINISTRATION

SEC. 301. (a) There is hereby established an Administration of the Department of Transportation to be known as the Federal Rail Property Administration. The Administration shall be deemed not to be a railroad for purposes of the Interstate Commerce Act.

(b) The management, powers, and duties of the Administration shall be vested in an Administrator to be appointed by the President, by and with the advice and consent of the Senate.

(c) To assist the Administrator there shall be a Deputy Administrator who shall be appointed by the Administrator. The Assistant Administrator shall perform such duties as the Administrator may from time to time designate.

(e) The Administrator shall prepare a budget and staffing plan within 30 days from his appointment, and shall submit the proposed budget and plan to Congress for review. Congress shall have 30 legislative days in which to revise this budget, or failing, shall allow the budget to stand as if approved. The staffing plan shall make provision for the employment of sufficient personnel at all levels to carry out the purpose of the Act.

GENERAL POWERS OF THE ADMINISTRATION

SEC. 302. (a) The Administration may acquire rail lines and transportation property other than rail lines from any railroad company operating in the United States or whose principal place of business is in the United States. Such property may include properties of United States railroads outside the United States in contiguous portions of Canada and Mexico where such properties are part of and necessary to the functioning and operational integrity of the Interstate Rail System established pursuant to this Act.

(b) The Administration may, pursuant to section 303 of this Act, enter into leases with a railroad company which deeds rail lines to the Administration. Any such lease shall be for the purpose of providing common carriage rail service over rail lines previously owned by the railroad, and shall be granted for a term of not more than 25 years and shall be renewable upon certification by the Interstate Commerce Commission that the carrier is fit, willing and able to perform common carriage services in the territory and over the tracks covered by the lease. The Commission shall, not later than 90 days before the expiration of the lease, make a determination as to whether the carrier is fit, willing and able to perform common carriage services in the territory and over the tracks covered by the lease. In the event that the Commission fails to make such a timely determination, the Administrator shall grant an extension in time of the lease for a period of one year from the date of termination of the lease. No further extension or renewal shall be granted until the Commission has issued such certificate. Each such lease shall be subject to the provisions of the following paragraphs:

(1) During the term of the initial lease, the railroad company shall have exclusive rights to use the railroad facilities, except as provided in paragraph (1) and (9) of this subsection.

(2) Under the terms of the lease, the carrier shall provide common carriage freight service to all stations, shippers and receivers located along or adjacent to the properties leased in the manner normally prescribed in law.

(3) Under the terms of the lease, the rail carrier shall agree to pay the Administration a user charge pursuant to section 402 of this Act.

(4) The lease shall include terms for the maintenance of the rail properties as determined pursuant to section 305 of this Act.

(5) The lease shall include terms for rehabilitation and capital improvement projects on the rail properties determined pursuant to section 304 of this Act in accordance with the program and schedule established pursuant to section 209 of this Act or pursuant to section 303(d) or 304(g) of this Act.

(6) In the event that the Commission finds that a carrier is not fit, willing, and able to provide services as required under the provision of the lease, the Commission shall order the termination of the lease and shall evoke the provisions of paragraphs (15) and (16) of section 1 of the Interstate Commerce Act, as amended.

(7) The terms of the initial lease shall be for the exclusive use of the property previously owned or controlled by the carrier with the following exceptions:

(A) the terms and conditions of existing agreements for joint usage of rail properties shall remain in force unless terminated by mutual consent of the parties to the agreement and with the concurrence of the Administrator.

(B) the Administrator may grant bridge trackage rights to another railroad (hereinafter referred to as the Bridge Railroad), if the Administrator finds that:

(i) sufficient capacity exists on the rail property of the leaseholding railroad so that the bridge traffic does not materially impair the operations of the leaseholding railroad company;

(ii) said bridge trackage rights do not permit diversion of traffic to the bridge railroad from the leaseholding railroad;

(iii) the bridge trackage rights do not permit the bridge railroad to serve markets previously not served by the bridge railroad; and

(iv) the bridge railroad shall pay to the leaseholding railroad $0.10 per thousand gross ton miles carried as bridge traffic.

The Administrator shall specify operating rules for such bridge traffic to insure that the operations of the leaseholding railroad are not materially affected by the bridge

operations. The Administrator shall suspend or revoke such bridge trackage rights if he finds that traffic normally carried by the leaseholding railroad is being diverted to the bridge railroad because of such bridge trackage rights.

(C) the Administrator may grant operating rights to the National Railroad Passenger Corporation or to a State, local, or regional rail passenger authority for the operation of a passenger service over the former property of the leaseholding railroad company so long as:

(i) the operation of such passenger service does not materially impair the operations of the leaseholding railroad;

(ii) the leaseholding railroad is fully compensated by the operator of the passenger service for all costs resulting from the operation of said passenger service including the costs resulting from the operation of such passenger service and including the cost of delays to freight trains because of the passenger train operations.

The Administrator may specify operating rules to give passenger trains priority over freight trains when appropriate.

(D) the lease may allow other operating rights to railroads other than the leaseholding railroad provided that the granting of such operating rights to another carrier be for the purposes of system rationalization and shall not constitute a penetration of the market served by the leaseholding carrier unless such a penetration shall have been agreed to by the leaseholding carrier.

(8) The terms of each lease shall be modified to exclude service over properties over which discontinuance of service has been ordered by the Commission in accordance with the Interstate Commerce Act whenever such orders are issued.

(9) Within one year from the enactment of this Act, the Administrator shall establish regulations for the planning and implementation of plans for projects to coordinate, and rationalize operations of railroads. Such regulations shall specify:

(A) the parties to the planning process;

(B) goals, standards and criteria for such planning;

(C) social, economic and environmental impact standards to be met under the process; and

(D) such other criteria as may be required by the Administrator.

Upon approval by the Administrator, such project may be implemented by the railroads concerned, and upon implementation shall be included in the terms of the lease for the affected properties.

(10) The Administrator may impose such conditions for the renewal of the lease as he may determine to be necessary to implement plans approved under the preceding paragraph.

(11) The Administrator shall under no circumstances grant any operating rights for private or contract carriage.

(12) Upon application by the leaseholding carrier, the Commission may grant permission for the lease or a portion of the lease to be assigned to another carrier so long as such assignment is consistent with the standards which the Commission normally uses in allowing the voluntary transfer of operating rights from one carrier to another. The Commission shall within 180 days from receipt of such an application either grant permission to assign or shall refuse such permission for specific reasons.

(13) The lease shall contain such provisions as shall be determined by the Administrator to be necessary to ensure reasonable reuse of materials removed from existing track or other properties owned by the Administration during maintenance and rehabilitation of such properties, and shall further apply such conditions as shall ensure that materials provided by the Administration shall not be used in a wasteful manner.

TRANSFER OF RAIL FACILITIES

SEC. 303. (a) At any time after the Final System as designated by the Secretary is deemed approved pursuant to section 208 of this Act, any railroad company may offer to transfer all of its rail facilities which are included in the System to the Administration. For purposes of this subsection, the term "railroad company" shall be taken to include all and not less than all railroad subsidiaries of the company and railroad subsidiaries of its parent company.

(b) Within 120 days of receipt of an offer to transfer rail properties of a railroad company pursuant to subsection (a) of this section, the Administration shall enter into a lease described in section 302 of this Act, and shall accept title of the rail facilities so offered.

(c) At any time after 120 days after the date of enactment of this Act, Conrail may offer to transfer to the Administration all of its rail facilities, as designated by the Association in the Association's Final System Plan pursuant to section 206 (a)(1) of the Regional Rail Reorganization Act of 1973, provided, however, the Corporation has not previously disposed of such rail facilities so designated in the Final System Plan.

(d) Within thirty days of receipt of notification of an offer pursuant to subsection (c) of this section, the Association shall submit to the Corporation and to the Administration a detailed program plan for the rehabilitation, modernization and maintenance of the rail lines to be transferred by Conrail.

(e) Within 120 days of receipt of an offer from Conrail to transfer its rail facilities pursuant to subsection (c) of this section, the Administration shall enter into a lease as described in section 303 of this Act, and shall accept title of the rail facilities so offered. For purposes of such lease, the program plan submitted by the Association pursuant to subsection (d) of this section shall be used rather than the program plan to be published pursuant to section 209 of this Act, until such program plan published pursuant to section 209 of this Act becomes available.

(f) At any time after 120 days after the date of enactment of this Act, but prior to the date that the Final System is deemed to be approved pursuant to section 208 of this Act, any railroad company other than Conrail may offer to transfer to the Administration all of its rail facilities provided, however, that said rail facilities shall include all rail facilities owned or operated by the railroad company on June 1, 1975, and further provided that the railroad company agrees to accept a return transfer of any such rail property which is not included in the Final System and which the Administrator wishes to return to the railroad company within 30 days of the date that the Final System is deemed approved pursuant to section 208 of this Act.

(g) Within 120 days of receipt of an offer of transfer of rail facilities pursuant to subsection (f) of this section, the Administration shall enter into a lease as described in section 302 of this Act and shall accept title to rail facilities so offered provided that there exists an interim program plan for rehabilitation, modernization and maintenance agreeable to both the Administration and the railroad company and which shall be applicable until the date that the Final System is deemed acceptable pursuant to section 208 of this Act. The Administration shall set forth as a term of the lease an interim maintenance program specifying track standards not lower than those existing on the rail facilities on the date of transfer, and not higher than standards which the Administrator anticipates will be specified in the Final System, the interim standard offered shall be equal to the standard existing on the date of transfer. Any lease entered into pursuant to this subsection shall contain a provision under which the Administrator may, within 30 days of the date that the Final System is deemed accepted pursuant to section 208 of this Act, transfer any such rail property not included in the Final System to the railroad company and under which the railroad company shall accept any rail facility so transferred. Upon the date that the Final System is deemed accepted, the interim standards specified pursuant to this subsection shall be superseded by the program plan published pursuant to section 209 of this Act.

(h) At any time after the date that the Final System is deemed accepted pursuant to section 208 of this Act, a railroad company may offer to transfer to the Administration any portion of the rail facilities owned or operated by the railroad company on July 1, 1975, and included in the Final System, as revised pursuant to section 208 of this Act.

(i) The Administrator may enter into a lease and accept title to rail facilities offered for transfer pursuant to subsection (h) of this section, provided that the Administrator finds that the rail facilities offered for transfer will represent a lower cost per mile to the Administration for rehabilitation, modernization, and maintenance less any user fees than would exist if all of the rail facilities owned or operated by the railroad company on July 1, 1975, and included in the Final System as revised were transferred to the Administration, and further provided that the Administrator finds the transfer of rail facilities so offered to be more consistent with the intent of this Act than would be the transfer of all rail facilities owned or operated by the railroad company on July 1, 1975, and included in the Final System as revised. For purposes of this subsection, the Administrator may set user charges greater than those specified in section 402 of this Act, and may specify the conditions of lease agreements more favorable to the Administration than the conditions specified in section 302 of this Act.

(j) Notwithstanding any other provision of this Act, the Administrator shall not enter a lease agreement, or accept title to rail facilities pursuant to subsections (b), (e), (g) or (i) of this section where any of such rail facilities are restricted to maximum speeds lower than those existing on July 1, 1975, unless payment is made to the Administration by the railroad company to fully compensate the Administration for the costs of restoration of the rail facilities to either the condition existing on July 1, 1975, or the condition specified in the future maintenance standards in the Final System as revised, whichever condition is lower.

(k) At any time after the Final System is deemed approved pursuant to section 208 of this Act, any State which has acquired railroad properties excluded from the Final System Plan pursuant to the Regional Rail Reorganization Act of 1973, may offer to the Administration transfer of all properties which are included in the Final System. Within 120 days of such an offer or conveyance, the Administration shall accept title to such properties and shall make payment to the State for any State funds expended in the acquisition and modernization of such rail properties.

REHABILITATION OF RAIL FACILITIES

SEC. 304. (a) The Secretary shall develop programs of rehabilitation and capital improvements for rail properties owned by the Administration and these programs shall be incorporated into and be made terms of the lease of such property. These programs shall be consistent with the provisions of sections 209, and 303 (d) and (g) of this Act.

(b) The Administration shall pay the costs of such programs. The Administrator shall contract with the leaseholding railroad

to perform such programs unless, in the determination of the Administrator the railroad does not possess forces sufficiently large or skilled to perform the work, or unless in the determination of the Administrator, the terms and conditions of such a contract make it a cost to the Administration sufficiently greater than the cost of having the project performed by some other responsible party.

(c) The Administrator shall, within 30 days of completion of any program or project for rehabilitation of a line or facility, or of the completion of a capital project on any line or facility make an inspection of the property, and shall make a determination of compliance of the work with the standards set forth in the contract and the program covering such work. If, in the determination of the Administrator, work has been performed in a fully satisfactory manner, he shall issue a certificate of rehabilitation or a certificate of completion as the case may be.

MAINTENANCE OF RAIL PROPERTIES

SEC. 305. (a) The Administrator and any rail carrier leasing property from the Administration shall establish within 30 days from the date of certification by the Administrator that the property has been rehabilitated to the standard set by the Secretary under section 208(c), a schedule of maintenance whereby such leased property shall be maintained at a standard not less than that established under section 208(c).

(b) Maintenance of facilities of the Administration used exclusively by one carrier shall be the responsibility of that carrier. Where more than one carrier utilizes a facility of the Administration, responsibility for maintenance shall be as provided in the respective leases. In all cases maintenance shall be to standards set by the Secretary in designating the System, which standards shall be incorporated in the lease. The Administrator shall make all materials and equipment necessary for maintenance available to the responsible carrier or carriers.

(c) Failure to maintain to standards shall be a violation of the lease and shall require the payment by the carrier to the Administration of $1,000 per day per mile of track not meeting standards as specified in the lease unless in the determination of the Administrator, such failure shall have been for causes beyond the control of the carrier. Failure to provide requisite maintenance materials or equipment as needed shall require payment by the Administration to the responsible carrier or carriers of an aggregate of 2 per centum of the material value or 2 per centum of the equipment operating cost per day of delinquency.

ANNUAL REPORT

SEC. 306. The Administrator shall report annually on the First of January of each year to the President and to Congress on the extent and condition of all properties owned by the Administration, and on the condition of all other rail properties in the Nation.

TITLE IV—FUNDING

AUTHORIZATIONS FOR REHABILITATION AND MAINTENANCE

SEC. 401. There are authorized to be appropriated each year beginning with the year in which this Act is enacted and continuing for a period of ten years such sums as are necessary for (1) rehabilitation of lines as required under section 209 of this Act, and (2) to provide the materials used in maintenance as required under section 209 of this Act.

RAIL USER CHARGE AND OTHER REVENUES

SEC. 402. (a) There shall be a Rail User Charge (hereinafter referred to as "User Charge"), imposed on all railroads operating on facilities of the Administration. The User Charge shall be $0.20 annually per thousand gross ton miles of freight, passengers, and rail equipment moved on the facilities of the Administration. The User Charge shall be collected from the railroad by the Administration at the end of each calendar quarter for the period of the preceding quarter, and shall be deposited in the Treasury as miscellaneous receipts.

(b) Other such revenues as the Administration shall earn from the sale or lease of property, or interests or uses thereof or from all other sources shall also be so deposited in the Treasury.

ADDITIONAL AUTHORIZATIONS

SEC. 403. (a) There are authorized to be appropriated to the Secretary for purposes of preparing the reports and exercising other functions to be performed by him under this Act such sums as are necessary, not to exceed $20,000,000 to remain available until expended.

(b) There are authorized to be appropriated to the Commission for the use of the Office in carrying out its functions under this Act such sums as are necessary, not to exceed $5,000,000 to remain available until expended. The budget for the Office shall be submitted by the Commission directly to the Congress and shall not be subject to review of any kind by any other agency or official of the United States or used by the Commission for any purpose other than the use of the Office. No part of any other moneys appropriated to the Commission shall be withheld by any other agency or official of the United States to offset any money appropriated pursuant to this subsection.

(c) There are authorized to be appropriated to the Administrator for purposes of carrying out its administrative expenses under this Act such sums as are necessary, not to exceed $50,000,000 to remain available until expended.

MAINTENANCE MATERIALS

SEC. 404. (a) The Administrator is authorized to make necessary expenditures for purchase of materials to be used in maintenance, modernization or improvement of facilities owned by the Administration.

(b) There are authorized to be appropriated such amounts as are necessary for the purpose of this section.

TITLE V—STATE AND LOCAL RAIL SERVICE DISCONTINUANCE AND ABANDONMENT

AUTHORIZATION

SEC. 501. (a) Except as provided in subsections (c) and (e) of this section, rail service on rail properties not designated as part of the System of a railroad which transfers to the Administration as part of the System may be discontinued to the extent such discontinuance is not precluded by the terms of the leases and agreements referred to in this Act if—

(1) not sooner than 30 days following the effective date of conveyance to the Administration the railroad or the trustee or trustees of a railroad in reorganization give notice in writing of intent to discontinue such rail service on a date certain which is not less than 60 days after the date of such notice; and

(2) the notice required by paragraph (1) of this subsection is sent by certified mail to the Governor and State transportation agencies of each State in which such rail properties are located and to each shipper who has used such rail service during the previous 12 months.

(b) Rail properties over which rail service has been discontinued under subsection (a) of this section may not be abandoned sooner than 120 days after the effective date of such discontinuance except as provided in subsection (c) of this section. Thereafter, except as provided in subsection (c) of this section, such rail properties may be abandoned upon 30 days' notice in writing to all those required to receive notice under paragraph (2) of subsection (a) of this section. In any case in which rail properties proposed to be abandoned under this section are designated by the Governor of the State as rail properties which are suitable for use for other public purposes (including roads or highways, other forms of mass transportation, conservation and recreation), such rail properties shall not be sold, leased, exchanged, or otherwise disposed of during the 180-day period beginning on the date of notice of proposed abandonment under this section unless such rail properties have first been offered upon reasonable terms for acquisition for public purposes.

(c) Rail service may be discontinued and rail properties may be abandoned under subsections (a) and (b) of this section notwithstanding any provision of the Interstate Commerce Act (49 U.S.C. 1 et seq.), or the constitution or law of any State or the decision of any court or administrative agency of the United States or of any State. No rail service may be discontinued and no rail properties may be abandoned under subsections (a) and (b) of this section—

(1) if after two years from the date of conveyance of the railroad's facilities to the Administration or more than two years after the final payment of any rail service continuation subsidy is received whichever is later; or

(2) if a shipper, a State, the Federal Government, a local or regional transportation authority, or any responsible person offers—

(A) a rail service continuation subsidy which covers the difference between the revenue attributable to such rail properties and the avoidable costs of providing service on such rail properties plus a reasonable return on the value of such rail properties, and standards published by the Office pursuant to the Regional Rail Reorganization Act of 1973 shall be used to determine avoidable cost and reasonable rate of return;

(B) a rail service continuation subsidy which is payable pursuant to a lease or agreement with a State, or a local or regional transportation authority, under which financial support was being provided at the time of the enactment of this Act for the continuance of rail passenger service; or

(C) to purchase, pursuant to subsection (d) of this section, such rail properties in order to operate rail service over such properties.

If a rail service continuation subsidy is offered, the Government or person offering the subsidy shall enter into an operating agreement with the railroad or any responsible person (including a Government entity), under which the railroad or such person (including a Government entity), will operate rail service over such rail properties and receive the difference between the revenue attributable to such properties and the avoidable costs of providing service on such rail properties and a reasonable rate of return on the value of any rail properties for which a rail service is operated under such subsidy.

(d) If an offer to purchase is made under subsection (c)(2)(C) of this section, such offer shall be accompanied by an offer of a rail service continuation subsidy. Such subsidy shall continue until the purchase transaction is completed, unless a railroad assumes operations over such rail properties on its own account pursuant to an order or authorization of the Commission. Whenever a railroad gives notice of intent to discontinue service pursuant to subsection (a) or (e) of this section, such railroad shall, upon the request of anyone apparently qualified to make a purchase offer promptly make available its most recent reports on the physical condition of such property together with such traffic and revenue data as would be required under subpart (B) of part 1121

of chapter X of title 49 of the Code of Federal Regulations and such other data necessary to ascertain the avoidable costs of providing service over such rail properties.

(e)(1) Two years after transfer by any rail carrier of its rail facilities to the Administration, the Commission may authorize a railroad carrier to discontinue service which is found to be not required by the public convenience and necessity. The Commission may, at any time after the effective date of transfer, authorize additional rail service or authorize the abandonment of rail properties which are not being operated. Determinations by the Commission under this subsection shall be made pursuant to applicable provisions of the Interstate Commerce Act, as amended by this Act.

(2) Rail properties over which rail service has been discontinued under subsection (e)(1) of this section may not be abandoned by the administration sooner than one hundred twenty days after the effective date of such discontinuance.

(3) No rail service may be discontinued and no rail properties may be abandoned under subsection (e) of this section if any of the provisions of subsection (c)(2) of this section are fulfilled.

(f)(1) The Secretary shall establish a program of Federal aid in support of State rail planning as required by the provisions of the Regional Rail Reorganization Act of 1973. Such program shall be administered by the Administrator who shall require of each State the submission of a work program and budget for activities to be undertaken. Such program and budget shall be submitted by each State at the end of the third quarter of each fiscal year for the fiscal year beginning July 1 thereafter. The Secretary shall establish regulations concerning State rail planning and shall cause them to be published in the Federal Register. Such aid shall be provided to each State at the rate of 1 per centum of the budgeted cost of all rail rehabilitation and capital improvement projects scheduled to be undertaken during that fiscal year within the State.

(2) There are authorized to be appropriated such amounts as are necessary for the purpose of this subsection.

TITLE VI—LABOR CONTRACTS

MAINTENANCE OF EXISTING CONTRACTS

SEC. 601. All contracts between rail carriers and labor organizations for maintenance of properties transferred to the Association shall remain in full force, notwithstanding any other provision of this Act.

CONTRACT AUTHORIZATION

SEC. 602. The Association is authorized to contract with rail carriers, responsible firms, or any other person deemed competent for the performance of maintenance, rehabilitation or capital improvement projects required to fulfill the provisions of this Act, provided that all employment pursuant to such contracts shall be subject to the terms and conditions of labor contracts in force at the time on the property affected.

TITLE VII—NORTHEAST CORRIDOR

PASSENGER SERVICE

SEC. 701. (a)(1) The National Railroad Passenger Corporation is hereby authorized and directed to operate high speed rail passenger service in the Northeast Corridor in conformance with section 206(a)(3) of the Regional Rail Reorganization Act of 1973, the approved Final System Plan, and the plans prepared under section 601(d)(3) of the Regional Rail Reorganization Act of 1973.

(2) Rail properties designated in accordance with section 206(c)(1)(C) of the Regional Rail Reorganization Act of 1973 shall remain with Conrail and be leased to the National Railroad Passenger Corporation: *Provided*, That if Conrail conveys its facilities to the Administration, such properties as are designated in section 206(c)(1)(C) of the Regional Rail Reorganization Act of 1973 shall also be conveyed to the Administration and shall be available to such Corporation for operation of said high speed passenger service.

(3) Prior to any such transfer, the Secretary shall be responsible for improving the Northeast Corridor to attain the goals of section 206(a)(3) of the Regional Rail Reorganization Act of 1973 by January 1, 1979. Subsequent to any such conveyance, the Administration shall assume such responsibility.

(b) There are authorized to be appropriated to the Secretary or the Administrator as the case may be, $4,000,000,000 for improvement of the Northeast corridor. There are authorized to be appropriated to the National Railroad Passenger Corporation $800,000,000 for equipment, rolling stock, and other appropriate improvements for the attainment of the goals of section 206(a)(3) of the Regional Rail Reorganization Act of 1973.

TITLE VIII—BRANCH LINE PROTECTION

SEC. 801. That (a) section 302 of the Regional Rail Reorganization Act of 1973 is amended by striking "and" at the end of clause (c), striking the period at the end of clause (d) and inserting in lieu thereof a semicolon and the word "and", and inserting after such clause the following:

"(e) establish and clearly define branch line management functions to give explicit attention to the operation and marketing of rail branch line services for branch lines acquired by the Corporation and operated by it under subsidy, and the cost of this management function shall be allocated to the avoidable costs of operating the branch lines.".

(b) Section 402 of such Act is amended to read as follows:

"RAIL SERVICE ASSISTANCE FUNDS

"SEC. 402. (a) GENERAL.—The Secretary shall provide financial assistance in accordance with this section for the following purposes:

"(1) rail service continuation subsidies in conformance with a State rail plan approved by the Secretary;

"(2) acquisition and modernization of rail properties by a State or by a local or regional transportation authority in conformance with a State rail plan approved by the Secretary;

"(3) acquisition or preservation of rail properties for future transportation use by a State or by a local or regional transportation authority in conformance with a State rail plan approved by the Secretary, including the payment of 'a reasonable return on the value' as defined pursuant to section 205(d)(3);

"(4) providing rail related solutions to loss of rail service which are less expensive than continuing rail service, in conformance with a State rail plan approved by the Secretary; and

"(5) rail planning purposes as specified in subsection (e).

The Federal share of any program or project pursuant to this section shall be 100 per centum of the cost thereof during the first year for which payments are made pursuant to this section, 90 per centum during the second and third such year, 80 per centum during the fourth such year, and 70 per centum during the fifth such year.

"(b) ENTITLEMENT.—(1) Each State in the region is entitled to an amount for the purposes of subsection (a) from 50 per centum of the sums appropriated each fiscal year for such purpose in the ratio which the total rail mileage in such State, as determined by the Secretary and measured in point-to-point length (excluding yard tracks and sidings), bears to the total rail mileage in all the States in the region, measured in the same manner, except that the entitlement of each State shall be no less than 3 per centum, and the entitlement of no State shall be more than 10 per centum, of 50 per centum of the funds appropriated. In the event that the total amount allocated under this formula, due to the application of the maximum and minimum limitations which it establishes, is greater or less than 50 per centum of the funds appropriated, the excess or deficiency, as the case may be, shall be added to or deducted from the Secretary's discretionary fund provided for in paragraph (2) of this subsection. The entitlement of any State which is withheld in accordance with this section and any sums not used or committed by a State during the preceding fiscal year shall be paid into the discretionary fund provided for in paragraph (2) of this subsection.

"(2) The Secretary is authorized to provide discretionary financial assistance to a State or a local or regional transportation authority in the region for the purposes of subsection (a).

"(c) ELIGIBILITY.—(1) A State in the region is eligible to receive rail service assistance funds pursuant to subsection (b) of this section in any fiscal year if—

"(A) the State has established a State plan for rail transportation and local rail services which is administered or coordinated by a designated State agency and such plan provides for the equitable distribution of such subsidies among State, local, and regional transportation authorities;

"(B) the State agency has authority and administrative jurisdiction to develop, promote, supervise, and support safe, adequate, and efficient rail services; employs or will employ, directly or indirectly, sufficient trained and qualified personnel; and maintains or will maintain adequate programs of investigation, research, promotion, and development with provision for public participation;

"(C) the State provides satisfactory assurance that such fiscal control and fund accounting procedures will be adopted as may be necessary to assure proper disbursement of, and accounting for, Federal funds paid under this title to the State; and

"(D) the state complies with the regulations of the Secretary issued under this section.

"(2) Rail freight services eligible for funds pursuant to subsection (b) of this section are—

"(A) those rail services of railroads in reorganization in the region which the final system plan does not designate to be continued;

"(B) those rail services in the region which have been at any time during the five-year period prior to the date of enactment of this Act, or which are subsequent to the date of enactment of this Act, owned, leased, or operated by a State agency or a local or regional transportation authority or with respect to which a State, a political subdivision thereof, or a local or regional transportation authority has invested at any time during the five-year period prior to the date of enactment of this Act, or invests subsequent to the date of enactment of this Act, substantial sums for improvement or maintenance of rail service; and

"(C) those rail services in the region with respect to which the Commission issues a certificate of abandonment effective on or after the date of enactment of this Act.

"(d) REGULATIONS.—Within ninety days after the date of enactment of this Act, the Secretary shall issue, and shall from time to time amend, regulations with respect to payments pursuant to this section.

"(e) RAIL PLANNING.—Each eligible State

shall receive assistance for rail planning required under this Act up to (1) 5 per centum of entitlement funds plus (2) 5 per centum of discretionary funds awarded for the purposes of subsections (a) (1), (2), (3), and (4). Such assistance shall be paid on an annual basis, retroactive to January 1, 1974, with initial two-year State awards to be fully allocated from the first year appropriation for sections 402(b)(1) and 402(b)(2).

"(f) PAYMENTS.—The Secretary shall pay to each State in the region an amount equal to its entitlement under subsection (b)(1) of this section. Any amounts which are not expended or committed by a State pursuant to subsection (b) during the ensuing fiscal year shall be returned by such State to the Secretary, who may use such amount in accordance with subsection (b)(2) of this section.

"(g) RECORD, AUDIT, AND EXAMINATION.—(1) Each recipient of financial assistance under this section, whether in the form of grants, subgrants, contracts, subcontracts, or other arrangements, shall keep such records as the Secretary shall prescribe, including records which fully disclose the amount and diposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance was given or used, the amount of that portion of the cost of the project supplied by other sources, and such other records as will facilitate an effective audit.

"(2) The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives shall, until the expiration of three years after completion of the project or undertaking referred to in paragraph (1) of this subsection, have access for the purpose of audit and examination to any books, documents, papers, and records of such receipts which in the opinion of the Secretary or the Comptroller General may be related or pertinent to the grants, contracts, or other arrangements referred to in such paragraph.

"(h) WITHHOLDING.—If the Secretary, after reasonable notice and opportunity for a hearing to any State agency, finds that a State is not eligible for rail service continuation subsidies under subsections (c) and (d) of this section, payment to such State shall not be made until there is no longer any failure to comply.

"(i) AUTHORIZATION FOR APPROPRIATIONS.—(1) There is authorized to be appropriated to carry out the purposes of this section such sums as are necessary for each of the five fiscal years including and following the effective date of the final system plan. Such sums as are appropriated shall remain available until expended.

"(j) DEFINITION.—As used in this section, 'rail service continuation subsidies' means subsidies calculated in accordance with the provisions of section 205(d)(3) of this Act to cover costs of operating adequate and efficient rail service, including where necessary improvement and maintenance of tracks and related facilities.".

(c) Section 403 of such Act is amended (1) in subsection (a) by striking out all beginning with the colon to the period at the end thereof, and (2) in subsection (b) by striking out the last sentence.

(d) Such Act is further amended by inserting at the end thereof the following:

"TITLE VII—RECERTIFICATION OF RAIL SERVICES

"REQUIREMENT OF RECERTIFICATION

"SEC. 701. Upon request of the involved State, the Corporation or the most appropriate railroad, as determined by the Secretary, must acquire and operate rail lines which have been operated under subsidy pursuant to title IV of this Act which meet the minimum safety standards established by the Secretary for railroads and which have revenues equal to or in excess of avoidable costs plus return on investment for two sequential years. The Commission shall issue pursuant to the Interstate Commerce Act a new certificate of public convenience and necessity for such lines.".

By Mr. BROOKE:

S. 2461. A bill to amend the Tax Reduction Act of 1975 to make it clear that refunds based on credits for earned income under section 43 of the Internal Revenue Code of 1954 are to be disregarded in the administration of Federal and federally assisted programs. Referred to the Committee on Finance.

Mr. BROOKE. Mr. President, today, I am introducing legislation to assure that the earned income tax credit, which the Congress included in the Tax Reduction Act of 1975 accomplishes the purposes for which it was enacted—to increase the spending power of low-income working families, and to make work more attractive than welfare.

This legislation is identical to an amendment which I offered last March, when the Tax Reduction Act was on the floor of the Senate. That amendment would have provided a disregard of the work bonus tax return when calculating benefits under other Federal programs. At that time, in a late night effort to get the bill to conference, the amendment was tabled by a close vote of 50 to 40. Now, the adverse impact of the credit without the disregard is even clearer: thousands of families are threatened with the loss of their benefits under other Federal programs. It is essential that the Senate act to correct this problem before these payments are made next spring.

Members of the Senate will recall that our principal purpose in enacting the Tax Reduction Act was to provide additional income to individuals and families in order to help stimulate economic recovery. In proposing the earned income credit, or the so-called "work bonus," the distinguished chairman of the Senate Finance Committee, Senator RUSSELL LONG, explained an additional objective: "to encourage people to find employment and to make their income adequate so that they will not need to seek Federal and State help and live at the expense of the taxpayer."

Unfortunately, Mr. President, without my amendment, neither objective will be accomplished. Low-income working families who receive welfare to supplement the money they earn will not get an extra penny from the work bonus. Instead, their welfare grant will just be reduced, dollar-for-dollar, by the amount of the tax credit they receive. What is even worse, if the credit makes them ineligible for welfare, then they may also lose other benefits which are tied to their eligibility for welfare—such as medicaid and the day care services that enabled them to work in the first place.

In other words, the net effect of the work bonus could be to put the working welfare recipient in a worse position than the one who is not employed. I do not believe that is something anyone in the Senate wishes to do.

In addition to the harmful effects on individual families, our failure to disregard the credit will result in enormous and costly administrative burdens for State welfare agencies. Most, if not all, families eligible for the work bonus will receive it in the form of a lump sum payment next spring, when they file their income tax returns. Unless that payment is disregarded, the State welfare agency will be required to reexamine each such family's eligibility and either recalculate their welfare grant, suspend payments, or remove them totally from the welfare roles. Then, once the work bonus is gone, the agency will have to go through the entire process again, to restore the family to its original status.

Faced with a risk of losing more than they would gain, some families might be tempted not to claim the work bonus to which they are entitled. However, the State agency still would require to consider the bonus as "resources available to the family." In each State, there is a limit to the amount of resources a family may have and still be eligible for welfare—some States allow no resources at all. Thus, it is possible that the work bonus could make a family ineligible for welfare, even if the family never applied for the benefit.

Mr. President, Congress has recognized this problem before and has done something about similar situations. In title I of the Tax Reduction Act we did include a specific disregard of the 1974 tax refund, to make certain that no one would lose other Federal benefits as a result of that payment. The amendment I am introducing today would do exactly the same thing for the working families who otherwise will be penalized when they receive the 1975 work bonus next spring.

In conclusion, I would simply like to point out that this is just the latest example of the kinds of problems we cause whenever we begin to tamper with the welfare law. The entire system is fraught with inequities and administrative complexities. Every time we do something to try to make the system a little better—like the work bonus or the child support amendments—which we had to patch up before the August recess—we end up creating as many new problems as we solve. What is needed is a complete overhaul of the system, replacing the crazy welfare quilt we have put together over the years with a new equitable, humane and efficient income maintenance program. The Domestic Council has undertaken a major effort toward that end, under the very capable direction of the former Under Secretary of HEW, John Venneman. But if this effort is to be any more successful than the fruitless exercise over the last administration proposal for welfare reform, then all of us—the White House, the Congress, the advocates, and the critics—must set aside our rhetoric, eliminate the myths, and commit ourselves to finding a way for the wealthiest nation in the world to provide every capable person the opportunity for dignified work and to assure that every individual and family has an adequate income to maintain a decent standard of life. I can think of no better goal for this Congress in the Bicentennial year.

By Mr. BUCKLEY:

S. 2462. A bill to amend Title II of the

Federal Water Pollution Control Act to provide for State certification. Referred to the Committee on Public Works.

Mr. BUCKLEY. Mr. President, the Federal Water Pollution Control Act has been an enormously beneficial piece of legislation. However, several administrative snags have developed under its implementation. In particular, an incredible mass of redtape has delayed progress and increased the cost of the program. The Federal Government has, for example, been duplicating the work done by State agencies. These problems in the construction grants program were disclosed during investigatory hearings held in the House in 1974.

I am today offering a bill which would permit those State environmental agencies with a proven record of accomplishment and capability in the clean water program to obtain approval of Federal matching grants by certifying that the projects meet the requirements of the 1972 act, which calls for accelerated expansion and upgrading of municipal sewage treatment systems. EPA would be authorized to enter into formal agreements with the States whereby they would assume responsibility for certifying to their compliance with any or all of the requirements involved in project applications. They could use a small portion of construction funds to build the staff capability at State level to assume the added responsibilities.

It thus would eliminate costly delays in the construction grants program under the act which stem from duplicate review of numerous Federal requirements. EPA personnel would thus be freed for other management functions in keeping with its ultimate responsibility for the program.

Should a State fail to carry out its responsibilities under such an agreement, EPA, after public hearings, could suspend its acceptance of the State's certification. In addition, EPA would continue to be responsible for its full responsibilities under the National Environment Policy Act of 1969.

Mr. President, this bill is essentially similar to one introduced by my distinguished colleague, Senator ROTH, and by Congressman CLEVELAND in the House. However, there are some changes which I have made pursuant to the sound recommendations of the New York State Department of Conservation.

My bill would permit State certification of all 12 elements of the section 201 facilities plan, rather than only a portion of the plan, as is found in other proposals. This is consistent with EPA regulations published last October, but never implemented.

Rather than have EPA reserve 2 percent of allotments to a State for the purpose of increased staffing under this proposal, my bill would authorize the States to reserve these funds for this purpose, if they so choose. This is consistent with the decision of the Supreme Court in Train against City of New York last winter, which held that the act does not permit EPA to allot to the States less than the entire amounts authorized to be appropriated by section 207. Furthermore by not tying this 2 percent of funds to the date of enactment of the bill, my legislation gives some measure of immediate effectiveness to this proposal, since no further allotments will be made under the program until after September 30, 1977.

Finally, my proposal makes a technical change with regard to the funds to be available to the States for the reasonable costs of carrying out their certification. It would make such funds available from amounts "appropriated for liquidation of contractual obligations under section 203(a)." These funds are contained in the annual appropriation. This would eliminate the need to make a separate appropriation, as the wording of other bills perhaps inadvertently requires.

Mr. President, the case for the passage of this legislation—to increase the State role and responsibility in the clean water program, and to accelerate the achievemental goals, while at the same time putting the unemployed back to work in the construction industry and stimulating the economy—is strong. I urge its favorable consideration.

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

S. 2462

Be it enacted by the Senate and House of Representatives of the United States of American in Congress assembled, That title II of the Federal Water Pollution Control Act (33 U.S.C. 1281 et seq.) is amended by adding at the end thereof the following new section:

"CERTIFICATION

"SEC. 213. (a) The Administrator may discharge any of his responsibilities for actions, determinations, or approvals under section 201, either in whole or in part, including but not limited to sections 201(a) (2) and (3), 203 (a) and (d), 204 (a), (b) (1), and (b) (3), and 212(2) (B) of this Act with respect to projects or proposed projects for treatment works by accepting a certification by the State water pollution control agency of its performance of such responsibilities.

"(b) The Administrator shall not accept any certification provided for in subsection (a) of this section unless the Administrator determines that the State water pollution control agency has the authority, responsibility, and capability to take all of the actions, determinations, or approvals for which certification is submitted under subsection (a) of this section.

"(c) If the Administrator determines after public hearings that a State water pollution control agency, with respect to any requirement, condition, or limitation for which he has accepted a certification under subsection (a), fails to meet the requirements of this Act, he may suspend his acceptance of certification as to such requirement, condition, or limitation with respect to any project, or with respect to all projects in such State, as he determines necessary, and during such suspension he shall be responsible for such requirement, condition, or limitation.

"(d) (1) The Administrator is authorized to conduct interim and final inspections and audits, and to require such information, data, and reports as he may determine necessary to carry out this section.

"(2) Nothing in this section shall affect or discharge any responsibility or obligation of the Administrator under any other Federal law, including the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).

"(e) (1) Each State exercising certification authority under this section, may reserve an amount not to exceed 2 per centum of any allotment made to it under section 205. Sums so reserved shall be available for making grants to such State under paragraph (2) of this subsection for the same period as sums are available from such allotment under subsection (b) of section 205, and any such grant shall be available for obligation only during such period. Any grant made from sums reserved under this subsection which has not been obligated by the end of the period for which available shall be added to the amounts last allotted to such State under section 205 and shall be immediately available for obligation in the same manner and to the same extent as such last allotment.

(2) The Administrator is authorized to grant to any State exercising, or proposing to exercise certification authority under this section, from amounts appropriated for liquidation of contractural obligations under section 203(a), the reasonable costs, as determined by the Administrator, of carrying out such authority.

"(f) The Administrator shall promulgate such rules and regulations as may be necessary to carry out this section. The initial rules and regulations necessary to carry out this section shall be promulgated not later than the ninetieth day after date of enactment of this section.".

By Mr. CLARK (for himself, Mr. HUGH SCOTT, Mr. HARTKE, and Mr. MCGOVERN):

S. 2463. A bill to insure fair treatment for women and, to carry out the recommendations of the Presidential Task Force on Women's Rights and Responsibilities, and for other purposes. Referred to the Committee on the Judiciary.

Mr. CLARK. Mr. President, today I am introducing legislation that will move us closer to realizing the goals set by the Presidential Task Force on Women's Rights and Responsibilities. The task force submitted its recommendations in 1969, and although some of these have since been implemented, unfinished business remains.

In the days of the task force—the late 1960's—we were becoming very aware of the emergence of a dedicated and widespread movement that sought to end the centuries-old discrimination against women. The movement grew rapidly as increasing numbers of women and men experienced consciousness raising and became deeply committed to assuring every individual the basic human rights guaranteed in the Constitution.

Besides producing changes in some laws, the movement has resulted in serious rethinking of the role of women in our society. For some, that role still remains the source of unrest, but the basic premise of the women's movement—the guarantee of equal rights—is unclouded, and the Federal Government clearly has great responsibilities in this area. Through the law, we have managed to institutionalize, and therefore encourage, discrimination against women. While it is sometimes difficult to change opinion about the role of women, we certainly should not find it difficult to change public law that discriminates against women.

The legislation I am introducing today seeks to remove some of the last vestiges of discriminatory law, and if enacted, will set in motion the machinery for making permanent changes in social security, civil service retirement, taxation, and military laws which do not presently treat men and women on an equal basis.

Additionally, this legislation offers incentives to State commissions and agen-

cies to take a more active role in improving the status of women. These groups have a special understanding of the problems of women in their States, and by encouraging activity on their part we can more successfully involve State and local governments in the campaign for equal opportunity for women.

Specifically, this legislation covers several areas:

First. It prohibits discrimination on the basis of sex in any program or activity receiving Federal financial assistance. This section gives the force of law to a provision that currently is only an Executive order.

Second. It provides funds for State commissions for studies of discrimination against women and solutions.

Third. It requires the appropriate cabinet secretaries to recommend changes in the law to equalize treatment of men and women in social security and civil service retirement benefits, to improve tax laws relating to deduction of child care expenses, and to equalize treatment of married and unmarried women and men with regard to tax laws.

Fourth. It requires annual reports from the Secretary of Defense on the status of women in recruitment, promotions, and job assignments in the military and on the status of the military services' affirmative action plans.

Fifth. It prohibits the Armed Forces or the Veterans' Administration from treating men and women differently with regard to benefits, and it repeals several sections of the code discriminatory to the dependents of female members of the Armed Forces.

As this legislation illustrates, women's rights efforts often go hand in hand with men's rights. In social security and military benefits, for example, it is the dependents of women—often the husbands—who are discriminated against. Clearly, we cannot allow such inequities to continue.

It is long past time that we finished the business of guaranteeing women an equal opportunity to participate in our society as well as an equal chance to reap the rewards of their efforts.

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

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

S. 2463

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 "Fair Treatment Act of 1975".

PURPOSES

SEC. 2. It is the purpose of this Act—

(1) to prevent sex discrimination in federally assisted programs,

(2) to authorize the Secretary of Health, Education, and Welfare to make matching grants to States for the establishment of, or continued work of, commissions on the status of women,

(3) to eliminate certain provisions in Federal law that discriminate against women and to require the Secretary of Health, Education, and Welfare and the Secretary of the Treasury to make recommendations to equalize the treatment of the sexes under the Social Security Act and the Internal Revenue Code of 1954,

(4) to require the Secretary of Defense to report to the Congress annually on the treatment of women in the armed services, and

(5) to eliminate sex discrimination in the armed services and in programs for veterans.

FEDERALLY ASSISTED PROGRAMS

SEC. 3. No person in the United States shall, on the ground of sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.

GRANTS FOR FINANCING STATE COMMISSIONS ON THE STATUS OF WOMEN

SEC. 4. (a) The Secretary of Health, Education, and Welfare is authorized to pay up to 50 per centum of the cost of commissions, boards, and advisory panels established by the legislatures or Governors of the several States to study any of the following subjects:

(1) the denial of equal protection of the laws to women under the laws, ordinances, rules, regulations, or procedures of the State or of any political subdivision thereof,

(2) private discrimination against women, especially denial of equal employment opportunity, equal access to public accommodations and services, equal educational opportunity, or

(3) affirmative steps necessary by public officials and private citizens to insure equality of opportunity to women and equal participation by women in all aspects of National and State life.

(b) There is authorized to be appropriated the sum of $3,000,000 to carry out the purposes of this section.

STUDIES AND REPORTS TO CONGRESS

SEC. 5. (a) Within one year from the date of the enactment of this Act, the Secretary of Health, Education, and Welfare shall submit to Congress a report containing recommendations for legislation—

(1) to provide Social Security benefits to husbands and widowers of women workers under the same conditions as such benefits are provided under existing law to wives and widows of men workers, and

(2) to provide equitable retirement benefits to families with working wives under the Social Security Act, and the civil service retirement system.

(b) Within one year from the date of the enactment of this Act, the Secretary of Treasury shall submit to Congress a report containing recommendations for legislation to amend the Internal Revenue Code of 1954—

(1) to permit families in which both spouses are employed, families in which one spouse is disabled and the other employed, and families headed by single persons, to deduct from gross income as a business expense a fair and adequate amount paid to a housekeeper, nurse, or institution for care of children or disabled parents, and

(2) to ensure equal treatment of married males and females.

(c) On or before January 31 of each year, the Secretary of Defense shall submit to Congress a report which shall include—

(1) a detailed service-by-service report of the status of women in the armed services, including in such report information with respect to the numbers, ranks, and promotions of, and military specialties and assignments given to, female members, as well as information with respect to any discrimination based on sex against military members in the availability and administration of military benefits.

(2) service-by-service affirmative action plans to provide equal treatment and opportunity in enlistment, promotions, rights, privileges and benefits for women in the armed services, and

(3) a statement with respect to the extent to which affirmative action plans are on schedule and with respect to the progress attained by the armed services in providing to women equal treatment and opportunity in enlistment, promotions, rights, privileges and benefits in the armed services.

(d) There are authorized to be appropriated such funds as are necessary to carry out the provisions of this section.

ARMED SERVICE MEMBERS AND VETERANS

SEC. 6. (a) Section 101 (32) of title 10, United States Code, is amended by adding at the end thereof the following new sentence: "There may not be established, by regulation or otherwise, any requirement with respect to dependency of a spouse of a female member of an armed force, or a veteran of an armed force, for purposes of entitlement to rights, privileges, or benefits, which is not provided by law with respect to the spouse of a male member, or veteran, of an armed force."

(b) Section 101 (36) of such title is repealed.

(c) Clauses (C) and (D) of section 1072 (2) of such title are amended to read as follows:

"(C) the husband;"

"(D) the unremarried widower."

(d) The penultimate sentence of section 401 of title 37, United States Code, is repealed.

By Mr. McCLURE:

S. 2465. A bill to accelerate the formation of investment capital required to expand both job opportunities and productivity in the private sector of the economy. Referred to the Committee on Finance.

Mr. McCLURE. Mr. President, today I am introducing the "Jobs Creation Act of 1975", a companion bill to one being introduced by my colleague, Congressman JACK KEMP. The objective of this bill is to accelerate the formation of the investment capital required to expand both job opportunities and productivity in the private sector of our economy.

A look at history gives adequate evidence of the extent to which our prosperity depends on the availability and use of private capital. Not so long ago both men and women worked 6 days a week, 12–16 hours a day. Children were found laboring in factories and mines. There was no electrical power. The use of machines was in its infant stages.

But our growth and prosperity did not come from working longer and harder. It came from better, more efficient tools. As Congressman KEMP has previously pointed out, James Watt, the inventor of the steam engine, which started to revolutionize the modern world, and those who followed him in the competitive struggle to make a better engine and sell it for less, did more to take women and children out of the coal mines and off the towpaths of the canal boats, more to take children out of the factories, than all the 19th century social activities combined. Yet Watt would be unknown today if a man named Matthew Boulton had not risked $150,000 of capital on Watt's invention.

Just 100 years ago, it took a week to produce the same amount of wheat that today can be produced with just a single hour of human labor. What did it? The steel plow, tractor, harvester, better seed and cheap transportation. All of these in turn were made possible by the use of investment capital.

Capital is the key word. Capitalism—the use of funds to build plants and to

buy and to replace equipment—has been the most important factor in raising our standard of living and it can be the answer to a steady economic recovery and continued stable growth.

The proposed act consists of the following provisions:

First, it allows an exclusion from gross income of qualified additional savings and investments made during a tax year—an exclusion up to $1,000 or $2,000 for a married couple filing a joint return.

Second, it eliminates the present system of double taxation of common dividends by excluding dividends paid by domestic corporations from corporate gross income.

Third, it grants a $1,000 exclusion from capital gains for each capital transaction qualifying.

Fourth, it grants an extension of time for payment of estate taxes where the estate consists largely of small business interests.

Fifth, it increases the estate tax exemption for family farming operations to $200,000.

Sixth, it amends the corporate normal tax rate and increases the corporate surtax exemption, including provisions for reduced taxes for small business, to give an effective corporate income tax reduction in the range of 6 percent.

Seventh, it increases the investment tax credit to 15 percent and makes it permanent.

Eighth, it allows taxable year price-level adjustments in property and allows increases in class life variances for purposes of depreciation—the latter increasing the asset depreciation range—ADR—from a factor of 20 to a factor of 40 with respect to asset life.

Ninth, it provides for a complete write-off in 1 year of required but nonproductive pollution control facilities and equipment.

The Jobs Creation Act will do just that—create jobs in the private sector of our economy. It would eliminate the need for expanded Federal grants and loan programs by reducing unemployment and returning persons to self-sufficiency and a tax-generating rather than a tax-consuming status. It would encourage additional savings and investments by the individual, stimulate home construction, cause major new equipment purchases, assure an increase in real purchasing power by the work force and help assure continuity of family businesses and farming operations.

Congress is today faced with many pressing economic issues—inflation, unemployment, capital and energy needs—none of these being distinct problems within themselves. They are interdependent with respect to their comprehension and solution. The question facing us is how do we deal with these problems. Should Congress increase Federal spending providing public service employment and public works programs or should it return decisionmaking to the people by way of the marketplace? I opt for the second solution. Reliance on Government assistance is not the answer. For every full $1 billion spent on public employment, no more than 50,000 jobs are created, and they are not usually permanent.

Therefore, if Congress were to spend $8 billion as some have proposed, unemployment would be reduced by only 400,000 persons. This is not a substantial decrease in light of the further effects on the economy due to increased Federal spending. Increased spending means either an even larger Federal budget deficit—which is already predicted to reach $75 billion—or increased tax demands.

The unavoidable truth is that deficits must be financed. The Government has two choices—to borrow from the Federal Reserve or to finance by borrowing from the private sector. When the Government borrows from the Federal Reserve, the supply of money increases relative to the supply of goods, thus sooner or later forcing prices to rise and the value of dollars to fall. Government agencies with their newly created dollars are able to bid away goods and services from the private sector where the majority of capital formation takes place.

When the Government borrows from the private sector, no new money is created. The Government sells bonds to the private sector which in turn must reduce either private current consumption or investment. Because Government expenditures consist heavily of transfer payments which go for current consumption, the net effect in time is increased demand for currently produced goods rather than a demand for goods produced in the future. In short, more now can only be achieved at the price of less in the future.

The supply of goods relative to the demand is therefore decreased and average prices rise. The Federal Reserve could step in to purchase the bonds in order to keep private investment dollars available, but this action would only cause an increase in the total money supply and further inflation. In either case, inflation or crowding out is the ultimate result. Formation of capital drops due to the lack of available investment capital.

Because we have been so caught up in our ever-increasing rate of consumption, America has fallen behind in its investment rate. Investment in new plant and equipment, per person added to the labor force, in the 1970's was 22 percent less than that invested in 1956 and 1965. Our rate of capital formation was one of the lowest in the major industrialized nations. On the other hand, France and Germany have doubled their industrial capacity and Japan has tripled its capacity. America has gradually lost a competitive edge in the world market and consequently fewer jobs are available. The United States will have to provide jobs for 7 million more people in the labor force by 1980 and in addition upgrade productivity and earning power of the present labor force. An average investment of $35,000 to support each worker with plant and equipment will be needed.

Every dollar invested in capital does not necessarily go into expansion alone. Some does go into expansion but it must also be used for replacement of aging capital—at inflated prices, conversion of existing assets into similar but more technically advanced ones, or to purchase pollution abatement equipment and OSHA-mandated compulsory but nonproductive items. Those dollars which are ultimately invested in new plant and equipment are the keys to an expanding and fully employed economy. This bill recognizes that fact and further recognizes that this investment activity can be most efficiently undertaken within the private sector and in response to free market forces.

Up to now I have been concentrating on the point that Congress must curtail expenditures and reduce deficits thus putting the financial wherewithal back in the hands of the private sector. Government must also reduce its tax demands on individuals and businesses. The Jobs Creation Act will help to accomplish these objectives. This bill alone cannot accomplish all that is necessary to assure an adequate investment in job-creating capital for the next 10 years, but it is an initial step in the right direction.

One thing we must always remember is that people pay taxes and ultimately people bear the tax burdens of corporations. They pay direct taxes: Individual income tax, sales tax, gasoline and fuel taxes, gifts and estate taxes. They pay indirectly through high prices paid for purchased goods and services. Corporation income tax, real estate and sales taxes paid by businesses are passed on to the consumer.

Commerce Secretary Morton recently announced that each household pays $14.06 in taxes for every $1 billion spent by the Federal Government. This amount is found by dividing the number of U.S. households—71,120,000—into $1 billion and is known as the T-dollar used to show the impact of Federal spending on the average taxpayers. The average consumer cannot relate to $1 billion, $10 billion or $100 billion spent by the Government. But when Congress spends $10 billion on a Federal project the consumer, by use of the T-dollar, will realize it is $140 of his own money. In 1929 Federal, State and local tax collections constituted only 13 percent of total national income. By 1950, it had risen to 26 percent. By 1974, it had risen to 40 percent. By 1985, total Government's share of national personal income could be 54 percent—more than half the people's earnings—if present trends are allowed to continue. These figures do not reflect the effects of inflation—the great unlegislated tax. When the Government spends money, it is spending tax dollars—hard earned dollars of the consumer.

My proposed bill addresses not only the need for additional savings by private citizens by allowing a tax credit of up to $1,000 on savings and investments, but it also confronts the need to reduce the heavy tax burden of corporations, a burden which is ultimately passed onto the consumer. We must reduce corporate taxes for a number of reasons:

First, high taxes are passed along to the consumer as higher charges for goods and services. Lower corporate taxes would mean lower prices for you and me;

Second, high corporate taxes mean that corporations have fewer net dollars to spend for inventory and equipment replacement, expansion and purchase of new equipment. This means a loss of

jobs. There is no new construction, so construction trade unemployment remains high or continues to escalate. Jobs are also lost within the company itself for a lack of replacement of older equipment. Plans to expand are postponed and no new jobs are created;

Third, with more money going to taxes, less is available for salaries and increased fringe benefits for employees; and

Fourth, fewer funds are available to pay dividends to the company's stockholders. The stockholders come from all walks of life with one thing in common—they depend upon dividends to maintain their standards of living.

The ability of business to create jobs and thereby reduce unemployment depends on its ability to equip present workers with the proper tools and equip new workers with more plant and equipment. All this requires further investment.

Now you may ask—what kind of loss to the Treasury will result from enactment of the bill? This could mean less revenues, thereby increasing the deficit. Crowding out of investment capital and inflation could follow the financing of that deficit. Let me make some points in this regard which I think will interest you.

Time and time again through legislation, areas where spending should be cut have been cut. And there can be more reductions. It is my hope the ever-increasing growth of Government can be reduced in order to avoid more deficit spending.

There is much evidence that the losses in revenue will be substantially offset by additional revenues generated through increased productivity and jobs created. Federal expenditures will decrease with people moving from a nonproductive, Government-supported status to a tax-generating status.

It is my contention that any decline in revenues would soon be renewed and overcome. Several years ago the Canadian Government cut corporate taxes drastically. The effective rate of taxation was reduced from 49 percent to 40 percent, amid cries that it would bring a substantial decline in revenue. But because of the large increase in productivity and jobs generated by that tax cut, there were no losses in revenue. Instead, a surplus was generated.

The Jobs Creation Act is just one attempt at tax reform but all tax reform shares the same objectives:

First, assuring more jobs within the private sector, so as to reduce unemployment and to return persons to a tax-generating, instead of a tax-consuming, status;

Second, increasing our standard of living in real, not inflated, terms;

Third, improving production efficiency, so as to produce more goods at less cost, goods which are improved in their quality; and

Fourth, attaining a durable, stable economic recovery without added reliance on the instrument of Government and Federal policies, which too often have unforeseen and counterproductive effects.

These reforms can help us move toward real, sustained growth built on productivity and real wages. The rejection of them can hurt us by sending us into self-defeating artificial inflationary growth. Congress must make a choice and make it soon and there is little room for error.

Mr. FANNIN (by request):

S. 2466. A bill to amend title XX of the Social Security Act to require that State social services plans comply with the Federal Interagency Day Care Requirements, subject to the existing penalties (termination of Federal payments or 3-percent reduction therein) in cases of noncompliance. Referred to the Committee on Finance.

Mr. FANNIN. Mr. President, I am introducing today, on behalf of the administration, legislation to resolve the problems associated with the implementation of day care center staffing requirements as established under Public Law 93–647, the Social Services Amendments of 1974.

Under the social services program a major component is day care services and because of the importance of insuring an effective day care program the Congress and the Department of Health, Education, and Welfare mandated staffing ratios which were to be met on October 1. Despite this mandate many child care centers have expressed the view that these requirements would disrupt existing programs, lead to increased costs, and perhaps force some centers to close. In response to these complaints the House of Representatives passed H.R. 9803 which would extend, for 6 months, the effective date of compliance. Without such an extension any day care center failing to comply with the mandated standards would lose their entire share of social service funds.

The Senate Finance Committee, in considering this issue, rejected the House passed bill as well as S. 2425, a proposal to add additional social service funds to help States to meet the staffing requirements. Instead, the committee agreed to a 1-month extension with the understanding that hearings would be promptly scheduled so further consideration could be given to this issue.

Regrettably the administration's proposal was not considered by the Senate Finance Committee. The administration's approach would reduce the penalty provision from 100 percent for failure to comply to 3 percent and permit the Department of HEW to negotiate with the States to develop a program for achieving compliance with the mandated standards. The administration firmly believes that this approach is more reasonable in view of the fact that the social services amendments direct the Department to complete, within 18 months, a study concerning the appropriateness of the existing standards. According to the administration, it would not make any sense to impose these standards with the present penalty provisions when the Congress itself has indicated its own doubts by ordering a study to determine whether these standards are acceptable or not. Because the committee will be holding hearings soon on this issue, I have agreed to introduce the administration's proposal so that it could be considered by the committee in its further deliberations on this issue.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD, together with a letter to Vice President ROCKEFELLER from Acting Secretary Kurzman, and a statement by Mr. Kurzman, presented to the Subcommittee on Public Assistance, Committee on Ways and Means.

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

S. 2466

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 2003(d)(1)(G) of the Social Security Act is amended by striking out all that follows "standards for such services" and inserting instead "which (i) in the case of care provided in the child's home, are reasonably in accord with recommended standards for such services, including standards related to admission policies for facilities providing such services, safety, sanitation, and protection of civil rights, and (ii) in the case of care provided outside the child's home, are identical with the Federal interagency day care requirements as approved by the Department of Health, Education, and Welfare and the Office of Economic Opportunity on September 23, 1968, except that (I) subdivision III of such requirements with respect to educational services shall be recommended to the States and not required, and staffing standards for school-age children in day care centers may be revised by the Secretary, (II) the staffing standards imposed with respect to such care in the case of children under age 3 shall conform to regulations prescribed by the Secretary, and (III) the staffing standards imposed with respect to such care in the case of children aged 10 to 14 shall require at least one adult for each 20 children, and in the case of school-aged children under age 10 shall require at least one adult for each 15 children;"

(b) Section 2003(e)(3) of such Act is amended by striking out "The Secretary" and inserting instead the following:

"Except for noncompliance with subsection (d)(1)(G)(ii) found under paragraph (2) with respect to the first sentence of 45 CFR § 71.12 (pertaining to licensing of day care facilities) or 45 CFR §71.13(b)(1) (pertaining to the safety and sanitation of the facilities), the Secretary".

(c) Section 2003(e)(3) of such Act is further amended by inserting before the period at the end of that section the following: "or, in the case of noncompliance with subsection (d)(1)(G)(ii) (other than with the first sentence of 45 CFR § 71.12 or 45 CFR § 71.13(b)(1)), he is not yet satisfied that there will no longer be any such failure to comply, nor, in the alternative, is he satisfied that a good faith effort is being undertaken to enable the State to comply with that subsection".

(d) Section 2002(a)(9)(A)(ii) of such Act is amended by striking out all that follows "September 23, 1968" and inserting instead ", with regard (I) to the licensing, or approval as meeting the standards of such licensing, of a facility, and (II) to the application to the facility or grounds used by children of the appropriate safety and sanitation authorities."

(e) Section 2002(a)(9)(B) of such Act is amended by inserting "and section 2003(d)(1)(G)" after "subparagraph (A)" both times it appears.

DEPARTMENT OF HEALTH,
EDUCATION, AND WELFARE,
October 1, 1975.

Hon. NELSON A. ROCKEFELLER,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Please find enclosed for the consideration of the Congress a draft bill "To amend title XX of the Social Security Act to require that State social services plans comply with the Federal Interagency Day Care Requirements, subject to the existing penalties (termination of Federal payments or 3-percent reduction therein) in cases of noncompliance."

Effective October 1, title XX of the Social Security Act, as added by the Social Services Amendments of 1974, prohibits payment for child day care services outside of the home under that title, or under title IV–A (AFDC) or IV–B (Child Welfare Services) of the Act, unless the care meets certain statutory standards. These standards are known as the "Federal Interagency Day Care Requirements" (FIDCR) and were approved by the Department and the Office of Economic Opportunity on September 23, 1968. In addition, the care must also conform to additional strictures, engrafted on FIDCR either by title XX or by the Secretary's regulation provided for under title XX, governing the ratio of staff to children.

Briefly stated, the draft bill would preserve the obligation of the States to assure compliance with FIDCR, but would allow the Secretary to set the consequences of noncompliance (except in the case of noncompliance with licensure, health, or safety standards) at a penalty of 3 percent of title XX payments which is the same penalty already set in the Act for noncompliance with other requirements. No penalty need be imposed if the State is making a good faith effort to upgrade day care facilities in order to come into compliance with FIDCR. This feature would also parallel the flexibility provided in the Act for compliance with other requirements. The bill is explained in detail in the appended "Technical Summary of Draft Bill".

The States' social services plans, which go into effect October 1, project day care for up to 1.3 million children during the first year of operation under title XX. This care will cost nearly $800 million, of which the Federal share is to be about $600 million. A number of States advise us that a loss of Federal reimbursement because of day care services that do not fully meet the FIDCR standards may cause substantial service cutbacks or greatly increased State costs to make up for the loss.

For these reasons, we urge your speedy and favorable action on the enclosed draft bill.

We are advised by the Office of Management and Budget that there is no objection to the presentation of this proposal to the Congress from the standpoint of the Administration's program.

Sincerely,

STEPHEN KURZMAN,
Acting Secretary.

TECHNICAL SUMMARY OF DRAFT BILL

CURRENT LAW

Section 2002(a)(9)(A)(ii) of title XX of the Social Security Act prohibits any payment under title XX for child day care services provided outside the child's home unless the care meets the Federal interagency day care requirements (FIDCR) as approved by the Department and the Office of Economic Opportunity on September 23, 1968, subject to certain modifications. First, the educational requirements of FIDCR are reduced to recommendations, and staffing standards for school-age children in day care centers may be revised by the Secretary. Second, the staffing standards imposed in the case of children under age 3 must conform to regulations prescribed by the Secretary. (FIDCR would otherwise merely require that the State establish acceptable standards for the care of children under 3 years of age.) Third, the staffing standards imposed with respect to children aged 10 to 14 shall require at least one adult for each 20 children, and in the case of school-aged children under age 10, shall require at least one adult for each 15 children. (FIDCR would otherwise require, in the case of day care center care, a ratio of no more than 5 children to one adult for children 3 to 4 years of age, a ratio not greater than 7 to 1 for children aged 4 to 6, and no more than a 10 to 1 ratio for children from 6 through 14.

Section 3(f) of the Social Services Amendments of 1974, which Amendments enacted title XX, requires that any child day care services provided under any plan of a State approved under part A, or developed under part B, of title IV of the Social Security Act must also meet the above-described requirements.

"CONFORMITY" VS. "FFP"

As we have described it, current law governs federal financial participation (FFP) in the services provided by qualifying day care facilities. A failure of any facility to comply with FIDCR (modified as previously explained) subjects the State to a termination of FFP for the facility's services. However, the State would not lose FFP, on this account, for child day care services provided by complying facilities, or for other services for which title XX provides FFP.

Section 1(a) of the enclosed draft bill would, in effect, transfer the section 2002(a)(9)(A)(ii) imposition of FIDCR to a section of title XX, section 2003(d)(1)(G), that deals with the requirements of the plan each State must have in order to enjoy any FFP under title XX. In other words, subject to a significant limitation explained below, day care services outside the home would have to be in conformity with FIDCR in order for a State to participate in title XX.

The limitation is that current law, in section 2003(e)(3), authorizes the Secretary to suspend implementation of any termination of payments for nonconformity with State plan requirements and instead reduce the amount otherwise payable to the State by 3 percent. That is, the State loses 3 percent of its title XX payments base for each provision of its State plan which is not in conformity with the title XX requirements, or which is violated in administering the title XX program.

One effect of section 1(a), therefore, would be to permit the Secretary to reduce a State's title XX payments by 3 percent in the event that a State failed to conform to the requirement that child day care services provided outside the home comply with FIDCR.

THE LICENSING, HEALTH, AND SAFETY EXCEPTION

FIDCR now requires, *inter alia*, that "Day care facilities . . . must be licensed or approved as meeting the standards for such licensing" (45 CFR § 71.12), and that "the facility and grounds used by the children must meet the requirements of the appropriate safety and sanitation authorities" (45 CFR § 71.13(b)(1)). Under section 1(b) of the draft bill, the Secretary would be denied the authority to suspend termination of title XX payments in any case in which a State is found to be out of conformity with the above-quoted FIDCR licensing, health, and safety requirements.

GOOD FAITH EFFORT TO COMPLY WITH FIDCR

Under current law section 2003(e)(3) of the Social Security Act, which provides for a suspension of FFP termination after a finding of nonconformity, the Secretary may also withhold imposition of the 3 percent penalty provided that he is satisfied that the State has come into compliance. Because many States will be unable immediately to come into compliance with FIDCR, section 1(c) of the enclosed draft bill would amend this section to permit the Secretary to withhold imposition of the 3 percent penalty, in the case of FIDCR nonconformity, if he is satisfied that a good faith effort is being undertaken to enable the State to comply.

TECHNICAL CONFORMING CHANGES

Section 1(d) of the draft bill would conform section 2002(a)(9)(A)(ii) of the Social Security Act to the transfer of the FIDCR standards to the State plan; section 1(e) of the draft bill would preserve the requirement for a FIDCR study contained in section 2002(a)(9)(B).

STATEMENT OF STEPHEN KURZMAN, ASSISTANT SECRETARY FOR LEGISLATION, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

I am sure that each member of the Subcommittee is quite familiar with the issue at hand today. Thus, I will be as brief as possible in presenting the Department's views on the question of what might be done to ameliorate the potential impact of implementation of the new Title XX Social Services program on federally subsidized day care.

As the Subcommittee knows, the Social Services Amendments of 1974—creating a new Title XX of the Social Security Act—expressly forbid any Federal reimbursement for any day care which is not delivered in strict conformity with a modified version of the 1968 Federal Interagency Day Care Requirements (FIDCR).

The law now requires that, effective October 1, the Department will have no choice but to cut off all Federal reimbursement for any individual day care provider found not to be in compliance with these standards.

These requirements, initially drawn up in 1968 by the Department and the then-Office of Economic Opportunity pursuant to Section 522(d) of the Economic Opportunity Act, establish staffing ratios for day care provided in centers as well as in family day care settings.

Since their inception, these standards have evoked controversy among child care professionals and service providers, with shades of opinion ranging across a broad spectrum. There are those who believe that these standards are not strict enough and thus deny children in day care the opportunity to receive effective, quality, safe and productive services.

And there are those who believe that these standards are far too rigid, are not demonstrably effective, and, if fully enforced, would be counterproductive in that the cost of full compliance would price day care out of the market for significant numbers of the working parents for whom day care services are made available.

While we share the Congress' concern that any federally-aided day care services be of as good quality and of as reasonable cost as possible, the Department has long believed that the 1968 FIDCR standards should be re-examined to determine whether they are the most appropriate means to those ends. Thus we argued in 1972, and again during the long deliberations leading to enactment of Title XX, that these standards should not be incorporated into the law, but instead be left open to regulatory amendment following a reasoned study of their effectiveness, appropriateness and cost. Pending any such changes, of course, the Department would continue to enforce the existing standards.

The Congress chose to meet us part way in Title XX, mandating that the States comply with a slightly modified version of the 1968 standards between October 1, 1975, and July 1, 1977, and directing that the Department conduct a study of the appropriateness of the standards and propose whatever changes that study might indicate to be advisable. Such changes, however, may not be implemented before April 1, 1977, or 18 months after the effective date of Title XX.

Pending the outcome of the study, the sole

areas of discretion open to the Secretary with respect to the FIDCR standards under Title XX are:

1. Educational service requirements embodied in the FIDCR would be recommended, rather than mandated, to the States;

2. Staffing standards for school age children could be revised; and,

3. Staffing standards for children under 3 years of age—not detailed in the FIDCR standards—could be specified via regulation.

As you know, the Secretary has exercised this limited discretionary authority to the maximum extent possible, and the Department has begun to organize the exhaustive appropriateness study authorized under the statute.

Specifically, with respect to children aged six weeks to 36 months, the Department regulations provide for a staffing ratio of four children to one adult, or one fewer child per adult than the law mandates for children aged 36 months to four years. As you know, these pre-school age groups have been the focus of greatest concern among the States and day care providers.

Despite the limited relaxation of the FIDCR standards permitted under the statute, it is apparent that the immediate enforcement of these standards in the manner established under title XX could lead to wholesale cutbacks in day care services or to major increases in State costs for those services.

This could result because, as noted earlier, the Department now has no choice under Title XX but to terminate all Federal reimbursement for any day care not found to be in conformity with the FIDCR standards. Under previous law, a State's failure to enforce these standards was regarded primarily as evidence of the State's non-compliance with Federal law and regulations. As such, the issue, like other program issues, was subject to Federal-State negotiations aimed at orderly improvement in the State's performance. In extreme cases, this process could ultimately lead to a cutoff of all Federal reimbursement to the State for the program in question.

Based on estimates incorporated in the States' social services plans which go into effect October 1, the States hope to provide day care for up to 1.3 million children during the first year of operation under Title XX at a total cost of nearly $800 million. The Federal share of this amount would be approximately $600 million. While we have no way of accurately estimating the proportion of day care services which will not fully meet the FIDCR standards, a number of States have indicated to us and to members of Congress that they fear substantial service cutbacks or greatly increased State costs to make up for loss of Federal reimbursement.

As you know, some States, service providers and parents of children in need of day care have been mounting increasing pressure on the Department and the Congress to modify these standards before October 1 to avoid service cutbacks and economic losses that could result.

Options open to the Department in this area are extremely limited, as I have noted. We have gone as far as possible, given the restraints of the law, to balance the need to ensure quality of day care services with the need to stretch the Federal day care dollar to help as many families as possible.

Options open to the Congress are, of course, at issue here today. One option—to simply suspend the sections of Title XX mandating strict enforcement of the FIDCR standards—is undesirable as it would accomplish nothing more than put off the day of reckoning on this issue and even contribute to the uncertainty of the States, the providers and parents over what standards will or won't apply, and when. We would strongly oppose such a move.

A second option—to change the thrust of the enforcement provision—would be far preferable for the reasons I will outline here.

We believe—and trust the Congress will agree—that the underlying intent of Title XX with respect both to the provision of as much quality day care as possible and the examination of issues surrounding what standards are most appropriate to govern delivery of that care, will not be well served if the Federal Government is put in the position of closing down some day care services even as it studies anew what rules should govern those services.

Thus we suggest that if the Congress decides that something must be done now with respect to the day care standards issue, it should act not to simply delay imposition of any standards at all, but rather to make it possible for the Department and the States to work together over the coming year to at once upgrade day services and arrive at a reasoned consensus on new standards for those services.

This could be achieved if the Congress were to amend Title XX as follows:

1. To remove the provisions expressly denying Federal reimbursement to any day care provider not fully in compliance with the 1968 FIDCR standards as modified in the statute;

2. To make it clear that those States whose day care services are not provided in accord with those standards, whether because of lax enforcement in the past or because of lesser standards written into State law, must immediately begin good faith efforts to upgrade day care services by bringing staffing ratios closer to the 1968 FIDCR standards on a reasonable timetable;

3. To give the Secretary of HEW authority to reduce total Federal reimbursement for all Title XX services by the three percent whenever he determines that a State is failing to make a good faith effort to upgrade its day care services in a way acceptable to the Department; and

4. To mandate that in no instance will Federal reimbursement be available for day care provided in centers of family day care homes which fail to conform with applicable fire and life safety standards established by the jurisdictions in which they operate.

What we are suggesting is a realistic, enforceable penalty provision strong enough to encourage the States to work with the Department to upgrade day care services in an orderly way and on a reasonable timetable. This provision would parallel the penalty provisions of Title XX establishing the States' obligations to report on their administration of all social services programs funded under the Act and to certify that they are not using Title XX funds to replace State and local services expenditures. Under those provisions, the Secretary may, after a reasonable notice and opportunity for a hearing to the State, withhold all Title XX funding to the State or, to withhold 3 percent of that funding for violation of either of these mandates.

Should the Congress adopt the concept I have outlined here, the new provisions could be made coterminous with implementation of changes in the FIDCR standards which may be indicated following the appropriateness study.

Given the authority outlined here, the Department could at once avert a possible shutdown of significant amounts of day care services and work effectively with those States not now meeting or reasonably approximating the FIDCR standards to upgrade their day care services.

With the new authority to exact a three percent penalty against total Title XX funding, we trust that States will cooperate effectively and willingly in this area.

Throughout the coming months, we believe the process of working closely with States having varying day care standards will yield hard data on the effectiveness of varying levels of child-to-adult staffing ratios, data which will be most useful to the appropriateness study.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 5

At the request of Mr. CHILES, the Senator from Tennessee (Mr. BAKER) and the Senator from Wyoming (Mr. HANSEN) were added as cosponsors of S. 5, the Federal Government in the Sunshine Act.

S. 327

At the request of Mr. JOHNSTON, the Senator from Minnesota (Mr. HUMPHREY) was added as a cosponsor of S. 327, a bill to amend the Land and Water Conservation Fund Act, as amended, to establish the National Historic Preservation Fund and for other purposes.

S. 425

At the request of Mr. WILLIAMS, the Senator from California (Mr. TUNNEY) was added as a cosponsor of S. 425, a bill to amend the Securities and Exchange Act of 1934.

S. 1625

At the request of Mr. PACKWOOD, the Senator from Arizona (Mr. FANNIN) was added as a cosponsor of S. 1625, a bill to extend and revise the State and Local Fiscal Assistance Act of 1972.

S. 2290

At the request of Mr. TAFT, the Senator from Connecticut (Mr. WEICKER) was added as a cosponsor of S. 2290, a bill to establish a consumer protection study commission in order to study the desirability and feasibility of establishing various administrative courts and transferring to such courts the adjudicatory, licensing, and rulemaking functions of various regulatory agencies, and for other purposes.

S. 2329

At the request of Mr. STEVENSON, the Senator from North Dakota (Mr. BURDICK) was added as a cosponsor of S. 2329, a bill to amend the Export-Import Bank Act of 1945 with respect to nuclear exports.

S. 2386

At the request of Mr. TAFT, the Senator from Georgia (Mr. NUNN), the Senator from Alabama (Mr. ALLEN), the Senator from Montana (Mr. METCALF), and the Senator from New York (Mr. JAVITS) were added as cosponsors of S. 2386, a bill to deny Members of Congress any increase in pay under any law passed, or plan or recommendation received, during a Congress unless such increase is to take effect not earlier than the first day of the next Congress.

S. 2436

At the request of Mr. TALMADGE, the Senator from Tennessee (Mr. BROCK) was added as a cosponsor of S. 2436, a bill to create a special tariff provision for imported glycine and related products.

S. RES. 251

At the request of Mr. BIDEN, the Senator from Oregon (Mr. PACKWOOD), the Senator from Illinois (Mr. PERCY), the Senator from South Carolina (Mr. THURMOND), the Senator from Rhode Island (Mr. PELL), the Senator from Illinois (Mr. STEVENSON), the Senator from Utah

(Mr. GARN), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Florida (Mr. STONE), and the Senator from North Carolina (Mr. HELMS) were added as cosponsors of Senate Resolution 251, relating to the President's trip to China and American POW's and MIA's.

SENATE CONCURRENT RESOLUTION 63

At the request of Mr. BIDEN, the Senator from Minnesota (Mr. HUMPHREY) was added as a cosponsor of Senate Concurrent Resolution 63, relating to Child Health Day.

SENATE JOINT RESOLUTION 119

At the request of Mr. ROTH, the Senator from Arizona (Mr. FANNIN) was added as a cosponsor of Senate Joint Resolution 119, to establish a National Commission on Schoolbusing.

SENATE CONCURRENT RESOLUTION 68—SUBMISSION OF A CONCURRENT RESOLUTION RELATING TO AN INTERNATIONAL TREATY BANNING LETHAL CHEMICAL WEAPONS

(Referred to the Committee on Foreign Relations.)

Mr. McINTYRE (for himself, Mr. GARY HART, and Mr. LEAHY) submitted the following concurrent resolution:

S. CON. RES. 68

Whereas it has been a longstanding policy of the United States not to make first use of lethan chemical weapons in war; and

Whereas the United States in 1974 unanimously gave consent to ratification of the Geneva protocol prohibiting the use of both chemical and biological weapons in warfare; and

Whereas the United States has decleared its intent at Vladivostok and elsewhere to seek a treaty banning the manufacture and possession of lethal chemical weapons and is engaged in negotiations to this end at the Conference Committee on Disarmament in Geneva; and

Whereas the unilateral United States policy declaration to abandon manufacture and possession of biological warfare agents was a major stimulus to the International Convention on the Prohibition of the Development, Production, and Stockpiling of Bacteriological (Biological) and Toxin Weapons, and on Their Destruction, approved unanimously by the United States Senate in 1974: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring) That the Congress of the United States—

(1) would support the President in a declaration of policy against any further United States manufacture or possession of lethal chemical weapons (such as nerve, mustard, and asphyxiating agents); and

(2) urges an international treaty cosponsored by the United States and the Union of Soviet Socialist Republics, banning the manufacture and possession of lethal chemical weapons by all nations.

Mr. McINTYRE. Mr. President, I submit, for appropriate reference, a concurrent resolution regarding an international treaty banning lethal chemical weapons.

This resolution, which is being introduced simultaneously in the House by Representative CLEMENT ZABLOCKI, is cosponsored by my distinguished colleagues on the Senate Armed Services Committee, Senator GARY HART and Senator PAT LEAHY, who have already demonstrated leadership in this field.

The resolution states that the Congress "would support the President in a declaration of policy against any further U.S. manufacture and possession of lethal chemical weapons." Further, the resolution urges an international treaty to ban the production and possession of such weapons by all nations.

Mr. President, it has been the longstanding policy of the United States to renounce the first use of lethal chemical weapons. We have ratified the Geneva protocol which prohibits the first use of chemical weapons in war. And we are currently engaged in discussions at the Conference Committee on Disarmament in Geneva to obtain an international treaty totally banning lethal chemical weapons.

Unfortunately, progress at the Geneva talks has been minimal. And I am sad to report, Mr. President, that we are perhaps as much to blame for this lack of progress as any other participant in the negotiations. The United States has not even put forward a draft treaty for discussion.

I believe, Mr. President, that the time has come to give the Geneva talks some momentum. The concurrent resolution we have introduced today is designed to do just that. A declaration of congressional support may give the administration the impetus to take the first steps toward a comprehensive international ban on lethal chemical weapons.

President Ford has demonstrated leadership in this area by his actions last year which led to the Senate's unanimous ratification of the Geneva protocol and the convention prohibiting bacteriological and toxin weapons. This resolution would be a logical followup to those actions. It is an attempt to work with the President in a spirit of cooperation by demonstrating widespread support for the renunciation of lethal chemical weapons.

As the resolution points out, the unilateral U.S. renunciation of biological weapons in 1969 was a major stimulus to the eventual treaty which extended the prohibition on an international level. I would hope that our experience with the ban on biological warfare will provide a precedent for similar action regarding lethal chemical weapons.

Mr. President, I know that there are many who say we need to continue to produce and stockpile lethal chemical munitions, because our adversaries do so. I recognize and appreciate this concern. However, the best deterrent we can have against the possibility of chemical warfare is the development of effective defensive techniques. Our enemies would then know it would be futile to continue their efforts in offensive chemical warfare.

Unfortunately, Mr. President, our defensive efforts are totally inadequate. The conferees on the military procurement authorization bill recognized this, stating:

All of the Conferees expressed serious concern over the inadequacy of our chemical warfare defensive programs. The Conferees believe that the Department of Defense is not putting forth an acceptabe level of effort in this area and strongly urges the Department to advance our military posture in this area.

Only if we put aside our preoccupation with offensive lethal chemical weapons can we devote more resources and effort to defensive techniques. It is in our own self-interest to take such steps.

AMENDMENTS SUBMITTED FOR PRINTING

NATURAL GAS EMERGENCY ACT OF 1975—S. 2310

AMENDMENT NO. 949

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

Mr. BARTLETT (for himself and Mr. FANNIN) submitted an amendment intended to be proposed by them jointly to amendment No. 934, proposed to the bill (S. 2310) to assure the availability of adequate supplies of natural gas during the period ending June 30, 1976.

AMENDMENTS NOS. 950 THROUGH 953

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

Mr. DOMENICI. Mr. President, immediately after the introduction of S. 2310, I contacted the Governor of New Mexico and arranged for appropriate people on his staff to examine the bill from the viewpoint of protecting the interests of New Mexico and New Mexicans. I also contacted other individuals and entities within the State for the same purpose.

It became evident immediately that I had plenty of reason to be concerned because S. 2310, as originally introduced, utterly failed to address some of the legitimate interests of producing States and their citizens, both consumers and producers. Last Saturday, I conducted an emergency meeting in Albuquerque, attended by all the major interests affected by natural gas legislation, where the particular focus was on amendment No. 919 to S. 2310. From that exercise, and from other contacts I have had with concerned and informed New Mexicans, I have determined that there are several provisions in amendment No. 919 which are unjustifiably detrimental to New Mexico.

Our part of the country recognizes that there are severe gas shortages developing for some other parts of the country. While those problems are in no way our fault, we feel an obligation to help fellow Americans, regardless of the fact that the system those people now seek to circumvent has for many years been prejudicial to New Mexico interests. It has decreased returns to producers and increased prices to most New Mexico consumers.

Still, Mr. President, my constituents and I recognize that some modification on a temporary basis to relieve certain undue hardships is in order. But, that modification must be linked to reform of the system which has produced the hardship—an unreasonably low wellhead price of interstate gas. Consequently, I support amendment No. 919 with certain changes which I now submit in amendment form.

TEMPORARY DIVERSIONS FROM POWERPLANTS

The amendment allows reimbursement to curtailed utilities only for the increased fuel costs occasioned by the curtailment. This is not sufficient allow-

ance to cover other costs that may be required for certain conversions, such as storage for liquid fuel and increased operational and maintenance costs, particularly for pollution control equipment. Accordingly, one of the amendments I intend to propose would provide for reimbursement of all costs of conversion and all increases in operational costs required by reason of natural gas being diverted from boiler plants under this legislation.

OPERATION OF POLLUTION ABATEMENT EQUIPMENT

I think everyone agrees that boiler plants should be allowed to use natural gas when required for pollution control purposes. Accordingly, I am proposing amendments which provide an exemption from the boiler fuel prohibition for natural gas required for the operation of pollution abatement equipment.

PROPANE ALLOCATION AUTHORITY

With increased curtailments of natural gas, there will be a corresponding increased pressure on propane supplies in many of the more remote parts of the country, including New Mexico. In fact, in many isolated areas of the Western United States, propane is the principal fuel for home and commercial heating and there are no alternative fuels which can be substituted for natural gas in these areas. Add to this situation the fact that users of propane in these areas tend to represent economically impacted end-users and persons on fixed incomes, it becomes essential that controls be instituted to maintain the integrity of propane markets and the solvency of propane users.

Generally, amendment No. 919 offers adequate protection for propane users through its propane allocation provisions. I am concerned, however, that rural schools using propane where there is no substitute fuel may be overlooked unless specifically included in the legislation. I have drawn an amendment to accomplish that specific inclusion.

AMENDMENT NO. 954

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

Mr. ABOUREZK (for himself, Mr. PHILIP A. HART, Mr. GARY HART, Mr. NELSON, Mr. CHURCH, Mr. KENNEDY, Mr. MOSS, Mr. PROXMIRE, Mr. CLARK, Mr. HATHAWAY, Mr. METCALF, Mr. MCGOVERN, Mr. MCINTYRE, Mr. LEAHY, and Mr. DURKIN) submitted an amendment intended to be proposed by them, jointly, to amendment No. 919 to the bill (S. 2310), supra.

AMENDMENT NO. 955

(Ordered to be printed and to lie at the desk.)

Mr. DOMENICI. Mr. President, several States, including New Mexico, have enacted legislation allowing the State to take its royalty from gas production "in kind"—that is, gas instead of money. One of the main purposes for such action is to give the State the ability to use its gas to alleviate emergency shortages that occur within the State. That is a valid purpose, but its achievement has been thwarted in most cases because of a lack of means to transport the gas from point of production to point of need, although the point of need may be on an interstate pipeline. That exact situation exists right now in several cities in New Mexico which are served by an El Paso natural gas pipeline.

The Federal Energy Research and Development Administration tells us that there are at least 500 trillion cubic feet of natural gas locked in the Devonian shale formations in Ohio, Michigan, Illinois, Indiana, Kentucky, Alabama, Tennessee, West Virginia, Pennsylvania, and New York.

That is enough gas to supply the industrial needs of 23 industrial States for 100 years.

Ohio, a State which is very concerned about curtailments has gas which could be used to ease the shortage; however, they cannot use it, because they cannot transport it from the area where it is produced to the area where it is needed.

The residential consumer will have to pay for the pipeline whether it operates at full capacity or not. If pipeline and distribution companies are unable to fully utilize their facilities their unit costs increase, resulting in increasing prices to the consumer. Pipeline and distribution costs already make up more than 80 percent of the average residential consumer's bill, so an increase in their cost has a greater price impact on the residential consumer.

There is gas in Appalachia which could help during this critical time, however, it cannot be used because there is no means for transporting the gas.

I am proposing an amendment which would allow interstate pipelines to transport gas not owned by them when the pipeline has excess capacity. This would provide a degree of flexibility to allow States with royalty gas to utilize it more effectively for the benefit of its citizens.

AMENDMENTS NO. 956 AND NO. 957

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

Mr. BUMPERS. Mr. President, on Wednesday, I indicated my concern, in a colloquy with the sponsors of S. 2310, that the bill's provisions for the compensation of curtailed users of natural gas might not be adequate. In its present form—as amendment 934—the bill distinguishes between the compensation that can be paid to curtailed users and the compensation that can be paid to suppliers. Users are entitled to compensation only "in an amount which is equal to any net increase in such user's reasonable costs for replacement fuel or replacement power," whereas suppliers are entitled to compensation equal to "any net increase in such supplier's reasonable costs and any other losses which are incurred by such supplier * * *." Clearly, suppliers' claims for compensation rest on a much broader base than do the claims of curtailed users. In our colloquy, the distinguished Senator from South Carolina (Mr. HOLLINGS) indicated his belief that the only additional expense that would be incurred by users would be for additional fuel, for which, in his words, "they would be made whole."

It has come to my attention that the cost of replacement fuel may not in fact be the only additional expense incurred by those utility companies that are required to shift from natural gas to some other fuel this winter. For example, I have been told that boiler operation and maintenance costs rise substantially when oil is burned in place of gas, Arkansas Power & Light Co. periodically shuts down its plants for 3 days at a time, to cleanse the boiler furnaces of oil residue. A.P. & L. says that the sulphuric acids have caused corrosion in air preheater fans and other auxiliaries. The company asserts as well, that other costs will rise substantially if it becomes necessary to burn oil over a long period of time, rather than on a brief, temporary basis, as has been the case in previous winters.

Without passing judgment on the merits of particular claims, it seems obvious to me that a compensation provision restricted solely to the increased costs of fuel may not be adequate. Curtailed users may very well incur other costs that are attributable to their forced conversion from gas to oil. If S. 2310 contains no provision for compensating them for such costs, then they—and their ratepayers—will be required to bear an unfair burden. I think it is important that we guard against that possibility, by putting users and suppliers on an equal footing in regard to compensation. Accordingly, I am introducing an amendment that would accomplish that.

The problem of boiler-fuel use of natural gas is one of the thorniest we face in dealing with the larger problem of natural gas regulation. Everyone agrees that boiler-fuel use of natural gas must be ended; but it is vital that such use not be ended in a manner that is even more costly than the continued use of gas would be. I hope that this question will be explored carefully in the ensuing debate over S. 692.

However, the immediate question before us is how best to compensate those boiler-fuel users whose gas must be curtailed to prevent hardship this winter. I think that the amendment I have proposed will contribute to a fairer distribution of the inevitable gas shortage.

ADDITIONAL COSPONSORS OF AMENDMENTS

AMENDMENT NO. 944

At the request of Mr. STEVENSON, the Senator from Rhode Island (Mr. PELL) was added as a cosponsor of amendment No. 944, intended to be proposed to S. 692, the Natural Gas Production and Conservation Act of 1975.

ADDITIONAL GAO BILLS TO BE HEARD BY SUBCOMMITTEE ON REPORTS, ACCOUNTING AND MANAGEMENT

Mr. METCALF. Mr. President, on September 10, I announced that hearings will be held on October 2 by the Subcommittee on Reports, Accounting, and Management, on legislation regarding the General Accounting Office. I stated at that time—page 28365—that one of the bills which we shall consider is S. 2268, the General Accounting Office Act

of 1975, and that another is S. 2206, which provides for the appointment of the Comptroller General and Deputy Comptroller General by the Speaker of the House and President pro tempore of the Senate, after considering recommendations from the Senate and House Committees on Government Operations.

At the October 2 hearings we will also receive testimony regarding two other bills, introduced since my original notice of the hearings, which deal with the GAO. One is my bill, S. 2352, which provides for an audit by the Comptroller General of the Internal Revenue Service and the Bureau of Alcohol, Tobacco, and Firearms. This legislation has been approved by a House Government Operations Subcommittee. The other bill on which we will receive testimony is S. 2418. It is Senator CHILES' bill—identical to S. 2481 of the 93d Congress—which provides for GAO audit of the Federal Reserve Board, Federal Reserve Banks and their branches, the Internal Revenue Service, the Comptroller of the Currency, and the Office of Alien Property.

Questions regarding the hearing should be directed to the subcommittee staff at 224–1474—majority, or 224–1490—minority.

ANNOUNCEMENT OF PUBLIC HEARINGS

Mr. CHURCH. Mr. President, I wish to announce for the information of the Senate and the public, the scheduling of a public hearing before the Energy Research and Water Resources Subcommittee of the Senate Interior Committee.

The hearing is scheduled for October 16, beginning at 9:30 a.m. in the Showboat Hotel and Lanes, Las Vegas, Nev. Testimony is invited regarding the Water Resources Planning Act of 1965, Public Law 89–80.

For further information regarding the hearing, you may wish to contact Mr. Ben Yamagata of the subcommittee staff on extension 49894. Those wishing to testify or who wish to submit a written statement for the hearing record should write to the Energy Research and Water Resources Subcommittee, 3106 Dirksen Senate Office Building, Washington, D.C. 20510.

ANNOUNCEMENT OF PUBLIC HEARINGS

Mr. CHURCH. Mr. President, I wish to announce for the information of the Senate and the public, the scheduling of a public hearing before the Energy Research and Water Resources Subcommittee of the Senate Interior Committee.

The hearing is scheduled for October 17, in Idaho Falls, Idaho. Testimony is invited regarding the progress of the Raft River geothermal project, the difficulties encountered by the Fall River Rural Electric Cooperative in obtaining geothermal leases on National Forest Service lands, and the relationship of geothermal development in the Western States with respect to the national plan for geothermal development.

For further information regarding the hearing, you may wish to contact Mr. Ben Yamagata of the subcommittee staff on extension 49894. Those wishing to testify or who wish to submit a written statement for the hearing record should write to the Energy Research and Water Resources Subcommittee, 3106 Dirksen Senate Office Building, Washington, D.C. 20510.

ANNOUNCEMENT OF HEARING

Mr. BIDEN. Mr. President, I wish to announce that the Consumer Affairs Subcommittee, which I chair, will hold hearings at 2 p.m. on October 9, 1975, on several issues which have arisen under the Fair Credit Billing Act. This hearing is called to produce information so that the full Banking Committee can consider possible amendments to the Fair Credit Billing Act in markup sessions later this month. Persons wishing to testify or submit statements should promptly contact Ralph Rohner, staff counsel for the subcommittee, on 224–0893. The exact location of the hearing will be available from the Banking Committee office—224–7391—within the next few days.

The issues the subcommittee wishes to address arise from section 167 of the Fair Credit Billing Act which permits merchants to sell at different prices to cash and credit card customers: First, should that provision expressly supersede State law to assure that these price differentials do not violate State usury laws? Second, should the provision be amended to expressly include "surcharges" imposed on credit card users?

In addition, the subcommittee will receive testimony on an amendment offered to pending legislation which would establish certain procedures and authorize judicial review of regulations promulgated by the Federal Reserve Board.

Mr. President, I request unanimous consent that three documents bearing on these issues be printed in the RECORD at the conclusion of this announcement. These documents are: First, a letter from Chairman Burns of the Federal Reserve Board to Senator BROCK stating the Board's views on the question of usury under Fair Credit Billing Act section 167; second, a letter from Chairman Burns requesting legislative clarification of the inclusion of surcharges in Fair Credit Billing Act section 167; and third, the pending amendment to establish procedures for regulation-writing by the Federal Reserve Board.

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

FEDERAL RESERVE SYSTEM,
Washington, D.C., September 16, 1975.

Hon. BILL BROCK,
U.S. Senate,
Washington, D.C.

DEAR SENATOR BROCK: We are glad to respond to your letter of August 7, 1975, regarding the relationship between Sec. 167 of the Fair Credit Billing Act (P.L. 93–495) and the usury laws of certain States, especially Tennessee.

Your letter points out that Sec. 167 provides that a "discount not in excess of 5 per centum offered by the seller for the purpose of inducing payment by cash, check, or other means not involving the use of a credit card shall not constitute a finance charge" if certain conditions are met. Section 111(b) of the original Truth in Lending Act, which also applies to the Fair Credit Billing Act, provides that the Federal Truth in Lending Act does not alter or affect State usury laws.

It appears to be the opinion of certain Tennessee bank attorneys that if a merchant grants a five per cent discount for cash, this would amount to a corresponding addition to the creditor's "time price differential" under Tennessee law and that, if the differential was previously at the State usury ceiling, the addition would violate that ceiling. The attorneys feel that such violations of State law would arise from the use not only of credit cards issued in Tennessee, but also of those issued in several other States.

Your constituents fear that unless Congress amends Sec. 167(a) of the *Fair Credit* Billing Act to permit a credit card issuer to prohibit a seller from offering any discount in excess of five per cent and also amends Sec. 111(b) to provide expressly that Sec. 167 pre-empts State usury laws, financial institutions (as distinguished from merchants who issue credit cards) in Tennessee and other States will be precluded from offering credit card services.

You ask whether the Board's legal counsel agree with the Tennessee attorneys, and how the Board would view possible legislation such as the Tennessee attorneys have suggested.

Attorneys on the Board's staff have not attempted to make an extensive study of the relevant laws of Tennessee and the other States mentioned in your letter. However, they are not inclined to disagree with the conclusion of the Tennessee lawyers that, under the laws of Tennessee and some other States, there may be a violation of State usury laws in the circumstances described. There seems to be a strong possibility that the courts would so hold. If such violations are found, however, they are solely attributable to the relevant State laws and can in no way be considered to be the result of Sec. 167.

Section 167 does not require merchants to offer a discount for cash. It merely provides that, if a merchant chooses to offer a discount, and if he discloses to all prospective customers that the discount is available, he may exclude it from the finance charge that he would otherwise have to disclose to a credit card purchaser under the Federal Truth in Lending Act. Since a credit card issuer presumably would not be required to accept credit card transactions that violate State law, the effect of the State laws in question might well be to inhibit the offering of discounts for cash in connection with cards issued in the affected States, but this result would obtain even if Sec. 167 had not been enacted. The only effect of Sec. 167 is to facilitate the offering of discounts, where they may be lawfully offered under State law, by relieving the seller from disclosing the amount of the discount as part of the finance charge in a credit transaction.

The question you raise would seem to confront Congress with the kind of issue it has faced in some other instances in connection with State interest ceilings. As stated in my

letter to you of June 21, 1974, on the proposals that became Public Law 93-501, and Governor Bucher's testimony on that measure on July 31, 1974, before the Senate Committee on Banking, Housing and Urban Affairs, the Board feels that remedial action at the State level would be the more desirable way to deal with the problem caused by such State laws. On the other hand, the confusion and inequities that could result from the present situation may be of such importance as to merit Federal action in the absence of suitable State legislation.

In summary, we do not agree that Sec. 167 places creditors in jeopardy of violating State usury laws. It does appear, however, that in connection with credit cards issued in some States it may be difficult for merchants to offer a cash discount of the sort covered by Sec. 167 without running afoul of usury laws of the card issuer's State, and that a card issuer acquiring credit card paper might be unable to determine from the paper whether it violated such laws. If Congress considers that such laws are inconsistent with the purpose of Sec. 167, we believe that it would be appropriate for it to consider pre-empting such laws to that extent, as suggested by the Tennessee attorneys.

Sincerely yours,

ARTHUR F. BURNS,
Chairman, Board of Governors.

FEDERAL RESERVE SYSTEM,
Washington, D.C., September 16, 1975.

Hon. JOSEPH R. BIDEN, Jr.
U.S. Senate,
Washington, D.C.:

DEAR MR. CHAIRMAN: I am writing to request the assistance of the Congress in resolving a difficult question of Congressional intent which has arisen in the Board's efforts to prescribe regulations required under Section 167 of the Fair Credit Billing Act (Title III of P.L. 93-495).

That Section, which becomes effective October 28, 1975, provides as follows:

"§ 167. Use of cash discounts

"(a) With respect to credit card which may be used for extensions of credit in sales transactions in which the seller is a person other than the card issuer, the card issuer may not, by contract or otherwise, prohibit any such seller from offering a discount to a cardholder to induce the cardholder to pay by cash, check, or similar means rather than use a credit card.

"(b) With respect to any sales transaction, any discount not in excess of 5 per centum offered by the seller for the purpose of inducing payment by cash, check, or other means not involving the use of a credit card shall not constitute a finance charge as determined under section 106, if such discount is offered to all prospective buyers and its availability is disclosed to all prospective buyers clearly and conspicuously in accordance with regulations of the Board."

Subsection (b) has been the focus of the problem. You will note that the Section does not require any merchant or card issuer to take any action. It merely provides that if a merchant chooses to offer a discount of up to 5 per cent for payment by cash, that discount is excluded from the credit finance charge for the purpose of Truth in Lending disclosures. The discount can thus be offered without making Truth in Lending disclosures at the point of sale.

While the provision appears straightforward, it has given rise to perplexing problems. For example, when merchandise with a posted price of $100 is available at that price by use of a credit card, and at $96 for cash, the differential is clearly a "discount" covered by the Section. But if an article has a posted price of $96, and is available at that price for cash, and at $100 by credit card, there is doubt as to the status of the $4.00 differential. Is the $4.00 differential a "discount" within the meaning of the Section, or is it a "premium" or "surcharge" and not a "discount"?

It has been represented to the Board that the economic effect may be largely the same in both cases and that sometimes it may be difficult or impossible in practice to distinguish one type of situation from the other. From this it has been argued that the differential in both cases is a "discount". On the other hand, it has been contended that the two may differ widely in their marketing and operating aspects, that the wording of the statute refers only to "discount", and that the price differential in the second case falls outside the statute.

On April 30, 1975, the Board published proposed regulations on the subject that would have excluded the second type of differential from the special treatment provided by the statute. On July 30, 1975, the Board published revised proposals taking the opposite position. Chairman Proximire of the Senate Banking Committee has urged that the "premium" or "surcharge" differential be treated as a "discount". Chairman Annunzio of the Consumer Affairs Subcommittee of the House Banking Committee has urged that it not be treated as a "discount" within the meaning of the statute.

After extended consideration the Board decided by a 4-3 vote to approve a regulation that excludes the second type of price differential from the special treatment provided by the statute. The Board unanimously agreed to seek your assistance in obtaining express legislative action that would make clear the intended application of Section 167 of the statute. The lack of such clarifying action, with attending differences of opinion as to Congressional intent, may well lead to costly litigation and impose substantial burdens on creditors, consumers and the courts.

I am sending similar letters to the Chairmen and ranking minority members of the Senate and House Banking Committees and the Consumer Affairs Subcommittees of those Committees.

Sincerely yours,

ARTHUR F. BURNS,
Chairman, Board of Governors.

AMENDMENT ON PROCEDURAL DUE PROCESS AMENDMENT

Intended to be proposed by Mr. Garn to Committee Print No. 2, to add a new section 708.

"On page 14, after the sentence on line 3, add the following new section:

"SEC. 708. Administrative Procedures and Judicial Review.

(a) Rules and regulation under this title shall be prescribed in accordance with section 553 of title 5, United States Code, except that the Board shall afford interested persons an opportunity to present data, views and arguments orally as well as in writing, with respect to the proposed rule or regulation. In addition, it shall, by means of conferences or other informal procedures, afford any interested person an opportunity to question—

(A) Other interested persons who have made oral presentations, and

(B) Employees of the United States who have made written or oral presentations,

with respect to disputed issues of material fact. Such opportunity shall be afforded to the extent the Board determines that questioning pursuant to such procedures is likely to result in a more effective resolution of such issues. A transcript shall be kept of any oral presentation under this paragraph.

(b) (1) Any person who will be adversely affected by a rule or regulation promulgated under this title when it is effective may at any time prior to the sixtieth day after such rule or regulation is promulgated, file a petition with the United States court of appeals for the circuit wherein such person resides or has his principal place of business, for a judicial review thereof. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Board. The Board thereupon shall file in the court the written submissions to, and transcript of, the proceedings on which the rule or regulation was based as provided in section 2112 of title 28, United States Code.

(2) Upon the filing of the petition referred to in section (1) of this section, the court shall have jurisdiction to review the rule or regulation in accordance with chapter 7 of title 5, United States Code, and to grant appropriate relief as provided in such chapter. No rule or regulation under this title may be affirmed unless supported by substantial evidence.

(3) The judgment of the court affirming or setting aside, in whole or in part, any such rule or regulation shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code."

Renumber subsequent sections.

RATIONALE

The Federal Reserve Board is given broad authority under the proposed legislation to promulgate rules and regulations which will have a far-reaching effect on both creditors and consumers. The legislation is silent, however, as to what procedures shall be utilized in the promulgation of regulations.

The proposed amendment establishes a procedure which will achieve the dual goal of maximum input by affected parties, both business and consumers, and a minimum of delay for the Federal Reserve Board in carrying out its statutorily mandated requirements.

The proposed amendment establishes a procedure and review structure containing five basic characteristics:

(1) An oral hearing;

(2) An opportunity for interested parties to question other parties and government employees who have made written or oral presentations with respect to disputed issues of material fact;

(3) Clear discretion in the Board to limit and otherwise control the extent of questioning and the length of the hearing;

(4) A review of the regulation in the Court of Appeals if sought by an aggrieved party; and

(5) A determination by the Court as to whether the rule or regulation was based on substantial evidence.

The procedure outlined above not only provides a *minimum* of due process for affected parties but will result in the promulgation of better rules by the Board. Many of the issues before the Board will involve complex and technical issues which may have major economic consequences for creditors and unforeseen ramifications as to the availability of credit for consumers. Only through the participation of experts and the ability of these experts to question the assumptions of other participants will the Board be able to develop the best rule possible consistent with an expeditious proceeding.

There has been an increasing trend on the part of Congress to mold Administrative procedures to fit the needs and goals of a given Agency. In the Consumer Product Safety Act enacted in the 92nd Congress, a procedure was adopted for the development of consumer product safety standards which varies from the traditional 553 rulemaking

approach. The Committee Report to that bill makes it clear that the modified procedure was developed to outline a process for the maximum use of experts available in the private section.

In the last Congress, the Magnuson-Moss Warranty/Federal Trade Commission Improvement Act was enacted. Title II of that Act provides a detailed procedure for the promulgation of Trade Regulation Rules by the Federal Trade Commission. That procedure goes considerably further than the proposed amendment in providing a right of cross-examination.

In the current session, many bills have procedures designed to meet the particular circumstance involved in the rulemaking required. For example, the provisions of H.R. 7014 which deal with the labeling of appliances as to their energy efficiency provides for an administrative procedure very similar to the one proposed in this amendment. The same type of procedure as proposed here is also mandated for the EPA in Air Quality drafts presently before the Senate Public Works Committee.

The procedures are particularly appropriate for the regulation required of the Federal Reserve Board because they will act on a subject outside of their main area of expertise. The procedure will produce better regulations and will not unduly lengthen the proceedings involved.

NOTICE OF HEARINGS ON BALANCING THE BUDGET

Mr. BAYH. Mr. President, the Subcommittee on Constitutional Amendments is scheduling hearings on Senate Joint Resolution 55, proposing a constitutional amendment on balancing the budget, and Senate Joint Resolution 93, proposing a constitutional amendment on balancing the budget, for Tuesday, October 7, 1975.

These hearings will be held in room 2221, Dirksen Senate Office Building, the Finance Committee hearing room, beginning at 10 a.m.

Any persons wishing to submit written statements for the hearing record should send them to the Subcommittee on Constitutional Amendments, room 108, Russell Senate Office Building, Washington, D.C. 20510.

ADDITIONAL STATEMENTS

TESTIMONY FROM A WILDCAT PRODUCER OF NATURAL GAS

Mr. TUNNEY. Mr. President, I earlier referred to the testimony of a wildcat producer of natural gas, Mr. L. Frank Pitts, in which he stated that the drilling of new wells has increased the supply of natural gas in two Texas counties by 1,500 percent in the last 2 years and 9 months. Mr. Pitts recently testified before the Energy and Power Subcommittee of the House Commerce Committee. Since Mr. Pitt's comments are extremely relevant to S. 2310, and its House companion bill, H.R. 9464, I ask unanimous consent that Mr. Pitts' testimony be printed in the RECORD.

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

STATEMENT BY L. FRANK PITTS

Mr. Chairman: My name is Frank Pitts. I am an independent oil and gas producer from Dallas, primarily engaged in finding and developing new natural gas, and producing this natural gas when we are fortunate enough to hit a producing well. I have been involved in the search for oil and gas since the middle 1940's. From 1960 to June, 1971, eleven years, I was President of Exploration Surveys, Inc., an international geophysical company which did seismic work and map interpretation of their data in all 48 States and Alaska. We did extensive geophysical work on the outer continental shelf areas of Alabama, Mississippi, Texas, Louisiana, and Florida, and in the middle sixties did 20,000 line miles of work in Federal waters along the northeast coast from Norfolk, Virginia, to the Canadian waters extending as far as 250 miles from shore, from which we delineated two prospective basins which are twice as large as the offshore developments of Texas and Louisiana combined. As of today there has never been a well drilled for oil and gas in these two huge basins.

Based upon this experience there are abundant prospective locations in the United States where new natural gas reserves can be found.

Since 1971 I have increased my drilling activities because of my belief that natural gas, the cleanest and most effective fuel for both the householder and manufacturer, is readily available within our nation's domain. The additional supply of natural gas desperately required will become available only if you, the Congress, enact legislation offering the needed incentives to the finder and developer.

Today we are considering House Bill No. 9464 entitled the "Natural Gas Emergency Act of 1975". The passage of this bill would preclude, or at least delay, the enactment of comprehensive gas legislation.

I am sorry, Mr. Chairman, but I must say that it appears H.R. 9464 is a sugar pill to tranquilize the public into a feeling that Congress is doing something about the natural gas shortage with this stop-gap measure. I know the problems attending the shortage are severe for some parts of the country. Some short-term relief is in order, but H.R. 9464 is merely window dressing that will not provide relief this winter and, more importantly, it will not begin to alleviate the natural gas shortage. It may well postpone long-term action. If you allocate shortages by taking away from one area, to solve the problem of another area, you still have a shortage. And that essentially is what H.R. 9464 proposes to do. Nowhere in the bill is there any suggestion that new natural gas prices should be deregulated permanently to provide the incentive for drilling new wells and finding new sources of supply. Before discussing the specifics of H.R. 9464, I would like to talk with you about my experience in the search for domestic natural gas and the economics of the exploration industry. Since 1969, we have been consuming approximately three times more natural gas than we have been finding in new reserves. That can't go on indefinitely. We simply must increase our supplies. This can be done only by drilling more wells. Yet we are not going to see those new wells under the present system of FPC regulation. Only deregulation of well head prices will furnish the incentive we need.

Currently, the average price of interstate gas at the well-head is about 32¢ per thousand cubic feet. The national price for new gas is 52¢.

Even if the price of new natural gas were to increase to $2.00 per thousand cubic feet, with deregulation, the cost per thousand cubic feet of natural gas to the consumer based upon 1980 supply estimates, would be approximately the same as it will be with regulation. For this reason: with regulation, the consumer will still pay the full amoritization costs of pipeline running at only 55% capacity—and, we would still have no new reserves to call upon to fill up that pipeline because all incentives to find them would have been stifled.

By way of analogy, if you buy a five room house and shut off two rooms, you still pay the mortgage on all five, but you only have the use of three rooms. So the effective rent on those three rooms is higher than it seems. Because it does nothing to increase the supply of gas, H.R. 9464 asks the consumer to pay the cost of 55% of unused pipelines and provides no guarantee that his hands will be warm enough even to sign the rental check. It simply moves in the wrong direction.

To give you an example of how proper incentives can produce the needed supplies of new natural gas, I will go back three years to a critical shortage that occurred in Texas. Prior to that time, intrastate prices were about as low as inter-state, and drilling activity had fallen off sharply. The environmental laws passed by Congress in the late 1960's put a premium on clean fuels like natural gas. So demand rose, but the supply wasn't there. Schools were closed, plants were shut down, people were thrown out of work, even the University of Texas was closed for awhile. The demand for gas drove up the intrastate price to a point where once again, it was reasonable to expect a profit from producing gas. We began drilling in the Fort Worth Basin area north of Dallas, which is low in reserves compared to some other areas of the state.

The increased number of wells drilled is a direct result of an increased price for natural gas. And in two counties where I operate, the drilling of new gas wells has increased the supply of natural gas by 1500%—in the last two years and nine months.

There is no current shortage of natural gas in Texas, because the free market for intrastate gas has spurred the exploration and production of ample supplies. As prices have gone up from 32¢ per thousand cubic feet to $1.52 per thousand cubic feet, the number of producing gas wells in Texas has increased more than 65%. This is a proven fact. There need not be a shortage of natural gas in the entire United States if the proper measures are adopted, which will permit the independent oil and gas man to do the job he knows best—drilling wells and providing sufficient quantities of gas and oil for disbursement to the consumer. There are abundant prospective locations in the United States where new natural gas reserves can be found.

The price of natural gas has been held so unrealistically low that the demand for it has skyrocketed, and a severe shortage has resulted. If natural gas is allowed to seek its own level in the marketplace, in competition with other types of energy, such as coal, fuel oil and nuclear energy, then the producer will have the incentive to find new sources of supply. The consuming public would have the natural gas it needs and save over $6 billion per year by 1980 over the cost of using suggested alternate fuels. Verifiable statistical charts are readily available to confirm these facts. And we would begin to fill up those pipelines. Consumers would quit paying for so much unused space.

To find adequate quantities of natural gas will require deeper drilling—well below 15,000 feet; the development of low reserve, but still profitable areas—of which there are many in this country; more offshore drilling; and the development of frontier areas such as Alaska. While this will cost more money, the deregulation of at least new natural gas affords the investor an incentive to develop such reserves.

My suggestion to solve the natural gas

shortage is not theoretical, but a practical solution already tested and proved in Texas and merely required to be used for the whole nation.

This subcommittee has proven itself prodigiously diligent and conscientious in its work this year on oil pricing. You know that gas fuels this country to an even greater extent than oil. You also know, therefore, that you must provide legislation in short order to guarantee adequate supplies of natural gas.

Obviously this is not an easy task. There is no simple solution to our natural gas shortage—but there is a solution. It is deregulation of new gas.

Independent producers found 94% of the new oil and gas fields in this country in 1974. We are anxious to get on with our work—unencumbered by additional restraints. The consuming public is equally impatient, not only for adequate energy resources, but for prompt and judicious action by the nation's lawmakers.

Gentlemen, the energy fate of the Nation is in your hands. You can make a historic decision to free the market for at least new natural gas and solve the problem, or you can vote out a measure that will not alleviate the shortage, but only perpetuate it.

Now let me address some of the specifics of H.R. 9464.

(1) The bill would extend federal price controls to the intrastate gas market. I agree with Mr. Zarb's comments on that feature of the bill. It would:

(a) Further impede natural gas production by destroying incentives to investors and producers.

(b) Encourage excessive use of natural gas through artificially low prices at a time when the nation must bring its use of gas into balance with our presently limited supplies.

(c) Require an immense administrative apparatus to regulate intrastate markets and put Government bureaucracies further into the business of deciding which industries and users of gas should receive priority. Worse yet, it would require the bureaucracy to make immensely complicated decisions for which it is presently unequipped within the unrealistically brief period of 15 days; and, (d) Cause lengthy and costly law suits challenging the rates to be established, delaying the flow of intrastate gas into interstate markets this winter.

(2) The bill would permit a roll-back of the current price of new onshore gas. The pricing mechanism of this bill would average intrastate and interstate contracts for a given area. Many independents would be subject to a price roll-back during the time it is in effect. This would retard exploration and development activities. And the "averaging" mechanism itself is unclear. I can't tell whether it means the numerical averaging of the August contracts, or a weighted average which would more precisely reflect the incentive prices being paid for the greater volumes of natural gas. Some pipelines have suggested an averaging of the three highest contract prices plus 10%. That, in effect, is the standard industry renegotiation clause mechanism. It would still impose a ceiling price on the intrastate market—which is bad policy—but it would, at least, reduce the magnitude of the roll-back.

(3) As currently written, the bill would permit non-efficient production methods which will result in less not more natural gas being produced. The bill requires the Department of Interior to establish the maximum efficient rate of production, as well as a temporary emergency rate of production. To force a well to flow at maximum levels, for even a short duration, is diametrically opposed to all conservation principles and can result in the irretrievable loss of the entire reservoir.

(4) The bill asserts federal control over the work of State conservation agencies.

(5) Unnecessary and unintended penalties may occur as the result of the provision stipulating that any gas which could have been produced and sold, but which for any reason was not during the Act's duration, could not at any time after expiration of the Act be sold at a price higher than the Act's applicable area ceiling rates. This provision will undoubtedly deter producers from looking as assiduously as they might for new gas during the Act's duration because they will legitimately fear that any gas found might arbitrarily forever be subject to an unrealistically low price.

(6) The Bill would authorize Federal ordering of mandatory inter-connections between pipelines.

(7) In addition, the bill does not contain a legislative pre-grant of abandonment authority. With pipeline interconnections in place, and with no provision for a pre-grant of abandonment authority, this bill would discourage independents from dedicating new wells to interstate commerce because it appears entirely possible that once they utilize the provisions of this bill and make an interstate connection they will be forever more subject to FPC controls and jurisdiction.

What this bill does not do is:

(1) Stimulate additional exploratory or production efforts of natural gas.

(2) Efficiently allocate area supplies to meet national emergencies; and,

(3) Lessen government control over industry.

In short, it does not solve problems, it compounds and increase them.

VIETNAM REFUGEE FAMILY BEGINS NEW LIFE IN NORTH CAROLINA

Mr. HELMS. Mr. President, the presence of many thousands of Vietnamese refugees in the United States is a constant reminder of the intolerability of Communist oppression and the attraction of American liberty. Rather than remain in their native land under a Communist dictatorship, these tragic victims of tyranny chose to leave their homeland and start life afresh in a strange country. I admire them for their courage and their commitment to freedom.

It has now been several months since the first refugees fled their conquerors and came to America. The vast majority were simple people who left with little more than the clothes on their backs and the few items they could carry. They were forced to leave the love of their relatives, the security of their homes, and the pride of their heritage. They were driven from those very aspects of life that we, as Americans, enjoy as our birthright.

True to their traditional ways of kindness and charity, Americans everywhere were ready to welcome them, to assist them in finding a meaningful life and occupation, and to become their friends and neighbors. Americans wanted to do something for the refugees that was direct and personal—the kind of charity that finds expression in voluntary sharing rather than Government paternalism.

Adjustment to American life has not been easy for the refugees, and there are still approximately 37,000 in the refugee "tent centers" who do not know what lies ahead for them in the days ahead. But we are making progress, Mr. President, in resettling many refugees through private endeavor. I have at hand two letters which are a light of hope for those who have not yet succeeded in becoming a member of the American community.

One is from the Reverend John W. Cobb, pastor of the Holy Trinity Church in Raleigh, N.C., and the other is from Nguyen Kuan Hieu, the head of a refugee family sponsored by that church. What the Holy Trinity Lutheran Church has done for this Vietnamese family exemplifies true Christian charity.

Mr. Nguyen and his family are now a part of the Raleigh community and are making a contribution to North Carolina. They have regained much of what they left behind and are rapidly becoming a part of the great American heritage. We can only hope that the thousands of refugees still living in tents will soon benefit from the meaningful charity that the Nguyen family has found in the Holy Trinity Church.

Mr. President, I ask unanimous consent that the letters of Reverend Cobb and Mr. Nguyen be printed in the RECORD.

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

HOLY TRINITY LUTHERAN CHURCH,
Raleigh, N.C., September 1, 1975.

Senator JESSE HELMS,
Federal Building,
Raleigh, N.C.

DEAR SENATOR HELMS: Knowing of your interest in the resettlement of Vietnamese refugees I felt you would appreciate seeing the enclosed letter.

Mr. Nguyen, whose background included, Deputy Mayor of DaNang City, Assistant Chief of the Khanh Hoa Province and Director of Administrative Affairs, Ministry of Labor, has been willing to accept a very modest job here in Raleigh and seems to have adjusted quite well.

The enclosed letter speaks for itself and is most expressive of the relationship that has already developed between this family and our congregation.

Kind personal regards.

Respectfully,

JOHN W. COBB.

RALEIGH, N.C., *August 9, 1975.*

DEAR MR. DIRECTOR: Allow me to introduce myself: I am Nguyen Xuan Hieu, Vietnamese refugee. My family and I stayed in Fort Chaffee from May to July 1975. By means of the Lutheran Immigration and Refugee Service, my family have the sponsorship of Pastor John W. Cobb and the Holy Trinity Lutheran Church, Raleigh.

We are resettled now in Raleigh, a city in high land like our Dalat, but bigger and more and more beautiful.

Upon our arrival, the Church has provided for us a comfortable compartment (sic) with 3 nice bedrooms, located in the middle of a large garden where my sons play sports. In my house were many gifts of goods, clothes, furniture . . . my three sons have been placed in the public school three days after our arrival and by the assistance of the Church, I have a good job in a big establishment in Raleigh.

We are receiving much help and a precious community of friendship.

In short, we are very happy in the beginning of our new life in this great and generous County and it is thanks to Pastor John W. Cobb and the Holy Trinity Lutheran Church.

I express also my deep thanks to your philanthropic organization for providing for us this nice and precious sponsorship.

Sincerely yours,

——— ———.

PUBLIC HEARINGS AND THE NATIONAL PARK SERVICE

Mr. MOSS. Mr. President, 4 years ago the National Park Service made a decision to close the overnight lodging facilities at Zion and Bryce National Parks. This decision was made without public hearings or input from the local communities. Now, on the eve of the closing of the facilities, the National Park Service has granted public hearings to discuss their fait accompli. The reported "bored superiority" of those Park Service officials conducting these public hearings reflects the unwillingness of the Park Service to include public views in their decision. The policies of any Government agency should reflect the views of the citizenry. In this case, the disregard and contempt which the Park Service has shown for the prevailing public opinion is disturbing. Public hearings are not meant to be pro forma events. They are required because the citizen has a right to be heard and listened to. The Park Service is not listening. This must not go unnoticed. On this issue, the National Park Service has become a symbol of "unresponsive government."

I ask unanimous consent that a letter from Fred C. Adams be printed in the RECORD.

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

UTAH SHAKESPEAREAN FESTIVAL,
Cedar City, Utah, September 24, 1975.

Senator FRANK MOSS,
U.S. Senate Building,
Washington, D.C.

DEAR FRANK: I am writing this letter to all four state elected representatives in Washington. Tuesday night (last night), my wife and I, along with 400 other concerned citizens of Cedar City, attended a public hearing on the Utah Parks' facilities removal. The Superintendent of Parks was about as communicative as a balloon, absolutely hearing none of our questions nor paying any attention whatsoever to hundreds of letters from all over the country urging the government to reconsider tearing out the Zion Park facilities. The group's arguments regarding summer employment for students, consideration for retired people, the historical significance of the facilities and the small expense that would be necessary for upgrading them, all were totally ignored and 400 people left that hearing last night so angry and so frustrated at the seeming bureaucracy that I felt that elected officials should know.

Look into it for us would you, as we are at our wit's end. Thank you in advance for any consideration. Best wishes to you.

Sincerely,

FRED C. ADAMS,
Producing Director.

STEPHEN J. WEXLER

Mr. TAFT. Mr. President, it was with great sadness and regret that I read about Steve Wexler's accident last Saturday. Steve had been a valuable staff member to both Democrats and Republicans while he served as majority counsel on the Education Subcommittee and the Subcommitee on Arts and Human Resources. His knowledge of education legislation and laws was a benefit to all of us who have worked with him. In addition, he was extremely helpful to me and my staff in working on the Arts and Humanities legislation. He was always ready with an answer, a willingness to help and a cheerful greeting or comment. My staff and I want to express our deepest sympathy to his wife and family during their time of great sorrow. His fine achievements and contributions to education and the arts will remain a tribute to his life.

ARTHUR BURNS: GOVERNMENT SHOULD BE EMPLOYER OF LAST RESORT

Mr. HUMPHREY. Mr. President, today I rise to praise Arthur Burns, Chairman of the Federal Reserve, for the intelligent and useful speech he made at the University of Georgia, on September 19, 1975. Although Chairman Burns and I have disagreed on some issues in the past, and I feel sure we will find much to debate in the future, I found much to agree with in the Georgia speech. I urge all my colleagues to carefully read it.

The central thrust of Chairman Burns' speech is that our economic theories and policies are inadequate and out of date. Monetary and fiscal policies, with their emphasis on deficit spending and the money supply, although important for economic growth and stability, are not by themselves adequate to return the country to full employment and stable prices. I believe we must open our economic minds, as Chairman Burns urges, reject the dogmas of the past, and seek new ideas and institutions for managing our economy.

We must open our minds first to the fact that this country suffers from an inflationary bias. There are many reasons for this, wasteful Government spending, outmoded Government regulations, shortsighted energy and food policies, the interrelated nature of our economy with the rest of the world, and the decline of competition in the private sector of our economy. Among other things, Chairman Burns suggested a vigorous search be made for methods and techniques to enhance price competition among the Nation's business firms. I agree.

Chairman Burns goes on in his speech to argue that there is no longer a meaningful tradeoff between unemployment and inflation. I am pleased to see that Chairman Burns finally acknowledges that unemployment does not reduce inflation. Today we are suffering primarily from cost-push inflation, which requires new solutions. We do not need to bleed the patient to reduce his fever. I only hope and pray that Chairman Burns can now convince the administration's economic advisors that higher unemployment is not the way to deal with the current inflation.

There were some suggestions made by Chairman Burns on how to deal with the current inflation. In addition to calling for efforts to invigorate competition in the private sector, he believes, as I do, that the Government should have an incomes policy. This means the Government should investigate excessive wage and price increases in the private sector of the economy and, when necessary, act to moderate those increases in the public interest.

This brings me to the most important aspect of Dr. Burns' speech—endorsement of full employment and a job guarantee. Let me quote from the speech:

I believe that the ultimate objective of labor market policies should be to eliminate all involuntary unemployment. This is not a radical or impractical goal. It rests on the simple but often neglected fact that work is far better than the dole, both for the jobless individual and for the nation. A wise government will always strive to create an environment that is conducive to high employment in the private sector. Nevertheless, there may be no way to reach the goal of full employment short of making the government an employer of last resort.

Mr. President, much of what Dr. Burns suggests accords with my own views, views that I have been articulating for some time now as chairman of the Joint Economic Committee, and views that I have expressed in various legislative proposals.

I believe that we must reopen our economic minds and seek new ideas and institutions for managing our economy. This must include reforms and policies to invigorate the competition in the private sector. I believe our policies must include a job for every person able and willing to work. I believe that our policies must include an incomes policy that will end cost-push inflation.

Finally, Mr. President, I believe it must include an economic planning process that puts these pieces together into a long-range time frame so that the Nation can avoid crisis policies.

Mr. President, there are other useful and interesting insights given in the speech by Chairman Arthur Burns. I ask unanimous consent that the text of this speech be printed in the RECORD, as well as an article in the Wall Street Journal of September 22, 1975.

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

THE REAL ISSUES OF INFLATION AND UNEMPLOYMENT

(By Arthur F. Burns)

I am pleased to be here at the University of Georgia and to have the opportunity to address this distinguished audience. Tomorrow promises to be an exciting day for you, and you will need all the rest you can muster. I shall therefore not waste many words as I

share with you my concern about our nation's future.

Our country is now engaged in a fateful debate. There are many who declare that unemployment is a far more serious problem than inflation, and that monetary and fiscal policies must become more stimulative during the coming year even if inflation quickens in the process. I embrace the goal of full employment, and I shall suggest ways to achieve it. But I totally reject the argument of those who keep urging faster creation of money and still larger governmental deficits. Such policies would only bring us additional trouble; they cannot take us to the desired goal.

The American economy has recently begun to emerge from the deepest decline of business activity in the postwar period. During the course of the recession, which began in late 1973, the physical volume of our total output of goods and services declined by 8 per cent. The production of factories, mines, and power plants fell even more—by 14 per cent. As the over-all level of economic activity receded, the demand for labor rapidly diminished and unemployment doubled, reaching an intolerable 9 per cent of the labor force this May.

The basic cause of the recession was our nation's failure to deal effectively with the inflation that got under way in the mid-sixties and soon became a dominant feature of our economic life. As wage and price increases quickened, seeds of trouble were sown across the economy. With abundant credit readily available, the construction of new homes, condominiums, and office buildings proceeded on a scale that exceeded the underlying demand. Rapidly rising prices eroded the purchasing power of workers' incomes and savings. Managerial practices of business enterprises became lax and productivity languished, while corporate profits—properly reckoned—kept falling. Inventories of raw materials and other supplies piled up as businessmen reacted to fears of shortages and still higher prices. Credit demands, both public and private, soared and interest rates rose to unprecedented heights. The banking system became overextended, the quality of loans tended to deteriorate, and, the capital position of many banks was weakened.

During the past year many of these basic maladjustments have been worked out of the economic system by a painful process that could have been avoided if inflation had not gotten out of control. As the demand for goods and services slackened last winter, business managers began to focus more attention on efficiency and cost controls. Prices of industrial materials fell substantially, price increases at later stages of processing became less extensive, and in many instances business firms offered price concessions to clear their shelves. With the rate of inflation moderating, confidence of the general public was bolstered, and consumer spending strengthened. Business firms were thus able to liquidate a good part of their excess inventories in a rather brief period. Meanwhile, as the demand for credit diminished, tensions in financial markets were relieved, and the liquidity position of both banks and business firms generally improved.

These self-corrective forces internal to the business cycle were aided by fiscal and monetary policies that sought to cushion the effects of economic adversity and to provide some stimulus to economic recovery. On the fiscal side, public employment programs were expanded, unemployment insurance was liberalized, and both personal and corporate income taxes were reduced. On the monetary side, easier credit conditions were fostered, resulting in lower interest rates and a rebuilding of liquidity across the economy.

With the base for economic recovery thus established, business activity has recently begun to improve. Production of goods and services turned up during the second quarter and is continuing to advance. The demand for labor has also improved. Both the number of individuals at work and the length of the workweek are rising again, and unemployment has declined three months in a row. Retail sales have risen further, and of late residential construction has joined the recovery process.

Along with these favorable developments, however, some ominous signs have emerged. Despite an occasional pause, inflation once again may be accelerating. By the second quarter of this year, the annual rate of increases in the general price level was down to 5½ per cent—about half the rate of inflation registered in the same period a year earlier. But over the summer, prices began to rise more briskly.

This behavior of prices is particularly worrisome in view of the large degree of slack that now exists in most of our nation's industries. Price increases in various depressed industries—aluminum, steel, autos, industrial chemicals, among others—are a clear warning that our long-range problem of inflation is unsolved and therefore remains a threat to sustained economic recovery.

History suggests that at this early stage of a business upturn, confidence in the economic future should be strengthening steadily. A significant revival of confidence is indeed underway, but it is being hampered by widespread concern that a fresh outburst of double-digit inflation may before long bring on another recession. By now, thoughtful Americans are well aware of the profoundly disruptive consequences of inflation for our economy. They also recognize that these consequences are not solely of an economic character. Inflation has capricious effects on the income and wealth of a nation's families, and this inevitably causes disillusionment and discontent. Social and political frictions tend to multiply, and the very foundations of a society may be endangered. This has become evident in other nations around the world, where governments have toppled as a result of the social havoc wrought by inflation.

If we in the United States wish to enjoy the fruits of a prosperous economy and to preserve our democratic institutions, we must come to grips squarely with the inflation that has been troubling our nation throughout much of the postwar period, and most grievously during the past decade.

A first step in this process is to recognize the true character of the problem. Our long-run problem of inflation has its roots in the structure of our economic institutions and in the financial policies of our government. All too frequently, this basic fact is clouded by external events that influence the rate of inflation—such as a crop shortfall that results in higher farm prices, or the action of a foreign cartel that raises oil prices. The truth is that, for many years now, the economies of the United States and many other countries have developed a serious underlying bias toward inflation. This tendency has simply been magnified by the special influences that occasionally arise.

A major cause of this inflationary bias is the relative success that modern industrial nations have had in moderating the swings of the business cycle. Before World War II, cyclical declines of business activity in our country were typically longer and more severe than they have been during the past thirty years. In the environment then prevailing, the price level typically declined in the course of a business recession, and many months or years elapsed before prices returned to their previous peak.

In recent decades, a new pattern of wage and price behavior has emerged. Prices of many individual commodities still demonstrate a tendency to decline when demand weakens. The average level of prices, however, hardly ever declines. Wage rates have become even more inflexible. Wage reductions are nowadays rare even in severely depressed industries and the average level of wage rates continues to rise inexorably in the face of widespread unemployment.

These developments have profoundly altered the economic environment. When prices are pulled up by expanding demand in a time of prosperity, and are also pushed up by rising costs during a slack period, the decisions of the economic community are sure to be influenced, and may in fact be dominated, by expectations of continuing inflation.

Thus, many businessmen have come to believe that the trend of production costs will be inevitably upward, and their resistance to higher prices—whether of labor, or materials, or equipment—has therefore diminished. Labor leaders and workers now tend to reason that in order to achieve a gain in real income, they must bargain for wage increases that allow for advances in the price level as well as for such improvements as may occur in productivity. Lenders in their turn expect to be paid back in cheaper dollars, and therefore tend to hold out for higher interest rates. They are able to do so because the resistance of borrowers to high interest rates is weakened by their anticipation of rising prices.

These patterns of thought are closely linked to the emphasis that governments everywhere have placed on rapid economic growth throughout the postwar period. Western democracies, including our own, have tended to move promptly to check economic recession, but they have moved hesitantly in checking inflation. Western governments have also become more diligent in seeking ways to relieve the burdens of adversity facing their peoples. In the process they have all moved a considerable distance towards the welfare state.

In the United States, for example, the unemployment insurance system has been greatly liberalized. Benefits now run to as many as 65 weeks, and in some cases provide individuals with after-tax incomes almost as large as their earnings from prior employment. Social security benefits too have been expanded materially, thus facilitating retirement or easing the burden of job loss for older workers. Welfare programs have been established for a large part of the population, and now include food stamps, school lunches, medicare and medicaid, public housing, and many other forms of assistance.

Protection from economic hardship has been extended by our government to business firms as well. The rigors of competitive enterprise are nowadays eased by import quotas, tariffs, price maintenance laws, and other forms of governmental regulation. Farmers, homebuilders, small businesses, and other groups are provided special credit facilities and other assistance. And even large firms of national reputation look to the Federal Government for sustenance when they get into trouble.

Many, perhaps most, of these governmental programs have highly commendable objectives, but they have been pursued without adequate regard for their cost or method of financing. Governmental budgets—at the Federal, State, and local level—have mounted and at times, as in the case of New York City, have literally gotten out of control. In the past ten years, Federal expenditures have increased by 175 per cent. Over that interval, the fiscal deficit of the Federal Government, including government-sponsored enterprises, has totaled over $200 billion. In the current fiscal year alone, we are likely to add another $80 billion or more

to that total. In financing these large and continuing deficits, pressure has been placed on our credit mechanisms, and the supply of money has frequently grown at a rate inconsistent with general price stability.

Changes in market behavior have contributed to the inflationary bias of our economy. In many businesses, price competition has given way to other forms of rivalry—advertising, changes in product design, and "hard-sell" salesmanship. In labor markets, when an excessive wage increase occurs, it is apt to spread faster and more widely than before, partly becaues workmen have become more sensitive to wage developments elsewhere, partly also because many employers have found that a stable work force can be best maintained by emulating wage settlements in unionized industries. For their part, trade unions at times seem to attach higher priority to wage increases than to the jobs of their members. Moreover, the spread of trade unions to the rapidly expanding public sector has fostered during recent years numerous strikes, some of them clearly illegal, and they have often resulted in acceptance of union demands—however extreme. Needless to say, the apparent helplessness of governments to deal with this problem has encouraged other trade unions to exercise their latent market power more boldly.

The growth of our foreign trade and of capital movements to and from the United States has also increased the susceptibility of the American economy to inflationary trends. National economies around the world are now more closely interrelated, so that inflationary developments in one country are quickly communicated to others and become mutually reinforcing. Moreover, the adoption of a flexible exchange rate system—though beneficial in dealing with large-scale adjustments of international payments, such as those arising from the sharp rise in oil prices—may have made the Western world prone to inflation by weakening the discipline of the balance of payments. Furthermore, since prices nowadays are more flexible upwards than downwards, any sizable decline in the foreign exchange value of the dollar is apt to have larger and more lasting effects on our price level than any offsetting appreciation of the dollar.

The long-run upward trend of prices in this country thus stems fundamentally from the financial policies of our government and the changing character of our economic institutions. This trend has been accentuated by new cultural values and standards, as is evidenced by pressures for wage increases every year, more holidays, longer vacations, and more liberal coffee breaks. The upward trend of prices has also been accentuated by the failure of business firms to invest sufficiently in the modernization and improvement of industrial plants. In recent years, the United States has been devoting a smaller part of its economic resources to business capital expenditures than any other major industrial nation in the world. All things considered, we should not be surprised that the rate of improvement in output per man-hour has weakened over the past fifteen years, or that rapidly rising money wages have overwhelmed productivity gains and boosted unit labor costs of production.

Whatever may have been true in the past, there is no longer a meaningful trade-off between unemployment and inflation. In the current environment, a rapidly rising level of consumer prices will not lead to the creation of new jobs. On the contrary, it will lead to hesitation and sluggish buying, as the increase of the personal savings rate in practically every industrial nation during these recent years of rapid inflation indicates. In general, stimulative financial policies have considerable merit when unemployment is extensive and inflation weak or absent; but such policies do not work well once inflation has come to dominate the thinking of a nation's consumers and businessmen. To be sure, highly expansionary monetary and fiscal policies might, for a short time, provide some additional thrust to economic activity. But inflation would inevitably accelerate—a development that would create even more difficult economic problems than we have encountered over the past year.

Conventional thinking about stabilization policies is inadequate and out of date. We must now seek ways of bringing unemployment down without becoming engulfed by a new wave of inflation. The areas that need to be explored are many and difficult, and we may not find quickly the answers we seek. But if we are to have any chance of ridding our economy of its inflationary bias, we must at least be willing to reopen our economic minds. In the time remaining this evening, I shall briefly sketch several broad lines of attack on the dual problem of unemployment and inflation that seem promising to me.

First, governmental efforts are long overdue to encourage improvements in productivity through larger investment in modern plant and equipment. This objective would be promoted by overhauling the structure of Federal taxation, so as to increase incentives for business capital spending and for equity investments in American enterprises.

Second, we must face up to the fact that environmental and safety regulations have in recent years played a troublesome role in escalating costs and prices and in holding up industrial construction across our land. I am concerned, as are all thoughtful citizens, with the need to protect the environment and to improve in other ways the quality of life. I am also concerned, however, about the dampening effect of excessive governmental regulations on business activity. Progress towards full employment and price stability would be measurably improved, I believe, by stretching out the timetables for achieving our environmental and safety goals.

Third, a vigorous search should be made for ways to enhance price competition among our nation's business enterprises. We need to gather the courage to reassess laws directed against restraint of trade by business firms and to improve the enforcement of these laws. We also need to reassess the highly complex governmental regulations affecting transportation, the effects on consumer prices of remaining fair trade laws, the monopoly of first-class mail by the Postal Service, and the many other laws and practices that impede the competitive process.

Fourth, in any serious search for noninflationary measures to reduce unemployment, governmental policies that affect labor markets have to be reviewed. For example, the Federal minimum wage law is still pricing many teenagers out of the job market. The Davis-Bacon Act continues to escalate construction costs and damage the depressed construction industry. Programs for unemployment compensation now provide benefits on such a generous scale that they may be blunting incentives to work. Even in today's environment, with about 8 per cent of the labor force unemployed, there are numerous job vacancies—perhaps because job seekers are unaware of the opportunities, or because the skills of the unemployed are not suitable, or for other reasons. Surely, better results could be achieved with more effective job banks, more realistic training programs, and other labor market policies.

I believe that the ultimate objective of labor market policies should be to eliminate all involuntary unemployment. This is not a radical or impractical goal. It rests on the simple but often neglected fact that work is far better than the dole, both for the jobless individual and for the nation. A wise government will always strive to create an environment that is conducive to high employment in the private sector. Nevertheless, there may be no way to reach the goal of full employment short of making the government an employer of last resort. This could be done by offering public employment—for example, in hospitals, schools, public parks, or the like—to anyone who is willing to work at a rate of pay somewhat below the Federal minimum wage.

With proper administration, these public service workers would be engaged in productive labor, not leaf-raking or other make-work. To be sure, such a program would not reach those who are voluntarily unemployed, but there is also no compelling reason why it should be done. What it would do is to make jobs available for those who need to earn some money.

It is highly important, of course, that such a program should not become a vehicle for expanding public jobs at the expense of private industry. Those employed at the special public jobs will need to be encouraged to seek more remunerative and more attractive work. This could be accomplished by building into the program certain safeguards—perhaps through a Constitutional amendment—that would limit upward adjustment in the rate of pay for these special public jobs. With such safeguards, the budgetary cost of eliminating unemployment need not be burdensome. I say this, first, because the number of individuals accepting the public service jobs would be much smaller than the number now counted as unemployed; second, because the availability of public jobs would permit sharp reduction in the scope of unemployment insurance and other governmental programs to alleviate income loss. To permit active researching for a regular job, however, unemployment insurance for a brief period—perhaps 13 weeks or so—would still serve a useful function.

Finally, we also need to rethink the appropriate role of an incomes policy in the present environment. Lasting benefits cannot be expected from a mandatory wage and price control program, as recent experience indicates. It might actually be helpful if the Congress renounced any intention to return to mandatory controls, so that businesses and trade unions could look forward with confidence to the continuance of free markets. I still believe, however, that a modest form of incomes policy, in some cases relying on quiet governmental intervention, in others on public hearings and the mobilization of public opinion, may yet be of significant benefit in reducing abuses of private economic power and moving our nation towards the goal of full employment and a stable price level.

Structural reforms of our economy, along some such lines as I have sketched, deserve more attention this critical year from members of the Congress and from academic students of public policy than they are receiving. Economists in particular have tended to concentrate excessively on over-all fiscal and monetary policies of economic stimulation. These traditional tools remain useful and even essential; but once inflationary expectations have become widespread, they must be used with great care and moderation.

This, then, is the basic message that I want to leave with you: our nation cannot now achieve the goal of full employment by pursuing fiscal and monetary policies that rekindle inflationary expectations. Inflation has weakened our economy; it is also endangering our economic and political system based on freedom. America has become enmeshed in an inflationary web, and we need to gather our moral strength and intellectual courage to extricate ourselves from it. I hope that all of you will join in this struggle for America's future.

[From the Wall Street Journal, Sept. 22, 1975]

BURNS PROPOSES AN ECONOMIC BLUEPRINT THAT BLENDS RADICAL, REACTIONARY IDEAS

WASHINGTON.—Blending a batch of radical and reactionary ideas, Arthur Burns put forth a far-reaching economic program about new ways to cope with inflation and unemployment.

The Federal Reserve Board chairman, declaring that conventional economic thinking is "inadequate and out of date," said the nation must "reopen our economic minds" to find new tools to deal with today's problems. The standard economic tools of fiscal and monetary policy can't restore full employment without risking ruinous inflation, Mr. Burns believes.

The Burns blueprint for economic-policy overhaul, outlined Friday night in a speech at the University of Georgia, sketches out sweeping "structural reforms" that range from the far left to far right. While suggesting that the federal government guarantee to employ anyone who can't find a private-sector job, the Fed chief also urges a sharp cutback in unemployment benefits and other government welfare programs.

Although Mr. Burns has publicly discussed some of these ideas before, associates say his Friday speech was an effort to kick off a major national debate. One Fed insider, who called the speech one of the most important of Mr. Burns's career, said: "He feels very strongly something has to be done to save the economy." A Ford administration official said Mr. Burns has informally discussed his ideas with presidential economic aides and has "decided to unload them" publicly.

EXPRESSES ALARM

The Reserve Board chairman expressed alarm that "inflation once again appears to be accelerating" even though the economy has barely begun to recover from the worst recession since the 1930s. Revival of consumer confidence, essential to recovery, "is being hampered by widespread concern that a fresh outburst of double-digit inflation may before long bring on another recession," he said.

While the blame for the inflation often is pinned on such events as a crop shortage or an oil-price increase, Mr. Burns said, inflation actually "has its roots in the structure of our government institutions and in the financial policies of our government." His specific ideas focus on ways to reverse this "inflationary bias" built into the economy.

Perhaps the most radical idea from this conservative economist is that of government guaranteed jobs. "There may be no way to reach the goal of full employment short of making the government an employer of last resort," Mr. Burns said. He added: "This could be done by offering public employment—for example in hospitals, schools, public parks and the like—to anyone who is willing to work." But the pay should be, in Burns' view, "somewhat below the federal minimum wage," currently $2.10 an hour for most workers.

Workers in the last-resort, low-pay jobs would be encouraged to find better-paying jobs elsewhere. The budget cost of the program "needn't be burdensome" because of a companion plan Mr. Burns links with the guaranteed-jobs idea: a "sharp reduction in the scope of unemployment insurance and other governmental programs to alleviate income loss."

LIMITED UNEMPLOYMENT BENEFITS

Unemployment benefits should be limited to a sort period, perhaps 13 weeks or so, compared with as many as 65 weeks under current law, Mr. Burns said. Jobless benefits are so "generous" currently that "they may be blunting incentives to work," he asserted.

As he has often done before, Mr. Burns urged that the government rethink the role of an "incomes policy," which is a term Mr. Burns uses to describe nonmandatory wage-and-price restraints. Wage-price controls don't promise any "lasting benefits," declared Mr. Burns, suggesting that it "might actually be helpful if the Congress renounced any intention to return to mandatory controls." The Fed chief added, however, that "a modest form" of wage-price restraints, perhaps mixing quiet government intervention in some cases with public confrontations in others, is worth considering.

Other ideas on the Burns list of policy changes include:

Steps to spur plant-and-equipment expansion and modernization, including unspecified tax-law changes to encourage investment.

A "stretching out of the timetables" for achieving environmental and job-safety goals to reduce the upward pressure on business costs that trigger price increases.

A "vigorous search" for ways to enhance price competition in industry, including a "reassessment" of antitrust laws and improvement of their enforcement.

Mr. Burns conceded it would be difficult to enact his ideas, many of which surely would stir strong opposition from organized labor and business interests. Noting their controversial nature, one Ford administration official stressed the White House isn't seriously considering the Burns ideas. "Only a 71-year-old man with a 14-year appointment could make such a speech," he remarked.

THE L. R. HARRILL CENTER

Mr. HELMS. Mr. President, a couple of weeks ago—on September 16, to be exact—dedication exercises were conducted in my hometown for the L. R. Harrill Center. I had planned to fly down to Raleigh for this event, but as the distinguished Presiding Officer knows, that was an unusually busy and hectic day in the Senate. So I regretfully canceled my plane reservation and stayed here.

In a moment, Mr. President, I shall ask unanimous consent that a brief tribute be printed in the RECORD at the conclusion of my remarks—a tribute to this man, L. R. Harrill. This tribute was a part of the printed program which was distributed to those assembled at the North Carolina State fairgrounds in Raleigh, where the L. R. Harrill Center is situated.

I wish, Mr. President, that my colleagues could know L. R. Harrill. He has been a blessing to me in many, many ways. He has been an inspiration to literally millions of young North Carolinians who participated in the 4–H Club program during the 37 years that he was, in every sense of the word, "Mr. 4–H."

Beyond that, Mr. President, L. R. Harrill has been a symbol of what we admire and treasure in our country. He is a thoroughly honorable and decent man. He is always cheerful. He is completely dedicated. He is a leader—in his church, as a Rotarian, as a civic leader, and in countless other ways. He has given zest and enthusiasm to everything and everyone his life has touched.

He has promised to come to see me. When he does, Mr. President, I want my friends in the Senate to meet my fine friend from Raleigh, L. R. Harrill.

Now, Mr. President, I ask unanimous consent that the text from the formal program, distributed at the dedication of the L. R. Harrill Center, be printed in the RECORD.

L. R. HARRILL

For 37 years, L. R. Harrill was "Mr. 4–H" to over three million North Carolina youngsters.

His career began in Buncombe County in 1922 as the first county agent hired by the N.C. Agricultural Extension Service to work exclusively with 4–H.

Three years later, he moved to North Carolina State College to become leader of all 4–H Club work in the state, a post he held until 1963.

Under Harrill's leadership, North Carolina developed the largest 4–H program in the nation with over 168,000 boys and girls participating in projects and demonstrations.

Throughout his career, Harrill stressed the citizenship and character building qualities of 4–H as well as the specific skills that boys and girls can gain from their projects and demonstrations.

"If a boy produces a grand champion steer and has not become a grand champion himself, the project has failed," was L. R. Harrill's philosophy in dealing with 4–H.

Harrill, a native of Cleveland County, attended Gardner-Webb College and received his B.S. and M.S. degrees from State College.

He is a member of the Raleigh First Baptist Church, a Mason, past president of the Raleigh Rotary Club, and a member of National Recreation Association, National Camping Association, Alpha Zeta and Epsilon Sigma Phi.

In 1950, The State magazine picked Harrill as "North Carolina's Man of the Year," saying that "his work has been of such far-reaching benefit that it is impossible to estimate its true value."

In 1957, the U.S. Department of Agriculture gave Harrill a Superior Service Award. A year later, The Progressive Farmer magazine picked him as the "Man of the Year in Service to Agriculture."

Since 1952, this facility has been the center of 4–H activity at the State Fair each year and it is most appropriate that it be designated the "L. R. Harrill Center" to forever stand as a monument to "Mr. 4–H," L. R. Harrill.

FINANCIAL STATEMENT OF SENATOR LEAHY

Mr. LEAHY. Mr. President, I realize that, with the exception of my distinguished senior colleague Senator STAFFORD, members of the Vermont delegation have not made a practice of making public their financial statements. Senator STAFFORD, however, for years has made available complete disclosure of his own personal finances. During the years I was in public office in Vermont, I also made available similar information.

It will be my habit to make available on July 30 of each year a statement of my personal finances. I also will make available to anyone who is interested copies of income tax returns filed by me for each year I serve as a Member of the U.S. Senate.

I ask unanimous consent that the personal financial statement of both my wife and me dated July 30, 1975, be printed in the RECORD.

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

Patrick J. and Marcelle P. Leahy, assets and liabilities, July 30, 1975

ASSETS

$ 4,563.11	Savings Accounts
812.00	Checking Account
$ 5,375.11	Total of Savings & Checking Accounts
60,250.00	Appraisal Value, Residence at 27-29 Adsit Court, Burlington, Vermont
57,000.00	Appraisal Value, Farm, Middlesex, Vermont
15,000.00	Personal Property (Automobiles, furniture, etc.)
----------	Stocks and Bonds
$137,625.11	Total Assets

LIABILITIES

$ 42,911.00	Notes and Mortgages
$ 42,911.00	Total Liabilities
$ 94,714.11	Net worth

OVERSIGHT OF THE CIA

Mr. ROTH. Mr. President, earlier this week the Wilmington Morning News carried an excellent editorial on the need for effective oversight of the activities of the CIA which I believe merits the attention of the Members of this body. As a sponsor of legislation proposed by Senators BAKER and WEICKER for the establishment of a permanent committee to oversee the CIA, I am pleased that the Senate has set a March deadline for voting on a permanent oversight structure.

Mr. President, I ask unanimous consent that the editorial in the Morning News be printed in the RECORD.

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

WATCHDOG NEEDS NEW LEASH

When the Rockefeller Commission issued its report last June on the investigation of the Central Intelligence Agency, it conceded that some of the CIA's activities were plainly unlawful and constituted improper invasions of the rights of Americans.

The CIA's charter bars it from domestic activity. We have a Federal Bureau of Investigation for that sort of thing. Nevertheless, the Rockefeller Commission reported that "a detailed analysis of the facts has convinced the commission that the great majority of the CIA's domestic activities comply with its statutory authority."

That was a reassurance to many Americans who were concerned that the CIA might have been zealously setting its own standards of procedure in disregard of U.S. law.

Take the mails for instance. The Rockefeller Commission reported that the CIA has been intercepting mail between the United States and the Soviet Union for more than 20 years. It handled as many as 4.3 million pieces of mail a year and opened as many as 13,000 letters annually.

U.S. law prohibits any tampering with first class mail. James J. Angleton, retired chief of the CIA's counterintelligence section, told a Senate committee this week that he was aware of that law but that the CIA went ahead and opened that mail anyway.

Eternal vigilance is the price of liberty, isn't it? Of course. That's why the CIA opened and read the foreign mail of such suspect individuals as Richard M. Nixon when he was a candidate for the Republican nomination for president; Arthur F. Burns, chairman of the Federal Reserve Board; Sen. Frank Church, chairman of the Senate committee conducting the current investigation; John D. Rockefeller IV, the Rev. Dr. Martin Luther King, Jr., Sen. Edward M. Kennedy and such institutions as the Ford Foundation, the Rockefeller Foundation and Harvard University.

The CIA had a "watch list" comprising the names of persons it considered especially suspect. None of the individuals or groups named above was on that list, however, so the mail surveillance must have been the result of patriotic zeal.

Why all the fuss? Doesn't it stand to reason that a prominent national figure who has done no wrong and plots none has nothing to fear from having his mail intercepted and read? That question has no relevance, since the free American society doesn't operate that way. It does stand to reason, however, that an agency able to defy for its own purposes federal laws against opening first class mail might also be capable of planting for its own purposes phony incriminating materials in such first class mail.

A CIA with no effective checks on its activities, legal or illegal, is an unrestrained menace. Not only must there be clear guidelines covering the operations of such an agency—which there were—but also there must be ironclad safeguards against the agency's ability to abuse its authority in what its agents alone decide to be the interests of national security.

TRIBUTE TO LESTER S. JAYSON

Mr. HUMPHREY. Mr. President, I wish to express my appreciation and commendation to Lester S. Jayson, who has resigned this week as Director of the Congressional Research Service in the Library of Congress to accept a law school teaching post in the District of Columbia.

It is appropriate that Mr. Jayson's new career is as a teacher, for in the 15 years which he served in CRS, as senior specialist in American public law, Chief of the American Law Division, Deputy Director and Director, he has been a teacher, both for Congress and its staffs and for the staff of the Congressional Research Service itself.

Mr. Jayson no doubt would object to my attempting to identify a list of his accomplishments as Director of CRS, for the CRS is largely anonymous in its work for Members and Committees of Congress and their staffs. It may well be that one of Mr. Jayson's principal accomplishments, in fact, has been expanding CRS's policy analysis services for Congress, but still maintaining, as he would put it, its "objective, nonpartisan, nonadvocate, timely and relevant analytical service."

So I will not attempt to describe the significant changes which Mr. Jayson has directed in this research arm of Congress, such as the automated issue brief system and other advances in automated information systems for Congress; greatly increased multidivisional efforts, such as task forces to provide major interdisciplinary analysis; the major increase in CRS work for committees; the efficient management of large annual increases in inquiry workload; and his recruitment of a large number of very fine senior specialists.

I think we should note, however, that Mr. Jayson's major assignment from the Congress as Director of CRS has been to lead that organization through a period of substantial growth, both in size and the nature of its work.

In the Legislative Reorganization Act of 1970 Congress directed CRS to triple its size during a 5-year growth program, and to concentrate on providing new analytical services for committees of Congress and Members in addition to expanding its informational services. In fiscal year 1970, CRS had 323 employees; with the new positions authorized in the 1976 appropriations bill, it will have close to 800. Most of these additional staff perform policy analysis services for Congress, although some, of course, are more on the informational side to keep up with the constant increase in the workload, now up to more than a quarter-million requests a year.

A great deal more information of interest to Members could be cited about the activities of CRS, as they have grown and become modernized under Mr. Jayson's leadership. Mr. President, I ask unanimous consent that the highlights of Mr. Jayson's testimony recently before a House subcommittee be printed in the RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. HUMPHREY. Mr. President, Mr. Jayson brought to the service of Congress, when he joined the staff of CRS in 1966, a distinguished record of public service in law. After receiving his J.D. Degree from Harvard Law School, he served from 1939 to 1942 in two New York City law firms. From 1942 to 1950 he was a Special Assistant to the Attorney General, stationed in the Justice Department's field office in New York City, working in the area of civil cases. From 1951 to 1957 he was a trial attorney in the appellate section of the Civil Division of the Department of Justice. From 1957 to 1960 he served as chief of the torts section of the Civil Division. In CRS, he first assisted Congress, from 1960 to 1962, as senior specialist in American public law and Chief of the American Law Division. He became Deputy Director of the CRS in 1962 and served in that position until he was appointed Director in 1966.

Mr. President, as one Senator who greatly appreciates the assistance CRS is able to provide the work of my personal office and the work of the committees on which I serve, I wish to express gratitude and high commendation to Mr. Jayson for his excellent and devoted service to the legislative branch and to the American public. I wish him well in his new career. We will miss him.

EXHIBIT 1

HIGHLIGHTS OF TESTIMONY OF LESTER J. JAYSON, DIRECTOR, CRS, BEFORE THE LEGISLATIVE BRANCH APPROPRIATIONS SUBCOMMITTEE, HOUSE OF REPRESENTATIVES, FEBRUARY 24, 1975

In fiscal year 1972, we initiated a 5-year program designed to strengthen our staff to enable us to meet our new and expanded responsibilities under the Reorganization Act. The House Committee on Rules, in its report on the 1970 act, estimated that CRS would need three times the staff it had in 1970 to perform its duties adequately. Quite prudently, the committee advised Congress to distribute this expansion over a 5-year period. Although our rate of growth was slower than hoped, the Service has nevertheless acquired significant new staff re-

sources during the past 4 years and our assistance to Congress has grown correspondingly. The objective of the fiscal year 1976 appropriation request is to enable CRS to see that his five-year program is completed in a responsible manner.

TRADITIONAL ROLE OF CRS

Before discussing in more detail our efforts to implement the act and the specific elements of our appropriation request, let me say a few words about the more traditional functions of the Service. CRS is, as you know, fundamentally and totally a research and information arm of the Congress. As such, the work of the Service is a reflection of the research and information needs of the Members, committees, and staff of Congress itself.

Each Member's information needs vary with each of his multiple roles. A Member may want one kind of information support in a wide variety of formats for his role as a member of a committee, a different kind of support in other formats for dealing with legislative proposals before committees of which he is not a member, a third kind of informational support with respect to other measures and proposals upon which he must vote on the floor of his legislative body, and still a fourth kind to carry out his responsibilities to his constituents.

The Congressional Research Service is the only arm of the Congress that attempts to meet virtually all of these information and research needs just described. Members, committees, and staff turn to us for a whole catalog of products and services: Background reports on public and legislative issues; pro and con analyses of bills; studies of alternatives proposals for solutions of national problems; legal opinions; surveys of court decisions; spot factual information; newspaper searches; translations; legislative histories; the preparation of charts, graphs, and maps; bibliographies; tabulations of statistics; consultations with subject specialists; assistance in answering constituent inquiries; and dozens of others.

IMPACT OF LEGISLATIVE REORGANIZATION ACT ON CRS

The Legislative Reorganization Act of 1970 added new dimensions to our job over and above these traditional services that are available to all 435 Members, 325 committees and subcommittees, and the congressional staffs assigned to Member and committee offices. It also gave us new and expanded functions aimed at having us provide what the report of the House Rules Committee called massive aid in policy analysis to the committees of Congress.

The 1970 act directs CRS, upon request, to advise and assist all congressional committees in analyzing and evaluating legislative proposals. It requires us to provide whatever other research and analytical services committees consider appropriate. It directs us to provide committees with experts capable of assisting on any subject matter. We are required to establish and maintain continuous liaison with all committees so that they can be aware, and make better use of the Service's research and analytical resources.

With the additional resources you have authorized during the last 4 years, we have been able to take tangible steps toward fulfilling the goals set for CRS by the 1970 act. Our new statutory responsibilities have had a sharp impact on the Service's policy analysis workload for committees. We have just completed, for the second time since enactment of the Legislative Reorganization Act of 1970, preparing and transmitting to the committees of the 94th Congress, lists of subjects and policy areas and of programs scheduled to terminate which the committees might profitably analyze in depth.

MAJOR ANALYTICAL PROJECTS

The result of discussions with, and list transmittals to the committees has been a significant number of new analytical assignments to the Service. In this last month of January 1975, alone, 24 committees requested analytical support in the form of 42 major research projects, an increase of about 50 percent over the average monthly flow of new work of this nature.

Let me explain what I mean by the term "major research project." A major research project is one that is essentially analytical and policy oriented as distinguished from the compilation of factual material; it generally requires the services of our senior researchers; and generally it will require at least 2 weeks of research time.

The demand for major analytical projects all during this fiscal year has increased beyond our expectations. To illustrate the ways in which the Service operates, let me describe some specific examples. There are, occasionally, large projects for which we mobilize virtually all of the Service's resources, often on an immediate basis. Approximately 60 CRS staff members participated in the preparation of the "Analysis of the Philosophy and Public Record of Nelson A. Rockefeller," summarizing the Vice-Presidential nominee's public positions on over 50 issues. The preparation of a 276-page analysis, including the research writing, coordinating, and production stages, was completed in a little over a week in order to meet the hearings' schedule.

I believe this was one of the very basic documents used by the two committees in the two Houses when they examined the nominee. You will recall that the nominee never ran for election to a Federal office, and his position on national issues across the board expressed during his many years of other public service was of basic interest to the committees.

ASSISTANCE PROVIDED IN WATERGATE INVESTIGATION

The Watergate investigation by Congress created enormous challenges for the CRS staff. Throughout the hearings, CRS responded to hundreds of inquiries for legal and factual analyses and for background used in questioning witnesses.

In response to a committee request, the Service maintained a clipping notebook of Watergate related articles. Over 13,880 articles, housed in some 44 volumes, were selected and indexed. A similar task was performed relative to the House impeachment proceedings. The latter consisted of over 10,000 pages of clippings in 28 volumes. Also related to the Watergate investigation were CRS analytical reports on such subjects as election reform and merits and disadvantages of public financing of Federal elections, and many, many other subjects.

You will recall also that the Library of Congress provided computer programs and facilities which were of great aid to the two committees in connection with their work.

CONGRESSIONAL BUDGET AND IMPOUNDMENT ACT

Committee use of CRS talent is well illustrated by the history of staff work on the Congressional Budget and Impoundment Control Act of 1974. CRS analysts worked closely on a continuous basis with the committees, developing their legislation over a 2-year period from initial studies through the final reportings, revision and adoption stages. This required the preparation of literally dozens of specialized reports and explanatory statements.

VOLUME OF CONGRESSIONAL REQUESTS

The volume of congressional requests across the board in fiscal year 1975 has been unprecedented, already dwarfing last year's record-high clearance of over 202,000 requests. From July through December the Service surpassed the previous year's volume of Member and Committee requests by nearly 10 percent. Commencing with the new Congress in January, requests reaching at times 1,500 daily have poured into the Service; the third week of January reached the highest weekly receipt ever recorded in the history of CRS—6,400 requests. Our two House and Senate reference centers were deluged with 30 percent more inquires in January than their average monthly receipt during the previous 6 months. Although a new Congress typically generates an increased volume, this volume usually peaks in March; thus an even heavier demand is contemplated this spring.

We are continuing to act on the instruction contained in the House report on the 1970 Act urging CRS "to experiment and to be innovative" in carrying out its functions. For example, the availability of a major issue file, or issue brief as we sometimes call it, was announced to congressional members, committees and their staffs late last fall.

MAJOR ISSUES FILE

The new major issues file consists of current summaries or "issue briefs" on key topics of congressional and national concern. At present, the file contains about 160 issue briefs, which represent the work of some 140 analysts of CRS who, in addition to their regular duties, are assigned the task of preparing and keeping up-to-date one or more issue briefs each.

Each issue brief is regularly and frequently updated. Each contains a precise definition of the issue, a concise factual background discussion, information about pending legislation, congressional hearings and reports, a chronology, if applicable, and references to the professional literature.

I should mention that since the time the issues brief system was announced late last November through January 31 of the current year, some 400 members' offices called for 17,000 copies of these issue briefs.

Among the most popular to date are our issue briefs on: National Health Insurance, Budget Reform, General Revenue Sharing, and Food: U.S. and World Problem.

PILOT PROGRAM FOR TEMPORARY ASSIGNMENT OF SPECIALISTS

In this final stage of implementation, we have also begun to develop other new approaches to making CRS as effective as possible in satisfying the almost insatiable information needs of the Congress. Thus, we are requesting funds to permit the Service to utilize better the talents of the scholarly community through a pilot program of temporary assignment of specialists to the Service. We expect these researchers to provide tangible assistance on specific projects and bring fresh insights to the staff of CRS and the Congress. A CRS committee assignment program is being developed under which some of our staff will be rotated to committees for short-term assignments to better acquaint them with committee needs and activities.

IMPACT OF RECENT CONGRESSIONAL ACTIONS

In preparing this appropriation request we had to consider the impact of recent legislative and other congressional actions which are already increasing demands on CRS programs and staff beyond the assumptions we made in our 5-year plan. Thus, the Budget and Impoundment Control Act, even though the new Budget Committees and the Congressional Budget Office are not yet fully staffed, is resulting in a continuing and substantial increase in requests made of CRS. Upon request, the Service is developing over-

all analyses and background reports analyzing the Federal budget for fiscal year 1976. Such analyses involve every research division of the Service and specifically cover the major budgetary classifications of national defense, international affairs, human resource programs, community and regional development, and natural resources, environment, and energy. The Bolling-Hansen reforms contained in H. Res. 988, 93d Congress, now require House standing committees, and especially the Government Operations Committee, to expand their oversight activities, and, in some cases, to create new oversight subcommittees. The type of policy analysis performed in CRS is an essential part of oversight, and we are already receiving requests for such assistance from a number of committees.

SUPPORT OF OFFICE OF TECHNOLOGY ASSESSMENT

The Service has an explicit statutory obligation to support the Office of Technology Assessment. OTA has called upon the Service for numerous consultations with CRS subject analysts and the research products. Information and analytical reports have been prepared this year for OTA in such subject areas, among others, as international agricultural information systems, solar energy, public participation in technology assessment, and technical assistance activities of the National Science Foundation.

COOPERATIVE PROJECTS WITH GAO

A number of cooperative projects have been undertaken this year, with committee concurrence, by CRS and the General Accounting Office. Examples of such projects include a survey of the regulation of lobbying in selected States, an historic review of the Organization of Petroleum Exporting Countries (OPEC), drug research on humans, and budget authority requirements for public assistance.

MAJOR AREAS OF IMPROVEMENT IN 1976

An essential condition to our meeting these new demands and to completing the implementation process under the Legislative Reorganization Act continues to be the acquisition of proficient staff resources. The major increase requested in fiscal year 1976, therefore is for staff to provide adequate coverage of in-depth research and other committee related responsibilities of the Service, including a limited number of needed specialists and senior specialists.

Increases are also requested to support our documentation and status of legislation function. Funds are needed primarily to carry out the requirement assigned to CRS by House Rule X as amended by H. Res. 988 for publication of bill abstracts. The rule requires CRS to prepare a factual description (not to exceed 100 words) of the subject of each bill or resolution introduced in the House for publication as promptly as possible in the Congressional Record and in the Bill Digest.

Finally, resources are being requested for our information and reference services function to deal with the growing number of Member and committee information requests and provide more rapid information and messenger services within the congressional office buildings. Several staff positions are also requested to handle the increased workload in acquisition, maintenance and retreival of public documents and related materials, and expansion of the Selective Dissemination of Information service, which is a current awareness program, to all Member's offices.

Mr. Chairman, these are the areas of improvement we hope to achieve in fiscal year 1976. Our mission remains to respond to the research, analytical and information demands of Congress. At the same time we intend to continue seeking and implementing new and improved ways of fulfilling that mission. I sincerely hope that you will permit us to maintain our current momentum of achievement and complete this fifth and final year of our implementation program of providing Congress with objective, nonpartisan, nonadvocate, timely and relevant analytical service.

THE INTERNATIONAL RESCUE COMMITTEE

Mr. GARN. Mr. President, I would like to bring to the attention of all Members a statement on the Cuban political prisoner situation recently submitted by the International Rescue Committee to the House Subcommittee on International Trade and Commerce. For over 40 years this prestigious organization has been a close observer of human rights all over the world, and its reports are widely respected for their objectivity and accuracy.

Mr. President, this statement reflects what we have learned from other sources: that Cuba not only holds literally thousands of political prisoners, but that these men and women are forced to live under the most appalling conditions imaginable. These conditions have already been denounced by the OAS Human Rights Commission, Amnesty International, and the Inter-American Press Association, among others. Now the International Rescue Committee joins the growing list of world bodies to condemn Castro's brutal treatment of dissenters.

It is clear from recent actions by the State Department that our Government is headed toward full-fledged negotiations with Cuba for the reestablishment of relations. I am extremely concerned about this development—concerned about the nature of the concessions which might be made to Castro behind closed doors and presented to the American people as a fait accompli.

If negotiations take place, there are certain points on which compromise is inadmissible. One of these is the political prisoner situation. It would be a betrayal of everything our country stands for to extend a hand to a dictator holding perhaps 20,000 or 30,000 individuals in animal-like conditions.

Over the years, a few dozen letters written by inmates have been somehow smuggled out of prison and brought to this country. As a body, they constitute an overwhelming indictment of Fidel Castro's policies. They speak of starvation, crippling illnesses and, always, of torture and beatings. Often the writers refer to fellow inmates who are dying unattended or who have recently died. It is a horrifying picture.

The conditions of political prisoners should be of concern to us not only as human beings, but as Americans. Most of the men and women in Cuban prisons have relatives in this country, and an increasingly large number of these relatives are now American citizens. So in speaking of conditions in Cuban political prison camps, we are not only talking about the torture of human beings—as untenable as that is in itself—but we are speaking of the brutal mistreatment of relatives of American citizens.

Mr. President, only 90 miles from our shores, relatives of Americans are being methodically tortured, beaten, denied food and medical attention, and in the end, simply allowed to die.

This is intolerable.

All efforts should be made to stop the inhumane treatment of political prisoners in Cuba; the practice of incarcerating individuals for their political beliefs should itself cease. Above all, Mr. President, under no circumstances must our country reestablish relations with the Castro government as long as this regime continues its policy of brutal repression toward political dissenters.

At this time, Mr. President, I ask unanimous consent that the statement submitted by the International Rescue Committee to the House Subcommittee on International Trade and Commerce be printed in the RECORD.

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

CUBAN POLITICAL PRISONERS

(Statement submitted by the International Rescue Committee to the House Subcommittee on International Trade and Commerce)

1. There are no reliable figures about the number of Cuba's political prisoners. A strongly pro-Castro author who visited Cuba in 1973 and had access to Cuban judicial authorities and penal institutions, reported as follows: "Although no current figures are available, the number of political prisoners in Cuba in 1965 was estimated as 20,000 by Prime Minister Fidel Castro ... There is reason to believe that the 20,000 figure has been reduced over the years through completed terms and fewer arrests." (Robert Cantor, in *Cuba Resource Center Newsletter*, Volume III, No. 5–6, December 1973)

2. Cuba's political prisoners are divided into two groups, those who have submitted to what's referred to as "reeducation" or "rehabilitation" ("Regimen Progresivo") and those who have refused to do so. The former are moved from high-security prisons to work farms, i.e., labor camps, from which they have a chance of being released upon the completion of their terms or perhaps even earlier. The latter are detained in high-security jails like *La Cabana* in the City of Havana and Boniato in Oriente. Women prisoners who have refused to submit to reeducation were being held at *Granja "El Nuevo Amanacer,"* Kilometro 2½, Carretera El Guatao-Punta Brava, in the Province of Havana.

3. Conditions in the prisons have been described as dismal and worse. Lack of food, lack of water, lack of medical attention, lack of space, lack of exercise and brutal treatment have frequently been reported. A group of prominent prisoners is now being held at La Cabana, among them Huber Matos, a former Major in Castro's Army, which was then the highest rank; Eloy Guttierez Menoyeo, a former student leader; ex-officers Antonio Lamas and Silvino Rodriguez; also Jose Pujals, Lauro Blanco, Jorge Valls, Cesar Perez, Osvaldo Figueroa and Artilino Gomez. (Another student leader, a pro-Castro activist prior to Castro's seizure of power, Pedro Luis Boitel, died in prison three years ago.)

Most of the prisoners listed above have families in the United States. Many of their family members have since become American citizens. It is, in consequence, a proper concern to inquire into the reasons why they should not be released after so many years of detention. (The wife and children and Huber Matos live in New Jersey.)

4. The official position of the United States was first formulated in connection

with the *Memorandum of Understanding* which established the Cuban Refugee Airlift in 1965. The United States then offered to include in the airlift agreement a provision for the priority movement of political prisoners to the United States. When Cuba specifically excluded political prisoners, the U.S. government reaffirmed its readiness to grant entry to the United States to Cuba's political prisoners and stated: "The Government of the United States regrets that at this time the Government of Cuba has not permitted political prisoners to be included under the terms of the Memorandum of Understanding. The Government of the United States expresses the hope that the Government of Cuba will be willing to reconsider this position. The Government of the United States wishes to stress the particular importance which such reconsideration would have in permitting the reunion of many families."

5. In 1971 the International Rescue Committee in conjunction with the American branch of Amnesty International addressed an appeal to the governments of Chile, Norway, Sweden, Mexico and the United Kingdom—five nations which at the time had diplomatic relations with Cuba—urging them to intercede on behalf of political prisoners in Cuba. It is not known whether this intercession, if it took place, bore any fruit.

6. What is most appalling in the case of Cuba's political prisoners is the unconscionable length of incarceration. To them applies what Andrei D. Skharov stated in his appeal for the prisoners in the Soviet Union: "Do what you can, at least for some of the prisoners—the women, the old people, those who are ill, those who have been tried more than once . . . Bring about the immediate release of all who have been incarcerated for more than fifteen years, the maximum term fixed by law."

7. Since Cuba is quite vocal in denouncing the treatment meted out to the prisoners of the Chilean Junta, she cannot reasonably claim interference in internal affairs if the subject of her own political prisoners is raised. The humanitarian concern for the reunion of families separated for a decade and longer legitimates the expression of hope that the prisoners will be freed and permitted to leave, wherever and at whatever level a dialogue with Cuba is being conducted.

8. Many women who have refused to be reeducated are victims of the Cuban version of Gulag Archipelago, among them, as of January 1975, were Clara Alonso, Maria M. Alvarex, Zoila Aguila, Ana Bustamante, Teresa Bustanzuri, Georgina Cid, Dolores Correoso, Nilda Diaz, Maria Garcia Rangel, Felicia Garcia, Leopoldina Grau, Albertina O'Farrill, Leonor Olivera, Nereida Polo, Aracey Rodriguez, Aleja Sanchez, America Quesada, Caridad Cabrera, Lucrecia Sanchez, Ofelia Rodriguez, Xiomara Wong, Esther Castellanos, Fidelinal Suarez at Granja El Nuevo Amanecer; Ana Laza Rodriguez, Bertha Aleman, Maria A. Fernandez, Esther Campos, Miriam Ortega at Havana; and Doris Delgado and Mercedes Pena at the Boniato prison in Oriente.

What could be more fitting in 1975—International Woman's Year—than their release?

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, it is no secret that I feel very strongly about the entire issue of human rights and furthermore it is no secret that I would like to see this Senate ratify the Genocide Convention, which is a major human rights document. However, consistently since the convention was brought to the attention of the Senate about 30 years ago, the issue of genocide has received a negative response. In all candor, I must admit that this response has irritated me. I feel that when we get right down to the issues involved, we are talking basically about the systematic annihilation of an ethnic or religious group.

In real quantitative terms we are talking about the mass executions of Jews, Armenians, and Biafrans throughout history. We are talking about the tragedy of death and suffering, not to mention sterilization and severe mental damage. It seems obvious to me that the United States of America cannot tolerate witnessing another genocidal onslaught. We as a nation must join together and demonstrate to the world, in a reaffirmation of moral leadership, that we are morally, politically, and legally committed to world peace and freedom. This firm and official stand can only come about when it is recorded for the world to know that we feel the act of genocide is subject to punishment under international law.

There are those who oppose the passage of this convention for numerous technical reasons. One of the main critics has been the American Bar Association; therefore I feel it is crucial to point out what the ABA section on individual rights and responsibilities noted in 1969:

> In each of the states in the development of human liberty how much significance did a given document, amendment, or judgment have? In detail, of course, the answer varies from instance to instance. Speaking broadly, however, it is fair to say that the documents which became landmarks were produced when the time was ripe for them (or perhaps a little before), and that their impact went far beyond the immediate and enforceable issue. The lasting documents were persuasive documents, and they changed men's minds and men's lives.

Clearly the time is ripe for a document declaring genocide illegal. Mr. President, the time has come for us to act according to our conscience and ratify the Genocide Convention.

VISIT OF THE EMPEROR AND EMPRESS OF JAPAN TO THE UNITED STATES

Mr. BROOKE. Mr. President, for the first time in the history of our country we will be honored to have as our guests the Emperor and Empress of Japan. Their visit to the United States, which begins this week, will only be the second time in the history of Japan that an Emperor and his Empress have left its shores.

Emperor Hirohito is the 124th monarch in a line of authority that has its origins in the prehistory of Japan. While lacking political power in a constitutional sense, he wields significant influence in Japan, both because of the respect the Japanese still retain for the position of Emperor and because of the quiet strength he has exhibited during his many years on the throne.

Gen. Douglas MacArthur gives us a glimpse of the Emperor's character in his memoirs. MacArthur wrote that upon the surrender of Japan to the Allies at the conclusion of the Second World War, Emperor Hirohito called upon the general with the following message:

> I come to you, General MacArthur, to offer myself to the judgment of the powers you represent as the one to bear sole responsibility for every political and military decision made and action taken by my people in the conduct of the war.

General MacArthur, in his memoirs, expressed the deep emotion this meeting created in him:

> He was an Emperor by inherent birth, but in that instant I knew that I faced the First Gentleman of Japan in his own right.

Emperor Hirohito has provided a source of inspiration for his people as they have recovered from the agony of World War II to become one of the leading nations in the world. His sincerity, sense of honesty and decency and his self-evident kindness have epitomized the strengths of character that reside in the Japanese people. Moreover, his industriousness in becoming a widely respected expert on marine biology is a prime example of the industriousness of the Japanese people.

During their visit to the United States their Imperial Majesties will have the opportunity to visit my home State of Massachusetts to hold discussions with scientists at the Woods Hole Oceanographic Institute. It will be a great privilege for Massachusetts to be their host and on behalf of the people of my State I extend our heartfelt welcome to them.

Mr. President, the long history of the Japanese Emperors is a fascinating one. Edwin Reischauer has capsulated it in a brief article entitled "The Emperor of Japan." In the belief that it will be of interest to all readers of the CONGRESSIONAL RECORD, 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:

THE EMPEROR OF JAPAN

(By Edwin O. Reischauer)

In this age of easy travel by jet, heads of state seem to whiz all over the globe. American presidents make repeated visits abroad, and a veritable stream of foreign rulers and presidents flows through Washington. But the visit of the Emperor and Empress of Japan stands out as a significant first—the first official visit to the United States of any Japanese Emperor in the long line of 124 rulers that goes all the way back to shadowy prehistory. It parallels the visit last November of President Ford to Japan, making with it a pair of significant firsts in the relations between the United States and Japan, two great nations with unusually close and intimate contacts.

In a way it is surprising that this memorable first should be coming at this late date. Visits have repeatedly been exchanged with virtually all of the other close allies of the United States, with many countries of much smaller concern to the United States than Japan, and even with nations that have been more frequently regarded as rivals or enemies than friends. It is odd that Japan should have been missing from this list until now. The United States and Japan are close allies; they are two of the three largest economic units in the world, with the world's greatest

trans-oceanic trade between them; and they face the problems of the world together from the shared basis of a common devotion to an open, free society and democratic institutions of government.

No foreign country is more important to Japan than is the United States. Japan does around a quarter of its foreign trade with us, shares a common defense through the Treaty of Mutual Cooperation and Security, and has far more cultural and intellectual contacts with America than with any other country. Conversely, Japan may well prove to be the most important country in the world for the United States. It is our second largest trading partner, following only Canada; in population, it is the largest of our close allies; and in economic terms, it is our largest intimate associate in facing the increasing complex economic problems of the world. And yet, at the same time, Japan stands in a special position as our only close partner with a totally different cultural background from our own—a point that may be of growing significance in a world in which inter-racial and inter-cultural relations become ever more important.

In a way, the lateness of these two visits is a sign, not of disinterest or distance between Japan and the United States, but rather of the closeness as well as the delicacy of the relationship. The American military occupation of Japan following World War II ended only in 1952, less than a quarter-century ago. It left America looming very large in Japanese eyes and Japanese-American relations enmeshed in domestic Japanese political dispute. When in 1960 Persident Eisenhower planned a trip to Japan, the proposed visit became entangled in political controversy there and had to be cancelled. The tragic assassination of President Kennedy intervened before he could make the visit to Japan which he had firmly in mind. As the years went on with presidential visits to countries all over the world but not to Japan, some people came to the conclusion that the Japanese suffered a permanent "presidential allergy." But last November President Ford finally did go to Japan for what was to prove a gloriously successful visit. The weather was superb, the Japanese people as well as the government welcomed him wholeheartedly, and his straightforward candor and obvious good will made a most favorable impression on them. This happy occasion together with the present visit of the Emperor and Empress show that Japanese-American relations, which have all along been extensive and vitally important to both sides, have now become relaxed as well, in a way that they were not in the earlier postwar period. Thus, these two visits symbolize a new and happier stage in Japanese-American relations.

The Emperor is the first member of the Japanese Imperial line ever to have gone abroad. As a young man in 1921, he spent seven months of travel in Europe. He and the Empress also visited six European countries in the autumn of 1971 and touched down briefly on the way there at Anchorage, Alaska, where they were greeted by President and Mrs. Nixon.

Another unique fact about the Emperor is that this is the fiftieth year he has been on the throne—the longest reign in Japanese history, unless one goes back to the semi-mythological rulers of the third century and earlier times. The Emperor was born in 1901, and in 1921, after his return from Europe, he became Prince Regent, or acting monarch, for his ailing father, Emperor Taisho. In late December 1926 he succeeded his father on the throne, and the remaining week of that year became the first year of his reign, known as the first year of the Showa year period. The year 1975 is the 50th year of Showa, a name meaning "Enlightend Peace."

The Emperor's name is Hirohito, which is what he signs on official documents, as he also did on a photographic portrait of him which I treasure in my home. But no one in Japan refers to the Emperor as Hirohito. Instead people use such terms as "His Majesty" or "the Present Emperor." Curiously, the Imperial family is the only family in all Japan which lacks a family name. Probably it was already so well established as the ruling family at the time that the Japanese first began to take family names, roughly a millennium and a half ago, that no family name seemed necessary.

Mythology places the beginning of the Imperial line in 660 B.C., when a descendant of the supreme Sun Goddess is said to have become the first Japanese Emperor. More sober history traces the line clearly back to the early sixth century A.D. and perhaps somewhat earlier. Even this reduced heritage makes it incomparably the oldest reigning family in the world, and the genealogy is precise, detailed, and indisputable the whole way back.

The early Japanese Emperors were semi-religious figures, being in a sense the high priests of the cults of the Shinto religion. The symbols of their authority were the Three Imperial Regalia—a bronze mirror representing the Imperial ancestress, the Sun Goddess; a sword; and a curved, comma-shaped jewel of uncertain significance. The shrine to the Sun Goddess at Ise has always been a particularly holy place in Japan. The feminine character of the mythological progenitress of the Imperial line as well as the existence of several ruling Empresses in early years suggest an original matriachal social organization in Japan.

In the course of the seventh and eighth centuries, the Japanese reorganized their governmental institutions on the model of the contemporary Chinese empire, where the Emperor was an all-powerful secular monarch ruling through an elaborate bureaucracy. Ever since, the Japanese Emperors have had a sort of dual character as both secular rulers of the Chinese type, at least in theory, and also semi-religous cult leaders derived from Japan's own early history. Even today, the Emperor performs a number of annual ceremonies, such as the symbolic first planting of the rice each spring, which faithfully reflect ancient rituals, though they are no longer considered to have religious significance.

Even in early times the authority of the Japanese Emperor was perhaps more symbolic than actual. Throughout Japanese history the Imperial line has always been recognized as the undisputed source of all legitimate authority, but individual Emperors have usually reigned rather than ruled, somewhat in the manner of the modern crowned heads of northern Europe. Already in the sixth century, when Japan first emerged into the light of history, Emperors, rather than dominating their courts, were more commonly manipulated by the great families that surrounded them. By the early eighth century, it had become almost the rule for Emperors to abdicate as soon as they had an heir old enough to perform the onerous ceremonial duties of the position. Occasional strong men on the throne did exercise some power, and for a while in the eleventh and twelfth centuries retired Emperors were the chief political force at the capital, but otherwise leadership at the Imperial court was in the hands of the Fujiwara family and its various offshoots from the ninth century until the nineteenth.

The spread of feudalism over Japan from the twelfth century onward pushed the Imperial family even further away from actual political power. It remained as the theoretical source of all authority but was increasingly removed from the levers of power, which fell into the hands of military men in the provinces. The last Japanese Emperor who actually attempted to rule was Go-Daigo (or Daigo II) in the fourteenth century, and his efforts resulted in a dangerous split of the Imperial line into the Northern and Southern Courts between the years 1336 and 1392.

The tradition that the Japanese Emperors did not rule but reigned as the symbol of national unity and the theoretical source of legitimate authority is probably the chief reason why the Japanese Imperial line has survived through all history and still performs its symbolic role today as it did in antiquity. Actual power might change hands, as it did a number of times in Japanese history, but the symbolic source of legitimacy continued unaffected.

One such change of power occurred in the middle of the nineteenth century. Japan had managed to isolate itself from the rest of the world for two centuries, but finally in 1854 an American naval expedition under Commodore Matthew C. Perry forced it to open its doors. Japan's pre-industrial economy and its feudal structure of government, under the Tokugawa shoguns, or military dictators, and some 265 semi-autonomous feudal lords, clearly could not meet the challenge of the industrial production and the more modernized military power of the countries of the West. Japan needed a more centralized as well as modernized form of government.

A group of revolutionaries managed to seize power in 1868, justifying their overthrow of the Tokugawa feudal system as a return to direct Imperial rule, based in part on the memories of a more central Imperial role in ancient times but also on the model of nineteenth century European monarchies, such as Germany, Austria, and Britain. Because the concept of direct Imperial rule was both an inspiration and rationale for the whole great change that swept Japan after 1868, this change has usually been called the Meiji Restoration. The name Meiji was that of the year period, given in 1868 to the reign of the new boy Emperior, who, 45 years later after his death in 1912, came to be known as Emperor Meiji.

The Meiji Restoration seemed to bring the Emperor back as the actual ruler of Japan, but this was more theory than actual practice. Everything was done in his name, and the Japanese leaders, even when they differed with one another, all claimed to be carrying out the "Imperial will." The Constitution adopted in 1889 as the final embodiment of the new system declared the Emperor to be "sacred and inviolable," assigned to him the "rights of sovereignty," and at least on the surface seemed to give him all powers of government, including "the supreme command of the Army and Navy." But a closer reading of the document shows that the Emperor was expected to take no action except on the advice of his ministers and on the basis of the acts of the Japanese parliament, called the Diet. And this is the way the system actually operated. Emperor Meiji may have exercised some influence on government decisions, but his son, Emperor Taisho, obviously did not, and by the time the present Emperor came to the throne he was clearly expected to validate the decisions of his government but not actually to participate in making them.

Since the present Emperor has always been a conscientious Constitutional monarch, it really is not proper to inquire what his own particular views may have been, even under the old system. But the few hints one can get about his attitudes at the time suggest a consistent opposition to the trends that were leading Japan into war abroad and toward military supremacy at home. The only political decision the Emperor is known to have made was at the time of the surrender at the end of World War II. The high command for the first time in history presented him with an evenly split vote on surrender and asked him to decide. This he did at once in favor of surrender, and he obtained the

acquiescence of the Japanese people for this course by the unprecedented gesture of himself broadcasting the announcement of surrender to the whole Japanese nation.

Following the war, Japan adopted a new Constitution in 1947, and in this document theory and practice were perfectly unified for the first time. This document clearly states that "the Emperor shall be the symbol of the state and of the unity of the people, deriving his position from the will of the people with whom resides sovereign power." The Emperor's duties are then described to be simply symbolic in character. Since the mythology regarding the divinity of the Imperial line had been used in pre-war days to build up the mystique of the "Imperial will," the Emperor also issued on January 1, 1946, a statement denying his own supposed divinity. Again it is not really appropriate to speculate on the Emperor's own personal views regarding these postwar changes, because he is specifically denied a right to have or at least to express political opinions, but everything about his demeanor since the war gives the impression that he is thoroughly and happily in accord with the newly defined functions of the throne.

While the Emperor's duties are purely symbolic, they are nonetheless arduous, and he performs them with great conscientiousness and with noteworthy good will. He promulgates laws, convokes the Diet, proclaims general elections, attests the appointment or dismissal of officials, awards honors, receives foreign ambassadors, and performs a number of other formal duties, all with the advice and approval of the Cabinet. In addition, he and the members of his family are tireless in their attendance at events of national significance—reading greetings at opening sessions of great conferences, attending dedication ceremonies and sports festivals, and inspecting exhibits.

In the years immediately after the end of World War II, the Emperor was particularly energetic in seeking to change the popular concept of the throne and the people's relationship to it. Before the war the militarized leadership had had him appear in public in military uniform astride a white charger—a remote, forbidding, and "sacred and inviolable" figure. The common people were not even supposed to look at him directly. Now in mufti and a fedora hat he met his fellow Japanese face to face in the streets, in factories, and in coal mines. Not a facile conversationalist because in his austere upbringing he had never had the chance for verbal give and take, he usually fell back on "Ah! Is that so," in rejoinder to the replies to his inquiries. It was a limited sort of conversation, but for the first time it gave a sense of common human feeling between the Japanese people and their Emperor.

The Emperor has a private life aside from his public one. He and the Empress reside in the spacious Imperial Palace grounds in the heart of Tokyo. These grounds were the central core of what was once the great fortress headquarters of the Tokugawa shoguns, originally built by Dokan Ota in 1457 and restored by the Tokugawa shoguns after they moved there in 1590 and during the early years of their rule, which started officially in 1603. The broad moats and high embankments and walls of that early period are still impressive and beautiful sights, in no way dwarfed by the modern city.

The main buildings of the prewar palace were destroyed by wartime bombing, but a small and very private new residence for the Imperial couple was completed in 1961 and an impressive new Palace for public occasions in 1969. The latter was under construction for five years, an indication both of the care with which it was built and the modesty of the funds the Japanese government now assigns to the support of the Imperial family. The upkeep of the extensive Imperial Palace grounds is maintained largely by volunteer work by groups from all over Japan—a sign of the popular respect and affection in which the Imperial couple are held.

The Emperor's private life is a very private one indeed. There is none of the informal social mixing with others, practiced by some of the royal families of Europe. Traditional Japanese feelings about the uniqueness of the Imperial family preclude such easy sociability. The Emperor and Empress are surrounded by chamberlains and ladies-in-waiting, with whom their contacts remain rather formal by American standards. Beyond these court circles, their contacts are almost entirely formal. It is in a sense a rather isolated life. But it is much less isolated than it was before the war. Television in particular has made a great difference. Through it the Imperial couple has found a very enjoyable window on the life of their people and even a sense of participation in it.

The Emperor's chief personal interest has always been marine biology, and each Monday and Thursday afternoon, if he is not officially engaged, and every Saturday, he spends at his laboratory in another part of the palace grounds. He has written and published four books on his specialty, which happens to be hydrozoans, and these have been well received in academic circles. In addition, eleven other publications have centered around his studies. These have been directed particularly toward the marine life and the flora in the neighborhood of his two Imperial summer homes, one on the seashore south of Tokyo at Hayama on Sagami Bay, the other in the volcanic area of Nasu north of Tokyo. These eleven publications include works on the opisthobranchia, ascidians, crabs, corals, sea shells, and sea stars of Sagami Bay and the myxomycetes and flora of Nasu.

The Emperor, as one would guess, is a quiet, scholarly person, but at the same time he is a man of great personal warmth and extraordinarily wide interests. As the American Ambassador to Japan between 1961 and 1966, I had the opportunity to take many high government officials and other dignitaries from the United States for audiences with the Emperor, and I also met him on various state occasions each year. As the only foreign ambassador at that time who could converse with him in Japanese, I also had the chance for many personal conversations. I may in fact have had more opportunities to meet and talk with the Emperor than any other foreigner of any nationality.

Throughout my contact with the Emperor I have always been struck by his very genuine friendliness, sincerity, directness, and broad and informed interests. As mentioned before, he cannot be regarded as an easy conversationalist, but his qualities of personal warmth and concern nonetheless shine through even the court formalities that surround him and the necessities for translation in almost all of his contacts with foreigners. I have reason to believe that the Emperor does understand quite a bit of English, but for the sake of protocol all dealings with foreigners on formal occasions are carefully translated both ways. I remember that at my first meeting with him, which was for the formal presentation of my ambassadorial credentials, I replied directly to one of his comments but then had to wait while the interpreter formally translated his remark to which I had already replied, before being allowed to continue with the conversation.

The normal formal for an audience with the Emperor was for me to introduce each American in turn and for the Emperor then to engage each person individually in conversation, asking him a series of questions about his activities. The formality of the procedure is a bit inhibiting to easy personal contact, and it is made all the more formidable by the need for translation both ways. But I never took a fellow American to an Imperial audience without my countryman emerging from it impressed by the warmth, friendliness, and wide knowledge of the Emperor.

The Emperor is known to have a particularly close family life. When the first four children the Empress bore him were girls, some persons at the court advocated that the Emperor take a secondary consort to insure a male heir, as his grandfather had done, but it is understood that he steadfastly refused. The Imperial couple and their seven children have always been a veritable model of conjugal affection and warm family bonds.

The Empress almost always accompanies the Emperor on all occasions, except for certain Constitutional duties such as convoking the Diet. Two years his junior, she is the descendant of a collateral branch of the Imperial family and attended what in her youth was the exclusive Peers' School for Girls.

She is fond of poetry and music, and some of her Japanese-style paintings have been collected and published in two volumes. Like her husband, she plays a symbolic role conscientiously and with good will, serving for example as the Honorary President of the Japanese Red Cross Society. She is a person of unusual charm. While I was the American Ambassador, my wife and I had the opportunity to meet her on frequent occasions and found her to be one of the most genuinely warm, friendly, and gracious persons we had even known.

One of the daughters of the Emperor and Empress died before her first birthday, but the other four grew up and married thereby becoming commoners, as are all former nobles and collateral imperial lines since the war, except for the brothers of the Emperor. The eldest daughter, now deceased, was married to a member of a collateral Imperial line, the second to a scion of one of the branches of the Fujiwara family that so long dominated the Imperial court, and the two younger ones to descendants of feudal lords. The youngest, the former Princess Suga, is remembered around Washington as the extremely attractive and vivacious wife of Mr. Hisanaga Shimazu, who was stationed there for two years as a young official of a Japanese banking company.

The Imperial couple's fifth child is Akihito, the Crown Prince, now 42 years old. During the early postwar years, Mrs. Elizabeth Gray Vining of Philadelphia was one of his personal tutors. In 1959 he electrified the nation by choosing for his consort Miss Michiko Shoda, the daughter of a businessman who was a commoner even by prewar standards. The Crown Princess is a very talented and attractive graduate of Sacred Heart Women's University, and the couple met and fell in love through their common interest in tennis. The Crown Prince also shares his father's interest in marine biology and devotes much of his free time to the study of ichthyology. The Crown Prince and Princess have three children, Prince Hiro (born in 1960), Prince Aya, and Princess Nori. All three are being brought up by the Crown Prince and Princess themselves in an ordinary modern family atmosphere. This is a significant innovation, for heirs to the throne were traditionally separated from their parents at an early age and raised by court officials. The Crown Prince and Princess share the heavy burdens of ceremonial and public relations duties with the Emperor and Empress. They have already gone abroad on state visits twelve different times, visiting the United States in 1960.

The Emperor's younger son is Prince Hitachi, who like his brother shares their father's interest in biology. He graduated from Gakushuin University, and in 1964 married Miss Hanako Tsugaru, the descendant of a line of feudal lords Prince and Princess Hitachi as well as the brother and sisters-in-law of the Emperor also carry some of

the public relations duties that surround the throne. The Emperor's second brother died not long after the war, but his extremely charming widow, Princess Chichibu, survives and is remembered in Washington from the time when in the 1920s she was the schoolgirl daughter of Tsuneo Matsudaira, the Japanese Ambassador. The third brother and his wife are Prince and Princess Takamatsu, and the fourth brother and his wife, Prince and Princess Mikasa. Only the latter have children, and Prince Mikasa is also noteworthy for his part-time position as a professor at several universities and for being a specialist in the history of the ancient East, particularly that of the early Hebrews.

Although all the members of the Imperial family help the Imperial couple with the various ceremonial tasks and with other matters of public relations, the main burden still falls on the Emperor and Empress. But of all their many activities, their present visit to the United States is one of the most significant, demonstrating as it does the relaxed warmth of relations between two great nations which are of such vital importance to each other.

There is reason to believe that the Emperor has for a long time wished to visit the United States, and so this occasion means the achievement for him of a long cherished hope. The American people for their part will recgonize and admire in the Emperor and Empress the epitome of personal friendliness, family virtues, cultural interests, and scientific devotion. Beyond these personal aspects of the visit, however, the presence in the United States of the Emperor and Empress affords the American people and government an opportunity to reciprocate to the Japanese people the warmth of their welcome to our President in the autumn of 1974 and to show them the strength and sincerity of our wishes to continue the friendly and mutually beneficial relations between our two countries, which lie at the root of our mutual hopes for world peace.

SYMPOSIUM ON THE ARTS, AT LYNDON BAINES JOHNSON LIBRARY

Mr. HUMPHREY. Mr. President, September 29, 1975, was the 10th anniversary of the signing of the legislation creating the National Endowment for the Arts by President Lyndon B. Johnson. It also was the occasion for a symposium program entitled "The Arts: Years of Development, Time of Decision." This remarkable symposium took place at the University of Texas under the auspices of the Lyndon Baines Johnson Library September 29 and 30. It brought together some of the leading artists in America as well as hundreds of persons vitally interested in and deeply involved in the arts of humanities.

It was my privilege to have the opportunity of addressing this remarkable gathering—a singular honor for me. The keynote address was delivered by the famed and admired opera singer, Beverly Sills. She truly inspired the audience and gave extra meaning and purpose to the deliberations that were to follow.

Members of Congress were present and participated in the panels—Senator JAVITS, Senator PELL, Congressman PICKLE of Texas, and Congressman BRADEMAS of Indiana.

I ask unanimous consent that my address to the symposium and the program be printed in the RECORD.

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

THE ARTS: YEARS OF DEVELOPMENT, TIME OF DECISION

THE UNIVERSITY OF TEXAS AT AUSTIN, THE LYNDON BAINES JOHNSON LIBRARY—SYMPOSIUM PROGRAM

Monday, September 29, 1975—9:30 a.m.

Musical Welcome: Longhorn Band, The University of Texas at Austin and Vincent R. Dinino, conducting.

Presiding: Harry J. Middleton, Director, The Lyndon Baines Johnson Library.

Welcome: Lorene Rogers, President, The University of Texas at Austin.

Welcome: Daniel J. Reed, Assistant Archivist for Presidential Libraries.

Introduction of Beverly Sills: Elspeth Rostow, Acting Dean, Division of General and Comparative Studies, The University of Texas at Austin, Chairman, Symposium Planning Committee.

Keynote Address: Beverly Sills, Opera Singer.

Introduction of Panel: Lorrin Kennamer, Dean, College of Education, The University of Texas at Austin, Commissioner, Texas Commission on the Arts and Humanities.

Panel Discussion: "Art and the Participant," Presenter: Michael Straight, Deputy Chairman, National Endowment for the Arts, and Moderator: Charles C. Mark, Editor, Arts Reporting Service.

Other Participants: Maurice Abravanel, Musical Director and Conductor, The Utah Symphony, Schuyler Chapin, Former Manager, Metropolitan Opera Company, and Ann Colbert, President, Colbert Artists Management, Inc.

O'Neil Ford, Architect, Richard Hunt, Sculptor, Judith Jamison, Dancer, Robert Merrill, Opera Singer, Arthur Mitchell, Director, The Dance Theatre of Harlem, Inc., Joshua Taylor, Director, National Collection of Fine Arts, Smithsonian Institution, and James Wyeth, Painter.

Sumarizer: Kenneth Prescott, Chairman, Department of Art, The University of Texas at Austin.

Recess for lunch

Introduction of Afternoon Program: J. J. (Jake) Pickle, United States Representative, 10th District of Texas.

Panel Discussion: "Art and Politics," Presenter: James Backas, Executive Director, Maryland Arts Council, and Moderator: John Hightower, Former Chairman, Advocates for the Arts.

Other Participants: Darby Bannard, Painter, John Brademas, United States Representative, 3d District of Indiana, Kirk Douglas, Actor, Director, Producer, Thomas Fichandler, Executive Director, Arena Stage, Arlen Gregorio, State Senator, California, Jacob Javits, United States Senator, New York, Mickey Leland, State Representative, Texas, McNeil Lowry, Former Vice President, Ford Foundation, Donald Quayle, Senior Vice President, Corporation for Public Broadcasting, Frank Thompson, Jr., United States Representative, 4th District of New Jersey, and Donald Weismann, Profesor, Comparative Studies, The University, The University of Texas at Austin.

Summarizer: William B. Cannon, Dean, Lyndon B. Johnson School of Public Affairs, The University of Texas at Austin.

Tuesday, September 30, 1975—9:00 a.m.

Musical Welcome: Lyndon Baines Johnson High School Band, and Don T. Haynes, conducting.

Introduction of Panel: Maurice Coats, Executive Director, Texas Commission on the Arts and Humanities.

Panel Discussion: "Art and the Community," Presenter: Nancy Hanks, Chairman, National Endowment for the Arts, and Moderator: Roger Stevens, Chairman, John F. Kennedy Center for the Performing Arts, Former Chairman, National Endowment for the Arts.

Other Participants: Gerald A. Bartell, Chairman, American Medical Buildings, Inc., Chairman, Wisconsin Arts Council, Sarah Caldwell, Artistic Director, The Opera Company of Boston, Lawrence Halprin, Landscape Architect, Lawrence Halprin & Associates, Jack Kroll, Senior Editor, Newsweek, Billy Taylor, Musician, Composer, and Thomas Willis, Music Critic, Chicago Tribune.

Summarizer: Peter Garvie, Dean, College of Fine Arts, The University of Texas at Austin.

Remarks and Introduction of Senator Humphrey: Mrs. Lyndon Baines Johnson.

Concluding Address: Hubert H. Humphrey, United States Senator, Minnesota.

* * * * *

This Symposium has been made possible through the generous support of several persons and organizations, including:

Friends of the LBJ Library; Mrs. Betty Bivins Childers; Meadows Foundation, Incorporated; Mobil Oil Corporation; Mr. and Mrs. Edwin Singer; Texas Commission on the Arts and Humanities; Mr. Robert L. B. Tobin.

REMARKS OF SENATOR HUBERT H. HUMPHREY

Today is a birthday celebration, and we have every right to sing with considerable gusto that old refrain "Happy Birthday." It is the tenth anniversary of the signing by President Johnson of the legislation creating the National Endowment for the Arts. It represents ten years of growth, ten years of struggle, and ten years of progress. The establishment of the National Endowment for the Arts has given additional meaning and purpose to the American proclamation of independence wherein we proclaimed those God-given and natural rights of life, liberty, and the pursuit of happiness. But, like most things in a free society, the beginnings were small and limited but the hopes were great and unbounded.

Occasions such as this serve a number of useful purposes. Above all, they help us to remember how far we have come.

I was here when the civil rights papers of this Library were opened. It was a moving occasion, made all the more so by President Johnson's address and by his courage in the face of mortal illness.

Together we looked back to a time when human rights were denied and to the struggles that won them, and then we looked ahead to what was still to be achieved in the great march toward equality.

Some of the young people there had not lived through the earlier period; only the short-comings of this day had meaning for them; and that is all right. They helped to prevent the rest of us from becoming complacent about the victories of other years.

But it was important for all of us, while we concentrated on the present, to understand how much had been gained in the past. Free men and women need constantly to be reminded that nations can be made more just and more humane, if enough people of good will determine to make them so.

The same experience marked the opening of the education papers. We had come from a time when only a "lucky few" attended college, to one in which the opportunities of advanced education were available to millions. Again, there were shortcomings; but so much had been done.

In almost every field of human experience—medicine and health, the natural environment, economic growth and justice—the papers in this Library tell a story of struggle and achievement, of change for the better in the life of our country. I am proud to have been a part of this struggle. It has been a great time to be alive. It has tested and challenged us but, above all, demanded of us the best that is in us.

However, in meetings like this one, while the past is celebrated, the needs of the future fairly cry out for recognition. And President Johnson wanted it that way. Those of you who worked with him know that while he was proud of what he and his colleagues in the Congress and the executive branch had done, he was never satisfied, never content, so long as the inequities that he had recognized in our society were unremedied.

The same story can be told of the arts in America.

Effective support for the arts and humanities has been one of my primary concerns, not only during my term as Vice President where the leadership and encouragement of President Johnson were of decisive importance in this area, but also during 21 years as a U.S. Senator.

In 1957, I introduced one of several bills which culminated 7 years later in the enactment of legislation establishing the National Council on the Arts.

It was also my privilege to be involved in the promotion and development of the National Portrait Gallery, the Kennedy Center, the Museum of African Art, new directions by the Smithsonian Institution, and international cultural exchange programs.

So I have been through the school of hard knocks in learning how far we still need to go in the arts, despite the tremendous distance we have traveled in a short time.

Many of you can remember from first-hand experience—as I can—a time when the idea that public funds should be devoted to supporting the arts was regarded by a lot of people as either foolish, or outrageous, or both.

The fact that the Europeans and the Canadians had a completely different outlook was regarded as irrelevant. Many Congressmen regarded the Europeans as a decadent lot, what you might call effect snobs. Let them spend their tax revenues on opera houses and museums and symphony orchestras—we had more practical things to do, and besides, only New York and Boston really cared about such things as painting, sculpture, serious music, theatre, and ballet.

By the middle of the 20th century, anyone listening to Congressional talk about the arts might have concluded that we hadn't moved very far from the America of the early 19th century—when de Tocqueville saw us as a people with little interest in the fine arts, far more concerned with the useful than with the beautiful. So it was, he said, with democracies. It was in aristocracies that respect for elegance and taste, for the creative and speculative realms of the spirit, might flourish—not in the hurly-burly of egalitarian life.

But there had been a brief period, in the 1930's, when that general opposition to spending public funds for the arts yielded to something better. Artists and performers were out of work along with factory workers and shop clerks, and somebody had the bright idea that they might be put to work within their own disciplines.

They might paint murals on post-office walls, as Ben Shahn did, or adorn other public places, as Jackson Pollack and Stuart Davis did. They might write books about the regions of this country, or form theatre companies, producing both the classics of drama and new works that spoke to the conditions of the times.

Forty thousand people were engaged at one time in the publicly supported arts program of what was known as Federal One, the Federal Arts Project under the Works Progress Administration (WPA). In 1940 I served as the State Director of WPA projects that included the writers project, the music project, and the arts project. It was an experience I shall never forget and one that brought me into contact with a number of people who today are leaders in their fields.

It has been said that a majority of the leading painters and sculptors of the 40's and 50's were employed by those programs in the 30's. These same people might have raked leaves or poured concrete instead, and still survived; but we can be thankful that under Franklin Roosevelt, the government had the courage and foresight to help them develop their talents while they were feeding their stomachs. As a result, not only they, but we, the observing and listening public, benefitted. I will come back to the lessons of this period in a while.

Despite the successes of Federal One, opposition continued to the notion that hard-earned tax dollars should go to produce music, poems and pictures and dance. It wasn't just opposition in Congress and the Executive Branch. Whatever constituency there was out there in the state and districts was too weak to demand support for the arts.

Congress was willing to provide tax deductions for wealthy people who contributed to the symphony and the regional theatre. But it was reluctant to appropriate revenues for the same purpose. The idea that a community is enriched by the presence of art, and impoverished by its absence, had still not gained political currency.

But in the 1960's it did. Partly, that was because of John Kennedy and Lyndon Johnson and progressive Congresses. More importantly, I believe, it was because people throughout the country came to sense that the arts gave added meaning and dignity to life.

I will not attempt any kind of curb-stone sociological explanation of that development. Yet it interests me that the conventional belief, that art is supported chiefly in time of surplus—when there is surplus wealth to support it and surplus leisure to enjoy it—may not be altogether true.

The gross national product and per capita income were rising during the 1960's, but the opposite was the case in the 1930's, when Federal One was operating. What is similar about the two periods is that they were times of turmoil, of rapid change, simultaneously full of hope and despair. This is the productive environment for the arts.

It may be that people were looking for something beyond the circumstances of everyday life, something that brought order out of chaos, as visual art does; that added grace to life, as the dance does; that offered meaning and coherence, as both literature and music can do.

I mean something *more* than simple entertainment, more than mere assistance in passing time—the "visual chewing-gum" that much of television has been aptly called.

I mean that which answers the deepest spiritual needs of men and women, teaching and giving pleasure at once. In a time of unrest and trouble, the need for that enrichment is stronger than ever.

The people's physical well-being is highly important, and it is the government's first obligation to advance it; but it does not answer the quest for meaning and beauty in the human heart.

The beginnings of a Federal arts program were modest, as you know. We had to start with so little that public funds made no appreciable difference to the major institutions that needed help—to the great symphony orchestras, to the Metropolitan and the museums.

But it *was* a start. And under the skillful direction of Roger Stevens and later, Nancy Hanks and Michael Straight, the benefits began to be felt.

Some people thought more should go to the already proven institutions on the East and West coasts, meaning less should be spread around to the admittedly less advanced hinterland. Coming from Minnesota, where we think rather well of the Tyrone Guthrie Theatre, our Minnesota Symphony Orchestra, the Minneapolis Fine Arts Park, the Walker Gallery, and the St. Paul Science Museum, I had rather definite and contrary views about that.

In any event, I thought Roger and Nancy were practicing the art of politics pretty well when they offered help to people and groups in a large number of Congresssional districts. I was sure of it when the Endowment commissioned that Calder sculpture for Grand Rapids, Michigan—President Ford's hometown. I decided that the Corps of Engineers had nothing on the Endowment for foresight.

As people everywhere saw what could be done with Federal help, the level of their expectation began to rise.

At about the same time, the stock market started down, and this baffling animal call "stagflation"—a stagnant, yet inflated economy—came over the horizon. The cost of theatrical and musical productions shot up. The salaries of art gallery attendants shot up. So did what it costs poets and composers and sculptors to keep alive.

The traditional sources of support for the arts—private donors, foundations, and corporations—began to restrict their contributions at precisely the time when the cost of encouraging and presenting the arts was rapidly expanding, along with public interest in them.

Here I want to say a word in praise of former President Nixon. Despite the deeply troublesome aspects of his administration, he did offer substantial encouragement for our national arts effort. It would be remiss of me not to acknowledge his initiative in raising the Endowment's budget from the $10 million range, when he took office, to its 1975 appropriation of $75 million.

But even the present level of Federal funding—ten times what it was when we began back in 1965—is insufficient to meet the needs of the arts. It might have been enough in the days when only a few thousand people on the Eastern seaboard, and other thousands of Texans and Minnesotans who traveled East to enjoy the shows and galleries, really cared about the state of the arts.

But now everyone wants a part of that treasure. And they want it at a time when the Federal deficit is already high; when private contributions have reached a plateau, or declined; and when production and maintenance costs are staggering.

But, I'm happy to say, there is no way to put the genie back in the bottle. People everywhere have seen and felt the impact of the arts now, and they will not be satisfied with the occasional trip to the East or West coast metropolis, or the infrequent presentation of great drama or dance on television. They want to see paintings and to hear Beethoven in live performances.

There are enough young people in America now who want to make movies, to fill another Los Angeles. People want their public buildings made more attractive; no more long gray corridors and bland facades. They like having their young children taught to respond to life in verse, by poets hired for that purpose, because the poet's eye quickens life and reveals its inner meanings.

According to a Lou Harris poll, a large majority of the American people would be willing to pay an additional $5 per year in taxes in order to increase support for the arts. Even half those with incomes under $5,000 would do so. And nearly half of those polled would pay $25 more a year.

Think of what even $10 more from every tax-payer would mean:

It would more than wipe out the deficit of all the great artistic institutions, and enable thousands of artists to work at their art full-time. It would enable us to surpass even the European countries, which have for years assumed that the quality of life depended in substantial degree on the ready availability of fine art to their people.

There is in my view no question about it: The level of public appropriations for the arts *must* rise to meet the awakened needs of our citizens for them.

However, I would not be candid if I did not say that, despite the much greater political strength that the arts now carry into Congress, it will be difficult, given the present and forthcoming budgetary cycles, to increase funding for them to the levels they merit. But we can, and I believe will, achieve those increases in time.

The establishment of state art councils with the wide participation and interest of the local citizenry can be the political force that brings about greater attention to the arts and humanities. If there is to be an increase in Federal appropriations, it will only come when there is pressure from the local communities on the members of Congress to support the arts.

But, you build a political constituency not at the top but at the bottom. That is why people who are vitally interested in and involved with the arts must bring their cause to the attention of city councils, mayors, state legislatures and governors as well as members of Congress. There are some very important and influential people at the local community level who are members of state arts councils or serve on boards for a community theatre, a museum, an art gallery, or an orchestra. It is these influential citizens who must contact candidates for office as well as officeholders. It is these influential and concerned citizens who must insist that the press and the media of radio and television give greater attention to—yes, more space and time to—the arts and the humanities. It is not enough just to have the leading metropolitan newspapers give coverage to developments in the areas of music, poetry, painting, sculpture, and the theatre. Every community media outlet should be involved. May I suggest that you ask for this support; in fact, insist upon it.

We are in the Bicentennial period. In every state and in most every community there is a Bicentennial commission. This is a golden opportunity for state and local arts councils to join together with the Bicentennial commissions in a massive and extensive portrayal of American art and culture. Bicentennial commissions and arts councils should be allies.

Yes, there is much that can be done. The present unemployment figures—the highest we have seen in decades—include a great many actors, set designers, painters, writers, teachers, musicians, cameramen, graphic artists, ceramicists—artists and artisans of every variety. They must eat and clothe themselves just as auto workers and salesmen must do.

Under the Comprehensive Employment and Training Act, several hundred have been employed in roles that reflect their talents and experience. There is no reason why, with determination and imagination, we cannot increase this figure.

Congress designed the CETA in such a way that the responsibility for structuring public service employment should be fixed at the local level. This is basically a good idea.

I think an imaginative city government could produce a remarkable employment program under the current CETA authority:

Hiring unemployed actors and stagehands to perform in veterans' hospitals, schools, and homes for the aged;

Hiring artists to produce works for public buildings; sculptors to adorn the parks and playgrounds and the subway stations; craftsmen, graphic artists, designers and decorators to make public places more attractive;

Hiring potters, and men and women skilled in weaving, needlework, ceramics, and other handi-crafts to teach their skills to others;

Hiring musicians and dancers to teach and to entertain. The possibilities are limitless.

Those of us who care about the arts ought to urge such programs, for various *practical* reasons. Perhaps the most compelling of these is that the public would benefit directly from them.

I have always supported the Endowment's program of grants to individual artists, and I still do, because I know that the creative artist is the cutting edge of the human imagination. Among those grantees may be a Picasso, or a Stravinsky, or a Joyce, and I am selfish enough to want a role in encouraging them.

But it takes time, and perseverance, for the work of the experimenters to be appreciated by the public. In the meantime, taxes are high, inflation grows, and unemployment continues. Public enthusiasm for any government spending is limited, unless the benefits are obvious, and compelling.

That is why I would like to see artists paid for performing services which the public can feel and see and hear—which make immediate and obvious improvements in the conditions of public life.

But we *must* get our economy out of its present trough. Only then can we generate the public revenues that we need for adequately supporting the arts. Only then can corporations and foundations and individuals have the means to increase their vital contributions.

But as we work to end this long and costly recession, we can see to it that the upward thrust of the arts, which has already enriched the spirits of so many Americans, continues unbroken.

There is so much still to be done. The operas and symphony orchestras are all facing heavy deficits; the future of some of them is in doubt. Regional theatres are struggling. The American Film Institute, which President Johnson proposed, is counted among those programs struggling to fulfill their initial expectations. Small literary magazines are as ever an endangered species. There are still vigorous arguments over whether the Endowment should focus its support chiefly on artists and institutions of proven high quality, or whether aid should be broadcast to a wide variety of new performers and budding talents.

But while the future is rife with problems, it would be foolish to ignore how far we have come, and in such a short time.

Not long ago, the voices of hesitation prevailed in the Congress on questions of support for the arts. But now it is the voice of Claiborne Pell, Jack Javits, and John Brademas and Frank Thompson that carries the majority; and President Ford, thanks to Alexander Calder and the Endowment, is more sympathetic.

Ten years ago the Kennedy Center was only an idea; today it is a living reality—thousands of Americans go there every evening to lift their hearts and deepen their understanding.

Ten years ago the options on television were cowboys, give-away shows, and situation comedies; today, at least, there's a chance of seeing good theatre or dance. So, along with the budgetary headaches, there has been remarkable progress.

There will always be those who see the arts as unnecessary frills, as superfluous to the needs of society. But they are fewer now, and fewer still among the coming generations who quest for more than material well-being.

The arts themselves have always been fragile creations, a few notes of music in the winds of history, a glimpse of color in the gray of ordinary life.

But what strength there is in that fragility! Nations pass from the scene, great business endeavors rise and fall, manners and customs change, but Mozart and Botticelli endure.

And the creative spirit of man endures, even in wars and recessions.

What we must try to do is enable that spirit to express itself in all its forms, so that it may quicken the individual spirit in each of us, and ennoble the civilization of which we are a part.

OZONE AND AEROSOLS

Mr. BUCKLEY. Mr. President, in the last few months, the public has been exposed to a great deal of contradictory information regarding the protective ozone layer of the stratosphere and whether it is being slowly depleted by manmade chemicals.

Various technological innovations—jet aircraft, nuclear weapons tests, refrigerants, and the gases used in some aerosol spray—have been theoretically implicated one way or another with the potential threat to the ozone layer.

There seems to be relatively little dispute regarding the importance of high-altitude ozone to man and our climate. The ozone layer apparently plays a vital role in limiting the penetration of ultraviolet rays which may affect the health of mankind.

But there is substantial debate whether the zone layer actually is being reduced, as well as the extent to which man's activities may be responsible. Some respected scientists are deeply concerned that certain chlorofluorocarbon gases—mainly those used as propellants in a large number of aerosol consumer products and as refrigerants—may, over a period of time, reduce the ozone layer. These scientists, consumer and environmental groups and some Members of Congress are calling on the Government to limit or ban various uses of these chemicals either immediately or within the next few years.

Meanwhile, other equally respected scientists, industry groups, and other Members of Congress raise serious doubts about the ozone depletion theory. They believe there is ample time both to perform the kind of research needed to determine whether the hypothetical threat actually exists and to undertake whatever regulatory safeguards may be needed.

A Government Task Force on Inadvertent Modification of the Stratosphere has issued a report saying the matter is serious and warrants both further study and simultaneous actions to prepare regulatory machinery in the event it should be needed. Furthermore, the Senate Aeronautical and Space Science Subcommittee on the Upper Atmosphere is currently hearing from the scientific community as well as Government and industry representatives in an effort to accumulate, for the public record, all present knowledge available on the subject.

In any event, Congress is likely to be

faced with legislation in this area. As a nonscientist, I confess that I am puzzled. Furthermore, I am concerned that the debate has begun to take on an increasingly panicky tone. Accordingly, I was very pleased to come across an intelligent discussion of these ozone questions written by Tom Alexander in the August issue of Fortune, which contributes to the public awareness of the issues.

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

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

WHAT WE KNOW—AND DO NOT KNOW—ABOUT THE OZONE SHIELD

(By Tom Alexander)

In the array of environmental concerns that have been multiplying so rapidly, the ozone shield is hard to beat for sheer alarming bizarreness.

A little-known trace of rare gas floating far up in the already vanishing blue turns out to be absolutely essential in protecting man and his fellow creatures from the hostile radiation of our beneficent old sun. Then along come scientists with a growing list of human activities that they believe are capable of thinning that delicate ozone film and thereby exposing mankind to an array of afflictions that may include cancer, climatic change, and perhaps even famine.

The best studied of the potential threats to the ozone layer are jet aircraft, nuclear bombs, aerosol-spray cans, and refrigeration, but researchers are still bringing forth other possible villains. These include fertilizers, chemicals used to purify water and manufacture paper, and even the natural processes of agriculture itself.

Federal and state governments are deep in the tangled question of whether to outlaw many products of the huge refrigeration, air-conditioning, and aerosol-packaging industries. Oregon has banned the sale of the suspected spray cans after February, 1977, and some other states seem likely to take similar action. Manufacturers are trying to divine the outcome of all these regulatory moves and to revise their product lines accordingly. And both industry and government have started costly research campaigns to clarify the murky, neglected state of the science of the upper air.

Fortunately, in an era that seems to equate precipitate action with virtue, science, government, and industry on the whole have handled the ozone issue with a refreshing maturity and tentativeness. Even so, it now appears that some of the early accounts of the problem—the ones that naturally captured the most attention—were unnecessarily alarming. Some scientists were reported as prophesying "the end of the world," or "doomsday in twenty-five years."

As even the more sober statements were simplified for public consumption, the impression got about that the ozone layer was a fragile, nonrenewable resource rapidly and permanently being sprayed away with each casual *pfft* of an underarm deodorant and each exhaust plume from a high-altitude jet. The problem's complex and exotic nature, conjoined with the awful word *cancer*, tended to induce a sky-is-falling attitude and a panicky instinct for action. The Minneapolis *Star* not long ago summed up the freakish aspect of the whole problem in an inspired headline: "Can Dry Armpits Mean World Crisis?"

The ozone problem seems to be real, but its actual threat to human life now or even in the distant future appears to rank very low on the scale of hazards to which we are all routinely exposed—for instance, about one-tenth the risk of being struck by lightning. If the sky is falling, in other words, it is falling very, very slowly.

Stratospheric ozone should be viewed not as a nonrenewable quantity, but as the product of a fluctuating balance between natural forces of creation and destruction. The molecule itself is a poisonous, highly reactive arrangement of three oxygen atoms (O_3), in contrast to the two-atom molecules (O_2) that make up the bulk of the oxygen in our atmosphere. The major ozone supply is distributed throughout a thirty-mile-thick region that begins about ten miles up, at the lower edge of the stratosphere. There ultraviolet light from the sun splits ordinary oxygen into single atoms that can then recombine into the three-atom configuration.

In the early Seventies, Harold Johnston, a chemist at the University of California at Berkeley, and Paul Crutzen, a meteorologist at the National Center for Atmospheric Research, offered a theory of how processes on earth affect these photochemical reactions in the stratosphere. Crutzen discovered that a lot of ozone was being destroyed indirectly by bacteria in the ground. As symbiotic residents in the roots of certain plants, notably clover, peas, beans, and other legumes, these bacteria extract nitrogen from the air and incorporate it chemically into the structure of their hosts. When these plants decay, part of their nitrogen gets released to the atmosphere as nitrous oxide (N_2O), sometimes known as laughing gas. Relatively inert and insoluble, nitrous oxide accumulates in the lower atmosphere. Convective air movements carry it aloft to the bottom of the stable stratosphere. There it slowly diffuses up into the stratosphere itself.

As a nitrous oxide molecule rises through the ozone layer, it enters the energetic realm of ultraviolet photochemistry where, so to speak, almost nothing is inert anymore and almost everything reacts with everything else. The ultraviolet converts it into nitric oxide (NO), which goes on to engage in a chain of reactions involving ozone.

The net effect is that some ozone molecules are converted into ordinary oxygen while the nitric oxide molecules are freed to continue their attack upon other ozone molecules. Each nitric oxide molecule thus acts as a catalyst, destroying thousands of ozone molecules before it wanders back into the lower atmosphere and combines with water vapor.

Atmospheric scientist Michael McElroy, of Harvard, compares ozone's equilibrium between the processes of creation and destruction to the water level in a bathtub with an open drain and an open water tap. Obviously, anything that serves to increase the size of the drain would lower the water level. Similarly, any additional supply of nitrogen oxides—or any other substance capable of destroying ozone—would increase the rate of ozone depletion and to some extent decrease the supply.

The whole matter seemed scarcely more than a matter of academic interest until it came to the attention of the late James E. McDonald, a respected American atmospheric physicist but a man with a yen for seemingly crank causes. Among other things, McDonald had an interest in unidentified flying objects, and he once suggested that there might be some relation between power blackouts and UFO's. Another of McDonald's concerns was the proposed supersonic transport plane. Observing that SST engines would emit water vapor, another chemical enemy of ozone, he began campaigning to have the plane scuttled.

McDonald pointed out that ozone filters out most of a middle-frequency band of ultraviolet light known as "ultraviolet B." Since ultraviolet is damaging to organic molecules, he speculated that it was probably harmful to life. It might, for example, disrupt the complex DNA molecules in the skin, with skin cancer as one likely result.

Today, the cause-and-effect relationship between ultraviolet and some forms of skin cancer seems well established. Among white persons in the U.S. the incidence of skin cancer is around 150 cases per 100,000 population per year. Most of it occurs on exposed areas, such as the hands or face. The incidence roughly doubles with each ten-degree decrease in latitude. Recent measurements have also established that the thickness of the ozone layer *diminishes* with latitude (i.e., it is thinnest over the equator). The implication, of course, is that the additional ultraviolet exposure in tropical latitudes causes additional cases of cancer. A 1 percent decrease in overhead ozone appears to produce roughly a 2 percent increase in skin-cancer cases.

The effects of ultraviolet upon plants and climate remain much more problematical. Slight declines in plant growth have been detected in experiments now under way at the University of Florida, but these experiments are being carried out with powerful lamps that increase the ultraviolet dose by 100 to 400 percent, an amount that most ozone theorists now consider unrealistic. As for climatic effects, most speculation—and it is simply that—focuses on the possibility that deeper ultraviolet penetration could lower the stratosphere slightly, and somehow change the global circulation of the winds.

When McDonald brought the matter up, the links between ultraviolet and cancer were less widely known. And perhaps because of his reputation for unconventional beliefs, he was unable to convince many colleagues or policymakers of the seriousness of the threat. It was only after several other researchers, particularly Crutzen and Johnston, got interested in the matter that the SST-ozone issue acquired scientific respectability. They pointed out that the real damage would come not so much from water vapor as from the nitric oxides emitted by the engines. They calculated that the SST's *might* affect the ozone layer as much as vegetable decay.

The ozone-danger arguments, among others, figured in the successful effort to persuade Congress in 1971 not to subsidize the construction of an American SST. But the scientific concern spurred the Department of Transportation to start a belated $20-million research program known as the "Climatic Impact Assessment Program" (CIAP). The CIAP report, issued last December, substantiated the hypothesis that large fleets of SST's would weaken the ozone shield. But the study also concluded that improved engines and fuels would greatly diminish the damage.

Once CIAP focused scientific attention on interference with the ozone layer, it was only a question of time before other threats were thought of. In the Fifties, a British chemist named James Lovelock—a man who prefers the unusual role of a free-lance scientist to permanent ties to any institution—invented a device called the "electron-capture gas chromatograph." One of the most exquisitely sensitive analytical tools of chemistry, Lovelock's instrument can detect atmospheric gases in amounts as minuscule as a few parts per trillion. In 1970 he discovered that traces of two related, man-made compounds, trichorofluoromethane and dichlorofluoromethane, were omnipresent in the skies. These compounds are more widely known as fluorocarbon 11 and fluorocarbon 12, and often simply as Freon 11 and Freon 12, the trade names used by Du Pont, now the world's largest producer of fluorocarbons.

The compounds were originally formulated by the Frigidaire Division of General Motors, which introduced them in the 1930's as inert, nontoxic, nonflammable substitutes for such dangerous refrigerants as sulfur di-

oxide, ammonia, and methyl chloride. Since then, a chemically varied assortment of fluorocarbon gases have come to be manufactured by some forty companies throughout the world.

Today, however, refrigeration and air conditioning utilize only 28 percent of the output. About 22 percent goes to such industrial uses as solvents, fire extinguishers, and plastic-form "blowing agents." But the greatest use by far—about 50 percent—is as the propellant in those ubiquitous aerosol-spray cans.

Because they are expensive compared with other propellants, including propane or such compressed gases as carbon dioxide, fluorocarbons are used in only about half of the three billion aerosol cans sold every year in the U.S. They are utilized mostly with "personal" products—hair sprays, deodorants, and medicinals—where inertness and nonflammability are important. With shaving cream and other products that contain so much water that there's no flammability problem, propane is usually the propellant. Propane is also used with products such as paint, which are already so flammable that the propellant doesn't make much difference.

Lovelock's chromatograph strikingly confirmed the inertness of fluorocarbons 11 and 12. He found that the two compounds are present in the world's atmosphere in amounts averaging about 230 parts per trillion (equivalent to about one drop in five full railroad tank cars). It is also possible to calculate from his measurements and others that most of the fluorocarbons ever produced are still in existence, either locked up in refrigerators and aerosol cans or floating in the atmosphere.

Lovelock's measurements piqued the curiosity of F. Sherry Rowland, a chemist from the University of California at Irvine. He suspected that the fluorocarbons might not be permanently indestructible, as they seemed to appear. In mid-1974 he and research associate Mario Molina published a paper in the British scientific journal *Nature* theorizing that there probably was at least one "sink"—or site of destruction—for fluorocarbon molecules: the ultraviolet battleground of the stratosphere.

Drawing a direct analogy with oxides of nitrogen, Rowland and Molina argued that the fluorocarbons are making their way upwards, rapidly at first through the lower atmosphere, than much more slowly through the stable stratosphere. Finally, after ten or fifteen years, they would rise to the point where ultraviolet radiation would split them apart like any other molecular gas, releasing chlorine into the ozone layer.

Their analysis fitted in with other recent laboratory findings and raised new fears about ozone depletion. A British chemist, Michael Clyne, had reported that chlorine was apparently six times more efficient than nitric oxide as a catalyst of ozone extinction.

Researchers from Harvard and the University of Michigan had been looking for possible effects upon ozone of the chlorine-containing exhausts from the proposed space-shuttle rocket, but had found little cause for alarm. After all, neither the shuttle nor any other vehicle seemed likely to carry enough chlorine aloft to matter all that much. But Rowland and Molina suggested that such a vehicle did exist in the form of fluorocarbons 11 and 12, which were then being produced at a rate approaching a million tons a year.

Partly because of apparently incorrect assumptions in some of the early projections and partly because of overdramatic press accounts, a considerable confusion has arisen about the fluorocarbon threat. Even Rowland and Molina perceived the time of serious danger as fifteen years or more away, after exponential increases in production and the steady accumulation of the gases had brought the atmospheric loads to levels many times higher than they are now.

Immediately following the *Nature* article, several other theorists developed mathematical models, a few of which predicted eventual ozone depletion as high as 50 percent. These forecasts seemed so frightening as to require immediate and drastic action.

In more recent months, new data and refinements in the models have persuaded more scientists involved that the danger is probably much smaller and much further off than had been supposed. Some of the older models assumed growth rates for fluorocarbon production as high as 22 percent a year. But that figure has been reached only by fluorocarbon 11 and for only one year, 1972, apparently because there was an inventory buildup of aerosol products. Actually, total fluorocarbon output increased by an average of about 8 percent a year through the Sixties and early Seventies. But it rose only 3 percent in 1974, and during the first four months of this year, it fell 19 percent below the level of the same period a year earlier.

The recession undoubtedly accounts for part of the decline, but it is also clear that both consumers and manufacturers are responding to the adverse publicity. Such manufacturers as Johnson's Wax and Gillette are putting their advertising emphasis on fluorocarbonless aerosols, roll-on applicators, and finger-pumped sprays. Early this year, after a 40 percent drop in sales, Precision Valve Corp.—a company, founded by former President Nixon's crony, Robert Abplanalp, that dominates the spray-valve industry—closed a plant in Yonkers, New York. As matters stand now, it is a fair bet that few, if any, companies will risk introducing a major new product propelled by fluorocarbons.

One essential factor missing in some of the earlier ozone-depletion models was the property of "feedback," the comforting tendency of the ozone layer to heal itself. It is fairly obvious, though, that if ozone at high altitude is destroyed, ultraviolet light will penetrate a little deeper into the atmosphere and create more ozone at a lower altitude.

With new research funds from government and industry, experimenters have checked other critical assumptions in the models and found them overly pessimistic. Douglas Davis, a chemist at the University of Maryland, has measured the reaction between chlorine and ozone at stratospheric temperatures and found that it occurs more slowly than earlier investigators assumed.

On the other hand, Davis has also found that chlorine reacts more quickly than expected with another stratospheric component, methane. The product of this reaction is hydrogen chloride, some of which dissolves in water to form hydrochloric acid and then, heavily diluted, falls to earth with the rain. When Davis's new findings are introduced into the various ozone-depletion models, the effect is to reduce by one-half to two-thirds the predicted rate at which ozone is destroyed and therefore the amount of depletion that will occur before a new equilibrium point is reached. Scientists caution, however, that new data are still coming in, and that they might push the destruction rate up again.

A revised model prepared by Paul Crutzen from the newest data predicts that if fluorocarbon-propellant production ceases in 1978, the maximum effect will be an ozone depletion of 1.7 percent by 1988. This compares with depletion of 1.2 percent if a worldwide ban were to go into effect this year. Assuming that fluorocarbon production continues forever at the 1974 level, another model by Michael McElroy and Steven Wotsy at Harvard predicts that equilibrium wouldn't be reached until some time in the twenty-second century, when the ozone would be diminished by 7 percent.

A decrease of that magnitude cannot be dismissed as insignificant, but it seems to fall short of global calamity. For one thing, the ozone layer varies naturally by amounts far greater than 7 percent. Not only does it vary geographically—diminishing about 30 percent from Minnesota to Texas—but over any one spot it fluctuates about 25 percent from day to day, and another 25 percent seasonally. Increases of about 5 percent appear at eleven-year intervals, suggesting that the ozone layer may somehow be affected by sunspots.

The overall trend during the past twenty years has been an increase of about 8 percent over the Northern Hemisphere and a slight decrease in the Southern. This, of course, has occurred just when all those suspected man-made ozone destroyers were proliferating. The long-term increase reached a high point in 1970 and ozone has since declined nearly 2 percent.

Ozone's unpredictable behavior indicates that something is obviously incomplete—perhaps even wrong—about man's understanding of stratospheric chemistry. For example, are there unidentified reactions that serve to remove chlorine or to restore ozone? One of those who suspects this might be so is Jim Lovelack, the man who more or less started the fluorocarbon flap. "It's a funny thing about this game," declares Lovelock. "The instant you measure something, it becomes important. Freon happened to be easy for me to find, and everybody jumped the gun."

Recently Lovelock and others have been hunting further and finding the atmosphere to be full of assorted chlorine compounds—probably both natural and man-made—in total amounts that outweigh the fluorocarbons dozens of times over. These include carbon tetrachloride, methyl chloride, and methyl chloroform, all of which, Lovelock and others believe, must be capable of unloading some of their chlorine into the upper stratosphere. One implication is that nature may have some yet unidentified mechanisms for cleansing the stratosphere of chlorine before it can do much damage.

Other researchers take a different view: maybe many of those substances that Lovelock finds *do* have human origins and maybe their effects on the ozone layer haven't yet shown up strongly. Among those following up this line of thinking are Harvard's McElroy and Wofsy, who are now carefully examining the list of chemicals used in large quantities by man, trying to identify those with ozone-damaging potential.

Among those they have found to provide some cause for concern are the chlorine-containing substances used in water purification and papermaking; methyl bromide, which is increasingly used in agriculture as a soil fumigant; and nitrate fertilizers, which release nitrous oxide. McElroy speculates that even the legumes that man plants to feed his growing population and to improve his soil may pump enough additional nitrous oxide into the system to have significant effects. The contributions to ozone destruction from all such chemicals are likely to be cumulative.

McElroy believes that man is at the point where he may no longer be able to count on nature, and may henceforth have to control ozone-damaging agents from the oceans, the atmosphere, and living organisms. Doing so, of course, would require much more knowledge than we have now, and McElroy is among the majority of experts who contend that scientists should be allowed time to reach a better understanding of the problem before we adopt legislation, including any ban on aerosol sprays. Three to five years is most often mentioned by scientists as a reasonable time to resolve some of the more baffling questions.

If one accepts Crutzen's model, a three-year delay in barring fluorocarbons would mean about 0.5 percent additional ozone depletion. In the U.S. this might translate into

around 3,000 more cases of skin cancer. The number may seem large, but the increase would be undetectable among the more than 300,000 cases that occur each year anyway.

The two commonest forms of skin cancer—those most clearly related to sunlight exposure—are fatal less than 1 percent of the time; they are usually cured by simple treatments in a doctor's office. (Another form, melanoma, is a lot more deadly but a lot less common—and its relationship to ultraviolet exposure is more problematical.) What all this seems to add up to is that by 1988 the fluorocarbons might cause the death of a few dozen people a year.

What, then, should be done about fluorocarbons? A federal task force recently recommended a ban on fluorocarbon sprays starting in 1978—provided that further investigation confirms their effect on the ozone shield. Delay is clearly in order, partly because of scientific uncertainties, partly to avoid sudden economic disruption for large numbers of people, and partly to let industry adopt substitutes. An immediate and total ban on fluorocarbon aerosols might even increase other health hazards. More babies and young children might die from ingesting common household substances such as medicines, pesticides, and cleaning agents. Tests indicate that it is much easier to swallow the contents of a bottle than those of an aerosol can and, in fact, that babies are repelled by the chilling spray.

Still, the aerosol problem is a minor one compared with the difficulties of dispensing with fluorocarbons for refrigeration. Given the heavy dependence of virtually every link of the food chain upon refrigeration, an immediate ban on their use would be a recipe for mass food spoilage, shortages, price increases, and wrenching economic dislocations.

The available remedies, all of which would take time, include the design of better-sealed cooling machines, particularly car air conditioners, which are notoriously leaky. Another possibility might be to introduce new or already developed refrigerants—such as fluorocarbons 22 and 31, which contain hydrogen atoms in their molecules. This makes them less inert and therefore less likely to reach the stratosphere. Fluorocarbon 22 is already widely used for commercial refrigeration.

Unfortunately, each refrigerant compound is carefully tailored to a specific range of temperatures, pressures, and compatible materials. Few are interchangeable without redesign of the equipment. Usually, a change would involve a loss of energy efficiency. A decade or more might be needed for research, redesign, retooling, and replacement—all at considerable cost. And a typical household refrigerator contains only about as much fluorocarbon as two to three aerosol cans. Considering all these circumstances, the slow-growing refrigeration industry may pose too small a hazard to worry about.

In dealing with the ozone question, it appears that we are lucky: thanks to scientific alertness, we have the grace of time. For the moment, it should be enough to have served notice upon the industries involved that there is good reason for concern. If we avoid hasty legislation, nature or the marketplace may continue to solve the ozone problem without the usual havoc from clumsy government intervention.

After three to five years, the whole matter can be reexamined once more. Who knows, it might even turn out by then that there's too much ozone up there and that everybody will have to get busy with his aerosol cans again.

RAIL REHABILITATION ACT

Mr. McINTYRE. Mr. President, I am pleased to add my name as a sponsor of the Rail Rehabilitation Act and to offer my support toward enactment of the legislation. The bill we introduce today may need further refinement, but the kernel of an idea is represented here which offers the answer to our present railroad dilemma.

Congress, in passage of the Rail Reorganization Act of 1973, began to investigate comprehensive plans for revitalizing a dying transportation mode in this country—a mode essential for a sound economy and a strong national defense. Our railroads have long been a backbone for America and will prove to be an important link toward energy self-sufficiency.

The economy of the Northeast region has suffered due to deteriorating rail freight lines. Many industries have been forced to relocate due to insufficient rail service while others have continuously suffered as our railroads declined.

While much of the transporting done by rail could not be shipped by any other mode, there is a fair share of commerce for while trucks, trains and barges compete. When this Nation committed itself to developing a Federal Interstate Highway System, we unwittingly undercut the rail industry by providing a low cost right-of-way and "track" for trucks. The same can be said for the millions of Federal dollars spent on our Inland Waterway System.

Railroads have not enjoyed these same privileges. Strictly controlled by the bureaucratic Interstate Commerce Commission for many years, the railroads have had to spend enormous capital on acquisition and rehabilitation of track and rights-of-way. While I will not single out this cause, I will state my belief that this unfair advantage has been a major contributing factor to the demise of rail transportation.

Once this spiral began and as costs continued to increase, maintenance was deferred. Slower track meant less commerce which meant decreasing revenues which further deferred maintenance.

Today most of our trackage is in deplorable condition, at many points safe only at speeds of 10 to 15 miles per hour. This situation must be remedied and remedied soon.

In the next few weeks Congress must decide on the multibillion-dollar final system plan presented by the U.S. Railway Administration. Two things have become clear to me during the development of the final system plan. First, that a bailout of the bankrupt railroads in the Northeast will not solve the railroad ills of the Nation. And secondly, that for the Northeast ConRail is at best a patch job, certainly not a cure.

The final system plan fails to meet the specific goals enumerated in the act. The evaluation of freight and revenue potential was calculated on questionable projections, and enactment of one of the projected industry structures could seriously threaten the financial viability of the rest of the Nation's rail industry. The plan requires massive Federal assistance with uncertain actual dollar return to the taxpayer.

As I have stated earlier, it is my belief that the voluntary release of burdensome property from the carrier to a Federal entity in return for a long-term revenue generating lease accompanied by guaranteed track maintenance on a national level, may be the best solution to our rail dilemma. Our proposal guarantees a return on the taxpayers' dollar, offers the carrier long-term stability, quality trackage, and protection from intrusion and supplies the bondholder with adequate compensation and favors no one region over another.

This consolidated facilities concept overcomes many of the flaws cited by the rail industry in similar earlier proposals. Our proposal, while not yet perfect, must certainly be viewed as a strong viable solution.

CASEY STENGEL

Mr. BUCKLEY. Mr. President, New York and the Nation have lost a valued friend with the death this week of Charles Dillon Stengel. The "Ol' Professor" was a man who brought humor, skill, success, and fans to the Dodgers, Giants, Yankees, and Mets. He was the only man who ever wore the uniform of every New York major league baseball team.

To a city accustomed to baseball eminence, Casey Stengel brought more success than any other man. He once commented that "I chased the balls Babe Ruth hit." But even the Yankee teams of the Babe Ruth era failed to achieve the success of the Yankees under Mr. Stengel.

Casey Stengel arrived in the major leagues in 1912 as a Brooklyn Dodger—remember them?—at a time when outfielders still had to dodge the trolleys that ran through center field. He played well. And he played with flair. On one occasion, legend relates, Casey Stengel discovered a drainage hole in right field. He soon disappeared from sight. Moments later, he climbed out of the hole carrying the manhole cover—just in time to catch a fly ball.

He was subsequently traded. When he returned to Brooklyn for his first game against the Dodgers, the crowd greeted him with enthusiasm. He walked to home plate, bowed elaborately, doffed his cap, and out flew a sparrow.

Casey Stengel moved on to the New York Giants in the days of John McGraw, starring in the World Series of the early 1920's. He left New York again to play in other towns, now forgotten, before returning to the city of his triumphs by becoming the manager of the Dodgers in the 1930's.

Again, he left to return again, this time to accomplish goals never equaled in baseball. Look at his record: Beginning in 1949, the New York Yankees under Casey Stengel, manager, won five successive World Series. Success of that magnitude is somewhat analogous to winning five successive Presidential elections—when there are 16 major candidates in each race. In a dozen years with the Yankees, Mr. Stengel's teams won 10 pennants and 7 world championships.

Success, you say? Of course, but what many consider his greatest accomplishments—and certainly his greatest personal fame—lay ahead in the eighth dec-

ade of his life. He was named the first manager of the Mets.

The new Mets. The upstart Mets. The glorious Mets. The 'Mazing Mets. Those were years of gloom on the field, but years of great success at the turnstiles. The Mets captured the heart of the Big Apple, proving that "nice guys finish last"—again and again and again.

After the 1965 season, Casey Stengel hung up his No. 37 uniform and stepped off the field as a manager. He devoted the remainder of his life to the creation of happiness among those who saw him, and some measure of perplexity among those who listened to the famed circumlocution of his speech. For example, he provided this enlightening statement to a Senate hearing a few years ago:

I am in the baseball business and it has been run cleaner than was ever put out in 100 years at the present time.

Casey, New York, baseball, and the Nation will miss you.

AN INTERVIEW WITH SENATOR JOE BIDEN

Mr. CHURCH. Mr. President, on September 13 and again on September 20, a weekly newspaper in Newark, Del., the People Paper, published a lengthy, two-part interview with our colleague from Delaware, Mr. BIDEN.

In the interview, Senator BIDEN covers any number of topics of current interest—ranging from foreign policy to Presidential politics. All told, it is a comprehensive piece of work which I commend to my colleagues in the Senate, and I, therefore, ask unanimous consent that it be printed in the RECORD.

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

[From TV News—the People Paper, Sept. 13-19, 1975]

AN INTERVIEW: SENATOR JOSEPH R. BIDEN, JR.

(Interview By Joe Farley—Part I)

(No Delaware politician's star has risen faster or higher than that of Joseph R. Biden, Jr. At the age of 29, Biden became the youngest man ever to be elected to the U.S. Senate after defeating J. Caleb Boggs, one of Delaware's all-time political favorites. A native of Delaware, Biden graduated from Archmere Academy and the University of Delaware before leaving the state to study law at Syracuse University. After receiving his law degree, Biden returned to Wilmington and established himself as a trial attorney. He entered politics via election to New Castle County Council and served there for two years, fighting to establish comprehensive long-range plans for county land development. Calling himself the U.S. Senate's "token young person," Biden has received considerable national attention by press and politicians alike, and has established himself as an energetic worker in many areas. He currently serves as a member of the prestigious Senate Foreign Relations Committee, the Banking, Housing and Urban Affairs Committee, and the new Senate Budget Committee and is fast becoming one of his party's most-requested speakers across the nation. Senator Biden, a widower, lives near Wilmington with his two sons and commutes to Washington daily while the Senate is in session. In this first installment of a two-part interview, Senator Biden talks about U.S. foreign policy, Henry Kissinger, nuclear power plants, and the 1976 presidential race.)

TV NEWS. Senator, you've been in Washington since January, 1973. How would you assess your first two and a half years on Capitol Hill? Is it really what you expected it to be?

Biden. I've been surprised by two things. First, before I came here, I assumed that the United States Senate, as a body, had more influence on what occurs in the nation than it in fact does. And secondly, I came here thinking that a freshman senator could have no influence on the Senate as a whole. I've been proven wrong on both counts. The Senate has exercised less of its responsibility on the body politic than I believe it could and should, although things have gotten somewhat better during the last eight months. And I've found that a freshman senator—if he's done his homework—can have considerably more influence than I thought possible. I've been quite lucky in my committee assignments: the Foreign Relations Committee, the Budget Committee, and the Banking, Housing and Urban Affairs Committe. So, in a jurisdictional sense, I'm dealing with those areas in which I have both some expertise and interest—housing on one hand, fiscal and monetary responsibilities on the other, and foreign policy, which is probably my "first love." I really thought that for the first term I would be expected to be seen and not heard, to be limited in what I could get done, but that has not been the case.

TV NEWS. You spoke of foreign policy as your "first love." How do you feel about President Ford's actions in that area? It has been said that foreign policy is not his strong suit.

BIDEN. President Ford has not taken any new initiatives in foreign policy; he's conducting it in the manner of the 50's and 60's—basically a "cold war" philosophy, with a tinge of détente. In his "state of the world" message about seven months ago, he discussed every part of the world and there was no fundamental change of policy in any area. He spoke of all areas as having equal priority. He is still married to the concept that we can police the whole world, that we must stand up and be counted whenever communism—whatever that means, in the international sense—is a threat.

There seems to be less emphasis on identifying U.S. self-interest than there is on that whole *machismo* thing that has guided foreign policy for so long. John Kennedy, a man I admired, may have been right for the early 60's, but his foreign policy would be wrong for 1975. Remember his inaugural address—we will fight any fight, light any torch, defend any freedom . . . that kind of thing. We just can't do that anymore. Secondly, I think that Gerald Ford relies extremely heavily on Secretary Kissinger for his position with regard to foreign policy.

TV NEWS. Recent press points to an apparent loss of effectiveness on the part of Secretary of State Henry Kissinger. Many observers seem to be saying that he is not the diplomat we were led to believe he was during the Nixon years. Is that a fair evaluation?

BIDEN. It is a bit unfair to Secretary Kissinger, because he was never the superman his followers—Democrats and Republicans alike—made him out to be. We tend to make instant heroes out of our public figures, turn them into clay which then becomes very brittle. Then we break them. We say, "See, they never were what they said they were," but they never said they were what we said they were. Can you follow that? Now, Kissinger has done very little to shun that superman image; he apparently likes it. Yet, I think he was never as effective, nor could he have been as effective, as he was given credit for being at the peak of his succers. It is a considerable mistake to allow one man to carry the entire foreign policy on his shoulders, to have a one-man show. Because when he falters or makes a mistake—and every individual makes mistakes—then, in fact, the whole policy comes to a standstill.

The whole negotiating posture crumbles, as it did recently in the Middle East. People tend to say, "Well, if Henry can't do it, then no one can. We may as well forget it." That's a mistake. Another example: His actions with regard to the evacuation procedure and withdrawal from Southeast Asia (Vietnam) were incorrect; we took more of a risk than we needed to take. The thing that is so dangerous about a one-man foreign policy is that one man only has so much time; he can only concentrate on certain areas at a time. So while he focuses his attention on the Middle East, NATO falls apart. When he turns his attention to NATO, Southeast Asia comes unraveled. Various parts of the world are either neglected in fact or at least appear to be neglected; these foreign policy ramifications affect us domestically as well. Kissinger is less effective, or seems to be less effective now, in part because he was never what he appeared to be, and in part because his policies are bearing some bitter fruit at this point.

TV NEWS. Do you see Secretary Kissinger remaining on with President Ford through 1976?

BIDEN. I'm always wrong when I get involved in political prognostication, so I'd like to defer on that one. The only two people who know the answer are Gerald Ford and Henry Kissinger.

TV NEWS. In terms of this "watch-dog of the world" role, do you foresee any serious future involvements with regard to our troops in Korea? Will it turn into another "hot-spot"?

BIDEN. Sure, I can see that happening. We have troops stationed in Korea. Now, if the U.S. is sitting there with its hands in its pockets, troops and military equipment there, and the mad-man in the north decides to reinstitute open hostilities and invades across the border—we are in a war. There's no time to sit and think about what we should do, whether or not we want to get involved. We have 42,000 troops there, and you know how the public side of foreign policy works: the President goes on television, the camera shows American troops under siege, and right away the question becomes, "Are we going to sit here and take that?" Or, the more important question: "What do we need to do to protect the American boys there?"

But what I'm getting at is that, in this situation, we have very little choice—the policy consideration I believe we should go through would be vitiated by the circumstances. When we are talking about committment of American lives and money, we should be saying, "What is our self-interest here?" Not simply an altruistic reason—we're here to "save" democracy, for instance. We should be asking, "How does it affect America and American lives?" There are at least three primary self-interest considerations: (1) self-interest in terms of physical security; (2) economic self-interest; and, (3) moral self-interest. Physical security hasn't been a big problem for a while, but economic security certainly is a current problem. Are we having our markets cut off, creating an adverse impact on the domestic economy. When we have a trillion dollar Gross National Product, exports of $195 billions, then we are interlocked around the world, like it or not. An example of the moral self-interest would be the fact that we cannot renege on our committment to Israel. The repercussions domestically would be tremendous if

we allowed Israel and two million Jews to be pushed into the sea. The same holds true for western Europe—we have strong cultural, ethnic, and hereditary ties there . . . everything from mothers and fathers who still live there, to our whole inheritance of a jurisprudential system. We simply can't let it "go down the tube." But these are the things, the real things, we should be considering.

TV NEWS. How do you feel about Korea?

BIDEN. I feel that we should withdraw the troops. There is one argument that has some merit, though I'm not entirely convinced yet. The argument is that China and Russia do not want the U.S. to leave Southeast Asia because it will create a vacuum. China doesn't want Russia to move in, and Russia doesn't want China to move in any further. So far, both have refused to support North Korea in any further military action against South Korea. Now of course, China has another powerful army and potent political force in Southeast Asia: the Vietnamese. But it isn't in the interest of China or Russia to foster further confrontation there at this time, because they don't want the U.S. pulling out. The only real reason to stay is that, if we left, Japan would become very skittish. Right now, Japan—like West Germany—has been content to reap the economic benefits of not having to maintain a standing army or of becoming a nuclear power. And I would rather pay the economic price to keep those two powers disarmed, in effect, than to create a situation where they would have to rearm and become nuclear powers in their own self-interest. So the only justification I see for remaining in South Korea is Japan.

We're not there to save the South Koreans, or to fight to keep the dominoes from falling, or to be the last bastion of liberty on the Asian mainland. It is simply not in our self interest for Japan to become a major military and nuclear power in Asia.

TV NEWS. What are your feelings about Portugal and its current state of flux?

BIDEN. Portugal is important to us in several ways. It is a cog in the NATO alliance, and if the government goes communist there are indications it would be a fairly radical brand of communism. That, of course, would have the effect of knocking hell out of NATO; our allies would be hardpressed, as we would, with regard to stationing of troops, use of bases, not to mention access to and dissemination of nuclear information. But I don't think the ball game is over yet in Portugal, though I'm not sure which way things will go. The Secretary of State should be keeping the Congress better informed of what is happening there so we can formulate a position with regard to which way we want to go. I'm not talking about military intervention, but the outcome in Portugal is more important to our self-interest than the outcome in Korea. We have more things directly affected by it.

TV NEWS. Getting back to Delaware, how do you feel about the proposed nuclear power plant Delmarva Power and Light wants to build in Delaware?

BIDEN. I co-sponsored legislation with John Tunney (D.-California) which, in effect, said we would have delayed the development of the breeder reactor—which is being pushed as the next step in reactor development—until we get more information about safeguards in terms of construction and operation of nuclear plants. But, I'm not prepared today to take a position in opposition to construction of nuclear power plants anywhere. I am prepared, however, to say that we don't have enough information to construct such a facility and absolutely guarantee to the population that they need have no concern or fear, that regulations are so tight and construction techniques so good that we don't have to worry about any repercussions from leakage, accidents, or sabotage with regard to the maintenance of the plant.

TV NEWS. You served on the New Castle County Council before coming to the U.S. Senate. What do you think about the recent movement in the General Assembly to abolish all county governments in Delaware? Is county government needed?

BIDEN. I think it is needed. And, if you look at its record since 1966, you will find that it has been more responsive than state government has been. For instance, the county government has a significant budget that affects the development of the county. The state has shown little or no inclination to deal with the very serious problems of land use and development, and I think there is a need for a county agency to determine exactly what happens in that area. I am aware, of course, that county government has received considerable bad publicity recently because of some indictments of both present and former members. I'm afraid that that has given impetus to the misnomer that county government is a "do-nothing" operation which is no longer needed. Yet, I firmly believe that the only reason things aren't worse than they are, in terms of random land development, is because county government has acted responsibly. It has generated a great deal of citizen participation, and by and large the caliber of people who have served on the council has been good. I think it would be a big mistake to abolish it.

TV NEWS. Back on the national scene—what man do you feel could beat President Ford in '76?

BIDEN. I think any of them could beat President Ford.

TV NEWS. Do you really believe that?

BIDEN. First of all, making predictions about what will happen 18 months from now is exceedingly difficult. But, let's face it—the President doesn't have a whole lot going for him.

The economy is not in particularly good shape, even though he keeps telling us it has "bottomed-out." Housing starts are down drastically, unemployment is at about 10%, inflation is on its way back up. Secondly, I don't think the American public is satisfied with our lack of a foreign policy. They still realize that foreign policy is the most important question—that's the thing that can blow them up.

Even if they don't think or talk about it on a daily basis, it is kind of the unstated standard for a President. So, if the economy doesn't turn around, if unemployment stays as it is now, and if the people continue to lack confidence in our foreign policy, then I think most of the people who have announced could—not would—beat him. But that depends on two factors: (1) the President not being able to turn things around and (2) one of the candidates currently running actually getting his campaign off the ground. Now based on what has happened so far, I would not be surprised if Gerald Ford were re-elected. But much will depend on how well the Democratic party does its business, and I'm not particularly hopeful that they will show any degree of unanimity. The first several primaries will wash out a lot of candidates, and the sooner the better.

Because the sooner the press and the American people can concentrate on just a few of the candidates, the more exposure they're going to get.

TV NEWS. Many Delawareans are wondering about your endorsement of Milton Shapp.

BIDEN. I didn't formally endorse Shapp, though I know it came across that way. I said he was most qualified to be President. His economic policy is sound, which I feel is the most important issue this time around in terms of the election.

I would have no trouble getting out and campaigning for him. But I'm not sure I'm going to pick him to be the nominee.

TV NEWS. Could you support Wallace?

BIDEN. No, I could not support George Wallace as the Democratic presidential or vice-presidential candidate under any circumstances. He's the only one I could say that about for certain.

TV NEWS. Do you think Ted Kennedy will run?

BIDEN. No, I don't think Ted Kennedy will run. I hope he does not run. But let's look at some of the other "unknowns," like Jimmy Carter from Georgia. He's an extremely attractive candidate. Carter's bright, articulate, and has some experience. Yet, because of the number of would-be candidates in the field right now, he is suffering from "publicity anemia." He can't get the concentrated exposure in the press that he needs to be taken seriously as a candidate. What defines a "serious candidate"? It is someone the press takes seriously, and it becomes a self-fulfilling prophecy. It's a case of "them that's got, gets." And the press, because there are so many candidates, have to play percentages at this point. So they concentrate on the familiar names, frequently from the U.S. Senate. But what happens when the field gets narrowed down? Did anybody not know who George McGovern was after the last convention. One problem wasn't George's recognition rate, that's for sure—maybe that was his problem. So, when the press starts to really concentrate on just a couple of these guys, they could become serious contenders. Look at Milton Shapp—this guy came down here and settled a nationwide truckers' strike while we all sat here with our thumbs in our ears. Talk about reorganization plans for the nationwide railroad system—the only guy who has come up with a comprehensive plan is Milton Shapp. Jimmy Carter pioneered the zero-budget concept in Georgia. If the American people could only hear what these guys have been doing, all of a sudden they would be taken seriously.

Let me cite one last example of the power of media exposure. Who would have said Congressman Gerald Ford might be considered even as an aide to a President. Think about it a minute. Would anybody have taken him seriously as a candidate? If someone had said—assuming Nixon had not resigned—"Well, my candidate in '76 is Gerald Ford," they would have been laughed out of the room. I just thought I would point that out.

[From TV News—the People Paper, Sept. 20–26, 1975]

AN INTERVIEW: SENATOR JOSEPH R. BIDEN, JR.

(Interview by Joe Farley—Part II)

Delaware's junior senator is a man of strong opinions. In the first part of the in-depth interview with THE PEOPLE PAPER, Senator Biden discussed problems with our foreign policy, nuclear power plants, county government, and talked about prospects for the '76 presidential race. In this issue, he turns his attention to political corruption, the busing controversy, state politics, and his own future.)

TV NEWS. Senator, Alexander Butterfield made a statement on "Sixty Minutes" recently that the American public would be appalled if they had any idea of the amount of corruption at the highest levels here in Washington. And recently a survey of public confidence and trust rated politicians at 1.8 out of a possible 10.0, with used-car salesmen receiving a 3.5. What about corruption at this level of government?

BIDEN. Well, first of all, I can understand why Alexander Butterfield would say what he did, in light of who he hung around with. I have not seen any of this corruption. Obviously, of course, that's the answer you'd expect even if I had seen some. Theoretically and practically, I think the reason Americans have this image of politicians being "on the take" is because of the way we've fi-

nanced our campaigns in this country, accepting contributions from lobbying and special-interest groups. In that sense, the American people are justified in thinking they've been had. The problem is not "under the table" corruption—politicians taking money for their personal use, buying houses and yachts, that kind of thing. But I think the system is implicitly corrupt in the sense that very few, if any, people contribute for purely altruistic reasons. They give—legally—because they hope to have policies which favor them continued or implemented. That is why businesses, labor, charity-type groups contribute. That is even why "good-government" groups contribute.

They all have a legislative interest. And that is why I support public financing of elections, because I'd like to see that kind of impact lessened or eliminated. No one came to me and said, "Look, if I contribute, will you do thus and so?" But implicit in their giving was either that they agreed with a position I already held, or that they hoped I'd be sympathetic to a position they were interested in in the future. That's why we were very careful not to accept more than 2 or 2½% of our total income from any one group or individual. At that amount, how much influence can they have over you? If they said, "If you don't do this or that, we won't support you next time," you can say, "Take your 2% and go fly." In any case, the system is corrupt in so far as it forces you to prostitute your intellect: you say, "Well . . . I guess I'd better support this." Not because someone is going to give you money, but because they represent 500,000 people, or they represent Common Cause or some other group. If you aren't beholden to anyone as a source of campaign funds, it seems to me you can act as a more independent representative without the explicit or implicit restraints. The system has also been corrupted in another sense that is not often spoken to: frequently, the Congress has not exercised its responsibility, has not taken the initiative for governmental actions the way the president has. We've abdicated much of our responsibility to the president, with the result that he has become more powerful.

We've created a monster, and we don't know how to bring it back under control. I've seen a lot of this kind of "passing-the-buck" corruption, a reluctance to stand up and say, "This is where I stand—regardless of what it may cost in votes, contributions, etc." To a degree, though, the whole Watergate thing has been healthy in putting politicians on notice that the "paying-off" kind of corruption is just not acceptable. I think you should err on the side of being overly scrupulous in terms of how you maintain the public confidence.

The bad side of Watergate has been a gross overreaction, an overestimation—in my opinion—of the corruption which exists in government. I think the vast majority of women and men involved in government are decent, honest people who are involved because they want to see things changed for the better. Yet, the general public sees a system ineffective in meeting their needs, coupled with the very real corruption revealed by Watergate, and now read any ineffectuality—not as a prostitution of the system generally—but as direct political corruption where somebody is "on the take."

TV NEWS. Senator, do you see room for two "junior" senators from Delaware after the '76 election?

BIDEN. Sure, I do. I'd like to make room.

TV NEWS. Do you think Mayor (Tom) Maloney will run for the Senate?

BIDEN. I hope so. I think Tom Maloney is one of the strongest candidates we could have for any office in Delaware. He's bright, articulate, and he's got political guts. In the city of Wilmington, he took on the unions, the firemen; he's taken on everybody. I remember when I ran, they said nobody can accept a young Irish Catholic. Well, I'm sure if Tom runs, they'll say nobody will accept two young senators—both Democrats. But I think the people of Delaware are pretty sharp. Look at their voting record; they have no trouble crossing party lines. They gave Nixon the biggest majority ever, and at the same time elected Joe Biden. When Republicans were losing nationwide in 1974, they overwhelmingly elected Pete duPont.

TV NEWS. So you would support Mayor Maloney if he runs?

BIDEN. Sure I would. I'd have no trouble supporting Tom Maloney at all.

TV NEWS. Senator, as you know, busing is a very controversial issue in Delaware right now. What is your stand on busing? Why did you vote against the anti-busing Gurney Amendment that was defeated 47–46 in the Senate?

BIDEN. I oppose busing. It's an asinine concept, the utility of which has never been proven to me. I took that position—along with Howard Brown, a black candidate for mayor—long before the '72 election; we were the only Democrats on record as opposed to busing. Many people forget that—conveniently—now for their own political reasons. The Gurney Amendment was a political move which would have allowed anyone affected by a civil rights decision from 1954 onward to re-open their court case. 90% of those cases had nothing to do with busing. It would have created havoc in our court system. Five hundred law professors signed petitions saying the amendment was unconstitutional. My political opponents cast this as "A vote against Gurney is a vote *for* busing." In fact, everyone admitted there was no chance of it going into effect; it was one of those political "flag-waving" things to show the folks, nothing more. I've gotten to the point where I think our only recourse to eliminate busing may be a constitutional amendment. The unsavory part about this is when I come out against busing, as I have all along, I don't want to be mixed up with a George Wallace. I don't want anybody to give me credit for sharing any point of view George Wallace has. There are some people who oppose busing because they are racist, but the vast majority of the American people—the people of Delaware—oppose it for the same reason that the architect of the concept now opposes it. Professor Coleman, an educator, first suggested the possible benefits of busing in a 1966 report. Now in 1975 Coleman says, "Guess what? I was wrong. Busing dosen't accomplish its goal." We should be concentrating on things other than busing to provide for the educational and cultural needs of the deprived segment of our population. But we've lost our bearings since the 1954 "Brown vs. School Board" desegregation case. To "desegregate" is different than to "integrate." I got into trouble with Democratic liberals in 1972 when I refused to support a quota-system for the Democratic National Convention. I am philosophically opposed to quota-systems; they insure mediocrity. The new integration plans being offered are really just quota-systems to assure a certain number of blacks, Chicanos, or whatever in each school. That, to me, is the most racist concept you can come up with; what it says is, "in order for your child with curly black hair, brown eyes, and dark skin to be able to learn anything, he needs to sit next to my blond-haired, blue-eyed son." That's racist! Who the hell do we think we are, that the only way a black man or woman can learn is if they rub shoulders with my white child? The point is that if we look beyond the "old" left to the "New Left," almost all the new liberal leaders and civil rights leaders oppose busing.

TV NEWS. If nobody wants it, where did it come from?

BIDEN. It has come from the courts primarily, from people who were—for the most part—appointed during the 60's, at the height of the civil rights activist movements. The thrust at that time was to force integration, to eliminate racial identities in the hope that then we'd all live happily ever after. It was probably a necessary first-step then, and I would probably have shared that viewpoint, had I been around then. So what we have now is a court-administered system that is ten or twelve years behind what I believe is accurate, rational thinking. There are other things besides busing that we should be addressing to deal with these problems. For example, during my campaign I went on record in support of a single statewide school district tax, and I got clobbered for it.

Well, if we'd done that, we wouldn't have to be talking about busing now; it wouldn't even be an issue. We would have undercut the argument about equal distribution of educational benefits. I was the only member of County Council to push for public housing in the suburbs of New Castle County. Well, one of the bases of the current suit is that they have been able to identify discrimination in housing patterns in the county.

TV NEWS. How can you, as a U.S. Senator, work to remedy the situation now? What are you currently doing?

BIDEN. I have made my views known to state legislators, saying that I don't think busing is a good idea. But frankly, I have tried not to become too vocal on the subject while the case is still being litigated. I'm a conservative where the constitution is concerned, and I believe it would be inappropriate for me—as a U.S. Senator—to try to put pressure on the courts.

We've got to wait until the judicial remedy runs its course before moving in with a legislative remedy. We don't wait and do nothing, however. I think we can do three things: (1) Develop legislation saying that HEW cannot order busing—if it ever is ordered, it certainly shouldn't be through an administrative agency. (2) Draw legislation which says simply that children may not be assigned beyond their own school district, unless it can be proven that the district lines were deliberately drawn to exclude certain areas. And (3) draw up new legislation which more strictly defines de jure segregation, which is the basis on which the children are now being bused. Senator Roth and I are working on that legislation already.

The problem, you see, is that the courts have gone overboard in their interpretation of what is required to remedy unlawful segregation. It is one thing to say that you cannot keep a black man from using this bathroom, and something quite different to say that one out of every five people who use this bathroom must be black. It used to be that the pattern of use of a facility was one measure of segregation.

Discrimination can take subtle forms, and blatant racism is the exception rather than the rule.

For instance, a black man can be turned down for a job and the employer can offer many excuses other than the fact that the applicant was black. So the pattern of use test became one way to estimate real segregation. But it has now been turned into an affirmative program to insure integration, and that brings us right back to quota-systems. The ultimate result is a "planned society," which I abhor. It is the obligation of government to knock down any barriers thrown up to prevent someone from being able to participate in any aspect of our society.

But I do not buy the concept, popular in the 60's which said: 'we have suppressed the black man for 300 years, and the white man is now far ahead in the 'race' for everything our society offers. In order to even the score,

we must now give the black man a 'head start' or even hold the white man back to even the 'race." I don't buy that. I don't feel responsible for the sins of my father and grandfather. I feel responsible for what the situation is today, for the sins of my own generation. And I'll be damned if I feel responsible to pay for what happened 300 years ago.

TV NEWS. You are still a liberal, aren't you, Senator?

BIDEN. I think I'm a true liberal. I think these other people are a little bit phony about being liberals. A true liberal says you allow as much flexibility in society as possible. A true liberal would say that it is wrong to penalize someone who has committed no wrong, based simply on the generalization of his race's violation of the civil rights of another race. It is true that the white man has suppressed the black man, and continues to suppress the black man. It is harder to be black than to be white. But you have to open up avenues for blacks without closing avenues for whites; you don't hold society back to let one segment catch up. You put more money into the black schools for remedial reading programs, you upgrade facilities, you upgrade opportunities, open up housing patterns. You give everybody a piece of the action.

TV NEWS. You believe that is possible?

BIDEN. I believe it is absolutely necessary, and I wouldn't stay here if I didn't think it was possible. Because if it's not possible, quite frankly, I don't hold much hope for our generation. If we cannot do this, we are going to end up with the races at war, because your children and my children are not going to stand up for having their civil rights violated in order to give some other group an opportunity to exercise their civil rights. This is the real problem with busing—you take people who aren't racist, people who are good citizens, who believe in equal education and opportunity, and you stunt their children's intellectual growth by busing them to an inferior school . . . and you're going to fill them with hatred. And what about the black student from Wilmington's east side? You send him to Alexis I. duPont, bus him through Centerville every day, then send him back to the ghetto. How can he be encouraged to love his white brothers. He doesn't need a look at "the other side," he needs the chance to get out of the ghetto permanently.

TV NEWS. How do you feel Delawareans are assessing your performance?

BIDEN. That's hard to judge. I'm trying to do the job the way I committed to do it—by speaking out on what I think, whether people like it or not, to stand up for what I think is right, and to vote my conscience. And to be responsive. I've made literally several hundred speeches in Delaware in 2½ years; I try to visit every high school at least once a year. There isn't a day goes by that I don't meet with some of my constituency. I still go out and knock on doors, asking people what they are thinking about things. Based on the reaction I get, it appears that they're generally satisfied. All I can do is continue to do what I think I should be doing and keep as much contact at home as possible.

One thing that worries me, quite frankly, is that down here there is a tendency to try to make me into a national figure—to make me a would-be presidential candidate for 1980, that kind of thing. I want to make sure the people of Delaware realize that my first priority is Delaware. I feel the important thing is for me not to change from the way I was before I was elected, except to make no pretense about being a U.S. Senator. When it comes to legislation, I won't pretend to be a 'good old boy' who doesn't know what he's talking about. I do my homework, I hope I'm "smarter than the average bear," and I hope that's why the people voted for me. If you hang around Washington, it's easy to start thinking you're important, and so it is a blessing in disguise that I commute every day and get out of this city. I do my work and get involved, but I steer clear of the social circuit. I prefer being home with my kids, and that way I'm home with my constituents too.

TV NEWS. The Biden "charisma"—it is becoming well-known regionally, even nationally. Can you see yourself as a presidential candidate at some point in the future? Is Delaware big enough to produce a national political figure?

BIDEN. That's very flattering, though I think a lot of the attention I've gotten is simply because I'm so young. I have no desire to run for those offices, but I'd be a damn liar if I said that I wouldn't be interested in five, ten, or twenty years if the opportunity were offered. I think it is totally unrealistic that it should be offered. If it were, well, anyone who runs for public office has a desire to affect what happens, and there is no place you can have greater effect than as president. So you're being phony to say you're not interested in being president if you really want to change things. But I'm certainly not qualified at this point, I don't have the experience or background. I do want to become a national political figure in the sense that I want to become someone who can affect things in the U.S. Senate. If I return for a second term, I would not want to be "just another senator"—I would want to be a "power" in the U.S. Senate. Otherwise, why be here?

As for your second question, Delaware clearly could produce a presidential candidate. Look at where the candidates have come from recently—South Dakota, Maine, Arizona—all states with populations under a million people. Because of electronic media, in particular, the place you come from is significantly less important than it was in the past. And because of changes in party rules, "bosses" and "machines" have much less power than before; they don't control as much of what happens. The net effect has been to dissipate the impact of major states, in terms of being a springboard for a presidential candidate. Delaware could have a presidential candidate if there were a man or woman qualified to run and able to get that much attention.

TV NEWS. Do you feel Pete DuPont can beat Governor Tribbitt?

BIDEN. Pete DuPont is the most formidable candidate the Republicans have, but I don't count Sherman Tribbitt out at all. He's a resourceful guy, a good campaigner, and he's done a pretty good job. I'd support him without reservations, but he's going to have his hands full, and he knows it. Pete duPont—whether he ran against Tribbitt, me, or anybody—would be formidable in whatever office he sought.

TV NEWS. Do you see yourself running for the Senate again in 1978?

BIDEN. Assuming my family situation is in the shape that it's continuing to be in, yes, I can see myself as a candidate. At least I'm going to conduct myself with that intention. But I'm not prepared to commit that I'll run again for this office.

TRIBUTE TO LESTER JAYSON

Mr. CANNON. Mr. President, Senators may be aware of the retirement this week of a distinguished servant of the public and the legislative branch of the Federal Government. Mr. Lester S. Jayson has resigned from his position as Director of the Congressional Research Service.

The past decade has been a period of extraordinary challenge for the Congress as it has sought to keep pace with the explosion of scientific and technological knowledge, with rapid social change, and with the tremendous growth of governmental responsibilities.

In order to meet such a challenge wisely and effectively, Congress must have the best possible information, up-to-date and objectively presented. Our information and research needs are unique. They encompass virtually every field of human knowledge about our society, our world, our universe. They require that knowledge be sifted, assembled and presented in usable form, so that it can be brought to bear on specific legislative problems at the time that it is needed. They demand a special kind of expertise that is taught at no university—not only expertise in a specialized field of knowledge, but knowledge of the congressional legislative process and the special requirements of that process for information.

The Congressional Research Service of the Library of Congress has been and is one of the important congressional groups helping us to meet this challenge. As its Director since 1966, Lester S. Jayson has led the Congressional Research Service in doing an outstanding job of service to Congress, especially in the areas of utilizing modern information technology and providing expended assistance to committee staffs.

Lester Jayson's administrative ability and distinguished leadership guided the development of CRS from a relatively small organization, the former Legislative Reference Service, into a modern research facility with more than 600 researchers, information specialists and support staff handling more than 200,000 congressional requests annually. His departure will be a great loss to CRS and to the Congress, which he has served so ably and with great distinction during a period of rapid change and growth.

A native of Long Island, Mr. Jayson graduated with special honors in history and government from the College of the City of New York in 1936. He was awarded his LL.B. by Harvard University Law School in 1939. At Harvard, he was the recipient of two faculty scholarships, and was appointed a Member of the Board of Student Advisors.

Upon his admission to the bar in New York State, Mr. Jayson practiced law in New York City, first with the firm of Oseas & Pepper, and then with Marshall, Bratter & Seligson. In 1942 he was appointed Special Assistant to the Attorney General of the United States to handle civil trial and appellate cases for the U.S. Department of Justice in the Federal courts in New York.

He moved to Washington, D.C., in 1950 and continued his service as a trial attorney in the Supreme Court section—later known as the appellate section—of the Department's Civil Division. During his 18 years with the Department of Justice he briefed and argued cases in the various courts of appeals and in the U.S. Supreme Court. Early in 1957 he was appointed assistant chief of the torts section in the Civil Division and later that same year he was appointed to Chief. The torts section is responsible for the de-

fense of all damage suits arising out of negligent or wrongful conduct of all Federal employees. With a staff of 30 employees, mostly attorneys, Mr. Jayson was responsible for supervising, guiding and instructing the local U.S. attorneys in the handling of some 1,500 to 2,000 such cases annually, involving claims totaling approximately $250,000,000. He reviewed settlement recommendations, made final decisions involving compromises under the authority of the Attorney General, and frequently negotiated settlements personally. While at the Justice Department Mr. Jayson served as Vice Chairman of the Interdepartmental Federal Tort Claims Committee; he represented the Justice Department on the Legal Division of the Air Coordinating Committee of the International Civil Aviation Organization; and he served as the Department's spokesman on these subjects at various bar association conventions and other legal meetings.

Mr. Jayson is the author of the leading work on Federal tort litigation, "Handling Federal Tort Claims: Administrative and Judicial Remedies," originally published in 1964—Matthew Bender & Co.; 2 volumes—and revised and updated every year since. He was supervising editor of the most recent edition of a leading commentary on constitutional law, "The Constitution of the United States of America—Analysis and Interpretation," published for the Congress by the Government Printing Office—1964—and also served as supervising editor of the 1972 edition, to be published shortly.

A frequent lecturer, Mr. Jayson is also the author of articles in various publications, including: "The Legislative Reference Service: Research Arm of the Congress," volume 1, No. 3, the Parliamentarian 177 (1969); "The 1966 Amendments of the Federal Tort Claims Act," 1969 Personal Injury Annual 464; "Trial Counsel Warns: Problems Ahead," Trial (October-November 1966, page 19); and "Application of the Discretionary Function Exception," 24 Federal Bar Journal 153 (1964).

A member of the American Bar Association, Mr. Jayson has in the past served on its trial tactics committee of the section of insurance, negligence and compensation law. He is a member of the Federal Bar Association and over the years has frequently served as chairman and vice chairman of its tort law committee. He is also a member of the American Trial Lawyers Association, of the Technology Assessment Advisory Council of the Office of Technology Assessment, of the Cosmos Club—Washington, D.C.—and the Harvard Club—Washington, D.C.—and he has been awarded honorary membership in Pi Sigma Alpha. In addition, he is a Willton Park fellow—British Foreign Office.

Mr. Jayson's legal expertise and experience have made an invaluable contribution to the work of the Congressional Research Service. A distinguished scholar as well as administrator, he first came to CRS in 1960 as senior specialist in American public law and Chief of the American Law Division. In this position, he directed a staff of more than 40, mostly attorneys, providing legal research and analysis for Members and committees, including all inquiries of a legal nature received by CRS.

In 1962 Mr. Jayson was appointed Deputy Director of CRS, and in 1966 he was made its Director. Under his leadership and direction, CRS has made tremendous strides toward improving the quality of its research for the Congress, as well as its responsiveness in the face of changing needs and a rapidly expanding workload. Mr. Jayson himself has been an effective advocate before the Congress for the resources CRS needs to fulfill its legislatively mandated responsibilities.

I know I can speak for many other Members as well, in stating our great appreciation for his untiring efforts to provide Congress with the modern, sophisticated, comprehensive research organization it must have in order to legislate wisely and responsibly in this last quarter of the 20th century. That CRS has become such an organization is in very large part due to his outstanding guidance and leadership. His sound judgment and wise counsel will be very sorely missed. We regret his departure, but wish him every success in his new career.

MIAMI HERALD RAISES NEW QUESTIONS ON RESUMPTION OF RELATIONS WITH CUBA

Mr. STONE. Mr. President, for some time now the Miami Herald has editorially advocated that our Government should make good faith efforts toward seeking normalization of relations with Cuba. The Herald is truly one of the outstanding newspapers in the United States with an editorial policy which remains responsive to changing events. On Tuesday, September 30, the Herald published an editorial entitled "More Meddling by Castro Cuba" in which it aptly observed that only last Sunday, Fidel Castro restated his intention to continue his campaign for Puerto Rican independence, referring to Puerto Ricans as slaves of American colonialism. It also pointed out that Cuba's Vice Prime Minister, Dr. Carlos Rafael Rodriguez, has stated during a trade mission to Canada that Cuban exiles will never be allowed to participate in trade relations with Cuba should they be resumed with the United States. Accordingly, the Herald has properly questioned the sincerity of Havana's earlier overtures for normalization of relations. It concludes that normal relations are impossible as long as Cuba dicates trade terms and wages a propoganda campaign against Puerto Rico.

I wish to commend this editorial for study. It is particularly timely at this point when the State Department has apparently decided to move as quickly as possible toward resumption of relations with Castro's Cuba.

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:

MORE MEDDLING BY CASTRO CUBA

If Fidel Castro really wants better relations with the United States, he has a strange way of showing it.

The Cuban dictator Sunday repeated his intention to press the issue of Puerto Rican independence. Haranguing a crowd in Havana's Plaza de la Revolucion, Castro referred to the Puerto Ricans as "slaves" of American colonialism even though they have voted in freee elections to continue their special relationship with the United States.

Castro also declared his intention to continue the campaign for Puerto Rican independence, even if it torpedoes chances for "normalization" of relations with the United States.

Meanwhile, Cuba's vice prime minister, Dr. Carlos Rafael Rodriguez, has taken a hard line against Cuban exiles. During a trade mission to Canada, Dr. Rodriguez said that even if trade relations resume between Cuba and the United States, the exiles may not participate. Apparently, Cuba expects to dictate the terms.

These hostile words from Castro and his top henchmen raise new doubts about the sincerity of Havana's earlier overtures for normalization of relations. Normal relations are impossible as long as Cuba insists on dictating trade terms and as long as Castro wages a propaganda campaign about Puerto Rico.

Cuba needs trade with the United States far more than the United States needs trade with Cuba. The U.S. government, *then*, certainly should make sure that if "normalization" does occur, it is on terms favorable to the United States.

Those terms should include an insistence that Cuba quit meddling with the Puerto Rican independence issue. Terms should also reject Cuban exclusion of exile businessmen, for a blacklist of Havana is no more acceptable than the Arab blacklist of firms doing business with Israel.

U.S. HOUSE MOVING TOWARD TV COVERAGE

Mr. METCALF. Mr. President, the House is continuing to move toward television and radio coverage of its floor proceedings. During the August recess the four major networks—ABC, CBS, NBC, and Public Broadcasting—conducted a feasibility study and experimental tests in the House Chamber. Three weeks ago, they reported their findings to an ad hoc subcommittee of the House Rules Committee, which plans hearings in October for further review of the broadcasting issue.

Representative B. F. SISK, of California, who chairs the subcommittee, is now optimistic that live radio and television coverage of House proceedings can begin early next year.

It is my understanding that, in connection with their study, the networks developed a carefully conceived proposal which could overcome a major obstacle to broadcast coverage—who would install and operate the cameras and related equipment.

I am informed that the network representatives have expressed a willingness to provide the necessary equipment, installation, and operating manpower on a pool basis.

The public and commercial networks would assume responsibility for making the audio and video available to other broadcasters, and the House would handle internal distribution and taping for library use.

No one anticipates, of course, that each day's House sessions would be broadcast live, gavel-to-gavel. But the cameras and microphones would be "on" throughout,

permitting broadcasters to cut in for live coverage or taping for delayed use when and as they wished. And this continuous audio and video feed would be available for display of the full day's floor action on closed-circuit television or audio monitors, thus creating an important new information facility for Capitol visitors, Members, and staff.

Mr. President, the network representatives have also given assurances that "good" television coverage can be accomplished without the camera's presence intruding upon the proceedings or the lights discomforting participants in floor debate.

I have been advised that, according to their technical plan, the latest in low light level cameras would be used and the lighting required in the House Chamber for quality color pictures would not exceed 50-foot candles—compared to the 200-plus foot candles used during State of the Union telecasts and during the recent Rockefeller confirmation in the Senate—well within the capacity of a new lighting system presently being installed in the House.

Moreover, the network representatives feel that four cameras could be installed in the House galleries in such a way that they would not even be visible from the floor of the Chamber.

Mr. President, this is a forward-looking, constructive proposal. It comes at a time when Americans are increasingly concerned about the strength and vitality of their National Legislature and when a growing number of citizens are interested in seeing Congress at work.

As Senators know, Senate Resolution 39—introduced with 34 cosponsors on January 28 of this year—is designed to implement recommendations of the Joint Committee on Congressional Operations for a 1-year experiment with broadcast coverage by the Senate.

Today, based on findings of a survey by the Roper Organization, Inc., a large majority of Americans want at least partial television coverage of major debates in Congress. Overall, almost 7 in 10 now favor such coverage. And while a majority in all major subgroups favor partial coverage, the young and the urban resident are particularly supportive, overwhelmingly favoring television coverage of more than just major congressional events.

The news networks' proposal and the work of the Sisk subcommittee in the House are responsive to a clear message from the American people.

I believe that we in the Senate must also move forward—now—to test the potential of broadcasting as a means of reaching and informing more citizens about the workings of this body.

Mr. President, because of the interest of many Senators in this important question, I ask unanimous consent to have Representative SISK's recent announcement and a report of the special Roper survey printed in the RECORD.

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

CONGRESSMAN B. F. SISK

WASHINGTON, D.C.—Congressman B. F. Sisk today said he is optimistic live radio and television coverage of House proceedings will begin January 1, 1976.

Sisk, chairman of an ad hoc subcommittee of the House Rules Committee studying the possibility of permitting broadcasts of House sessions, said he believes the House will revise its rules by late November or December to permit the live coverage.

The four major television networks—NBC, ABC, CBS and PBS—reported their findings to the subcommittee last Thursday on a feasibility study of broadcasting House proceedings they conducted during the August recess. The networks also conducted experimental tests in the House chamber last month.

Sisk said any problems in broadcasting House proceedings appear to be "easily solvable."

The Congressional Research Service of the Library of Congress is conducting a survey for the ad hoc subcommittee of all state legislatures to determine how many have considered allowing broadcasts of their sessions, which ones have experimented with live radio and TV coverage and what problems they encountered.

The Public Broadcasting Service, he said also is surveying its national outlets to determine how many of them have begun televising proceedings of local governmental bodies.

The ad hoc subcommittee, Sisk said, expects to begin hearings late next month to further review the issue of broadcasting House sessions. He said, however, he believes the ad hoc subcommittee and the full Rules Committee will recommend live coverage of the sessions by TV and radio beginning in January.

NATIONAL ASSOCIATION OF BROADCASTERS,
New York, N.Y., September 15, 1975.

A MAJORITY OF AMERICANS BELIEVE TELEVISION SHOULD COVER CONGRESS

NEW YORK, N.Y., September 15.—A majority of Americans feel that television cameras should be allowed within Congress to cover important legislative sessions and debates, according to a special opinion poll conducted by The Roper Organizations, Inc. for the Television Information Office.

The findings—which reveal that 68 percent of a national sampling favor at least partial television coverage of major Congressional events—were announced by TIO Director Roy Danish this week.

The survey, conducted in July, shows that 53 percent of those queried feel there should be TV coverage of Congressional events while an additional 15 percent volunteered the opinion that there should be coverage of major events only. Of those questioned, only 27 percent feel it would be better if there were no television coverage of Congress.

The poll's sample of 2,000 adults 18 and over conforms to the demographic profile of the U.S. In all major subgroups of the population, a majority are in favor of at least partial coverage, but some are more strongly for it than others.

Respondents under 30 and those in the "A" (larger) markets show the greatest desire for at least partial coverage of Congressional debates—74 percent in each case. Within these groups, fully 60 percent of younger people and 56 percent of big city dwellers are in favor of television coverage of more than just major Congressional events.

Tabulating the data by family income shows seven in ten respondents in households earning $12,000 a year or more favor some coverage. Among the $12,000–$18,000 income groups, 56 percent want "television coverage" and an additional 14 percent want coverage of important events only. Comparable figures for the $18,000 plus group are 53 percent and 19 percent. Almost two-thirds of those in the lower brackets were in favor of some Congressional television coverage.

Among other key findings: residents in the Northeast and West are more in favor of Congressional TV coverage than those in the Midwest or South; high school and college graduates are more favorably disposed to this kind of coverage than those with less education; and union members and single people rank among the highest of all population groups favoring Congressional coverage. Occupation showed little bearing on respondents' attitudes; approximately 70 percent in all occupational categories are positively disposed toward TV coverage of Congress.

Danish commented, "The findings can be viewed as confirmation of the recent Roper study that showed television's credibility and ranking as the primary source of news at all time highs. People are given ample coverage of the President and apparently are interested in and concerned about the workings of the legislative branch of our government."

The full question asked by Roper was: "The two Houses of Congress have never permitted live television coverage of their debates. Some Congressmen feel that a few legislators might take advantage of the cameras to show off for the Television audience. And some feel that viewers would not understand that many Congressmen must be absent because they are working on committees or performing other important duties. But others believe it would be a good thing to televise important public Congressional activities in order to show how Congress deals with national problems and issues. How do you feel—that there should be coverage of events in Congress, or that it's better that there is no television coverage of Congress?"

Here is a summary of the Roper findings:

SHOULD EVENTS IN CONGRESS BE COVERED ON TV OR NOT?

[In percent]

	Sex		
	Total	Male	Female
Should be covered on TV	53	57	49
Should not be covered on TV	27	25	28
Should be TV for major events only	15	14	15
Don't know/no answer	6	3	8
	Age		
	18 to 29	30 to 44	45 to 59	60 plus
Should be covered on TV	60	53	49	48
Should not be covered on TV	23	27	28	30
Should be TV for major events only	14	17	17	11
Don't know/no answer	4	5	5	12
	Income			
	Under 6,000	6,000 under 12,000	12,000 under 18,000	18,000 plus
Should be covered on TV	52	50	56	53
Should not be covered on TV	23	30	28	26
Should be TV for major events only	10	15	14	19
Don't know/no answer	14	6	2	2
	Occupation		
	Executive professional	White collar	Blue collar
Should be covered on TV	50	51	56
Should not be covered on TV	27	30	25
Should be TV for major events only	21	17	14
Don't know/no answer	2	2	5
	Education		
	College	High school	Grade
Should be covered on TV	51	55	49
Should not be covered on TV	29	27	19
Should be TV for major events only	18	14	11
Don't know/no answer	2	4	21

Footnote at end of table.

SHOULD EVENTS IN CONGRESS BE COVERED ON TV OR NOT?—Continued

[In percent]

	Geographic area			
	Northeast	Midwest	South	West
Should be covered on TV	59	48	52	54
Should not be covered on TV	19	31	30	26
Should be TV for major events only	14	17	11	17
Don't know/no answer	8	4	7	3
	Market size			
	A	B	C	D
Should be covered on TV	56	54	46	49
Should not be covered on TV	19	32	32	34
Should be TV for major events only	18	10	16	10
Don't know/no answer	7	4	6	7

[1] Column totals may not add to 100 percent due to rounding to the nearest whole percent.

IT IS TIME WE LISTENED TO THE PEOPLE

Mr. MOSS. Mr. President, yesterday I introduced a bill requiring Federal governmental agencies either to justify the forms which they are requiring the American public to file with the Federal Government or to abandon their use.

This is my opening effort to cut back the Federal bureaucracy, and excessive regulation, and trim the paperwork which is attacking business. Like Topsy—the paperwork has "just growed." Some bureaucrats seem to take fiendish delight in making it difficult for the average citizen to deal with his Government. It is high time we reversed that attitude.

The Director of the Office of Management and Budget has created a Commission on Paperwork. I wonder how many pounds of unnecessary paper that Commission will stack up before it tells us there is too much paperwork in Government? The people have been telling us this for years. It is time the bureaucracy listened, and it is time for the Congress to listen to what the people are saying and to take a long hard look at statutory requirements. I hope in the days to come we will do just that. Senator BENTSEN and Senator NELSON have a bill—S. 2409—to require just that. I commend them for it and wish we would speedily enact such a measure.

GUINEA

Mr. HARTKE. Mr. President, the Republic of Guinea is partial heir to the series of West African empires which at their height cast a degree of political and commercial influence over many ethnic groups. The empires of Ghana, Mali, and Songhai spanned the period from the 10th century to the 15th century.

Today modern Guinea under the able leadership of President Ahmed Sékou Touré follows a path of nonalinement. Although a former colony of France, Guinea does not have diplomatic relations with France and upon October 2, 1958, withdrew from the French sphere of influence.

Rich in bauxite, iron ore, gold, and diamonds, Guinea is steadily moving along toward total self-sufficiency. The economy is organized along state planning lines. The private sector, aside from the aluminum industry, is very small. The Guinea Government continues its efforts to attract new private foreign capital for developing some sectors of the economy.

Several American companies have large interests in the mining sector and produce about 11 million tons of bauxite per year.

We congratulate President Sékou Touré, the Government, and the people of the Republic of Guinea on their national day, October 2, 1975.

GOVERNMENT OPERATIONS COMMITTEE RULE CHANGES

Mr. RIBICOFF. Mr. President, at the committee's business meeting on October 1, the following changes to the committee's rules were approved. Pursuant to section 133B of the Legislative Reorganization Act of 1946, as amended, I ask unanimous consent to have them printed in the RECORD for the interest of my colleagues, for employees of the executive branch and the public.

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

Rule 1 of the Rules of Procedure of the Committee is amended by adding the following new paragraph:

E. Prior notice of first degree amendments.

It shall not be in order for the Committee, or a subcommittee thereof, to consider any amendment in the first degree proposed to any measure under consideration by the Committee or subcommittee unless a written copy of such amendment has been delivered to each member of the Committee or subcommittee, as the case may be, and to the office of the Committee or subcommittee, at least 24 hours before the meeting of the Committee or subcommittee at which the amendment is to be proposed. This subsection may be waived by a majority of the members present. This subsection shall apply only when at least 72 hours written notice of a session to mark-up a measure is provided to the Committee.

Rule 1 of the Rules of Procedure of the Committee is amended by adding the following new paragraph:

E. Agency comments.

When the Committee has scheduled and publicly announced a mark-up meeting on pending legislation, if executive branch agencies, whose comments thereon have been requested, have not responded by the time of the announcement of such meeting, the announcement shall include the final date upon which the comments of such agencies, or any other agencies, will be accepted by the Committee.

SMALL BUSINESS ADVISORY COMMITTEE HOLDS FIRST MEETING WITH INTERNAL REVENUE SERVICE

Mr. NELSON. Mr. President, it is gratifying to announce that the initial meeting of the Small Business Advisory Committee to the Commissioner of the Internal Revenue Service will take place this afternoon, October 1, in the Commissioner's conference room 3313 at the IRS.

This is a milestone in the history of the small business movement. The Advisory Committee will provide an opportunity for small business persons, and their tax advisors, to meet with high officials of the revenue service periodically.

Commissioner Donald C. Alexander, who made the formal announcement of the committee earlier this year, has appointed a distinguished group of businessmen, accountants, tax attorneys, academicians, and others across the country, to advise him and his staff of special problems of new, smaller- and medium-sized, independent companies. I ask unanimous consent that the list of appointees and the announcement of this first session be printed in the RECORD.

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

IRS COMMISSIONER APPOINTS SMALL BUSINESS ADVISORY COMMITTEE

WASHINGTON, D.C.—Commissioner of Internal Revenue Donald C. Alexander today announced the appointment of 19 *prominent* accountants, attorneys, business executives, and educators to serve on the Internal Revenue Service Small Business Advisory Committee.

The Small Business Advisory Committee will serve as a sounding board for new policies and programs relating to small business. The Committee will meet with Mr. Alexander and his staff at intervals of about four to six months. Former IRS Commissioner Randolph W. Thrower is serving as Committee coordinator.

"I am pleased to have such an outstanding group of individuals to serve on the Small Business Advisory Committee," Mr. Alexander said. "I am particularly gratified at the wide range of backgrounds and interests that the members represent. They will bring us a broad variety of small business viewpoints and problems and help provide better communication between IRS and the small business community on tax matters."

Mr. Alexander said that members of the Small Business Advisory Committee serve without compensation. The selection of members is based on suggestions submitted by professional organizations in the tax field, IRS officials, the small business community and other groups and individuals interested in the administration of the tax laws.

The first meeting of the group is expected to be held in early October.

A listing of members of the Small Business Advisory Committee follows:

INTERNAL REVENUE SERVICE COMMISSIONER'S SMALL BUSINESS ADVISORY COMMITTEE

Gilbert F. Abrego, Jr., Ft. Smith, Arkansas—Certified Public Accountant; Chairman, Executive Committee CPA Associates; Member, American Institute of Certified Public Accountants.

Harold C. Berry, Centerville, Ohio—Former President of Cincinnati Chapter, Tax Executives Institute; former Chairman of Dayton, Ohio Chapter of Service Corps of Retired Executives (SCORE).

Bernard S. Browning, Washington, D.C.—Business Executive; Member, Small Business Administration District Advisory Council.

Philip P. Cox, Martinsburg, West Virginia—Certified Public Accountant; Member, American Institute of Certified Public Accountants; past President of West Virginia Society of Certified Public Accountants.

Blaine E. D'Arcey, Denver, Colorado—Business Executive; First Vice President and Treasurer of National Association of Small Business Investment Companies.

Bruce G. Fielding, Mountain View, Califor-

nia—Certified Public Accountant; Member, Commission on Federal Paperwork; Secretary and Member of Board of Directors of National Federation of Independent Businesses.

William E. Hardman, Oxon Hill, Maryland—Trade Association Executive; Author.

Vester T. Huges, Jr., Dallas, Texas—Attorney; Author; Member, The American Law Institute; former Member of Council, Section of Taxation, American Bar Association.

Catherine E. Miles, Atlanta, Georgia—Chairman, Accounting Department, Georgia State University; Author; former Member of Executive Committee of American Accounting Association.

Malcolm Mintz, Washington, D.C.—Certified Public Accountant; Member, American Institute of Certified Public Accountants; Chairman, AICPA Tax Forms Subcommittee.

Charles M. Noone, Washington, D.C.—Attorney; Member, American Bar Association; Vice Chairman, American Bar Association Small Business Committee of ABA Section of Corporation, Banking and Business Law.

Vincent M. Panichi, Beachwood, Ohio—Certified Public Accountant; Educator, Member, Council of Smaller Enterprises.

Edward H. Pendergast, Jr., Boston, Massachusetts—Certified Public Accountant; former President of Smaller Business Association of New England; Member, American Institute of Certified Public Accountants.

Minor S. Shirk, Chandler, Arizona—Public Accountant; Member, National Society of Public Accountants; Chairman, NSPA Federal Taxation Committee.

Terence E. Smolev, Bellmore, New York—Attorney; Educator; Author; Member, American Bar Association.

Randolph W. Thrower, Atlanta, Georgia—Attorney; Former Chairman, Section of Taxation, American Bar Association; former Commissioner of Internal Revenue.

Kennard S. Vandergrift, Florissant, Missouri—Member, Small Business Administration Region VII Small Business Advisory Council.

Max Weil, New York, New York—Executive, Pension Consultant Firm; Lecturer.

Nathaniel Whitmal, Chicago, Illinois—Certified Public Accountant; Member, American Institute of Certified Public Accountants; Member, National Association of Minority Certified Public Accounting Firms.

Mr. NELSON. At its best, Mr. President, this committee can be a forum of the most constructive kind of two-way communication between the tax authorities and the nearly 13 million new, small, family, and independent enterprises that make up the small business community.

The former chairman of the select committee, Senator BIBLE, stated to the Senate at the end of the last year that:

> To the extent that such a constructive relationship can be fostered . . . I feel this will be a considerable achievement. . . . Innumerable problems and frustrations can be avoided, and the functioning of our tax and business systems can both be made more efficient.

The idea for the committee grew out of a series of meetings beginning in 1971 under the auspices of the select committee which were first directed at the revision of the "Tax Guide for Small Business," which was originally issued as a committee print in 1956. In the course of substantially revising the content and format of the Guide, the participation grew from 7 small business organizations in 1971 to 17 in 1973.

The meetings were also broadened to include various divisions of the Internal Revenue Service, such as audit, publications, and taxpayer services; and additionally, the work of several task groups drawn from the participating small business organization did independent "homework" and reported to general meetings on their efforts.

This is set forth in the recent annual reports of the committee—that is, 25th Annual Report of the Select Committee on Small Business; Senate Report 94–13, February 17, 1975—and the several floor statements cited.

I would like to take this opportunity to compliment Mr. Alexander for his actions in consistently fostering the small business liaison effort and establishing the advisory committee. In my view, they are typical of his conscientious performance as Commissioner of IRS, and the extraordinary efforts which he has been willing to shoulder to make the taxing process work more smoothly and more equitably.

On August 11, I joined with Senator JACOB K. JAVITS, ranking minority member of the committee, in writing to commend Commissioner Alexander, and to express our continuing interest in this project. We stated:

> This Committee will in the future, as it has in the past, give the Internal Revenue Service the widest possible cooperation in its efforts toward improving communications between the tax authorities and small business enterprise.

The committee will be represented at the inaugural session by its tax counsel, Herbert L. Spira, who had much to do with encouraging these developments, and the minority counsel, Judah C. Sommer.

DEDICATION OF FEDERAL EMPLOYEES

Mr. LEAHY. Mr. President, I have voiced my concerns in this Chamber and elsewhere over the lack of responsiveness on the part of many Federal departments and agencies. To help correct this problem, earlier this year I introduced Senate Resolution 197 to create a Select Committee to study and investigate, among other things, questions of incentive with respect to Federal employees; and patterns of administrative behavior which tend to decrease Government responsiveness.

While corrective action is necessary in that regard, we cannot lose sight of the fact that the vast majority of Government employees are competent, hard-working, and dedicated men and women who do their jobs and do them well. There are often times when Government employees go above and beyond the call of duty in responding to the needs of citizens. Unfortunately, we seldom hear about these people without whom our Government could not function.

Recently, an example of such dedicated service was brought to my attention by an article in the Washington Evening Star detailing how Nancy Garrett, an HEW employee, responded to a flood of requests sent to HEW as a result of misinformation inadvertently given by a nationally syndicated advice columnist. The letters could possibly have been ignored; more likely they could have been given a routine form answer advising them of the inaccuracy of the columnist. Nancy Garrett chose neither approach. Instead she "begged, borrowed, or stole" help from her colleagues in HEW and worked weekends and nights to see to it that each person was answered and, where possible, helped.

Mr. President, there are many Nancy Garretts in the bureaucracy. I wish there were thousands more. Her efforts deserve recognition, and I ask unanimous consent that the article in the Washington Star be printed in the RECORD.

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

SOME ADVICE TO DEAR ABBY—ONE LITTLE MISTAKE SENDS HEW INTO ONE BIG TIZZY

(By Thomas Love)

"I am a 20-year-old girl. I found out about two months ago that I have cancer. My father left when I was 4 years old and I haven't seen him since. I would love to be able to see my father again. I know he would be with me if he knew I was sick."

"Some time after my husband left me 40 years ago, I got a divorce and remarried. I am a Catholic and want to know if I am a widow so I can be remarried in my church if I can before I die."

"In order to make a will, I would like to know if my son is alive and to be included. We last heard from him in 1970."

In August, advice columnist Abigail Van Buren—Dear Abby—told her readers that anyone looking for a lost relative could write the Department of Health, Education and Welfare for help.

Abby's information was wrong, but her audience is large. As a result, Nancy Garrett of HEW has received more than 7,000 letters in the last six weeks.

The trouble was that HEW does not assist individuals in tracing relatives. What's more, the office mentioned by Abby is not in operation yet.

When it is, it will assist only state welfare agencies trying to track down fathers who have skipped out on court-ordered child support payments. Also, the address given by Abby doesn't exist.

Nevertheless, the letters have been finding Miss Garrett, whose office handles correspondence for the Welfare section. It has been easy for Miss Garrett to spot the letters because of the incorrect address.

What Abby apparently was referring to was a law Congress passed last year in an attempt to make fathers help support their children and cut down on the cost of Aid to Dependent Children, the nation's largest—and most costly—welfare program.

Under its provisions, the Social Security Administration, the Internal Revenue Service, the military services and other government agencies will use their files to help track down the missing men. However, the law limits this aid to state agencies seeking missing fathers, and only then as a last resort.

Miss Garrett is not your average bureaucrat. The people writing obviously needed help, even if hers was not the appropriate agency. So help they got.

"We answered almost all of the letters within 24 hours," she said. "I had to beg, borrow and steal typists. We've worked weekends and nights.

"These letters were so sad, so human, that I felt we just had to do what we could. If it was a humanitarian case obviously requiring immediate help, we would call the person on the phone."

Often, there just wasn't that much she could do. The Social Security Administra-

tion will advise someone if the missing person is dead or alive. That's all.

However, in some circumstances, the administration, by checking a Social Security number, would forward a letter to an individual's employer for delivery. After that, it's up to the individual to respond.

The process calls for sending Social Security an unsealed letter addressed with the individual's name and Social Security number.

It's up to the administration to determine if the letter reflects a legitimate humanitarian case and is worthy of forwarding.

In the case of emergencies involving missing relatives, Miss Garrett or some member of her staff would alert Social Security and telephone the person who wrote the letter, advising them of the action to take and the name of the person who was waiting to handle the case.

Other cases didn't lend themselves to such treatment. In many instances, the person was merely trying to get a missing husband to make court-ordered payments.

Then, the writer would be told just which state agency should be contacted for help—a personal letter including the address and phone number.

In some cases, a form letter with personalized salutation was used, but the specific information was always included, according to Miss Garrett. If the missing father was in the military, the writer would be told which military pay office to write.

Miss Garrett has mixed emotions about Abby's error. The 7,000 letters have created a terrific workload for her and her co-workers. But, she says, "In a way, this has been very rewarding. I never really knew that this many people didn't know where their parents are located.

"Many of the letters brought tears to my eyes. Particularly those in which a person wanted to find someone just to see them again—not to get money, but just to see them."

In one case, she discovered that one state's welfare agency had told a woman that the tracing assistance would only be given to women on welfare when the program started. This is not the intent of the law, so she told HEW's regional office, which promised to straighten out the state officials.

There is one thing she is sure of, though. "Dear Abby must be the most effective outreach program in the country. I wish ours worked as well."

STEPHEN J. WEXLER

Mr. BIDEN. Mr. President, it is with deep sorrow that I learned of the death of Stephen J. Wexler, counsel to the Senate Subcommittee on Education.

While many of us do not serve on the Senate Labor and Public Welfare Committee, I am certain that there is no Senator in this Body who is unaware of the contributions Steve Wexler made to the development of quality education.

My staff and I often sought Steve's advice and assistance, and he gave it willingly. Even in the most demanding situations, we could count on his wit.

With his tragic death the education community has lost a great champion, and those of us who knew Steve will not soon forget him.

I extend my deepest sympathies to his wife, Elizabeth, and to his son, Adam, and his mother.

ADMINISTRATIVE OUTRAGE

Mr. MOSS. Mr. President, in western Utah almost on the border is the Goshute Indian Reservation and the small town of Ibapah, Utah. The residents of this small community filed application with the Department of Housing and Urban Development for the construction of 10 homes over 3 years ago. To date construction of those homes has not even begun.

Mr. President, these residents presently live without inside plumbing or lavatory facilities. They suffer in houses which literally have paper-thin walls, they suffer through severe and extreme winters which are very common to that geographic area of Utah. To correct such living conditions, the U.S. Congress committed this Nation to the priority of providing every American with a decent home. This commitment was made more than 30 years ago. It was restated in the 1960's and for the last 15 years large amounts of money have been appropriated to the Department of Housing and Urban Development for the purposes of carrying out that goal and that commitment. I am angered to think that we in the Congress can make these large appropriations to HUD, or other departments or agencies, and then hear that congressional intent is being frustrated because of administrative inefficiencies and bureaucratic morass.

Mr. President, it is almost unbelievable that it has taken HUD more than 3 years to process the construction of just 10 homes. If this is any indication of what has been happening to our program monies, I would suggest that the time has long past for the Congress to closely review the administrative inefficiencies of those who allocate the dollars for direct services.

Mr. President, we hear again and again the criticisms of Congress for tax burdens, appropriations and expenditures. But it is proposals such as this one for only 10 dwelling units which exemplify where the tax dollar and our services are being lost. They are being lost to administrative inefficiencies. As long ago as October 18, 1974, I was told in correspondence from the Department of Housing and Urban Development that construction should begin within 3 to 4 weeks. That was almost a year ago and construction has not yet begun unless it was started within the last 5 days. I was also informed in that same letter that HUD planning had not taken into consideration the cost of such development in a remote site and that it was therefore necessary to revise their prototype costs limits to take into consideration the remote location of Ibapah.

I am incredulous that the Department of Housing and Urban Development could overlook transportation and remoteness as a factor in any development proposal. I was also informed by my constituents that early-on in the planning of the homes which were to be constructed, the San Francisco Regional Office of HUD lost the proposal and was unable to find it until more than 3 months had passed.

I was also informed in that October 18 letter that:

It is not feasible to reduce the units below 10 to avoid increasing the total development cost. Ten units is considered the minimum number to obtain a construction contract or interest a contractor to submit a bid or proposal.

Now I am informed that:

In September 1975, comments were received on plan reviews, but there was no indication that they could go out for bid because HUD had determined that the Annual Contribution Contract, which was signed in 1972, did not contain enough money to build the 10 units approved. HUD did indicate that they would try to obtain a waiver of Secretary Lubar's memorandum which had restricted Annual Contribution Contracts from being amended to increase costs, which means the number of units would have to be reduced from 10 to 6 to stay within the Annual Contribution amount, should waiver not be obtained.

And, finally, I am informed that in October HUD requested the fourth revised utility analysis, another absurd administrative inefficiency caused by poor planning and bureaucratic morass.

Mr. President, this statement is made in very strong terms, but not strong enough. I am firmly convinced that administrative inefficiency and bureaucratic morass are the greatest burdens we are suffering in Government today. It is time for the administrators who carry out the programs enacted by Congress to look into their shops and their departments and to bring them into order. They are there to serve the citizens of this great Nation, not to harass them. This case is only one of many.

I have here some copies of the correspondence between myself and the Department of Housing and Urban Development, the BIA, an article from the Ogden Standard-Examiner, by Roger Bennett, and letters from Mr. Edwin Naranjo which I invite my colleagues to read. I ask unanimous consent that they be printed in the RECORD.

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

AUGUST 2, 1974.

Senator FRANK MOSS,
Senate Office Building,
Washington, D.C.

DEAR SENATOR MOSS: We are writing to you in the hopes that you will be able to help us with our request.

Several Indian families here on the Goshute Indian Reservation which straddles Utah and Nevada made applications for new homes thru the B.I.A. and H.U.D. over two years ago. We were told that the homes would be constructed that fall.

In March of this year, we again met with the housing authority and officials of the Bureau, this time they told us that the homes would be started in June 1974—to date, nothing has been started.

We were told that the reason for the delay was in the San Francisco HUD office. The floor plan had to be revised and resubmitted thru that office and apparently was lost, this was not discoverd until three (3) months had passed!

The local housing authority which has its office in Ely, Nevada informed us last week that a Mr. Price who is in charge of the San Francisco HUD office had been on leave and was sick and that during this time the floor plan was misplaced.

Sir, our people have been looking forward to moving into these new homes by this Fall—but it doesn't look like this will be possible at the present rate things are moving, unless something is done to speed things up.

The homes we presently live in were built in the early 1930's and are not adequate for

our needs. The homes are two bedroom and have a combination kitchen and livingroom. Some homes are even smaller than this. Not one home located on the the reservation has indoor plumbing!

Our homes are heated by wood burning stoves and have no insulation from the winter winds. Electricity was only put onto the reservation last spring—1974.

Because of the poor construction of the homes we presently live in, our water buckets and food often freeze, this is inside of the homes.

Our children especially, suffer during the winter months as they are often times kept at home because of sickness from the cold. The nearest doctor is located at Ely, Nevada which is 90 miles from the reservation, 50 miles of the distance is on dirt roads, which in the winter are often impassable.

As our restrooms are located outside, away from our homes in the winter the cold is unbearable.

It sure would be nice to not have to suffer the discomforts of another winter. With the new homes, we will have indoor plumbing and showers. We now use the showers at the public school. Our children must heat buckets of water over the stove in order to take baths for school.

Senator Moss, the money for construction of the homes has already been appropriated and is now sitting in the bank at Ely, Nevada. It has been there for several months and still no construction has started.

If there are continued delays, the cost of material and construction will rise and more money will be needed which will probably result in more delays.

Other reservations have already had their homes built and are now starting on construction of their second housing projects. *We've had nothing!*

We invite you to come and see first hand the conditions that we live in.

We sincerely hope that you will be able to assist us in getting construction started on our homes before the winter sets in.

If you desire more information you can call at the Goshute Enterprise number JR0-3419 (801).

Mail is delivered here twice a week on Tuesday and Friday; correspondence should be directed to: Edwin Naranjo, General Delivery, Ibapah, Utah 84034.

Sincerely,

EDWIN NARANJO,
GENEVIEVE HENRIOD,
JIM STEELE,
DARRELL PETE,
EUGENE MCCURDY,
HUBERT STEELE,
EDMUND STEELE,
ROSA NARANJO.

Mr. EDWIN NARANJO,
General Delivery,
Ibapah, Utah

DEAR MR. NARANJO: Thank you for your letter regarding the serious problems which you are having in obtaining adequate housing.

The problems which you have faced in getting some answers to your previous applications are entirely unacceptable. I have sent a copy of your letter to the BIA and HUD and have requested that representatives of these agencies provide an acceptable and immediate reply.

As soon as I get a response as to why a delay has occurred in making the necessary monies available, I will be back in touch.

Best wishes.

Sincerely,

FRANK E. MOSS,
U.S. Senator.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT,
Washington, D.C., October 18, 1974.

Hon. FRANK MOSS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MOSS: This is in response to your inquiry on behalf of Edwin Naranjo of Ibapah, Utah, regarding NEV. 15-3.

Currently, the subject project is under an annual contribution's contract executed on January 22, 1973. This total development cost is $223,440. Included in this amount is $190,-300 budgeted for construction of the 10 units to be sited on the Goshute Indian Reservation.

The schematic plans and specifications have been approved and the architect is proceeding with completion of the final or working drawings. Due to the increase in construction costs caused by inflation, the above mentioned funds are inadequate. There are also added costs due to remoteness (location is over 350 miles from Reno). The current Prototype Cost Limits presently in effect for Nevada are based on Reno area construction costs and have not been increased since 1972. A field survey has been made by the Reno Insuring Office to establish new realistic prototype limits for locations such as Goshute. Our review of the survey has been completed and a recommendation, target date at October 18, 1974, will be made through the Regional Office to Washington. Our new prototype limit recommendations will cover Goshute and other remote Indian reservations in Nevada.

After these new prototypes are approved, we will be able to complete the budget cost estimates and request additional funds to cover the increased costs of this project. This procedure including printing the prototypes in the Federal Register may take one to two months from this date. In the interim, however, we are attempting through the Indian Housing Authority to negotiate a construction contract with an Indian contractor, hopefully within the current prototype limits. If this is successful, we may be able to achieve a construction start within 3 to 4 weeks. In any event, it is not feasible to reduce the units below 10 to avoid increasing the total development cost. Ten units is considered the minimum number to obtain a construction contract or interest a contractor to submit a bid or proposal.

In summary, the subject project costs have increased through inflation and up to date Prototype Cost Limits are being obtained to cover such increased costs. In the interim, we are trying to negotiate a construction contract within present funds available and within the current Prototype Cost Limits.

Sincerely,

(Miss) NEREID MAXEY,
Assistant for Legislative Affairs.

NOVEMBER 5, 1974.

Mr. EDWIN NARANJO,
General Delivery
Ibapah, Utah

DEAR MR. NARANJO: I have recently been informed by the Department of Housing and Urban Development that construction on the housing project at the Goshute Indian Reservation is expected to begin within the next four months. Apparently, the problem is the remoteness of the units to be constructed.

The costs that the Department of Housing and Urban Development had on the estimate were for construction costs in Reno, Nevada. Additionally, inflation has increased costs since 1973. The expense of the development will now be $223,440.

I hope this information is helpful and gives you at least some hope for near future construction. This is only the answer to the question of when future construction will begin. It does not of course, answer your questions nor mine concerning the unreasonable delay which has taken place on this project. I am not yet satisfied with the answers which have been provided by the Department of Housing and Urban Development. I do intend to pursue this matter further to determine precisely why there was such unnecessary delay. I would appreciate any correspondence you might think necessary to keep me advised on this project, and I hope that you will remember my office is certainly available for any further assistance in this matter.

Thank you.

Sincerely,

FRANK E. MOSS,
U.S. Senator.

JULY 8, 1975.

Mr. JOHN T. ARTICHOKER, Jr.
Phoenix Area Director, Bureau of Indian Affairs, Phoenix, Ariz.

DEAR MR. ARTICHOKER: I am enclosing a copy of an article that was recently published in the Ogden Standard Examiner. This situation concerns me especially with regard to the proposed housing units that are expected to be built this summer. Will you please provide me with a summary of progress to date in uplifting the living standards of these native American citizens? Thank you in advance for your cooperation.

Sincerely,

FRANK E. MOSS,
U.S. Senator.

[From the Ogden (Utah) Standard-Examiner, June 22, 1975]

FORGOTTEN GOSHUTE LIVES IN UTAH SQUALOR—"GOD'S LAND"

(By Roger C. Bennett)

IBAPAH, UTAH.—If there is a middle of nowhere in the United States, the Goshute Indians live in it.

A seemingly forgotten band of about 100 souls, the Goshutes live in primitive squalor on 110,000 dusty and windswept acres straddling the Utah-Nevada line.

"We like to call this God's country," says one resident, "because only God and the Goshutes could live here."

Forty miles of rough road lead to the only town on the reservation—a scraggly collection of tiny shacks and one-room cabins built more than four decades ago.

TINY SHACKS

The houses are at least as wretched as the worst urban slums—with whole families living in tiny shacks, their walls sometimes lined with cardboard against the fierce winter winds that howl down from the nearby mountains.

The best of the houses were built during the Depression by the Civilian Conservation Corps. They are essentially one-room cabins. The winds bore right through the crumbling plaster between the logs; last winter, a woman's bathwater froze in the tub.

In one woodshed-sized shack, an old man and his wrinkled wife ate noodles on a rickety wooden table. It and their bed took up more than half the floorspace. Outside, the wash sat in a pair of wooden tubs filled from a gutter-sized creek which is their only source of water.

There is no central water supply, only one indoor toilet, and the nearest shower is three miles away. Laundry and bath water are drawn from the creeks or pumped from ancient wells.

Few crops grow because of the lack of irrigation water. A few cattle and sheep graze

the sagebrush, but the Indian men still hunt deer, antelope and rabbits for food. The meager meals are cooked on wood- or coal-burning stoves in many houses; a few have the luxury of an electric range since electricity came to the reservation three years ago.

LOG CABINS

One of the log cabins serves as a Bureau of Indian Affairs office with a small staff of Indian employees—a policeman, an alcohol program director and a secretary.

Nearby is the reservation's only modern building—a large, metal-sided structure housing "The Enterprise." In it, a white foreman directs a crew of eight Indian welders who make steel cattle guards and trailers under government contract.

"The Enterprise" is the Indians' only money-making venture. It is run by a private steel company located in Salt Lake City, 170 miles away. The steel supplier says his trucks are being torn apart by the rough road to the reservation, which is a dust bin in summer and a quagmire when it rains or snows.

Medical care is dispensed in the back room of the BIA office by a young Indian Health Service doctor who travels more than 100 miles once a month to give shots, hand out pills and perform examinations.

Dr. Paul Nicholls used to have a van equipped as a portable clinic, but he says the roads destroyed it two years ago.

MEDICINE MAN

A medicine man lives on the reservation and treats minor ailments with herbs and an acupuncture-like technique which the Indians say cures headaches and other pains.

"Our main problem is isolation," says Edwin Naranjo, the tribal policeman. "The people who could solve our problems don't seem to want to come here and see how we live. We're just too far away."

The nearest town of any size is Wendover, Utah, a community of 800 about 60 miles away. The Indian Agency which controls the reservation is more than 100 miles in Owyhee, Nev.

Like all reservation Indians, the Goshutes must deal with a labyrinth of government agencies. Officials from two states, two counties, the BIA, the Bureau of Land Management, plus a myriad of employment, economic and health agencies have a say in what happens in the valley of the Deep Creek Range.

Morris Cole, supervisor of the Eastern Nevada Indian Agency at Owyhee, says things on the reservation have improved a great deal in the two years since he took over.

"We have eight tribes in this agency," says Cole. "We have to spread our money around and in the past, frankly, the smaller tribes have not been getting the attention they need."

Two years ago, the Indians say, the Department of Housing and Urban Development promised to build 10 new houses on the reservation. Now HUD says the houses will go up this summer; but the Indians are doubtful.

Last year, the Public Health Service spent $71,000 drilling what turned out to be a dry water well. The Indians say the money would have been better spent on a storage tank to to catch and hold the spring runoff.

Their requests for a community center, which could be used for political and recreation activities and as a site for a permanent health clinic, have been turned down.

The Goshutes say everytime they try to get something done—housing, water, more cattle—they run into so many delays they eventually lose interest.

"Sometimes Indian people are just too nice," say Naranjo, adding that the Goshutes don't push hard enough for the things they need.

"The people here are used to being told what to do," he says. "They will ask for help, but if they run into resistance, they drop it rather than appear too pushy."

SISTER TRIBE

Their sister tribe, the Skull Valley Goshutes, recently pushed for and got a major rocket testing facility to be built by Hercules Inc. on their reservation about 50 miles southwest of Salt Lake City.

But the Deep Creek band doesn't see many companies wanting to locate "in the middle of nowhere."

The isolation also breeds the Indians' other major problem—alcoholism. Dr. Nicholls says it tops the malady list, followed by tuberculosis and diabetes.

"I drink to forget, to escape from this place, which is my home, but which is so lonely," says one young man.

"I feel so penned up here," he says, gazing out over the vastness of his unfenced desert homeland.

There are about 20 young men on the reservation, including eight who work in the welding shop. The foreman says they work hard and the enterprise turns a small profit.

"We don't do things here the way we'd do them in the big city," the foreman says. "Out here, if we get finished with something we go fishing. We don't sweat the small stuff."

Naranjo is one of the few Goshutes with more than a high school education. He lived several years in Ely, Nev., and only recently decided he could do more for his people by returning to the reservation.

OLD WAYS

He missed the tribe's "old ways" when he lived in town. But when he got back to the reservation, he found obtaining decent housing and getting water into parched fields became his concern, not preserving traditional dances and ceremonies.

"There must be a way to combine the old customs with the new realities," he says. "But I don't know how."

Dr. Nicholls recalls how a 7-year-old boy broke his leg last year, was put on a board in back of a station wagon and driven to Salt Lake City.

"These people are tough," the physician says. "There's a kind of Darwinian selection going on here. Only the strongest survive."

Then he tempered his comment, noting that the infant mortality rate has been slashed in recent years.

Some visitors to their remote reservation have asked the Goshutes why they don't pack up and move to a less hostile spot or join other Indians who have migrated to large western cities.

"Hell, they don't ask the white ranchers who live around here to leave because they could build a better spread somewhere else," says one man. "This is our home."

The normally friendly Goshutes will defend those ragged homes, frequently running off deer hunters who come onto the reservation.

Nearly 60 years ago, the tribe was the object of a United States military action which is still remembered.

WOULDN'T REGISTER

A detachment of armed troops from Salt Lake City stormed the reservation in 1917 to arrest a half dozen Goshutes who had refused to register for the draft.

The chief, Antelope Jake, didn't understand why his braves had to cross the ocean to fight the Germans.

Army officers told him the Germans had sunk American ships in the Atlantic.

"Whose ocean is it, any way?" asks Antelope Jake.

The Indians were willing to fight, he added.

"We'll kill any Germans who come into the valley," he said, even offering to do away with an Indian agent with a German-sounding name.

Their life is harsh. Many of their problems are caused by their failure to force changes, by their outlook on life. Others are due to a reluctant or slow-moving bureaucracy.

But the Goshutes don't want to leave.

The woman who said "only God and the Goshutes could live here" said it proudly.

SEPTEMBER 5, 1975.

Mr. JOHN T. ARTICHOKER, Jr.
Phoenix Area Director, Bureau of Indian Affairs, Phoenix, Ariz.

DEAR MR. ARTICHOKER: On July 8, 1975 I sent a letter to you regarding proposed housing units to be built on the Goshute Indian Reservation this summer. I have not received a reply from your office. Could you please advise me concerning this matter by September 29, 1975?

Sincerely,

FRANK E. MOSS,
U.S. Senator.

BUREAU OF INDIAN AFFAIRS,
Phoenix, Ariz., September 25, 1975.

Hon. TED MOSS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MOSS: This is in response to your request to my office to outline to you the two year delay on the Goshute housing. I will attempt to give you a chronological report on events since January 4, 1973, when the housing authority was first advised that they were to proceed under the Turnkey operation for mutual help construction. At that time they engaged an architect and signed a contract which was sent to the Office of Housing and Urban Development in San Francisco for approval. Approval was not received until May 1973.

From May until September 1973, the architect was preparing schematic drawings and developing site plat maps, which were completed and sent to HUD for their review and approval.

Nothing occurred until December 12, 1973, when the architect had a telephone call from the San Francisco Office of HUD notifying him that his contract with the housing authority was out of date. They would send him new forms to be negotiated by the housing authority. In January 1974 the architect again contacted the San Francisco office because he had not received the new contract documents. In February 1974 the architect received new contract documents, had them signed by the housing authority and himself, and resubmitted to HUD for approval.

Also in February 1974 HUD requested a third revised utility analysis study to be developed by the architect. HUD also requested more site information which was developed by the architect and forwarded to HUD for approval. They came back this time asking for more soils data, which was again gathered and submitted to HUD.

Nothing transpired then until June 1974 when schematic drawings were sent to HUD for their review and approval. On September 25, 1974, HUD advised they had reviewed schematic drawings and they were approved but did not advise the architect to proceed to final drawings. This was done October 1, 1974.

Also in October, HUD requested additional revised utility analysis.

By January 23, 1975, final working drawings were prepared, complete with cost estimates for the whole project, and forwarded to HUD for their review and approval. In July 1975 HUD requested that new market analysis information be developed, which was done and sent back to HUD for review and approval.

In September 1975, comments were received on plan reviews but there was no indication that they could go out for bid because HUD had determined that the Annual Contribution Contract, which was signed in 1972, did not contain enough money to build the 10 units approved. HUD did indicate that they would try to obtain a waiver of Secretary

Lubar's memorandum which had restricted Annual Contribution Contracts from being amended to increase costs, which means the number of units would have to be reduced from 10 to 6 to stay within the Annual Contribution amount, should waiver not be obtained.

For your information, it is our understanding that personal appeals of several housing authorities have been made to HUD in Washington, D.C. for removal or waiver of the restrictions imposed by the Lubar memorandum. This has gained favorable consideration and has been forwarded to the Secretary's office for final decision. If this should be approved, Goshute could be authorized to proceed to advertise for construction for 10 units of housing.

Sincerely yours,

JOHN ARTICHOKER, Jr.,
Area Director.

CHESTER C. DAVIS

Mr. CLARK. Mr. President, few periods in our Nation's history have been more tumultuous than the years of the Great Depression of the 1930's. Out of that experience came the innovative and courageous programs of Franklin Roosevelt's New Deal—programs that led this Nation back to economic stability.

Many persons were associated with that era and the New Deal. One of these was Chester C. Davis, an Iowa native, who served as Administrator of the original Agricultural Adjustment Administration and was instrumental in shaping the New Deal farm programs. Mr. Davis died last week in Winston-Salem, N.C., at the age of 87, and Richard Wilson, the former chief of the Des Moines Register's Washington Bureau, has captured in a Register article both the philosophy and the accomplishments of this man.

Chester Davis believed in the independence of the American farmer, and as Wilson notes:

Davis came as close as any government administrator to finding a workable balance between farmers' desires for the benefits of collective action while they retained the maximum compatible freedom of choice in planting, harvesting and selling their crops.

After his service with the AAA, Davis became a governor of the Federal Reserve Board, where he continued his concern for the farmer by taking an active role in determining the Government's fiscal policies, and making sure those policies were in the best interests of the agricultural economy.

Mr. Chairman, I ask unanimous consent that the Des Moines Register article be printed in the RECORD.

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

IOWA'S DAVIS DIES; DIRECTED BIG FARM REVOLUTION OF 1930'S

(By Richard Wilson)

WASHINGTON, D.C.—Chester Charles Davis, 87, the nation's food administrator under President Franklin D. Roosevelt during the early years of World War II, died Thursday at a convalescent center in Winston-Salem, N.C., after a long illness. He had undergone brain surgery last April.

Davis, a native of Iowa, was a practical and conservative-minded man who administered a political and economic revolution during the New Deal of the 1930s.

It was a peaceful change to be ranked among the greatest reforms in American history—the organization of millions of American farmers under Washington's central direction to bring about a nearer balance between production and market demands at a fair price level.

Davis worked in a crisis atmosphere always tinged by the threat of violence. Farmers were in revolt against economic policies they thought had brought them to ruin under surpluses which reduced prices to painfully low levels.

They were being dispossessed, sometimes under the threat of the machine guns of the National Guard. They demonstrated and marched and on one occasion defied all civilian authority by symbolically casting a noose around a judge's neck while he sat on the bench.

Davis was hard-headed amidst dreamers and direct-actionists, and single-minded among intellectuals who foresaw broader collectivist reform.

Davis came as close as any government administrator to finding a workable balance between farmers' desires for the benefits of collective action while they retained the maximum compatible freedom of choice in planting, harvesting and selling their crops.

Davis' era as the longest remembered administrator of the original Agricultural Adjustment Administration was one of ideological conflict. He operated in intellectual ferment and in the atmosphere of continual economic crisis, ranging from ruinously low farm prices to the most damaging and universal drought in history.

Ideas, some of them revolutionary in nature, swirled about him. He felt the friction of the early New Deal intellectuals of the AAA—Rexford G. Tugwell, Jerome Frank, Alger Hiss, Lee Pressman, and a dozen others less well known.

A clandestine group, identified in congressional hearings and by the FBI as a Communist cell, operated in the Department of Agriculture. It was the only coherent group in government ever identified as a Communist cell, and some of its members either later confessed Communist attachments or were clearly linked with a Communist organization.

Davis was a protege of the first agricultural administrator, George N. Peek, a farm-industrialist from Illinois. Peek clashed with the more advanced thinkers after the first efforts to organize farmers for production and marketing control under the Agricultural Adjustment Act, adopted in May of 1933 when the New Deal was scarcely three months old.

Davis succeeded Peek as the choice of Agricultural Secretary Henry A. Wallace in trying to find the mean between Peek's conventional approach to farm problems and the advanced new era ideas of the Tugwell group.

It was an emotional clash in the spirit of a time when many men broke with the older ideas of individualism and moved toward the collective, government-organized and protected action which is taken for granted in many fields today.

Wallace, Davis, Peek and M. L. Wilson, were leaders in the group which drafted and helped to put through Congress the Agricultural Adjustment Act., and moved into the executive branch to carry through the great experiment. Davis was the restraining influence. He was less interested in social revolution than in farm prices.

For three years, from 1933 to 1936, Davis framed the programs which harnessed millions of farmers into contracts and production agreements of varying strictness and effectiveness.

In those days they even tried to control the rate of production of little pigs and considered similar birth-control arrangements for cattle. The little pig program was a catastrophe, and a political headache for Franklin D. Roosevelt, whose pre-presidential thinking in agriculture had run along conservation lines, and who was more interested in quieting the farm revolt as a political palliative than in social revolution in agriculture.

Davis rose to two critical occasions, the calamitous drought of the '30s which, in fact, helped to solve the farm price problem, and the invalidation of AAA by the U.S. Supreme Court. Net farm income rose as crops failed to germinate or mature for lack of moisture. Great canopies of dust swept eastward from the wind-swept plains so that the sky was even clouded in far away Washington.

Then the court struck its blow, holding invalid and unconstitutional a processing tax which underlay the financing of the farm programs, and the methods and procedures of those programs as a function of the federal government.

Davis' greatest and final contribution was the conversion of what had been direct control programs, some of them compulsory and onerous, into voluntary arrangements for soil conservation and management which enabled farmers to continue their collective action to hold down production and raise prices.

When he had organized, under Wallace's general direction, this massive shift, Davis' work as a farm administrator was about done. More frictions developed, Davis felt the pressure of overwork, and F.D.R. resorted to his usual technique of sending off trouble-worn administrators on a trip to Europe. Davis called it "honorable exile."

He found, in a six-week study, that there wasn't any chance of opening new markets in Europe for American surpluses, and Roosevelt appointed him a governor of the Federal Reserve Board.

His contribution to agricultural prosperity continued in this post, particularly in fiscal policies adopted when the farm economy began to slide again in 1937, and he was awarded the American Farm Bureau Federation medal for distinguished service to agriculture.

Davis was born near Linden, in Dallas County, Iowa, on Nov. 17, 1887. He attended Grinnell College as a contemporary of Harry L. Hopkins, who was to become Franklin D. Roosevelt's chief confidante and adviser in Roosevelt's latter years. But Davis and Hopkins had little in common.

Davis was, however, a reformer, and became a weekly newspaper editor in Montana and editor of the Montana Farmer when Henry A. Wallace was editor of Wallace's Farmer in Des Moines. He was appointed commissioner of agriculture and labor of Montana in 1921 after battling the copper companies, which got the better of him after four years.

Davis then joined Peek in Illinois as a lobbyist for the Illinois Agricultural Association. He campaigned for Alfred E. Smith and Franklin D. Roosevelt for president although he had been nominally a Republican.

Peek brought him to Washington as a subordinate official in AAA, and he then succeeded Peek. When his duties there and in the Federal Reserve Board were over he was named president of the St. Louis Federal Reserve Bank, where he served until 1951.

He was associate director of the Ford Foundation from 1951 to 1954, studied rural credit for the Indian government, moved to California as an economics professor, and was a consultant in various enterprises.

He is remembered in Washington as a slight, gray figure, modest in speech and appearance, and hardly the prototype of the administrator of revolutionary economic programs which were to cost scores of millions of dollars.

The farm programs today, and the cost of the regular services of the Department of Agriculture, are greater than the total farm income of the nation's immense farm estab-

lishment when Davis was operating in Washington.

JEROME S. ADLERMAN

Mr. RIBICOFF. Mr. President, it was with a great deal of sorrow that I learned of the death of Jerome S. Adlerman, the former General Counsel of the Senate Permanent Subcommittee on Investigations. Mr. Adlerman died Wednesday, October 1, 1975 at the Cedars of Lebanon Hospital in Miami after a long illness. He was 73 years old.

Jerry Adlerman was a brilliant lawyer, a dedicated public servant, a determined and responsible investigator and a gentle, considerate, kind man. All of us who knew Jerry and had worked closely with him over the years will miss him very much. My wife Lois and I extend our deepest sympathies to Jerry's widow, Evelyn, and to other members of his family.

When Mr. Adlerman retired in 1971, he could look back on a quarter of a century of service to the Permanent Subcommittee on Investigations and to its predecessor committees. For most of that period, the subcommittee was chaired by the distinguished Senator from Arkansas, Mr. McCLELLAN.

Mr. Adlerman's career in the Senate paralleled the growth of the Investigations Subcommittee itself. Many of the subcommittee's finest moments occurred with Jerry in charge of the staff while reporting directly to, and receiving direction from, Chairman McCLELLAN.

Jerry was Chief Assistant to the late Robert F. Kennedy when Mr. Kennedy was the Chief Counsel of the Investigations Subcommittee and the Select Committee on Improper Activities in the Labor or Management Field.

The select committee, which came to be known as the Labor Rackets Committee and was chaired by Senator McCLELLAN, functioned from January 30, 1957, to April 11, 1960.

Composed for the most part of Investigations Subcommittee members and staff, the select committee exposed widespread corruption and improper activities in the labor-management field.

Important legislative reforms and corrective actions resulted from the work of the select committee. Its operations demonstrated the congressional investigative oversight function at its best.

Robert Kennedy came to have a deep and lasting respect for Jerry Adlerman. In his book, "The Enemy Within," Bob Kennedy said that "whenever an investigation was exceptionally difficult and needed sound organizational work, Jerry was the one I called on to straighten things cut."

Senator McCLELLAN appointed Mr. Adlerman general counsel of the Investigations Subcommittee April 22, 1960. Mr. Adlerman had been Acting Chief Counsel of the Select Committee, succeeding Robert Kennedy, who had resigned in September 1959.

The appointment of Mr. Adlerman as general counsel of the Permanent Subcommittee on Investigations marked the conclusion of the historic labor-management inquiry which Jerry had played such an important role in. Chairman McCLELLAN also chose this occasion to announce that the Select Committee's functions, powers, and mandate would now be returned to the Permanent Subcommittee on Investigations.

In a manner of speaking, Chairman McCLELLAN's announcement of April 22, 1960, signalled the end of an era—for the Select Committee's investigations, particularly those regarding the operations of the Teamsters and other unions, had generated nationwide interest. There had been few congressional investigations of such consequence. Fittingly, the first subcommittee staff witness to testify before the Select Committee hearings—on their first day, February 26, 1957—had been Jerome S. Adlerman. Over the next 4 years, the Select Committee compiled a thorough record, one that both Senators and staff could be proud of.

But neither Senator McCLELLAN nor his General Counsel, Jerry Adlerman, were men to rest on past achievements. They went forward responsibly and constructively, continuing to build a record of solid investigative accomplishment and legislative achievement.

With labor rackets behind them, the subcommittee members and staff took on many more investigations of national significance.

Acting on a recommendation from a subcommittee member, the distinguished Senator from Washington, Mr. JACKSON, Chairman McCLELLAN ordered an inquiry into the award by the Department of Defense in 1962 of the $5.8 billion TFX airplane.

I came to the Senate as the investigation got underway in 1963 and, as a member of the subcommittee, saw at firsthand Mr. Adlerman's competence, professionalism, and fairness during the TFX probe. That inquiry, one of the most thorough in the history of congressional oversight investigations, exposed poor management practices and widespread waste of Federal funds. Much of the credit for the success of that investigation must go to Mr. Adlerman for the manner in which he managed the staff's work.

Chairman McCLELLAN continued to direct the subcommittee's efforts in the direction of organized crime. One investigation in that area concerned a mobster named Joe Valachi and his testimony before the subcommittee was especially dramatic.

Through Valachi's words, the Nation learned much about the nature and structure of organized crime. Law enforcement authorities found they had to better organize themselves to combat organized criminals.

The so-called Valachi hearings were not simply the revelations of a hoodlum testifying about his life in crime. On the contrary, the Valachi hearing transcript is noted for vast amounts of sworn testimony, official documents and other evidence corroborating much that Valachi had to say.

Under Mr. Adlerman, the staff had, whenever possible, assembled considerable evidence that made Joe Valachi a credible witness. The Valachi investigation was, first of all, a reflection of Chairman McCLELLAN's determination to control organized crime by exposing it; but the investigation was also a reflection of good staff work.

Always quick to respond to the Chairman's wishes and to the concerns of other Senators on the subcommittee, Mr. Adlerman directed other important staff investigations that ultimately resulted in hearings, including inquiries into white collar crime, riots, airport and postal thievery, the role of organized crime in the traffic in stolen securities and irregularities in foreign aid.

It was during one of the subcommittee's investigations into foreign assistance that I had the opportunity to work closely with Mr. Adlerman. In 1967, Senator McCLELLAN asked me to serve as acting chairman of the subcommittee for the inquiry into alleged fraud in foreign assistance programs in Southeast Asia.

Following that investigation, Chairman McCLELLAN asked me to remain as acting chairman for a new, much broader inquiry involving Southeast Asia, this case having to do with irregularities in the expenditure of nonappropriated funds used by the U.S. military and with illicit currency exchange in South Vietnam.

It was a complicated case. Preliminary investigation continued throughout 1968 and for several months into 1969 before public hearings were held. Currency exchange is a particularly difficult subject to understand. But Mr. Adlerman studied it, developed a sound working knowledge of how manipulation was used and then made every effort to see to it that each Senator on the subcommittee was thoroughly briefed. Owing to the especially sensitive nature of the investigation, Mr. Adlerman also saw to it that several of his most experienced staff personnel were assigned to this inquiry.

As a result, we went into those hearings in 1969, 1970, and 1971 with a comprehensive background on the Vietnamese black market in money as well as a thorough understanding of the allegations of irregularities in the management of military nonappropriated fund activities such as post exchanges and clubs and messes.

Not all his years in the Senate were spent under Chairman McCLELLAN. In 1953 and 1954, Mr. Adlerman took leave from Senate Government Operations work to serve as Chief Counsel of the Strategic Materials Subcommittee of the Senate Interior Committee.

Jerry's first job in the Senate was as a counsel on the War Investigating Committee in 1947. William P. Rogers, later to be Attorney General and Secretary of State, was chief counsel at the time under Senator Owen Brewster of Maine.

The War Investigating Committee, originally chaired by Senator Harry S. Truman, was merged into the Committee on Government Expenditures, according to the terms of the Reorganization Act of 1946.

The Committee on Government Expenditures was later to become the Senate Committee on Government Operations of which I am chairman. Many of the rules and procedures currently used by the Senate Permanent Subcommittee

on Investigations can be traced to the old Truman War Investigating Committee.

Before he came to the Senate, Mr. Adlerman was chief of the Prosecution Subcommittee of the War Crimes Commission convened in Germany following World War II. In that position, Mr. Adlerman was instrumental in gathering a major part of the evidence in those cases which had to do with medical experiments in concentration camps.

A graduate of the New York University Law School and a member of the New York bar, Mr. Adlerman practiced law in New York City from 1928 to 1941.

Among his clients was Yeshiva College and for a time he served as that institution's general counsel and was also active in the reorganization of the school's financial structure.

I know that at times he thought about returning to private practice. But Mr. Adlerman loved the congressional investigative process and was proud to be a part of it. I wish he had written a textbook for students of the legislative oversight function, for he knew it in theory and in practice as few men ever will.

Jerry Adlerman was a credit to the Permanent Subcommittee on Investigations, to the chairman he served so well and so loyally, Senator McCLELLAN, to the Senate itself and, most importantly, to the principle that the legislative branch has, as a primary responsibility, the duty to oversee and investigate Government operations.

SENATOR CLARK'S AFGE SPEECH

Mr. McGEE. Mr. President, on September 26, 1975, my good friend Senator DICK CLARK of Iowa delivered an excellent speech in Des Moines before local 1228 of the American Federation of Government Employees. The occasion was the 25th anniversary of local 1228.

Senator CLARK expressed a disappointment which I share over the failure of the Senate to disapprove President Ford's ceiling of 5 percent on the salary increase of Federal statutory employees, thus depriving these employees of 3.66 percent in pay increases to which the President's own agent said they were entitled. Senator CLARK said,

> If the concept of equal pay for equal work is the principle we believe in, we have betrayed our own principle in accepting the President's alternative plan. . . .

He pinpointed the crucial question posed by President Nixon's and President Ford's persistent efforts to deny Federal employees the pay they deserve. Senator CLARK asked, "How can you maintain comparability if you never follow the comparability formula?" This is a question which the Congress must face each year as long as we have a President in the White House who believes that one single segment of American employees—the GS workers—must make sacrifices while all other employees in both the public and private sectors enjoy sizable raises.

Mr. President, I believe Senator CLARK's incisive remarks on the Federal pay increase and on other matters will be of strong interest to Members of the Senate and that it deserves broad dissemination. Accordingly, I ask unanimous consent that the text of his remarks be printed in the RECORD.

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

Thank you. I'm pleased to be here this evening to help celebrate the 25th anniversary of Local 1228 of the American Federation of Government Employees and to have a chance to visit with your national president, Clyde Webber, and regional vice-president, Virgil Miller.

As I speak to you tonight I know how disappointed all of you are in the outcome of the pay bill fight. If the concept of equal pay for equal work is the principal we believe in, we have betrayed our own principle in accepting the President's 5 percent alternative plan for the 8.66 percent plan proposed by the President's own advisors. I want you to know that both Senator Culver and I supported you.

You know, every pay proposal since 1970 has been stripped down by the President—first Nixon and now Ford. How can you maintain comparability if you never follow the comparability formula?

Some people apparently think that the 8.66 percent figure came from the executive committee of the AFL–CIO or maybe Clyde Webber himself. Of course, that wasn't the case. The figure came from the Civil Service Commission and the Office of Management and Budget and were concurred in by the President's own advisory commission.

What this rejection of the proposed pay raise means is that, as Mike Causey pointed out yesterday, Federal employees are now the only American workers still operating under the Nixon era wage controls.

The President has issued no such guidelines for holding pay increases in the private sector.

Virtually everyone I talk to is opposed to wage-price controls—except for Federal employees. Why should people who work for our National Government be discriminated against in this way?

In spite of your disappointment on the pay raise there are other bills in Congress that offer better prospects of enactment. Let me tell you about them.

First, there are the Hatch Act amendments. Senator McGEE tells me he is very interested in this legislation and expects to move on it. There is no reason why Federal employees should not be able to exercise more fully the rights of citizenship as long as they are protected from coercion to participate in political campaigns. That ought to be a basic civil liberty.

Second, there is the labor management relations bill, which I am advised is about to move in the House Post Office and Civil Service Committee. There are differences among various versions, and it's too early to know what language will emerge, but there seems great interest in getting a clean bill drafted very soon.

A third bill is one you may not have been thinking about but one which I believe is very important to all women in Government service. I am about to introduce it, along with Senator HUGH SCOTT, the minority leader, and others. It is a bill designed to combat sex discrimination in Federal agencies and programs, including the Armed Services.

The progress already made in women's rights can certainly be considered encouraging, but much still needs to be done. Discrimination against women by Federal agencies—while it is by no means as blatant as in the past—continues to exist. Men and women also continue to be treated differently in such areas as social security, civil service retirement and military benefits.

And then there is another proposal—one which you certainly didn't want and which I doubt is going anywhere. That's a plan to cut the rate of increase for civil service retirement annuities when the cost of living goes up. Isn't that a great idea?

But let me speak briefly about a most disturbing trend in Washington.

What I see more and more in evidence in Washington these days is a new policy of the Ford administration adopted, perhaps, to win conservative support for his nomination next year. And that policy is one of opposition to Federal programs, new or old. The other disturbing tendency is the President's proclivity to run against Federal employees.

I have seen several examples of this myself in recent days. One had to do with grain inspection. It seems obvious to nearly everyone that we have to do something about the grain inspection scandals that have shocked the country in recent months. For a while I thought the Department of Agriculture had a bill to deal with it. Secretary Butz even said as much when he visited the Senate Agriculture Committee in mid-summer. Yet the bill was never forthcoming—at least nothing worthy of the name. However, I have introduced and am holding hearings on legislation to establish a total Federal system—one that has credibility.

An even more dramatic case is that of packer bonding. After the American beef bankruptcy that *left midwestern* cattle raisers holding the bag for $20 million, I introduced legislation to require the bonding of packers. We had help in drafting it from the Packers and Stockyards Administration. Yet when that same bill was submitted for administration comments, it came back with an absurd, grammar school lecture on the immorality of Federal intervention.

The same argument could be used just as well to wipe out the Federal Deposit Insurance Corporation, social security or the Federal Aviation Administration. No one is eager for extension of Federal controls, but we cannot repeal the Federal Government.

The administration also complained about the $800,000 annual cost of the program. I did a little calculating and pointed out that just one of the 10 Trident submarines they want to build would fund that packer bonding program for 1,875 years. I noticed this afternoon that there were many people who could spend $30 billion on military hardware but could not find another 3.6 percent for the people who work for them.

The best example for me was the administration's attempt earlier this month to undercut the Federal system of meat inspection by encouraging the growth of a competing system of state inspection. An interesting additional reason was that this should reduce the power of Federal employee unions. An assistant Secretary of Agriculture actually told a member of my staff that this was a major reason for proposing to increase Federal support for State-inspected Talmadge-Aiken plants.

Now what are we talking about? I think we're talking about the health of the American people. We all recall the shocking stories that hit the papers in the mid-sixties about the filth that existed in State-operated packing plants around the country. Out of that scandal came the Wholesome Meat Act of 1967, which set out to bring State inspections up to reasonable levels of cleanliness, or if that couldn't be accomplished, to limit inspection in such States to Federal inspection.

Isn't that interesting?

Throughout the history of Federal meat inspection legislation there has been no showing of intent by Congress to replace the protection of Federal inspection of meat distributed interstate by State inspection.

Yet this is precisely what the Ford administration proposed to do.

Back in 1970 the General Accounting Office made a survey of eight so-called Talmadge-Aiken plants, where inspection was done by State employees under Federal supervision. In 7 out of 8 categories, the sanitation standards in those Talmadge-Aiken plants were below those at regular federally-inspected plants. This can be attributed, I believe, to the lack of in-depth training for State inspectors as well as their greater susceptibility to local pressures. Additionally, there are currently only 69 Federal "circuit supervisors" monitoring the 287 Talmadge-Aiken plants in this co- 'ry—a number which provides less than minimal assurance of consistent adherence to high standards of cleanliness.

And this is the system the Ford administration wants to impose on the country.

I'm glad to say that Congressman NEAL SMITH and I, along with Senator HART of Michigan, and ultimately the chairmen of the Senate and House Agriculture Committees were able to knock that proposal in the head!

An administration spokesman said the matter had been dropped "for the present time." I guess you know that means we have to stay alert to the time they will try it again.

As Federal employees you undoubtedly have thought a lot about what the Federal Government should and should not be doing. Surely we don't want any more Government programs than are necessary and useful. Surely some programs have outlived their usefulness and should be terminated, revamped or combined. There are some programs that had a purpose 40 years ago and don't have too much purpose anymore. We all know examples of tired agencies that have bogged down under listless or indifferent leadership. They need to be dealt with. In most cases, in my opinion, the solution is not to destroy the agency but to give it new life and imaginative leadership.

To say that the Federal Government has no role to play anymore—that the States must even handle matters of interstate commerce—is ridiculous.

Hobart Rowen, the business writer, has been following the President's anti-Federal rhetoric of late, and he said this week that if the Republican Party wants to go back to Herbert Hoover, it appears to have the right candidate in Gerald Ford!

The suggestion that the Nation would be better off if the Federal Government quit interfering in any way with private enterprise is highly irresponsible. The fact is that businessmen are among the first to seek and obtain Government aid and protection through quotas, subsidies and tax concessions.

Perhaps Mr. Ford will have us go back to the days before the Securities and Exchange Commission, when swindlers ran the brokerage houses. Or perhaps he would abolish the Federal Home Loan Bank Board and let savings and loan associations set their own standards of integrity.

I'm afraid Mr. Ford's attacks on the Federal Government, has laissez-faire philosophy, belong, as Mr. Rowen says, to a pastoral era long since relegated to the history books, not to a time of economic complexity.

Well, I didn't come here to make a political speech attacking the President. But I do strongly disagree with his attacks on Federal programs and his resistance to new programs vitally needed by the people of Iowa and the Nation. I oppose his policies which relegate Federal employees to second-class citizens.

What we ought to ask the President is where he stands on medical care for the aged, rural electrification and air traffic control. When you do that, you find there is broad support for what the Federal Government is doing. And it is you who are doing it—you are the dedicated civil servants who make the system work. I, for one, am proud of you.

RABBI JACOB B. AGUS

Mr. MATHIAS. Mr. President, among the multitudes of people that each of us meets in a lifetime a very few stand out as unusual men and women who are affecting and influencing the generation to which they belong. For me, one such man is Rabbi Jacob B. Agus, who has led Beth El Congregation in Baltimore for the last quarter of a century.

The strength and wisdom that Rabbi Agus brings to the community also reflects a paradox. The value of his advice and opinion is that it is always current and contemporary; directed at the problems we confront today or anticipate tomorrow. At the same time it is always consistent with the deepest traditions of mankind and deeply rooted in the lessons of history. In this way Dr. Agus brings the wisdom of the ages to the service of the present.

He has been my friend and Mrs. Mathias and I rejoice with Mrs. Agus and their family at the celebration being held over the coming weekend in his honor.

I ask unanimous consent that an article from the Baltimore Sun from October 2, 1975, be printed in the RECORD.

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

BETH EL HONORS RABBI AGUS

(By Isaac Rehert)

During a quarter-century of turbulence and confusion, while political activism and emotional immediacy have been running rampant, Rabbi Jacob B. Agus has been quietly but steadily upholding the primacy of man's intellect.

In spite of all the threats to his being, and the demands for immediate action and reaction, what will save man, the rabbi believes, is his ability to think, his capacity to think about his thoughts and where needed to change them.

As spiritual leader of Beth El congregation, Rabbi Agus performs all the regular duties of one of the city's leading Conservative congregations.

But meanwhile, as a scholar and interpreter of Judaism, he has attained national and international stature teaching at universities, writing books and participating in interfaith colloquies on the place and destiny of Judaism and all religion in the modern world.

This weekend, in commemoration of Rabbi Agus's 25th anniversary of serving to Beth El, the congregation is holding a 3-day celebration, beginning tomorrow evening with a reminiscent sermon by Dr. Agus and culminating Sunday night in a gala reception at which two leaders of the national Conservative movement will deliver addresses.

They are Rabbi Mordecai Waxman, president of the Rabbinical Assembly of America, and Rabbi Marc H. Tannenbaum, national director of religious affairs of the American Jewish Committee.

Rabbi Agus was born in Poland, graduated from Yeshiva College in 1933 and was ordained as a rabbi in 1935.

The beginnings of his career were simultaneous with the rise of Hitler in Germany, and the young rabbi, casting glances at world events, felt the need for further and deeper understanding.

Even as a child, he recalls, he was moved by the prejudice he encountered. Now, as an adult and a rabbi who had delved deeply into Jewish history and affairs, he felt a need to know more of the place of Jewish culture and belief in the world at large.

So he enrolled as a graduate student at Harvard University, in the department of philosophy and religion.

His faculty chairman was William Earnest Hocking, an eminent philosopher.

The two men immediately disagreed, Professor Hocking critical of the place of nationalism in the development of Judaism, spurring his younger student on to thorough study of this subject.

Later, as a result of that study, Rabbi Agus became a friend and consultant of Arnold J. Toynbee, and when the latter was writing Volume 12 of his "A Study of History," Rabbi Agus served as his Jewish consultant. Some of his letters are printed in the Appendix, and his collaboration is acknowledged in the preface.

Of Harvard, he recalls, "I found there a great heritage of misunderstanding and misinterpretation of Judaism.

"I found also a great openness and willingness to listen."

This openness, this williness to listen is what Rabbi Agus finds the most heartening aspect of the world today.

For he thinks the world's troubles are caused by two kinds of people: Those who just want to continue doing what they have been doing, and those who are willing to change only enough to do what is practical at the moment.

He describes them as "worshipers of the past" and "worshipers of the moment."

What is needed, he thinks, is an openness, a readiness to reexamine old attitudes and a willingness in dealing with practical affairs to look beyond just the moment.

He thinks that at the present time, perhaps more than ever before, there is such a willingness and readiness among the scholars and thinkers of the world.

After taking his Ph.D. degree at Harvard, rather than pursue a life of just scholarship, teaching and writing, Rabbi Agus returned to being a congregational leader.

He continued, of course, with his more scholarly pursuits.

He says that not only did his congregational work not interfere with his writing, it probably even enhanced it.

"Some intellectuals feel they can't be bothered with visits to the sick and the mourning, or with conducting bar mitzvahs, or with talking to brides and to grooms.

"I think that contact has lent a certain practicality to my work, that it has kept the feel of life in my ideas. It has kept them from being too pedantic."

Some of his books, in fact, were outgrowths of sermons he gave in understanding the meaning of Jewish history.

But others were the result of the many interchanges he has had with scholars and critics from outside the Jewish faith.

This dialogue with outsiders he considers most important.

"It is not mere verbal games," he says. "It is the most important activity in which the scholar can be engaged.

"Those six million Jews who died at the hands of the Nazis died not because of anything that they did but because of certain images of Jews that had built up over the centuries.

"That image needs to be taken apart and reexamined. We have to know what it is we are thinking.

"It isn't true, what some people are saying, that prejudice is all emotional and can be dealt with only on an emotional level.

"Prejudice takes an ideology, too.

"Those same hostile emotions that led to the Holocaust, without the ideology that guided them, could have been kept within human bounds.

"No, we can't do without thinking."

Rabbi Agus is now 63, a man of small stature and gentle voice, who chooses his words deliberately as he expresses himself.

Along with the seven books and innumerable magazine and journal articles he has himself written, he was for 12 years a consulting editor for articles on Judaism and Jewish history for the "Encyclopedia Brittanica."

He has also written on Jewish philosophy in the "Encyclopedia Americana" and has lectured at many universities.

At the weekend celebration, a portrait of Rabbi Agus by Henry Cooper, cantor of Har Sinai congregation, will be hung.

CONCLUSION OF MORNING BUSINESS

Mr. MANSFIELD. Mr. President, is there further morning business?

The ACTING PRESIDENT pro tempore. The time for morning business has expired.

NATURAL GAS EMERGENCY ACT OF 1975

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of the pending business, S. 2310, which the clerk will state.

The second assistant legislative clerk read as follows:

A bill (S. 2310) to assure the availability of adequate supplies of natural gas during the period ending June 30, 1976.

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. PEARSON. 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.

OFFSHORE DEVELOPMENT WILL CONTINUE UNDER PEARSON-BENTSEN

Mr. PEARSON. Mr. President, during debate yesterday, the distinguished Senator from South Carolina (Mr. HOLLINGS) suggested that producers offshore would withhold production of natural gas from the interstate market during the phaseout, transition period of regulation under the Pearson-Bentsen amendment now pending.

Let me say, Mr. President, that during the drafting of the permanent legislation, I was also concerned that we might have what we call a phaseout period under the new criteria of prospective costs and adequate production and conservation and consumer interest; and might have a phaseout over a production period that would not have very much oil, not because of withholding, but because of the very time element involved in production offshore.

There would be an operative part of the phaseout period under the new criteria because it is my understanding that of the two-thirds of the gas that is in the interstate system today, 20 percent of that now comes from offshore, particularly from the gulf area.

Mr. President, this is not the case. Under Pearson-Bentsen, development of offshore leases will continue—and increase with the incentives the amendment provides.

BACKGROUND ON OFFSHORE LEASING AND PRODUCTION

The Outer Continental Shelf, OCS, leasing program was begun in 1954. Over the past 20 years, more than 10 million acres have been leased. OCS production has increased to the point where it supplies 15 to 20 percent of all U.S. natural gas production.

Most leasing has been in the Gulf of Mexico. In the gulf, however, there is now relatively little remaining acreage with good potential for oil and gas production. Any significant increases in production, therefore, are expected to come from frontier OCS areas such as the Atlantic and Alaska. At the present time, the Department of the Interior is attempting to accelerate the leasing program. Under the plan, all frontier OCS areas should be open for exploration and development by 1978.

Overall, the Department of the Interior estimates—with a 95-percent probability factor—that the remaining undiscovered gas resources in the offshore domain equal 107 trillion cubic feet. These data, however, are based upon very sketchy information. Very little exploratory effort has been made outside the gulf. The exploratory, development and production costs in the frontier offshore areas are expected to be significantly higher than in the gulf.

Because all offshore production on the Outer Continental Shelf, as defined by law, must enter the interstate market, it is important that development be accelerated in order to alleviate the interstate shortage. It would be important to review the drilling activity and additions to proven reserves offshore in the recent past.

GULF OF MEXICO DRILLING AND DISCOVERY

Mr. President, I ask unanimous consent that data from the Bureau of Land Management, relating to energy activity in the gulf, be printed in the RECORD immediately following these remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. (See exhibit 1.)

Mr. PEARSON. Mr. President, during 1972, the Department of the Interior leased 178 tracts, totaling 826,000 acres, in the gulf. Producers paid a total of $2.251 billion in bonus payments for these leases.

In 1973, 187 tracts, totaling 1.032 million acres, were leased for $3.082 billion in cash bonus payments.

In 1974, 356 tracts were leased, totaling 1.762 million acres, for a total bonus payment by producers of $5.022 billion.

During the first quarter of 1975, 113 tracts were leased, totaling 626,000 acres, for a cash payment of $274 million.

Mr. President, between January 1, 1972 and March 31, 1975, producers have paid $10.63 billion for the opportunity to explore for oil and gas in the Gulf of Mexico. This payment has been in cash bonus payments. This is an enormous amount of money. It represents an investment that producers cannot ignore. They must develop the tracts.

They have been developing the tracts.

Mr. President, from 1970 through the first quarter of 1975, inclusive, producers have developed 991 gas wells in the gulf. They have also drilled 2,209 dry holes, and 1,455 successful oil wells.

During 1973 and 1974, gulf producers have added 5.8 trillion cubic feet of natural gas to our proven reserves. They have actually produced 8.2 trillion cubic feet of gas from those same reserves.

The effort has been significant. The cost to the producers has been enormous. The effort must be increased. And it will be increased under the Pearson-Bentsen bill.

PRODUCTION OFFSHORE CANNOT BE DELAYED

Mr. President, the suggestion by the distinguished Senator from South Carolina (Mr. HOLLINGS), that the phaseout of regulation offshore will deter development ignores the existing statutes and regulations with respect to development of the offshore domain.

Under the Mineral Leasing Act, 30 U.S.C. 226, and the Outer Continental Shelf Lands Act, 43 U.S.C. 1331, the Secretary of the Interior has the duty to lease oil and gas lands in the Federal domain and for overseeing exploration and development of those lands.

The Secretary has promulgated regulations which, subject to his supervision, are administered by the Director of the U.S. Geological Survey and the Director of the Bureau of Land Management. These regulations provide a comprehensive program of administration of lands and further provide safeguards to assure that development of lands is not delayed by the lessees.

The area *oil* and gas supervisor is required to inspect and regulate all operations and is authorized to issue OCS orders necessary for him to supervise operations and to prevent damage or waste of a natural resource (30 Code of Federal Regulations 250.12).

The regulations currently state that the supervisor "shall demand drilling in accordance with the terms of the lease and of the regulations." (30 CFR 250.15).

Under the regulations a lessee is specifically required to diligently drill and produce such wells as are necessary to protect the Government from loss by reason of production on other properties (30 CFR 250.33). This same regulation further provides, in section (b), that—

The lessee shall promptly drill and produce such other wells as the Supervisor may reasonably require in order that the lease may be properly and timely developed and produced in accordance with good operating practices.

The lessee is required to submit a plan to the supervisor for approval prior to commencing each explanatory drilling program on a lease including the construction of platforms (30 CFR 250.34). This section also required that the lessee submit a plan prior to commencing a development program. Both plans must include detailed information to enable the supervisor to ascertain the advisability of the proposed programs.

Mr. President, the Government has the means to monitor exploration and development to insure that the public's resources are properly developed. This is a continuous process on each lease—a monthly report is required for each lessee.

If the supervisor is dissatisfied with the performance of a producer-lessee, he is authorized to give 30 days' notice of default and recommend to the Secretary of the Interior either cancellation of the lease or other—less severe—penalties (30 CFR 250.80).

Most of all, a lease is for a primary term of only 5 years. Those leases that have been let over the past 3 to 5 years—costing producers more than $10 billion, must be developed or the producer faces total loss of his investment—upon decision by the Secretary not to renew the lease.

Mr. President, if the leases let in the recent past, and those to be let under the accelerated program, are not timely developed, it will be the fault of the Department of the Interior, not of the Congress.

Under the law and the regulations, the Interior Department has every opportunity to insure that the offshore domain is developed and produced during the Pearson-Bentsen 5-year phaseout of regulation of the wellhead price.

Because of the unique nature of the lease arangement offshore, it is apparent that a phaseout of controls will work—without delaying any development of production or sales of new natural gas to interstate pipelines.

CONCLUSION

Mr. President, producers have an enormous investment offshore. They must produce their investment. They must produce to realize a return on this investment. If they do not produce, they face cancellation, or nonrenewal of their leases. There is no question that effective administration of the law and regulations by the Interior Department will result in maximum efficient gas production during the 5-year phaseout under the Pearson-Bentsen bill.

EXHIBIT 1

GULF OF MEXICO DRILLING (WELLS)

Year	Oil	Gas	Dry	Total
1970	386	168	344	898
1971	258	194	393	845
1972	255	145	458	858
1973	294	251	425	970
1974	217	162	450	838
1975 (January–March)	45	75	130	246
Total	1,455	991	2,209	4,655

Source: AAPG/API.

GULF OF MEXICO, FEDERAL SALES

	Number tracts leased	Acres leased	Total bonus	Average price per acre
1970:				
July 21, 1970	19	44,642	97,769,013	2,190
Dec. 15, 1970	116	543,898	845,832,785	1,555
Total	135	588,540	943,601,798	1,603
1971: Nov. 4, 1971	11	37,222	96,304,523	2,587
1972:				
Sept. 12, 1972	62	290,521	585,827,925	2,016
Dec. 19, 1972	116	535,874	1,665,519,631	3,108
Total	178	826,395	2,251,347,566	2,725
1973:				
June 19, 1973	100	547,173	1,591,397,380	2,908
Dec. 20, 1973	87	485,397	1,491,065,231	3,072
Total	187	1,032,570	3,082,462,611	2,985
1974:				
Mar. 28, 1974	91	421,218	2,092,510,854	4,968
May 29, 1974	102	565,112	1,471,851,831	2,605
July 30, 1974	19	100,241	30,236,800	302
Oct. 10, 1974	138	634,832	1,427,242,455	2,248
Oct. 16, 1974 (royalty)	8	40,755	1,018,875	25
Total	356	1,762,158	5,022,860,815	2,850
1975: Feb. 14, 1975	113	626,587	274,691,955	438

Source: Bureau of Land Management.

GULF OF MEXICO, RESERVES

	Additions	Production	Year end reserves
Oil (thousands of barrels):			
1970	529,428	372,890	2,924,095
1971	218,854	394,639	2,748,310
1972	224,614	407,062	2,565,862
1973	171,366	389,703	2,347,525
1974	222,496	358,013	2,212,008
Gas (MMCF):[1]			
1970			37,781,044
1971			38,397,675
1972			38,785,667
1973	2,164,062	4,164,421	36,785,308
1974	2,657,478	4,094,945	35,347,841

[1] Figures for additions and production of natural gas not broken out for Gulf of Mexico area in published data prior to 1973.

Source: API/AGA.

Mr. BENTSEN. Will the Senator yield at that point?

Mr. PEARSON. I am glad to yield to my distinguished colleague from Texas.

Mr. BENTSEN. Is it not also true that because of the factor of very high interest rates that they are having to pay for money in this day and time, because of the very major cost investment of these leases today, the cost of drilling that takes place where you are having to spend as much as $50,000 a day for some of these offshore rigs, with an ever escalating cost of that inflation, and looking forward to increased development costs at a later time because of expected inflation, that the economic forces are such to have them bring this production on early?

Mr. PEARSON. I believe the Senator is correct.

The total sum, I would say to the Senator from Texas, in cash bonuses alone is over $10 billion. The Senator now makes reference to the great investment that is required in a market where interest rates are going up, where there is inflation for every time that is used in the exploration and development of these wells. Besides the leasing, the pure economics of the matter require that they go ahead, and they have been going ahead, even in the period we are in now.

Mr. BENTSEN. We have the example of the Destin Dome purchase off Florida, which involved a purchase in excess of $1 billion. We saw them go ahead and do relatively early development, drilling 16 dry holes, I might say, trying to recover this enormous investment they made so they could get it back into their cash flow, so they could get back into the profits which might have been able to go to their stockholders.

Mr. STEVENS. Will the Senator from Kansas yield for a question?

Mr. PEARSON. I yield for a question or yield the floor.

Mr. STEVENS. My State comprises 65 percent of the Continental Shelf. The great frontier areas that we are talking about are primarily Alaskan areas. Has there been any indication that the Senator from Kansas knows of that there has been any withholding of gas that has been produced offshore of my State that would warrant a different standard of regulation for these great frontier offshore areas than would be provided or should be provided onshore in any place in the United States?

Mr. PEARSON. I would say to the Senator from Alaska I know of no such instance.

Mr. STEVENS. I thank the Senator.

Mr. President, it is my understanding that the proposal before us would effect a double standard and would primarily affect the State of Alaska and the offshore areas of Alaska where, as I said, 65 percent of the Outer Continental Shelf of the United States lies. As a matter of fact, half of the shoreline of the United States, as well as 65 percent of the Outer Continental Shelf, is off my State.

I know of no instance, and I would challenge the proponents of this double standard to show us an instance, in which any gas was discovered and withheld off the shores of Alaska. As a matter of fact, the history is just the contrary. When we first discovered gas in the Cook Inlet off Alaska, no one wanted it. As a consequence, for several years we have had to withhold the production of our oil because under our regulations it is impossible to produce gas associated with the oil and to flare it. Our conservation

regulations prohibit that. So it was the other way around. It was the lack of a market for our gas for many years that required the holding back of our oil. It is only recently that there has been the development of the liquefied natural gas plants to convert our gas to LNG so that it could be shipped to what we call the south 48.

I see no reason for the provision that is before us that would create this double standard. That is one of the primary reasons that I support the Pearson-Bentsen substitute. I think if we are to have the incentive and to have the development off Alaska that we must have, there should not be a double standard. The effect of that double standard would be to deter the exploration, development, and production of the great and vast resources in the offshore lands off the shores of my State. That is a significant area. I am informed that more than half of the gas that the United States will consume in the future will come from my State, and a substantial portion of that is from offshore Alaska.

Mr. President, I am informed that during the course of debate yesterday, the distinguished Senator from South Carolina, Mr. HOLLINGS, suggested that the administration of amendment, No. 919, by the Federal Power Commission would result in extensive litigation with respect to the phaseout on the offshore domain.

This will not be the case.

Under section 208 of our proposal, the Natural Gas Act would be amended to add a new section 25 to the act. Under proposed section 25 of the Natural Gas Act, the Commission would establish ceiling rates and charges for sales by producers on the Federal domain offshore for the period ending December 31, 1980.

These ceiling rates and charges would be established consistent with the proposed statutory guidelines:

First, the Commission would consider exploration;

Second, the Commission would consider the promotion of sound conservation of energy resources;

Third, the Commission would consider the need for capital to obtain maximum levels of production from the offshore domain; and

Fourth, the Commission would consider the interests of consumers in obtaining fuel at a reasonable cost.

We have it on the authority of the Commission itself that such a program of economic criteria could be administered, in a critique of pending bills submitted to our committee earlier this year.

Not only that, Mr. President, but we have commonsense to rely upon. The pending Pearson-Bentsen measure directs the EPC to decide ceiling rates and charges by rulemaking—not by evidentiary proceeding. Under the law, the Commission's finding of ceiling rates and charges would be upheld in court under the "arbitrary and capricious" test. Unless the court found that the FPC acted in an arbitrary and capricious fashion in setting ceiling rates and charges, the decision of the Commission would stand.

There is litigation now pending in the courts of appeals whether the FPC has authority, by rulemaking, to set the national area rate, and special rates. The Pearson-Bentsen bill would settle this issue once and for all.

More to the point, by reforming an antiquated Natural Gas Act of 1938, in light of more recent administrative procedures laws and rulings, the Pearson-Bentsen proposal will provide certainty and a better degree of finality in all that the FPC does.

Mr. President, I would observe that the Pearson-Bentsen bill does not repeal the Natural Gas Act. All of the consumer protection provisions enacted by Congress in 1938 remain in force. Pearson-Bentsen does, however, repeal a judicial construction with respect to wellhead prices that Congress never explicitly enacted—or intended to enact.

Mr. President, my purpose in speaking today is to address the problem of reliance on foreign and substitute fuels our Nation will be again confronted with as a result of emergency natural gas legislation that we are asked to consider.

My purpose also is to let it be known that passing this kind of legislation by itself does not answer our deeper problem of restoring our vital reserves of natural gas, a problem, by the way, that is the direct result of ongoing Federal price controls on the wellhead price of natural gas.

I shall not belabor the fact that we already have, and have had before us a number of measures that will remove these repressive price curbs which created our shortages in the first place, but because of our own procrastination we have failed to act upon. So now, like the last few preceding years, we again find ourselves forced to take emergency action.

At this point, we cannot avoid consideration of this type of stop-gap legislation, no more than we can stop the snow from falling nor the cold from chilling our homes. But it should be apparent to all of us here that at the same time we also can act positively on legislation which provides for a more permanent solution to the continuous and crippling decline in our natural gas supplies.

The consequences of our failure to act now on measures that will remove price controls from the producer's price of new natural gas promise to remain with us for a long time to come. I need not remind you of the ineffectiveness of our past policies of allocations and the impact curtailments have had on the economy, particularly our country's industries, and businesses which supply us not only with jobs, but with the goods and services we need to maintain our standard of living.

This standard of living most certainly has to be severely affected again in view of the natural gas shortage which the Federal Power Commission and the Federal Energy Administration tell us will be 30 percent worse this winter than last and 45 percent worse for the entire year. And as in the past years, our basic production industries and our manufacturers will again shoulder the biggest burden.

They will, as a result, also have to seek other sources of fuel, either synthetics or foreign substitutes, which past history tells are more costly than the natural gas we domestically produce. The impact of this, as we all well know, is that the manufacturer's increased energy costs will almost certainly impact on the prices we pay for our goods. And unfortunately, the undeniable fact is that inexpensive alternate fuels will not be readily available.

Mr. President, if we are again forced to rely on foreign oil to fill the huge 2.9 trillion cubic feet shortfall in natural gas that is predicted for this year, the FPC estimates that it will take 516 million barrels of imported oil at a cost of about $6.2 billion to replace the shortfall. This is double the $3.1 billion paid to all U.S. producers for interstate gas sold in 1974.

In addition, attempts to offset the shortage with use of synthetic natural gas—SNG—will prove to be just as costly, if not more so. Today, for example, some pipelines are producing SNG from imported naptha at a cost equal to $30 per barrel of oil. Plans are also underway, I understand, to import liquefied natural gas—LNG—at costs many times higher than the domestically controlled price.

Moreover, and most importantly, use of such substitute fuels promises to have a far greater inflationary impact than the modest increase which would occur if new gas was deregulated. In fact, I am told that one recent and respected study warns that if we do not pay a modest amount to stimulate increased natural gas supplies now, we will pay far more for alternate fuels and increased transportation charges associated with the piping and delivery of natural gas. That increase, incidentally, is estimated at about $8.6 billion by 1980.

Mr. President, this figure is a staggering amount which our economy can hardly afford to absorb under any conditions, let alone the one we now find ourselves faced with. It would be all the more intimidating if we did not have an available answer.

But the fact is, Mr. President, we do have one standing at the ready that we have been woefully slow to act upon. Decontrolling the price of new natural gas, as every enlightened expert has told us, is the most reasonable and least costly alternative to the current natural gas crisis we now find ourselves locked into. Not only will it forever obviate the need to rush through emergency legislation and other measures which are incumbent on such action, but it will get this country back on the road to full-scale recovery of one of our most vital and important energy resources.

We must not be content to simply try and manage a crisis—rather, we must work to solve the crisis. We must not discourage the exploration and development of natural gas—rather, we must take those positive steps to stimulate new exploration.

Mr. President, Alaska is a State with huge supplies of natural gas. But the trillions of cubic feet of natural gas in Alaska cannot be developed and delivered

to the lower 48 States unless the price of natural gas is high enough to pay for the massive costs involved in transmitting this essential fuel.

If we are going to be assured of new natural gas supplies from Alaska and other parts of our Nation, we must finally recognize the basic economics necessary to develop and deliver this energy.

We need not wait another year, or another Congress, or another Presidential election. We can and must do it now, for the sake of economy, our homes, our families, and our reputation as a self-reliant nation of free and independent people.

Mr. President, I might add that one of my young staff assistants has called my attention to a situation that might be of interest to the Senator from South Carolina. He points out that after the War Between the States, our whaling fleet was practically destroyed. The result was that the industry which supplied the major source of the country's lighting at that time, which was the whaling fleet and whale oil industry, failed.

Within a very short time, the price of whale oil shot up from literally pennies to more than $2 a gallon, and cries went up throughout the land that we would be ruined.

As a matter of fact, what happened was that men with vision discovered a way to make kerosene and began to market kerosene in place of whale oil; and what we had was the incentive that developed the great petroleum, oil, and gas industry, and the great public utility industry that now make this country one of the greatest countries on the face of the Earth.

The point, and I think it is a good point, is that by inhibiting the market price, we have in fact deterred industry from finding the alternative fuels and the substitute sources of energy that could move this country back into an era of self-sufficiency and as a matter of fact an excess supply, as far as energy to meet our needs is concerned.

Mr. PEARSON. Mr. President, during the course of the debate on S. 2310, the question of administration, the administerability of S. 2310, has constantly been before the Senate. I spoke on that subject a day or so ago.

I now ask unanimous consent that a table or statement indicating all of the actions that must be undertaken under S. 2310 by the Federal Power Commission, the Federal Energy Administration, the Environmental Protection Agency, the Secretary of Agriculture, and the Secretary of the Interior be printed in the RECORD at this point, together with certain quotations from statements by Mr. Zarb and Mr. Nassikas at the time of the hearing on the bill.

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

ADMINISTRATIVE PROBLEMS

The Federal Power Commission, Federal Energy Administration, Environmental Protection Agency, Secretary of Agriculture and the Secretary of Interior all have various procedural and decision duties which are related and in some actions must be concurrent with other agencies or departments.

FEDERAL POWER COMMISSION (15 DAYS)

Designate priority interstate purchasers.
Determine the extent of their priority.
Determine the amount curtailed and essential purchasers.
Designate areas.
Set ceiling price per area.
Determine what is "new" gas.
Prohibit sales to those who are not priority purchasers.
Check exemptions.
Determine what gas is produced or could be produced.
Prohibit interruption for agricultural priority users.
Certify to the FEA that boiler conversions ordered will not impair service.
Determine compensation amount for transferred gas.

SECRETARY OF AGRICULTURE

Determine essential agricultural users and certify the period and the volume of gas required.
Deny use for boiler fuel.
Is alternative electric power available? facility, can conversion take place, are alternate fuels available?

FEDERAL ENERGY ADMINISTRATION

Prohibit the use of natural gas for any power plant.
Capability of conversion.
Practicability.
Petroleum available.
Will natural gas go to priority purchasers?
Prohibit use of natural gas to electric power plants.
Is alternative electric power available?
No increase in the use of gas in overall production.
Will natural gas be available to priority purchasers?
Limit use of those not converted as to volume and period.
Determine small power plant exemptions.
Assess civil penalties.

SECRETARY OF INTERIOR (WITHIN 45 DAYS)

Determine the maximum efficient production on all Federal lands.
If State agencies have not determined maximum efficient production, the Secretary of Interior makes such determination in every producing State.

ENVIRONMENTAL PROTECTION AGENCY

Certifies boiler conversions—comply with clean air act.

QUOTATIONS FROM HEARING TRANSCRIPT ON "ADMINISTRABILITY OF S. 2310"

Zarb, p. 11—"I spent time this weekend trying to understand the difficulties of arriving at an average price, how such a system would work, and how much time it would take for the Federal Power Commission or another agency to put together the data base. . . .

"I wonder if we are perhaps putting in steps which administratively cannot be achieved and which will only hurt the ability to put this emergency program into place."

Zarb, p. 13—"Two things can occur, in our view. One, it can take so long to get the thing administratively laid out that we will be well into the winter before we have a viable system. While the price may arithmetically be correct in the marketplace, it may not achieve the desired result."

"It has happened in the past where an executive branch agency has been pushed into a tight timetable with respect to administrative actions to do the best they can. 'The best they can' results in a product which fouls up the market worse than it was before they began."

Zarb, p. 15—"Trying to set arbitrary prices in Washington continually has worked in the worst interest of the American people."

Zarb, p. 16—"When the consuming State Governors came to Washington and saw the President and outlined an appropriate proposal, they kept it simple and direct so it could be done quickly. They asked for a reinstatement of the 180-day methodology that has worked before and not try to interject anything that was new and that would cause difficulties."

Nassikas, p. 35—"(Under S. 2310) the price for such gas (that under section 4(g) could have been sold but was not sold) would remain frozen at the August 1975 intrastate level.

"This will result, I'm sure of it, gentlemen—and I urge you to reconsider that section. This will result in interminable litigation. Why? Because whether gas could be produced or sold is a question of fact which involves thousands of natural gas producers who would be subject to that particular provision.

"We vary anywhere from 5,000 to 15,000 gas producers in this country. . . . If you include only the larger ones, there are about 4,000 natural gas producers in this country."

Mr. HOLLINGS. Are they the letters the Senator mentioned?

Mr. PEARSON. Yes, I am going to put them in the RECORD also. What was the date of the 1-day hearing that we had?

Mr. HOLLINGS. It was on Monday, the 15th of September.

Mr. PEARSON. The quotations that I have asked to have included in the RECORD were from statements by Mr. Zarb and the Chairman of the FPC, Mr. Nassikas, at those hearings.

I hand the Senator from South Carolina copies of these other matters I intend to insert in the RECORD.

I inquired of both the Chairman of the Federal Power Commission and Mr. Zarb as to what their views are, after they have had a chance to look at this bill to a further extent, and I received last night, on October 1, responses from both of those gentlemen, which I shall ask to have incorporated in the RECORD.

I shall read, first, the letter from Mr. John Nassikas, who is Chairman of the Federal Power Commission, dated October 1. It says:

DEAR SENATOR PEARSON: I am writing in response to your inquiry as to whether I "find the provisions of S. 2310, as proposed to be amended by Senator Hollings' Amendment No. 934, as amended, administratively workable within the time period proposed." While Amendment No. 934 is a somewhat refined version of the original S. 2310, there still remain serious administrative problems that may very well impede the efficient and expeditious implementation of the various provisions of Amendment No. 934.

As I testified before the Senate Commerce Committee on September 15, 1975, I do not believe it is feasible for the Commission to establish intrastate rates for new onshore gas at the average new or renewed intrastate contract price for August 1975 within 15 days after date of enactment as provided in Section 4(b) of both S. 2310 and Amendment No. 934. The Commission does not presently have the information gathering authority under the Natural Gas Act to collect comprehensive intrastate pricing data from producers and pipelines who are not subject to our regulatory jurisdiction. Even if such information gathering authority were delegated to the Commission upon enactment of Amendment No. 934, the 15-day period for gathering and analyzing previously

uncollected intrastate pricing data in order to set area rates would remain untenable.

Section 4(a) would require the Commission to determine what jurisdictional pipelines qualify as priority interstate purchasers within 15 days of the date of enactment of either S. 2310 or Amendment No. 934. The same 15-day requirement would adhere to a Commission determination of essential users who are the curtailed customers of priority interstate pipelines. The 15-day requirement of Section 4(a), while not as onerous as Section 4(b) discussed above, would impair the Commission's ability to make a well thought out determination of what pipelines should qualify as priority interstate purchasers and what end-users should qualify as essential users for the purposes of this emergency relief legislation.

I am still opposed to Section 4(g) which requires the Commission to determine what natural gas could have been produced or sold but was not pursuant to the provisions of Section 4 of both S. 2310 and Amendment No. 934. As I related to the Senate Commerce Committee in my September 15, 1975 prepared statement:

"I believe this provision could lead to protracted litigation and controversy because the question of what gas 'could have been produced or sold' during the period the Act is in effect—i.e. a period of six to eight months depending on date of enactment—would perforce be the subject of exhaustive investigation by the Commission requiring hearings relating to controverted facts and numerous court appeals from whatever findings may be made."

Except for Section 4(g) of both S. 2310 and Amendment No. 934, the substantive provisions of the proposed legislation would expire on June 30, 1976. Obviously, the "Natural Gas Emergency Act of 1975" is a temporary measure. However, there would be considerable administrative complexity in executing various provisions of this temporary relief legislation:

(1) Section 5 would require the Commission and the Secretary of Agriculture to coordinate with one another in establishing a high priority for agricultural end uses of natural gas;

(2) Section 6 would require the Federal Energy Administration, the Environmental Protection Agency and the Commission to make various findings in order to prohibit the boiler fuel use of natural gas by powerplants;

(3) Section 7 would require the Secretary of the Interior and/or the various States to determine maximum efficient rates of production for natural gas fields.

As you know, I have endorsed the temporary relief pricing concept of Section 104 of your Amendment No. 919, which section would permit curtailing pipelines to purchase natural gas at unregulated prices for up to 180 days. Furthermore, the Commission's ability to meet the administrative requirements of Section 104 would be considerably less difficult when compared to the numerous administrative requirements of either S. 2310 or Amendment No. 934.

Sincerely,

JOHN N. NASSIKAS,
Chairman.

Mr. President, I also have a letter from Mr. Frank Zarb, the Administrator of the Federal Energy Administration, received last night, dated October 1, 1975, which raises numerous items of very difficult administrative procedures involved in the act now before us. Without taking the time to read it, I ask unanimous consent that this letter likewise be printed in the RECORD.

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

FEDERAL ENERGY ADMINISTRATION,
Washington, D.C., October 1, 1975.

Hon. JAMES B. PEARSON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PEARSON: This is in response to your request for FEA's comments on Amendment No. 934 to S. 2310, the Natural Gas Emergency Act of 1975.

The Administration is opposed to enactment of that amendment in its present form for the following reasons:

(1) It would regulate the price of new natural gas including presently unregulated intrastate gas. Such intrastate regulation is both unwise and unacceptable for several substantial reasons:

The principal reason for the present state of natural gas shortages is the current system of regulation, which inhibits production and should be removed from the interstate market instead of extended to the intrastate market.

An artificially controlled low price (relative to alternative fuels) encourages excessive consumption of natural gas.

Continued excessive consumption exacerbates shortages, and

Requires bureaucratic decisions as to what industries and other users will receive priority.

Since the amount of natural gas available over the short term is limited, the setting of priorities amounts to taking natural gas from some and giving it to others.

Regulation of intrastate prices will be an immense administration burden.

(2) The establishment of an "area ceiling price" within 15 days from enactment is unwise and administratively unworkable. It does not allow enough time and is so vague in its concept of "area" that the administrative problems would be insurmountable;

(3) It is not clear whether section 4(f) would include a high-priority, curtailed end-user purchaser as an "interstate purchaser." If not, the bill is deficient in not containing provisions clearly allowing end-user purchased intrastate gas to be transported through interstate pipelines;

(4) There is no clear statement of FPC jurisdictional authority under the Natural Gas Act for either priority interstate purchases or non-priority purchases. By not specifically exempting such sales, it could be argued, for example, that they are subject to FPC abandonment authority under section 7(b) of the Natural Gas Act. Producers could then be required to continue selling in the interstate market upon the termination of the emergency contract, and possibly at a lower interstate price upon expiration of the emergency legislation. If this is the case or if the vagueness of the bill even suggests the possibility it might happen, there would be a resistance on the part of intrastate producers to supply any emergency gas into the interstate market;

(5) Section 4(g), which provides that (supposedly) presently available natural gas shall never be sold above a particular price if not sold under the Act, is both a legal and administrative nightmare. It is almost impossible to determine whether natural gas "could have been produced or sold, or both, but was not...." Furthermore, any such determination will surely be litigated and the provision might be unconstitutional;

(6) As you know, the Administration is greatly concerned with the priority needs of the agricultural sector. However, section 5, which arguably authorizes the Secretary of Agriculture to determine and allocate between individual end users as well as between pipelines, is vague and administratively burdensome. Furthermore, with the FPC's curtailment policies and the FEA's propane allocation regulation providing agricultural priorities, this provision is unnecessary.

(7) The authorities under this Act should extend for two years rather than one year, since they are necessary for next winter as well as this;

(8) The authorities prohibiting the use of natural gas as boiler fuel are incomplete and vague as to the priority of conversion between coal and oil. I discussed these shortcomings in greater detail in my letter of September 23, 1975, to Senator Randolph, and I am enclosing a copy for your information. Furthermore, section 6(e)(1), which provides for reimbursement to a curtailed user by another user is extremely administratively burdensome as drafted;

(9) While the Amendment wisely differs from S. 2310 in its removal of temporary emergency production authorities which would have resulted in loss of ultimately recoverable gas, we question whether the maximum efficient rate authority in section 7 would contribute any additional gas this winter, and are further concerned with the immense administrative task of determining MERs for an indefinite number of fields, particularly within 45 days;

(10) We are pleased to see the inclusion in this amendment of propane allocation authorities. However, authority to amend these regulations should be specified.

In summation, while we appreciate several of the objectives of Amendment No. 934, we find it overly vague in places, counterproductive in its regulatory approach, and so administratively burdensome that it would be extremely difficult, at best, to administer.

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

Sincerely,

FRANK G. ZARB,
Administrator.

The PRESIDING OFFICER (Mr. JOHNSTON). The Chair announces that the pending question is on agreeing to amendment No. 919, as modified, which proposes to amend amendment No. 934, which in turn is an amendment in the nature of a substitute for S. 2310.

Mr. PEARSON. I thank the Chair. That is my understanding. I yield the floor.

Mr. HOLLINGS. 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. BENTSEN. 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. BENTSEN. Mr. President, we are told that there is a natural gas emergency facing the country this winter, and I do not think anyone disagrees with that.

Mr. President, we are also told by some of our colleagues that the most appropriate response to the emergency is that found in amendment No. 934, to be offered as a substitute for S. 2310 by Senator HOLLINGS and others. Here, Mr. President, I must disagree.

Most respectfully, I would offer here some thoughts concerning whether or not amendment No. 934 will accom-

plish what its sponsors concede must be done—that is, that the impact of the natural gas shortage must be mitigated to the extent possible, as quickly as possible.

Mr. President, in reviewing amend- No. 934, I have concluded that there is simply no possibility that this legislation will do anything to solve anyone's problems this winter, or at any time in the near future. Let me underscore the following points, as to why I think there will be interminable delays in trying to administer this particular piece of legislation, if it becomes law, and why it will take us right past the winter.

First. Amendment No. 934 cannot attract gas this winter to the interstate market through producer sales. I believe this to be true because amendment No. 934 requires the establishment by the EPC of ceiling rates, area by area, and until this is done, it is not reasonable to expect any sales to be made. In the proposed legislation, they are talking about doing that in 15 days. That is incredible. There is no way that the Commissioner can require that kind of information in that span of time, not having had the regulatory authority over this intrastate market in the past. So the accumulation of the vast amount of information for that purpose will not be consistent with the time frame involved.

Amendment No. 934 provides precious little guidance to the FPC in how it is to set these new ceiling rates, for at no place in the legislation is it made clear whether or not the FPC is to deal with weighted average prices, whether adjustments are to be made for quality and quantity variations in current intrastate contracts, whether adjustments should be made for Btu content of natural gas, and so forth. What I am saying, Mr. President, is that in my judgment the FPC will encounter difficulty in setting rates expeditiously area by area, and that no matter what determination is made by the Commission, an appeal of the rate levels must reasonably be expected. My colleagues will recall, of course, that amendment No. 934 expressly permits "any person" to take the FPC to court—in any district court of the United States—if any person feels aggrieved by what the FPC does under this legislation. Amendment No. 934 simply does not provide a mechanism for prompt response to a natural gas emergency.

Further, the amendment will not bring gas to the interstate market in sufficient time to alleviate problems this winter because the amendment, as drawn, still maintains FPC jurisdiction over all facilities necessary to make sales in interstate commerce. In every producer sale, the FPC presently has jurisdiction both over the sales rate and over the facilities employed to effect delivery of gas. While amendment No. 934 attempts to resolve the rate problem by giving the FPC some degree of latitude in considering intrastate before the Commission and received a determination of the "acquisition cost" applicable to the particular gas to be sold—that is a controversial item, how you allocate those costs to that specific bit of gas—and has secured from the Federal Power Commission a determination of the transportation rate which may lawfully be charged.

Mr. President, it is beyond belief that intrastate pipelines could go through this administrative machinery and receive final orders from the Federal Power Commission in sufficient time for their sales to make any significant contribution to easing the natural gas crisis this winter.

In conclusion, Mr. President, I suggest that amendment No. 934 has been drafted without appreciation of the real problems facing the natural gas consumer this winter, and without real understanding of possible solutions to our problems. I believe that amendment No. 919, which Senator Pearson and I and many of our colleagues on both sides of the aisles join in cosponsoring, does provide, in title I, for effective short-term solutions and effective long-term solutions to a critical national problem. I cannot believe that amendment No. 934 measures up to the responsibility of the U.S. Senate under the circumstances which confront us. Amendment 934 prescribes a dose of more regulation for a problem which was aggravated by regulation. It prescribes a dangerous prescription that is far more likely to compound our problems than solve them.

I respectfully suggest that my colleagues could profitably study the hearing record compiled for Representative DINGELL's Subcommittee on Energy and Power last week. During almost 1 full week of hearings, it became abundantly clear that producers, pipelines, distributors, State officials, and consumers of natural gas were of the near unanimous belief that the basic approach of S. 2310, and amendment No. 934, simply cannot operate to provide any relief to the natural gas crisis this winter.

Mr. HOLLINGS. Mr. President, I shall try again this morning to keep the entire subject in focus with respect to the President and his program. We started in January with the President boarding Air Force 1 and flying off in all directions: "I have a program; where is Congress' program?"

Along that line, Mr. President, with respect to the colloquy I had with the distinguished Senator from Idaho (Mr. MCCLURE) on the OPEC pricing, while we are not privileged to have a copy of the Washington Post this morning, there was brought to my attention the onsite coverage of the OPEC's huffing and puffing in Vienna by their correspondent, Jim Hoagland.

Mr. President, I ask unanimous consent to have this entire article printed in the RECORD at this point.

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

OPEC's HUFFING AND PUFFING: WAS IT ALL A SHOW?

(By Jim Hoagland)

VIENNA, September 28.—"I just can't understand what all the talking and arguing is about," a weary delegate new to the councils of the Organization of Petroleum Exporting Countries said after witnessing three days of animated debate among the world's major oil exporting nations.

"This could have been settled in one day. I don't see why it wasn't," he continued.

Diplomats, reporters and oil company executives who waited through the four day OPEC session, which ended last night by adopting a widely predicted 10 per cent increase in international oil prices, shared some of the delegate's mystification.

The increase was adopted after the OPEC oil ministers had given Vienna enough drama to upstage the renowned opera and theater found in the Austrian capital.

Included in the show and dutifully reported in headlines around the world were a sheikh flying off to London in a huff when his efforts to restrain prices seemed about to be thwarted, leaked reports from delegates that the meetings were becoming "violent" and a cliff-hanging ending in which the oil ministers lauded themselves for saving Western civilization by imposing only the increase that most experts expected from the beginning.

How much of this was theatrics designed to sugarcoat the new increase that will add $10 billion to the cost of OPEC oil, or how much was a genuine, bitterly fought bargaining process, cannot be known now.

What has become clear is that both oil producing and consuming governments are devoting almost as much time and energy to the staging of the energy crisis as they are to trying to solve it.

For OPEC delegates, there is a counterpart to suspicion that the haggling of the past four days was intended to soften the blow of a new increase worked out at the parley's beginning. The counterpart is the dichotomy of the Ford administration seeking to insure America's energy interdependence by raising the price of oil itself while hurling verbal thunderbolts at OPEC for raising the price of oil.

Suspicions have now arisen even in the Saudi Arabian camp, which has been the sole champion of trying to get prices reduced or frozen on a long-term basis, that the United States does not in its heart of hearts want oil prices lowered.

Sheikh Zaki Yamani, the Saudi petroleum minister, has told friends privately that the veiled threats against OPEC from Secretary of State Henry Kissinger and others serve only to increase the resolve of other OPEC countries to demonstrate their political independence by raising prices.

Iran, a close ally of the United States, manipulates such statements to strengthen resolve in the camp of the price hawks, Yamani is reported to have said. He is also known to have said recently that high level U.S. officials, including Kissinger, who visit Saudi Arabia have never seriously discussed lowering prices with him.

Those increasingly suspicious of American intentions point out that European and Japanese industry are more severely affected by oil price increases than the United States and that a price rise generates demand for more American dollars in international markets.

Whether any of this week's screaming among OPEC members, which some news agencies were quick to report as signs of OPEC's disintegration, was intended to convince consumers that they were lucky to get off with only 10 per cent, is known for certain only to the delegates of the key countries in the 13-member cartel.

But there are hints that the final decision was orchestrated at least in part to produce that result.

"Five-plus-five," a well-informed source said Wednesday night after the conference had opened with Yamani insisting he would not support any price increase and Iran's Jamshid Amouzegar saying the conference would not accept an increase less than 15 per cent.

Five-plus-five was the formula that Yamani did advance at the meeting—a 5 per cent increase now and 5 in January.

The following night, after Yamani had flown off to London intimating to newsmen that the differences with Iran were very grave indeed, the source reported: "A compromise, 10 per cent at one time, now," Two days later, after the sheikh returned and the press was dutifully informed of continuing haggling, that was the exact result.

After the conference Sheikh Yamani told friends that Saudi Arabia had again singlehandedly blocked price rise that would have damaged the world. He had threatened to break the OPEC price front if his position was not accepted. It was the third time within a year the sheikh told insiders that this scenario had worked.

Amouzegar, meanwhile was calling on the consumers to note what nice guys OPEC had turned out to be after all. Spreading the glory around, Algeria, which had been cast in the role of a price heavy at past conferences, took the role of a moderate at this one, and the Algerian minister told French reporters that the five-plus-five formula had originally been his idea.

Tiny Kuwait, which bases its entire foreign policy on the principle of not antagonizing any of its stronger Middle Eastern neighbors, played the role of moderator with finesse. Kuwait presented the final compromise proposal, which Saudi sources said actually came from Iraq and which other Arab sources said actually came from Saudi Arabia.

Serious differences do exist within OPEC, especially between countries like Saudi Arabia, which is rich in both budget surpluses and long-term oil reserves that it wants to insure are not priced out of the market after a decade or two, and Iran, which needs cash for the shah's grandiose spending and will probably be a minor oil exporter in a decade.

But the sheer theatrics of last week's OPEC meeting, coupled with Kissinger's refusal to take action to back up his pricing complaints, raise questions about what is really happening.

Mr. HOLLINGS. Mr. President, from the article itself about the OPEC haggling and position taking, I quote:

The counterpart is the dichotomy of the Ford administration seeking to insure America's energy interdependence by raising the price of oil itself while hurling verbal thunderbolts at OPEC for raising the price of oil.

Suspicions have now arisen even in the Saudi Arabian camp, which has been the sole champion of trying to get prices reduced or frozen on a long-term basis, that the United States does not in its heart of hearts want oil prices lowered.

He concluded in the final paragraph:

But the sheer theatrics of last week's OPEC meeting, coupled with Kissinger's refusal to take action to back up his pricing complaints, raise questions about what is really happening.

That is the question this morning: What is really happening? We started off with an emergency bill. The distinguished Mr. Zarb, the Energy Administrator, wrote a letter, dated September 10, a letter of transmittal of his emergency bill. I quote from that letter:

Even with immediate deregulation, however, the shortfall has become so acute that the Nation faces the certainty of serious curtailment for the next two winters.

And he submits an emergency bill. He goes on to say:

Because certain areas of the country, particularly the Mid-Atlantic States and Midwestern States, face especially serious potential shortages, I urge prompt congressional action to enact this legislation. Without such action—

prompt congressional action—

we will lack the ability to respond to these serious situations in the timely and effective fashion that their gravity warrants.

Mr. President, that was the position of the energy czar, Mr. Zarb. He is the czar; the coach of the team is Mr. Kissinger. He became the energy czar in the middle of January. But Mr. Zarb, the temporary administrator, agreed with Congress. We get little to agree on, but when we do, we take heart.

We agreed unanimously about the emergency report, for that very emergency bill submitted by Mr. Zarb in that letter of transmittal was placed on the desk, and by unanimous consent, we agreed that it should not be referred to a committee; it should lie at the desk for prompt consideration. Equally, our amendment No. 934, referred to by the distinguished Senator from Texas, the emergency approach of Congress, lies at the desk.

There was one thing we agreed on, the emergency approach. This has been fixed in fact as a matter of necessity with our colleagues from the House side. The distinguished Congressman, Mr. DINGELL, appeared when we had our open news conference relative to S. 2510, the congressional emergency approach, and he said that while they could start hearings on the emergency bill right away, and they did so, the development of a House approach to the permanent solution would require several more weeks of hearings and consideration.

They could turn that out by the end of November or the 1st of December from the House side, but that would be too late for this winter's particular emergency on jobs. So even the House agreed on the need to move quickly on an emergency measure.

Earlier this week, there was a celebration down at the White House and the President reaffirmed to the distinguished Senator from Ohio (Mr. GLENN) that we need to get action on the emergency bill now. As Jim Hoagland, out in Vienna, wants to know what is really happening, I find myself in Washington, D.C., asking the same question. I ask my friend from Texas about the breakfast. Did he enjoy the breakfast this morning at the White House with the President?

Mr. BENTSEN. Unfortunately, I did not have breakfast with the President this morning, but I did exchange some views and concerns about getting some legislation through that would bring a resolution of this problem and to try to solve it, not just with rhetoric, but to try to solve it with solutions. Not by spreading shortages across the country, but by trying to accelerate supplies in this country with a reasonable solution to restore the cost of gas and the price of gas to the marketplace.

I understand that the Senator from South Carolina has resolved most of his problems for his textile industry and that they can make their purchases of gas from some of the gas-producing States. My deep concern is for the rest of the States around the country, that will have some shortages this winter, and how we are going to try to resolve them. I believe we can do it with a combination of emergency legislation and a permanent solution to the problem such as that in the substitute that the Senator from Kansas (Mr. PEARSON) and I have proposed.

Mr. HOLLINGS. So the Senator did not attend the breakfast?

Mr. BENTSEN. I did not say that. I said I was there but I did not have breakfast; I said we exchanged views.

Mr. HOLLINGS. Oh, then the Senator was at the breakfast.

Mr. BENTSEN. If the Senator would listen, I said we had a meeting with the President this morning where we shared concerns and tried to find a solution.

Mr. HOLLINGS. Excuse me. "We met with the President this morning." Is it not a fact that the President pressed for the particular amendment of the Senator from Texas, the long-range solution combined with the emergency proposal?

Mr. BENTSEN. The President concurs, as does Mr. Nassikas and as does Mr. Zarb, that the proposal by Senator PEARSON and the Senator from Texas will do the most effective job in bringing about both an emergency solution and a long-term solution.

Mr. HOLLINGS. So, then, the President was pressing this morning for the long-term solution along with the emergency solution?

Mr. BENTSEN. A combining of the two.

Mr. HOLLINGS. Oh, now we do have that statement. So when we try to find out, Mr. President, what really is happening, the President talks of the emergency and solving it and says it has to be done, not by a long-range plan, but by an emergency bill. He says to Congress, with a letter and message from Mr. Frank Zarb, his Administrator, that it has to be treated with on an emergency basis. He tells the cosponsor of our particular measure, "Yes, we agree on that," on Monday, "We have to have an emergency solution." But then he has early morning meetings to press for the long-range solution. I just wanted to make this point clear.

Further, I want to make the point clear about the President's accusation, "I have got a program, where is Congress'?", because the President has been all over the lot on this particular stand.

Now we can go to what Mr. Nassikas and Mr. Zarb had to say and what they will say now.

Mr. BENTSEN. Will the Senator from South Carolina yield for a question?

Mr. HOLLINGS. Yes, I will yield for a question.

Mr. BENTSEN. Is it not also true, when the Senator talks about being all

over the lot on the question of emergency legislation and long-term solutions, that the Senator from South Carolina has joined in sponsoring an amendment by the Senator from Illinois, an amendment to his bill, which, in effect, is talking about long-term solutions? So is not the Senator from South Carolina also trying, in effect, to deal with short-term emergency and long-term solutions and putting them together?

Mr. HOLLINGS. The hope of this Senator is that we will not go to that until we complete the emergency bill. That is what we agreed on. We did agree in good faith that we were not trying just to get a short-term solution and put aside consideration of the long-range problem and never deal with it. In fact, this Senator has been in hearings on that long-range solution since 1967.

The Senator from Texas knows full well that I have that S. 692, which is a long-range proposal, ready to call, if we are going to take that route now, if we are forced to do so by the duplicity of the President of the United States and others in this Chamber, who are talking about emergency, but in a power play, are trying, without even debate on the comprehensive nature of this particular problem, to force it onto the emergency itself and change horses in the middle of the stream. They tell the public earlier this summer, "Bring the Governors in,"; saying to the Governors, "We must have a short-term solution, we must face up to this problem. We need an emergency bill, now let us all get to work." To the Governors, the Congressmen in the letter, the Senators, and even the cosponsor of this particular bill, again and again, they said. "Let us use the emergency route." But when we try to restrict it to the emergency route, here he is coming now with a long-range one.

Mr. BENTSEN. Will the Senator yield?

Mr. HOLLINGS. Certainly I will yield.

Mr. BENTSEN. We are looking at the amendment of the Senator from South Carolina to S. 2310 which shows "Mr. STEVENSON for himself and Mr. HOLLINGS, an amendment to 2310," and thus the Senator is talking about long-term solutions at the very same time.

Mr. HOLLINGS. No, sir; we are not.

Mr. BENTSEN. Who is duplicitous, and who does it apply to?

Mr. HOLLINGS. Unless we get submarined here this afternoon at 3 o'clock telling Congress, on the one hand, "emergency," but, on the other hand, holding early morning meetings to say, "Put on the long-range; let us start a 2-week debate over there." That strategy will carry us way past the schedule in the Senate, and put the House solution beyond Thanksgiving into Christmas, and then the President can go on TV again and say, "I was for trying to get you these jobs, but Congress would not act in time and incidentally while you were not looking I had an early morning meeting and forgot about the jobs. Instead, we put the power play to them and went for the long-range, total decontrol."

Mr. BENTSEN. Mr. President, will the Senator from South Carolina yield for just a 30-second statement by the Senator from Texas?

The Senator from Texas, from the very beginning, has talked about having a long-term solution that takes care of the emergency provisions at the same time and that is what I propose and that is what I have supported. So the Senator from Texas has been quite consistent in that.

Mr. HOLLINGS. I am talking about the consistency of the President of the United States. I know the Senator from Texas wants total decontrol. There has been no mystery about that.

Mr. BENTSEN. I would prefer this amendment to what we saw yesterday, frankly. I think this is a better solution than the one we considered yesterday. Now, rather than having total decontrol, I prefer the phased out control that we have seen in the Pearson-Bentsen legislation.

Mr. HOLLINGS. Mr. President, I was going into the Zarb-Nassikas part, but I will go immediately into the Fannin amendment. Yesterday that was tabled by a 57-to-31 vote.

The Pearson-Bentsen amendment is nothing more than the Fannin amendment in Bentsen clothing. Let us take the various issues right here and now and find out, because this is where we are getting the sleight-of-hand operation, representing this amendment as giving us a phased decontrol, as if it were a sort of middle ground.

Let us listen for a second now with respect to immediate and total deregulation of new natural gas onshore. That was called for in the Fannin amendment and that is called for in the Bentsen amendment.

You get total deregulation of new natural gas produced offshore in the Fannin amendment and in the Bentsen amendment it is here when we get really to the heart of the problem, this alleged 5-year phaseout in the Bentsen amendment.

Let us look at that 5-year phaseout. Let us look at the schedule of the phaseout and let us look at the report of the Office of Technology, and the Department of Interior study, and we will read for you the drilling dates offshore. Based on the most realistic assumptions and based on starting the leasing program in all frontier regions in 1975, which have not started yet, in the mid-Atlantic with discovery in 1977, the first production will not come on until 1981. What price is going to be phased out?

In the southern California area, with the first discovery in 1978, the first production would be 1982. The phaseout does not affect the gas to be found; the phaseout will be over before the production can come on line in the frontier area.

In the Gulf of Alaska, according to the schedule, the first discovery would not occur until 1979 and the earliest production in one field would be 1983.

On down, the Government exploration program is the same. In the Mid-Atlantic discovery in 1978 means production in 1983; southern California discovery would be 1979, with the first production in 1984; in the Gulf of Alaska, first discovery would be 1980 and first production in 1985.

So what is the force and effect of the phaseout? If you had any doubt about it, all you have to do is ask Mr. Zarb. Mr. Zarb said in his Project Independence report last year, and I read from page 95:

> Because of the long lead times required to bring natural gas production onstream, and because of anticipated declining finding rates non-associated gas production from the Lower 48 States should continue to decline until 1980 regardless of price.

So he thought at that time even under decontrol there would not be any new gas brought on before the so-called phaseout is phased out under the Bentsen approach, and it is described as such a deliberate, carefully thought out, moderate phasing out of controls. You are getting the same thing under law with respect to the offshore as you would have had with the Fannin amendment.

Now what really happens, Mr. President? This phaseout says to the driller onshore, "You do not know about decontrol in the offshore but you know onshore all you have got to do is take the fields in which wells have been drilled in the past and gas found, and just drill a new well in that same field, the already found and producing field, gas from the new well becomes new gas under this Bentsen bill because it is now coming out of the new well instead of the old one, and you will be able to charge the decontrolled price." This is the same proposal which was voted down yesterday afternoon.

After they have done that for 5 years, taking their profits and put them into the Government leases, and the ripoff there is the greatest resource robbery of all time, with the gas and oil companies putting on the pressure to get the Government's land away from it at bargain basement prices, then, by that time they will have those leases, and will be ready to bring in their offshore gas, which according to the Department of the Interior's own schedule, begins in 1981 when there is no longer a phaseout, so there is no force and effect in that particular section.

It says instead, Mr. President, that where you are going to try to make up the supply, here we are trying, with the President talking about "self-sufficiency, lack of dependence, do not depend on Arab OPEC, so let us get decontrol and everything else of that kind." Here under the Bentsen proposal it tells you categorically, "Hold on. Do not bring on any supplies, both by way of the actual physical facts and your financing, the money to be received from those particular explorations and developments." It says, "You are not going to get the highest prices, so do not rush. Slow down, withhold, and make sure it is not brought in until after the full decontrol has occurred offshore."

So instead of satisfying a shortage, instead of bringing on increased production—and that is the title of the bill—to try to increase the production—under the Bentsen amendment what you do is

decrease your production. At least it was done right under the Fannin amendment. If they are going to get anything like decontrol offshore, we might have started the movement forward under Fannin because there was no uncertainty, and it would go where everybody agrees a majority of the remaining gas is in the domestic United States, and that is offshore. So that was voted down 57 to 31.

But they come in now under this particular amendment and they tell you to withhold because in essence, they say, "Do not worry." It sounds pretty on paper. You can sell that to legislative assistants who have not worked on the bill, and they are trying to brief their Senators, and it is a difficult and complex subject, and we can put this over. We can tell them we have got phased decontrol.

Now, what does it do, speaking of legislative assistants, what does it do, Mr. President, for the lawyers?

The distinguished Senator from Texas was talking about our measure as the Lawyer's Retirement Act of 1975 on yesterday or the day before, I guess it was—the Lawyer's Retirement Act.

If there is any doubt about it, all we have got to do is take this particular measure and look at the emergency provisions in the first part. If we look at those provisions, we will find, Mr. President, and we will just take one item in the emergency provision, the propane part—under that propane section there is set up what is called a gas appeals court, something entirely different.

The President is authorized to issue such orders and regulations and he gets a special court for gas appeals and he gets the Chief Justice in on this; he gets the circuit court of appeals in on it; it is called the temporary emergency court of appeals for gas cases.

Of course, that is set up to handle the emergency on propane, not the rules and regulations that the Senators voted on for the continuation of allocation, but we are going to have a special gas court to appeal to and everybody is going to be a gas judge. Talk about the Lawyers' Retirement Act.

So under the emergency provision, which we have never had a real opportunity to get at and discuss because we have had to face up to the strategy of the White House on this one and the proponents of decontrol, let us look at it. In addition let us look at the emergency gas court—Incidentally, under the Administrative Rules and Procedures Act where we have 30 days for the rules and regulations, I do not see how in the world anybody can get any gas under 2330—the first part of the Bentsen, alias Fannin bill.

There is no difference in Fannin and Bentsen, only I rather like the forthrightness of the Fannin approach. It said, "Just come in and decontrol the new gas offshore and onshore, and let us really get at it from an economic and not a political problem, but use it."

In the Bentsen emergency procedure we find all of a sudden we get a special gas court.

Then we go to the offshore to make certain that does not come in under any kind of phaseout, they really ought to read page 27 of the amendment of the distinguished Senator from Texas during that 5-year period, national ceiling for rates and charges from January 1, 1975 to December 31, 1980.

In fact, that is how long it will take to decide these things.

Look at this:

In establishing such national ceiling the Commission shall consider the following factors and only these factors:

"'(1) the prospective costs attributable to the exploration, development, production, gathering, and sale of natural gas;

The Commission has been doing that, they know how to sell it. That can be done, and they decide, say, 75 cents. They decided in December, less than a year ago, on 50 cents, but let us assume they would start off with a 75-cent price.

Then they go to consideration of No. 2:

"'(2) the rates and charges necessary to encourage the optimum levels of (i) the exploration for natural gas, (ii) the development, production, and gathering of natural gas, and (iii) the maintenance of proved reserves of natural gas;

That is where the lawyer is coming in, "optimum levels." Could we not argue that is a good turnover before any and every court?

If they had any hesitation, a freshman law graduate could handle that one, but the senior member would enjoy paragraph 3 under the Bentsen solution to energy in this country:

"'(3) the promotion of sound conservation practices in natural-gas consumption necessary to contribute to the maintenance of a supply of energy resources at reasonable prices to consumers;

What are we going to do to the 75 cents in order to promote conservation? Raise the price, let us say, above oil?

That has been their approach all along, trying to get above OPEC. There is not any doubt about how they are going to get conservation. Conservation by recession is what we have heard by the President of the United States and these proponents of decontrol since the beginning of the year.

So they decide that in order to promote that conservation, that price has got to be higher than oil, and if it has got to be higher than oil to promote conservation, then we have got an appeal, so we go all the way to the United States Supreme Court, and that takes at least 3 years.

Mr. President, talk about the Lawyer's Retirement Act of 1975. Why do we need all this when we have worked out the solution with the House, the Senate, and the administration?

Having worked that out, to come in and misrepresent the bill and say there is no judicial review when there is judicial review under amendment 934, let us go and look at the hearing record and see what these gentlemen, Mr. Nassikas and Mr. Zarb, have to say.

They write and they say now it is very difficult to even administer or collect figures, or anything else.

When Mr. Zarb appeared before the Commerce Committee on September 15, by himself, he was very agreeable.

That is the trouble. We see the two faces of Mr. Zarb all the time. Every time Representatives and Senators meet Mr. Zarb, we all go away with the feeling, "Gee, that's a nice fellow. He is not difficult to get along with."

He seems to be amenable until we see him on TV on some other statement.

Here is what he says on page 14 of the transcript, and I quote with respect to the interim period, emergency steps proposed by the President and the Congress:

We seem to be reasonably close.

Mr. Nassikas, in closing out his testimony as head of the Federal Power Commission, the same gentleman that signed that letter that was just put in the RECORD, by the Senator from Kansas, said on page 98 of the transcript:

I will hasten to add, I think the staff and this committee, the Senators, have done an excellent job in putting this bill together on a crash basis. I think you can see from the tone of my prepared statement, which I prepared Friday, largely prepared by myself, that I don't take great issue with the bill.

He was testifying on S. 2310. Now all of a sudden, by letter, it has become unadministerable, horrible, with terrible delays, and not having any character because it does not stand up to the long-range problem. But when he was talking at the September 15 hearings, he said:

I think you can see from the tone of my prepared statement, which I prepared Friday, largely prepared by myself, that I don't take great issue with the bill. If I took great issue, you would have heard it. I am saying, you can pass your bill.

Here we are, trying to move forward. How? On an emergency basis.

We are finally closing in on the truth of the matter. Finally closing in on the gentleman. For here it is again with respect to the 15 days' time specified in S. 2310. When asked about that, it is interesting to note, of course, what Mr. Zarb can do with the records. We only asked to take August contract prices.

I will get to August contract prices now. We asked for August contract prices to find the most recent average prevailing price in each area.

They asked whether FEA could gather the necessary information to implement the bill, Senator GLENN asked:

It is possible that you could submit the details on how much natural gas is used as boiler fuel and then of that amount of gas which is used as boiler fuel, how much can be converted?

Could your statements be submitted by tomorrow evening?

Mr. ZARB. That would be fine.

In 15 days? Within 24 hours they can get all the information there is in the country, all the industrial boiler fuel use, take all of that information and get it down to how much can be converted during the emergency period during the next 60 days to be contracted for in order to keep the jobs going. They can get that in 24 hours.

Later, Mr. Nassikas and his group said:

We cannot get it within 15 days.

The distinguished Senator from Ohio was asking about working on that particular measure.

This is the exchange between Senator GLENN and Mr. Nassikas, the Chairman of the Federal Power Commission:

Mr. GLENN. I know you don't go on speculative legislation. Is there a possibility you could have people putting together this pricing in the interim period while we get something through here, we hope?

Mr. NASSIKAS. Yes, Senator Glenn. We already have the staff taking all contracts as of the very latest date, July 1975. That was my 20 companies. That showed the price of $1.2601. Yes, we will continue doing that.

Mr. GLENN. Thank you very much.

The definite impression was that the Chairman of the Federal Power Commission, who had called for the introduction of a special bill back in July, had already started correlating the figures, was working on them in August, was working on them in September, and would continue, so if we could get this bill through by October 15, Mr. President, in that 15 days, by November 1, they would have had a particular fixed figure for a particular area.

The Senator from Kentucky (Mr. FORD) has an amendment to correct that, to say the prevailing figure in that area as of the time of the enactment of the bill. While they are correlating, we wanted to make sure that we did not put in anything that could not be administered. We are going along with that amendment.

What does Mr. Zarb say in contradiction to what the Senator from Texas is now representing about not being able to get those figures? He said 80 percent of them are right now on board the Federal Power Commission.

The Federal Power Commission does not now regulate intrastate prices set by national companies who also sell natural gas to the interstate market. But with respect to those it does collect data on the intrastate prices from the major companies. It is estimated that these companies supply at least 80 percent of the gas sold in the intrastate market.

The FPC has been in business for years. It has figures for 80 percent of the market. They are already moving in on the intrastate market. Within 24 hours they can find out what the total boiler use is in the country that can be converted. But now they are, on the one hand, putting a roadblock into the emergency and on the other hand the total decontrol, the Bentsen proposal. It is very facile.

All we have to do is enumerate the particular points. They say decontrol onshore and offshore has no immediate effect because no offshore gas comes on during the 5 years. It is specified as new gas. They make their money onshore and hold up the offshore because they will get a bigger price. Instead of solving the energy problem in 1975, the problem that we have to account for now—what do they do? They put off a solution until after the election. They ask us to give them total decontrol, give them total inflation at the end of the 5-year period, plus no gas in the meantime.

That is exactly what the administration's position is on that bill, although they had told us that with the exigencies of time, the pressures for uemployment and everything else, they would use the emergency route. But they reneged on that promise.

They had a meeting this morning. They called the Senators in and said, "No, we want the Bentsen solution. We are going with our Texas friends down there to get the whole thing decontrolled. Don't worry about the jobs this winter. We have letters from Nassikas saying we cannot do it in 15 days" when they can do something else even far more difficult in 24 hours.

Here Mr. Zarb says:

With respect to the interim period and emergency steps proposed by the President and the Congress, we seem to be reasonably close.

That is what Frank Zarb said on September 15, Mr. President, and that is exactly the frustration we have met in the Senate Chamber trying to keep track of these rascals, the way they run around and switch about and call it a policy.

I have tried to pass an energy policy council through here for the last 5 years. It has passed the Senate three times. That same White House wants to play the chicanery game of wheeling and dealing, bobbing and dobbing, going around and saying one thing to the Congress, the other thing on TV, and getting an early morning meeting together and saying,

Forget about what we said before. We will kill them at 3 o'clock. We will get the whole thing decontrolled under the aegis of being reasonable about a phaseout.

The phaseout is worse than the Fannin bill. At least that was in an industry that is totally decontrolled.

You try to bring it on as fast as you can to make your contracts, make your profits, make your wells, and get America moving.

Everybody agrees the majority of the remaining reserves are offshore of the United States of America.

We are working down on the other end with S. 521 to facilitate and accelerate the offshore movement, to reconcile the Governors of the coastal zone, to reconcile the environmental interests, so we will not have what we had with the Alaskan pipeline; working day and night and Saturdays and everything else, trying to accelerate. And they come with a solution saying:

Put on the brakes. It is a money thing with us. It is a political thing with us. We will sell out to the Texas crowd. We will give them total decontrol onshore and offshore. They will get a price of total decontrol with an inflationary impact after November 1976. That is when you will get your inflationary impact.

I yield at this time, Mr. President.

Mr. BENTSEN. Mr. President, the Senator from South Carolina has referred to the Texas crowd. Let us talk about the Texas crowd for a minute. We have an adequate supply of natural gas in Texas, and we have that adequate supply because we have let the free marketplace work. What the Senator from South Carolina is proposing to us is that we come down and impose on the people of Texas, who are just as concerned about prices for their own homes, for their own industry, and just as concerned about jobs, the misguided policies and regulations that have compounded the problems of natural gas for many a year and led to many of these shortages.

We are quite willing to share the gas in Texas with the Senator from South Carolina and with his industry. We want to keep the jobs going. We understand the problems of a recession, people out of work, not being able to make ends meet. We do not want to see that problem resulting in Ohio, South Carolina, Virginia, and the other States in the Nation.

But it should not be a policy of just sharing shortages. What we ought to be trying to do is increase supplies so that everyone gets taken care of. To cut the piece of pie up just into smaller pieces does not take care of the problem.

Let us see if we cannot encourage the drilling of the marginal fields. This problem is not going to be settled by rhetoric; it is only going to be settled by solutions.

When I talked about area pricing, the Senator from South Carolina talked about how much of the gas went into the interstate system, and then he talked about the intrastate system, and he said he had the prices that the major companies were paying.

That is just the beginning of the problem, when we talk about area pricing. There is information far beyond that that has to be acquired, and to say that that can be accomplished in 15 days really just does not make any sense. We do not have that kind of information available, and we have not had the authority, in the past, to acquire that information.

Now, the Senator talks about determining the maximum efficient production of those wells, and, again, to do that in 45 days. It sounds easy. It is awfully easy to do that from the floor of the Senate, as you are speaking. But when you get to the practical problems of doing it, the maximum efficient rate on a well varies from day to day and from field to field. It is a constantly changing thing, and not something that is going to be resolved by the Federal Power Commission in that period of time.

The Senator from South Carolina wants to come and put his feet under the table. That is fine; we welcome him to the dinner table. But let us increase the supplies for all of us in the process, and let us not vest on Texas or Louisiana or California or Kansas the results of misguided policies that have resulted in the kind of problems where we see these shortages today.

We can resolve these problems now. We can bring this thing to a conclusion that will take care of the emergency problems and the long-term solution at the same time.

I discussed this with the Senator from South Carolina yesterday. I told him I thought we ought to have some assurances that we could have a timely conclusion of this debate, that we ought to set some time limitations on that.

The distinguished Senator from South Carolina, with all his urgency here, was not willing to agree that we have a limitation on the time and a resolution of the problem. I hope as we go along he will change his mind on that.

What we are talking about this afternoon is a vote, not really on the merits of the bill or the substitute, but on a motion to lay on the table. If that motion to lay on the table is defeated, then we will have a chance to continue to discuss the merits of this measure and amendments to it that the Senator from South Carolina tells me he has in mind that, if this tabling motion fails, he will introduce.

That is fine. They ought to be debated and considered by this body. Perhaps some of them I shall vote for. But let us have the opportunity to look at this bill, and the opportunity to vote it up or down on its merits, and not be shifted aside by a motion to lay on the table.

What we are talking about is a very major problem and concern of this country. We are looking at a substitute provision that has been in the making for 4 or 5 years, that has been given great consideration and great deliberation, and that I believe to be an adequate solution to the problem.

Mr. HOLLINGS. Now, Mr. President, the distinguished Senator from Texas knows my high regard for him and all my friends in Texas. My best friend lives in Texas. I have just come back from his hometown, from discussing this particular subject.

But I am concerned about the Senator's paternalistic and condescending approach. He talks about his gas, and that he will give other States a little. He says he will let us sit at the table.

Can you imagine the arrogance of that? Suppose the four States with uranium in this country were to say, "We will lock up all the uranium, and we will permit no more nuclear powerplants to operate, but we will let you come to the table if you pay our price." Texas is saying, "Let us have all your money before you get our gas."

Let us go back in time and examine how all this natural gas was developed.

Going back to the adoption of the Natural Gas Act in 1938, we find that the gas industry was for it. I quote here from Senator Burton K. Wheeler back then during the debate in 1937. Mr. Wheeler said, in the RECORD of August 19, 1937, page 9315:

> As a matter of fact, as I have said before, most of the high-class pipelines and gas people in the country have favored the bill, because if they are doing a legitimate business, they have no objection to it. . . . Likewise, as I say, every State regulatory body has asked for it, and there has not been an objection that I know of coming from the transporters or producers of gas anywhere in the United States. In fact, one of them spoke to me about the matter and said he hoped the bill would pass, because he felt that it would stabilize the industry, and stop the industry from being held up to ridicule, and so forth.

It goes on and on, and we could read the whole thing, but an interesting point was raised in a question that was asked by Senator Connally, who asked what the State of Texas thought of the Natural Gas Act.

I quote Senator Wheeler's response from the RECORD of August 19, 1937, at page 9316:

> Let me say to the Senator that Representative Rayburn called me up only yesterday and stated to me that he was very anxious that this bill be taken up, and asked me to make a special effort to get the bill passed . . . I do not think he would have called me up and asked me to have the bill passed, if it was going to hurt the State of Texas, or anybody down there.

Now, Mr. President, that summarizes the need for the act. Nobody got hurt by it. It was beneficial for all concerned. The natural gas industry in Texas was not developed until the late thirties, when this bill was enacted, because with the bill they could invest the massive resources and raise the capital to money, extend the pipelines. The capital would be raised based on a public convenience and necessity certification, which protected that investment. In return, there was reasonable regulation to protect the public.

Under regulation, the gas industry grew and they prospered to become the sixth largest industry in all of America.

The sixth largest industry in all of America. The interstate market and the consuming States developed the natural gas industry. This produced markets for gas and new jobs. The intrastate market contributed comparatively little to this development. The Senator from California yesterday stated what the intrastate natural gas price was in the Fort Worth field in 1972, prior to OPEC.

Since 1973, the Arab Power Commission that has taken over. That is what the major oil companies wanted. OPEC has taken over our domestic new oil pricing, and the Senator is saying this morning, with the Bentsen amendment, "Let us let them take over our gas pricing, too; away with the Federal Power Commission and natural gas under the Arab Power Commission."

Before the Arab Power Commission quadrupled the world oil price, what was the intrastate price of gas in Texas? Twenty-eight cents in the Fort Worth field. We had a long statement from the Senator from California on that particular matter yesterday. But now producers are drilling more and withholding gas, making only a few intrastate contracts to pay for limited development while waiting for total decontrol.

Did Texas develop that gas, or did South Carolina develop it? I can tell you we did. I brought industry into South Carolina. In a 4-year period, we brought $1 billion worth of industry, and 100,000 jobs, all fueled by natural gas. That was also the case with North Carolina, with Alabama, with Georgia, and with many other States. We accelerated the prosperity of our Southland. And this resulted in the development of the natural gas industry.

It was our goal to develop natural gas. Sit at your table? We built that table.

Mr. President, regulation has worked well until OPEC raised oil prices. When that happened intrastate gas prices zoomed artificially to the equivalent of the monopolistic oil price increase.

That is what the President of the United States was asking for when he had his meeting this morning. I thought it was a breakfast meeting. I was told it was an 8 o'clock meeting. I hoped they fed those present something else other than the Bentsen amendment to start the day off right. I can tell Senators here and now we must get some kind of an emergency solution enacted because the public will demand action, to keep these jobs going. Then we will move, perhaps to the Senator's solution or whoever else's solution prevails in the Chamber.

But we are not going to accede to talking about emergency legislation while the administration pressures everyone into the long-range solution which could not otherwise get through this Congress. Let us not use the guise of an emergency to deregulate in the long term.

What did Mr. Zarb say? He said, and again we keep quoting him, on September 27:

> I indicated in my testimony there is not expected to be any significant short-run supply response to increased wellhead prices for natural gas because of the long lead-time required to explore for, drill, and complete gas-producing wells.

That is the same thing he said in the Project Independence blueprint report last year, that with total decontrol this afternoon, with total decontrol, there will not be a supply response until 1980.

But with the Bentsen solution producers will say:

> Don't move. Make sure you don't come in with your offshore gas prior to the end of the phaseout, because that is when you hit a bonanza. That is when there will really be a gas shortage in this country, for which they cannot blame the gas industry, because that is what Congress did. That is what they established as the policy. And if those politicians would let business reign supreme in this country and quit making these political decisions, then we could have had enough gas.

Under the Bentsen solution we will have wasteful onshore drilling in existing fields—to get the new gas price. And no offshore new gas production for 5 years. This is the worst of both worlds.

Let us examine the situation under the current system of regulation. Most interstate pipelines are in reasonably good shape. For example, in my State, Southern Natural, feeding into Carolina Pipeline, has no curtailment. But, another pipeline serving my State is Transco. Either their geologists were mistaken, the company oversold, or they misrepresented the facts, or whatever it is, because FPC regulation calls not for shortage, the regulation calls for abundance. The pipeline was supposed to have a 20-year natural gas supply and a 12-year deliverability.

Unfortunately the FPC did not fully enforce its own regulations. But even with withholding and with OPEC, under regulation the natural gas shortage in America is only 15 percent, but as to decontrolled oil we are 40 percent short in this country.

We are 40 percent short of our domestic oil production in this country under the President's, program with OPEC, and an import tariff. We have a rise in gasoline prices from 35 to 65 cents, high unemployment, and a $69 billion deficit. We have it all. And in addition under

the President's program, domestic oil production is down 872,000 barrels a day, and we have higher imports. The President is blaming Congress for the failure of his high price program, but Congress is trying to conserve, to end the boiler fuel use of gas and oil and establish, prices high enough to maximize domestic production. But nothing seems to satisfy the oil industry. How much is enough?

We have had hearings. We had hearings when the FPC established a national rate of 50 cents. S. 692, the Commerce Committee bill had a ceiling of 75 cents, a price higher than the intrastate price for all new gas say in Oklahoma, all new gas in Oklahoma, not old, not average, or anything else. That price was 72.02 cents for 283 contracts in the State of Oklahoma.

But that was not enough for the gas industry. So in our emergency bill we adopted the most recent intrastate unregulated price—the prevailing price in August 1975.

We are giving them the "free" market price and trying to avoid the inflationary, impact of short term prices beyond this level as the interstate demand is released on the intrastate market. We are trying to get some cutoff point above which the price would not jump. Mr. Nassikas said in his testimony, that if we passed the bill as proposed now in the Bentsen amendment, with no ceiling price to it at the current fair market value prices would go up to $3, and many users in greatest need would not get any gas. They could not afford it, on the emergency basis. Producers would hold back. The rich would gobble up the poor. The big gas purchasing companies with gas purchasing departments would siphon it all off. There we are left with all this hassle trying to take care of the unemployment this winter. We would have no results.

So we went even about the 75 cents and we got to the average intrastate price, free market bringing it right up to date. It was the gentleman, who was the chairman of the Power Commission who came and testified. He said:

> We have been going through and have been having these hearings and the average intrastate price, the free market price right now is $1.26.

So, we were all right. Let us fix $1.30. We could not pass one. We do not want to roll prices back. The House is voting to roll prices back. We said let us make the mistake on the side of making sure they have all they can possibly use in the way of incentives. Contracts were made all in the free intrastate market, and we came with a $1.30 that they are telling us this morning we are going to accept that and mind you me that intrastate and that interstate price, I say to my distinguished friend from Texas, was practically the same, until OPEC and President Nixon and Mr. Nassikas all jointed together to bring the pressures on to raise intrastate prices.

Now producers and their allies say, "It takes all your money to get our gas."

They stick a gun at your head and say, "That is the only way we are going to operate."

That is what gets us worked up about the thing, because when one thinks he is working with the administration, they have the conferences with us, we bring over the experts from the Federal Energy Administration, every one of these are for the emergency approach, and when we get down to the wire to try to say, "Well, we are going to take the administration emergency approach or Congress emergency approach," they say: "Oh, no, no."

The Senator knows the things that they have been hollering since they hollered under Harry Truman back in 1950:

> Decontrol, decontrol, the industry was not rolling, the industry was stultified, how can you get them to drill that deep? How could you go? This is the business. Where would you get the capital?

Well, heavens, even since 1954, when the Supreme Court said producers were natural gas companies, we have gone from a production of 9 trillion to 22 trillion cubic feet.

In Fort Worth 28 cents was the free market price less than 2 years ago. That is the record that has been made here by the proponents of the Bentsen amendment.

I say to the Senator if we give them $1 more now that is fine business, but heavens, let us not talk about decontrol, free market, when there is not any such thing with the OPEC cartel.

All we do, in essence, if we vote that Bentsen amendment, is we take it all out from the Federal Power Commission and put it under the Arab Power Commission.

If he could see this as closely as those in the field working on this particular problem, I do not believe our distinguished friend from Texas, Mr. President, would maintain his position. But Mr. Reagan is a pretty good conservative businessman. He made some appointments along with some by our distinguished friend Gov. Jerry Brown, and they form the California Public Utility Commission of the State of California. It is interesting to hear, after what they have been contending with everyone else, they admit they felt like the distinguished Senator from Texas about decontrol.

But they really bring it into focus when they say this, in the ARCO decision:

> The choice, then, seems to us to be a simple one: either the price for Prudhoe Bay gas will be set by the five Federal Power commissioners, or by four oil companies. Whatever the frailties of regulation, we are unwilling to risk the consequences of a monopolistic market. We urge Congress to oppose deregulation of natural gas.

Anybody who has worked in this field will oppose outright decontrol and deregulation, as we voted in Congress.

The Senator from Alaska said, "Only give us a chance." He has had his chance.

But now the Senator is talking about the Fannin amendment and dressing it up, and the Senator is talking about it being gradual and that there will be no impact. There is going to be nothing except a heyday for the gas producers in America. We are not going to get any gas. None of the new gas from offshore is going to come in, but we will have decontrol onshore, with all the attendant inflation and grief.

The fact is that we come here now with decontrol of so-called new natural gas onshore, but they have it rigged. So what a producer does is take an already-found field, put another well down, designate the gas production as new, and start off charging $3 and go up; and then hope that OPEC meets again for a big rally in Vienna. That is exactly what the Bentsen amendment is asking us to do.

We are trying our level best to resist this. We are trying our level best to amend the Natural Gas Act of 1938. The U.S. Constitution has been amended more since 1938.

We willingly tried to get the FPC out of adjudicatory price fixing and interminable court appeals. Do not come to those facing unemployment in this month of October and give us another 2 weeks of debate, at least with the Bentsen amendment, and with all these other amendments. None of them would be called up if I had my way. We even had the Democratic policy committee agree to a general policy of tabling if they did not relate to this particular emergency measure, even though one were to favor them.

Mr. TALMADGE. Mr. President, will the Senator yield?

Mr. HOLLINGS. I yield.

EXTENSION OF THE FEDERAL INSECTICIDE, FUNGICIDE, AND RODENTICIDE ACT

Mr. TALMADGE. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 2375.

The PRESIDING OFFICER (Mr. GLENN) laid before the Senate the amendments of the House of Representatives to the bill (S. 2375) to extend the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, for 3 months, as follows:

> Page 1, strike out all after line 5, and insert: "There is hereby authorized to be appropriated to carry out the provisions of this Act for the period beginning October 1, 1975, and ending November 15, 1975, the sum of $5,983,500.".
>
> Amend the title so as to read: "An Act to extend the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, for forty-five days.".

Mr. TALMADGE. Mr. President, I move that the Senate concur in the amendment of the House to S. 2375.

The PRESIDING OFFICE. The question is on agreeing to the motion.

The motion was agreed to.

NATURAL GAS EMERGENCY ACT OF 1975

The Senate continued with the consideration of the bill (S. 2310) to assure the availability of adequate supplies of natural gas during the period ending June 30, 1976.

Mr. BENTSEN. Mr. President, the distinguished Senator from South Carolina is talking, again, about a solution which

is regulation. The kind of regulation that we saw lead to the bankruptcy of the Penn Central has led to a decrease in the amount of new natural gas found in this country.

One of the reasons for regulation is to try to stop excessive profits. But what really happens when they are drilling for oil and gas is that they will drill only those that are profitable, and that means that they will only bring in what they take to be the big reserves, the shallow reserves, the reserves that are easy to find. It means that the marginal reserves, the more expensive reserves, just will not be drilled.

I understand the rhetoric and I understand the political popularity of the position of the Senator from South Carolina. I would like to say to the people of this country that energy prices will not be going up, that they will be able to find all the gas they want, under the Hollings amendment. But, unfortunately, that is not the case. You can have your severe shortages, and then the Senator from South Carolina can say, "Well, that was the fault of the oil companies, not the fault of price at all." Unfortunately, the risk reward ratios in that industry are just as they are in any other industry. They are not going to take those risks and they are not going to drill those wells unless they can pay off the mortgages at the bank and can show themselves a profit for that kind of operation.

Let us look at what it really means to deregulate and to do it over a phased period of time. The Senator from South Carolina talks about total deregulation, but what we are really talking about is phasing it in. We are talking about new gas that is found being deregulated, and we are talking about the old contracts as they expire over a period of time—those being deregulated.

What does it mean to the pipeline? Today, two-thirds to three-fourths of the cost to the ultimate receiver of the gas is the cost of transportation, not the cost of what it is to the wellhead. What we are going to see is 5 percent to 10 percent of that gas a year being classified as new gas, coming under the deregulated provisions—not all of it, not totally deregulated, as the Senator seems to infer.

What does it mean to the ultimate receiver? The estimates are that it will mean an increase in price of approximately $7 a year to the home user. I would rather say it is nothing, but that is what it is. Phased deregulation also will result in a saving of approximately $60 a year to that homeowner that would face curtailments of natural gas, unless we can increase the production in order to take care of them. Those curtailments would result in the cost of alternate fuels of about $60 a year.

So, ultimately, as a whole the homeowners will be better taken care of, because they are going to have this resource and they are going to have it available.

In my State of Texas, approximately 98 percent of our electricity comes from boiler fuel that is natural gas. This is talking about phasing that out and forcing us to alternative sources of energy. We understand that, and we accept that.

The Senator says that it is his natural gas. When the people there see it next door, they cannot help feel possessive about it. But we understand the long-term consequences for our country and the necessity that those resources be shared, whether it is the timber of South Carolina or the natural gas of Texas. No one is arguing that point.

What we are asking the Senate to do is not to visit on us a continuation and an acceleration of shortages brought about by bad regulation.

The statement has been made about underreporting of gas reserves by companies. One of the interesting features about that is that one of the problems we have had is overreporting of reserves by some of these companies, in trying to sell their bonds, in order to show that they have the long-term reserves, so that they can fund their additional exploration through the sale of bonds.

Some of the biggest lawsuits we have in Texas today are allegations that they have had an overstating of reserves by some of these companies for financial purposes.

Mr. President, what we are asking for in the vote at 3 o'clock is that this very carefully considered amendment, a great deal of time having been put in on it, one that provides both a short-term and a long-term solution, not be pushed aside, but that we have an up or down vote on it at some later date after the Senator from South Carolina, the Senator from Illinois, and many of the others have had their opportunity to attach such amendments or to have consideration of such amendments that they think will fit or take care of specific needs of their States and their regions. The measure is deserving of that kind of consideration. I strongly urge the Members of this body not to table this amendment, but to give it further consideration and a final up or down vote.

Mr. STEVENSON. Mr. President, this amendment is imperfectly understood by the Senate and it has not been accurately portrayed by the press. It has been portrayed as a compromise, as an amendment which provides for gradual decontrol of natural gas wellhead prices. In fact, it is, with one change, the amendment decontrolling wellhead prices for natural gas in the United States that was emphatically, resoundingly, defeated by the Senate just yesterday.

There are two solutions to the natural gas crisis in the country which, above all others, are the most unacceptable. First is so-called decontrol. There is no such thing as decontrol, for there is no argument that wellhead prices, decontrolled, will rise to a level established by foreign oil producers, OPEC, or higher. Indeed, they have already done so on a Btu equivalent basis in intrastate commerce.

If the demand of some 45 consuming States were added to the demand in those 4 or 5 producing States where natural gas has already reached as high as $2 per Mcf, it would clearly go much higher. The Chairman of the Federal Power Commission, among others, has testified that instantly, it would rise, on a spot basis, to $3, from a high now in interstate commerce of about 52 cents. That is a sixfold increase in the price of interstate natural gas. And that is only a beginning.

The decontrol of natural gas in interstate commerce not only leads to a substitution of OPEC control, but to energy priced at an even higher rate than the OPEC price for oil. That is one of the solutions that is suggested—not decontrol, but, in fact, OPEC control of domestic wellhead prices for natural gas.

The other solution which has been suggested, and which, after 2 years of hearings on this subject, is, to my own way of thinking, a most unacceptable proposal, is continued FPC ratemaking for the determination of wellhead prices for natural gas. The genius of this amendment is that it combines both OPEC controlled, or higher, interstate natural gas prices on the one hand, for natural gas at the wellhead onshore, and it perpetuates FPC ratemaking for a 5-year period for natural gas offshore. The standards for FPC ratemaking offshore are vague. They are new. There is no precedent in regulation or in case law to give these standards any interpretation.

They would lead not to a field day for the oil companies, as the Senator from South Carolina mentioned a moment ago, but, certainly, to a field day for lawyers. Rate cases would be involved in the courts for many years before those standards acquired any meaning. During that time, price uncertainty would occur, offshore producers would curtail production and curtail development, and the natural gas shortages caused by price uncertainty now would continue. Prices would be subjected to more uncertainty in the future.

This amendment, Mr. President, would produce no significant increase in natural gas supplies, if any increase at all. What it would increase, to a certainty, is more inflation, more unemployment, and continued recession. We cannot say how high the price for natural gas would go. Initially, on a spot basis, it would go to $3. That is the estimate of the Chairman of the Federal Power Commission. It is, in my judgment, a conservative estimate. In time, clearly, the natural gas prices would go higher.

We cannot say with certainty; no one can say, but we can make some reasonable assumptions, and, in fact, they have been made in the Committee on the Budget of the Senate, in the Joint Economic Committee, and by others who have, with us, been studying the pricing and the consequences of energy prices in the economy for about 2 years.

The effects of abdicating responsibility for the control of natural gas prices, after having accepted such responsibility with respect to oil prices, would be, according to estimates of the staff of the Committee on the Budget, an increase in the overall price level of 1.4 percent by next year and 2.2 percent by the end of 1977. Similar findings have been made by the Joint Economic Committee.

The staff of the Committee on the Budget concludes also that the Pearson-Bentsen amendment, by the end of 1977, would add 650,000 people to the ranks of the unemployed—without, I remind you, Mr. President, increasing natural gas supplies. Indeed, the administration's own "Project Independence" concluded that beyond a price of 85 cents for natural gas, increases in the natural gas supply are marginal. They simply cannot produce, no matter what the price, gas that does not exist. Beyond a reasonable price, without an OPEC price, marginal increases in gas supply are produced at such high prices that it becomes ridiculous. All they produce is hardship for industry, for agriculture, for the homeowner, and, of course, more windfall profits for the oil companies.

Mr. President, there is a better way than to perpetuate FPC ratemaking procedures for the establishment of natural gas prices.

There is a far better way of getting out of this than by conferring control over natural gas prices on foreign oil producers. There is a way which, conceptually, at least, has been accepted by virtually every witness who appeared before the Commerce Committee and its Subcommittee on Oil and Gas Production, which I chair, in the last year.

These economists 2 years ago did not all sound this way. They were saying—and members of the administration, too, the oil industry—"You wait, just let the price of oil go up and oil will begin flowing from all sorts of places in the world. There will be a glut of oil and the price will come down."

Only recently have the economists, representatives of the Central Intelligence Agency, the FEA, others, including the industry, conceded belatedly that the oil producers have it within their power and their intention to decrease the supply of oil before they decrease the price of oil. In fact, they have very recently increased the price of oil again.

So those economists, Mr. President, who came around proposing deregulation, come around today and say, "Yes, we are for deregulation but you have to establish some ceiling to protect the economy against extortionate OPEC pricing of domestic energy, oil or gas."

A better way, Mr. President, would be to establish a simple administrable single tier price ceiling for both oil and natural gas in the United States. As long as one fuel is priced at a level that is below the other we will face shortages. Natural gas has been priced artificially low, so the incentive has existed to burn the premium fuel in short supply, natural gas, and the incentive has existed to produce the higher priced fuel, oil, in relatively good supply, at least for the short term.

A rational approach which did not abandon responsibility for the pricing of gas and oil at the wellhead would not eliminate that disparity by letting oil prices go up to a level established by the Shah of Iran. It would bring down the oil price, which is too high, and bring up the gas price, which is too low. That would be a way in which the United States could exercise responsibility for the price of energy, which has become the principal cause of inflation in the United States and of the recession, too.

The administration's own Project Independence indicated that beyond 85 cents per thousand cubic feet the increases in gas supply were marginal.

I have introduced an amendment, Mr. President, which would establish an initial new gas price in the United States of $1.30. That figure would be more than sufficient to produce all of the incentives and resources which the industry needs to produce gas, and it would also establish a new equilibrium between natural gas prices and oil prices.

The same amendment brings down the oil price, the new oil price, to $9, and it phases out the old oil price over a period of 5 years. At the end of those 5 years, the United States would have a single tiered comprehensive price ceiling for both oil and gas. No longer would there be a need for any complex, unadministerable allocation system. The United States would have afforded itself some protection from arbitrary energy pricing by foreign producers.

That, Mr. President, would be a rational way of dealing with this problem. One of the reasons it has not been dealt with rationally or, for that matter, in any way so far, is because we have been unable, the executive branch and the legislative branch, to recognize the relationship between these two sources of energy. We have been unable to do that because we are not even structured in a way that makes it possible. One committee has jurisdiction over oil and another committee has jurisdiction over gas. The House has not even begun to consider long-term natural gas prices.

Additional studies, including studies by the Budget Committee of the Senate, have concluded that $1.30 for new natural gas and $9 for new oil, with an average price of about $6.75 for new oil, would not only provide all of the resources and incentives that are necessary for the industry and to protect the economy, but that beyond that you do not produce any more oil or gas—certainly not oil or gas in any significant quantities. All you produce are windfall profits for the industry and inflation and, I should add, a point that is rarely made, an inflation in the energy industry, prices which create large revenues which cause the producers to compete among themselves and drive up all of their costs, their costs for equipment, their costs for labor, their costs for leases, with the net effect that the increased prices do not produce increased exploration and development.

They are the victims of their own energy-induced inflation. They are producing not more energy. In fact, production is declining. These high prices are producing a very high-priced energy industry.

Mr. President, there is a far better way than to wed a continuation of FPC ratemaking for wellhead natural gas prices offshore with OPEC pricing of wellhead production onshore, and that is precisely what the Pearson-Bentsen variation of the Fannin amendment, repudiated yesterday, does.

All of these long-term pricing provisions could be brought up in connection with S. 692, which is on the calendar by order entered in the Senate and scheduled next for action.

The action on that bill, on S. 692, could follow or parallel the action in the conference with the House which is about to begin on oil.

We might, in connection with S. 692, have an opportunity to act rationally in the Senate at the same time that we are acting rationally with the House on oil in conference. We do not have that opportunity now.

This was to be an emergency bill, a bill to provide relief in the interstate market from critical natural gas shortages this winter.

If, in conjunction with this emergency bill, we take up long-term pricing, it is evident that we will be on this emergency bill for a long time and probably for too long to provide any relief this winter.

The better course would be to table the amendment and then try to approve an emergency bill, and as soon as that bill is approved turn to 692 which could offer a vehicle for long-term pricing of both oil and gas and, for the first time, an opportunity to recognize the relationship between the two.

The fact of the matter is that neither of them can be priced sensibly without reference to the other.

Mr. President, I do not, of course, know what the outcome will be on the vote to table the Pearson-Bentsen amendment. It is possible that such a motion will not prevail, in which case, the Senate will be preoccupied with long-term pricing of energy on this short-term emergency bill.

AMENDMENT NO. 948

Against that possibility, Mr. President, I call up my amendment No. 948 as a substitute to the substitute No. 919 to the amendment in the nature of a substitute No. 934, and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will state the amendment.

The assistant legislative clerk read as follows:

The Senator from Illinois (Mr. STEVENSON), for himself and Mr. HOLLINGS and Mr. MOSS, proposes an amendment numbered 948 in the nature of a substitute for amendment No. 919, as modified.

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

The PRESIDING OFFICER (Mr. CULVER). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GLENN. 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. STEVENSON. Will the Senator yield?

Mr. GLENN. I yield to the Senator from Illinois.

Mr. STEVENSON. Mr. President, I modify my amendment No. 948 to strike the language after "viz," starting with "strike" and ending with "thereof," and substitute "in lieu of the language pro-

proposed to be inserted, insert the following," and also, Mr. President, I modify it after reference to Senator Moss to insert "to amend No. 919 as modified."

The PRESIDING OFFICER. The amendment will be so modified without objection.

The amendment, as modified, is as follows:

AMENDMENT NO. 948, AS MODIFIED

In lieu of the language proposed to be inserted, insert the following:

That this Act may be cited as the "Natural Gas Production and Conservation Act of 1975".

SEC. 2. The Natural Gas Act (15 U.S.C. 717 et seq.) is amended by striking out section 24 thereof (15 U.S.C. 717w) in its entirety and by inserting immediately after the enacting clause thereof and before section 1 thereof (15 U.S.C. 717) the following: "That this Act may be cited as the 'Natural Gas Act'.

"TITLE I—GENERAL PROVISIONS".

SEC. 3. The Natural Gas Act (15 U.S.C. 717 et seq.) is amended by adding at the end thereof the following two new titles:

"TITLE II

"PURPOSES

"SEC. 201. The purpose of this title is to establish temporary emergency authorities for minimizing the detrimental effects on employment, food production, and public health, safety, and welfare caused by natural gas supply shortages.

"DEFINITIONS

"SEC. 202. As used in this title—

"(1) The term 'Administrator' means the Administrator of the Federal Energy Administration.

"(2) The term 'Commission' means the Federal Power Commission;

"(3) The term 'essential user' means a user or class of user who satisfies criteria to be established by the Commission, by rule, as indicative of a user for which no alternative fuel is reasonably available and whose supply requirements must be met in order to avoid substantial unemployment or impairment of food production or the public health, safety, or welfare.

"(4) The term 'Federal lands' means any land or subsurface area within the United States which is owned or controlled by the Federal Government or with respect to which the Federal Government has authority, directly or indirectly, to explore for, develop, and produce natural gas, including any land or subsurface area located on the Outer Continental Shelf.

"(5) The term 'intrastate commerce' means commerce between points within the same State not through any place outside thereof.

"(6) The term 'interstate commerce' has the same meaning as such term has in section 2(7) of the Natural Gas Act (15 U.S.C. 717a(7)).

"(7) The term 'Outer Continental Shelf' has the same meaning as such term has in section 2(a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1331(a)).

"(8) The term 'new natural gas' means (A) natural gas which was not, prior to September 9, 1975, committed by contract to interstate commerce, and (B) any natural gas (i) committed by contract to intrastate commerce which contract, on or after September 9, 1975, terminates and is not renewed or (ii) otherwise available for sale during the period that this title is in effect. Except as provided in this title, new natural gas shall not be subject to Commission jurisdiction. The term does not include 'transferred natural gas' as defined in subsection 205(e).

"(9) The term 'person' includes any governmental entity.

"(10) The term 'pipeline' means a person engaged in the transportation by pipeline of natural gas.

"(11) The term 'priority interstate purchaser' means (A) any interstate pipeline (or a person acting on behalf of an interstate pipeline) which the Commission, taking into account any existing curtailment plan of such pipeline and the natural gas supplies available to such pipeline, determines is, to a significant extent, unlikely to obtain supplies of natural gas adequate to meet the requirements of essential users under any agreement (without regard to whether such agreement is for interruptible or firm service) to supply natural gas to such user by—

"(i) such pipeline; or

"(ii) a person to which such pipeline supplies natural gas for purposes of resale,

or (B) any interstate pipeline that can demonstrate it will otherwise be unable to secure supplies of natural gas that are necessary to supply essential users on such pipelines through June 30, 1976, because of competition from interstate pipelines that have previously been designated as priority purchasers.

"(12) The term 'supply emergency period' means the period, or any part thereof, which begins on the date of enactment of this title and ends on July 1, 1976.

"ACCESS BY PRIORITY INTERSTATE PURCHASERS TO NATURAL GAS

"SEC. 203. (a) The Commission shall, not later than the end of the 15-day period which begins on the date of enactment of this title, and shall as necessary throughout the supply emergency pediod, upon petition or upon its own motion, designate priority interstate purchasers.

"(b) The Commission shall, by rule, not later than the end of the 15-day period which begins on the date of enactment of this title, establish an area ceiling price applicable to any first sale of new natural gas (except first sales of new natural gas produced from lands located on the Outer Continental Shelf) for each area in the United States in which natural gas is produced during the supply emergency period. The Commission shall designate areas to which such ceiling prices shall apply. Such ceiling price shall, to the maximum extent practicable, approximate the average sales price, as determined by the Commission, for contracts entered into or renewed during the period from August 1, 1975, through August 31, 1975, for natural gas produced in the area and sold in intrastate commerce. If no such sales were made during the period from August 1, 1975, to August 31, 1975, in a designated area, the Commission shall establish a ceiling price by rule based on the average sales price for contracts most recently entered into or the average sales price in another similarly situated area during the period from August 1, 1975, to August 31, 1975.

"(c) No producer or other seller (as the case may be) may charge and no purchaser may pay a price for the first sale of new natural gas occurring between September 8, 1975, and June 30, 1976, which price exceeds the applicable area ceiling price established by the Commission or if purchased from an intrastate pipeline, the acquisition cost pursuant to contracts entered into prior to September 8, 1975, of such natural gas by the selling intrastate pipeline plus a reasonable charge for any transportation services rendered by a producer or other seller (as the case may be). Any contractual provision prohibiting such sales or transportation or terminating any other obligations of any gas supply or sales contracts as a result of such sales or transportation shall be unenforceable in respect to any such sale or transportation.

"(d) Any new natural gas produced from lands located on the Outer Continental Shelf shall be sold in interstate commerce.

"(e)(1) No new natural gas produced in the United States (except new natural gas produced from lands located on the Outer Continental Shelf) may be sold in interstate commerce unless—

"(A) the purchaser has been designated by the Commission as a priority interstate purchaser; or

"(B) the producer or purchaser has filed a notice of a proposal to sell new natural gas (whether in the form of an offer to sell or a proposed contract to sell such gas) with the Commission at least 15 days prior to sale.

"(2) The Commission shall, by rule, prohibit the sale in interstate commerce from lands located in the United States (except lands located on the Outer Continental Shelf) of any new natural gas to any person other than a priority interstate purchaser if, (A) a priority interstate purchaser, within the 15-day period specified by paragraph (1)(B), offers to purchase such new natural gas under terms and conditions substantially similar to or identical with the terms or conditions of such proposal to sell to which the notice prescribed by paragraph (1)(B) pertains, or (B) if the purchasing pipeline is directly or indirectly connected to a priority interstate purchaser and that priority interstate purchaser has not yet obtained sufficient quantities of natural gas to satisfy the needs of the essential users of such pipeline and the priority interstate purchaser indicates a willingness to purchase such natural gas within the 15-day period specified in paragraph (1)(B), under terms and conditions which the Commission determines are substantially similar to or identical with the terms or conditions of such proposal to sell to which the notice prescribed by subparagraph (B) pertains.

"(3) Paragraph (2) of this subsection shall not apply (A) to sales of new natural gas (i) by a producer that is an affiliate of an interstate pipeline, or (ii) by a producer to a pipeline in the case of an advance payment financing arrangement between such producer and such pipeline entered into prior to September 9, 1975, whereby such pipeline has been granted a right of first refusal, option, or other priority claim to natural gas produced from a property as consideration for advance payments made to such producer to finance exploration or development, or (B) to sales of new natural gas (i) sold pursuant to the Natural Gas Act, and (ii) committed by contract for a duration in excess of 2 years.

"(f) Any interstate purchaser may purchase new natural gas produced from lands located other than on the Outer Continental Shelf pursuant to the provisions of this title, for a period not to exceed 180 days, provided the price of the first sale of such new natural gas does not exceed the applicable price permitted to be paid pursuant to subsection (b) or (c) of this section. Any such sale price shall be deemed just and reasonable for purposes of section 4 of the Natural Gas Act (15 U.S.C. 717c) and any such sale to an interstate purchaser shall not require certification of such sale under section 7 of such Act (15 U.S.C. 717f), except certification shall continue to be required for the construction of facilities under the Natural Gas Act and the Commission shall continue to have jurisdiction over transportation charges of new natural gas sold for resale by an interstate pipeline over which the Commission exercised jurisdiction on or before September 8, 1975.

"(g) If the Commission determines that natural gas could have been produced or both, but was not produced or sold, or both, during the period that this title is in effect, such natural gas may not at any time thereafter be sold at a price above that permitted under this title.

"(h) A priority interstate purchaser shall obtain priority only to the extent necessary

to meet the requirements of essential users and the Commission shall take such steps as are within its authority under the Natural Gas Act to assure that any additional supplies of new natural gas obtained by a priority interstate purchaser are made available to essential users.

"(i) The Commission shall encourage and expeditiously consider voluntary agreements between pipelines that are not inconsistent with this title to sell or exchange natural gas or other arrangements that increase the supply of natural gas available to priority interstate purchasers.

"AVAILABILITY OF GAS FOR AGRICULTURAL USERS

"SEC. 204. (a)(1) Notwithstanding any other provision of law or of any natural gas allocation or curtailment plan in effect under existing law, the Commission shall, by rule, upon petition or upon its own motion prohibit any interruption or curtailment of natural gas supplies, and take such other actions under authority of the Natural Gas Act and this title as the Commission determines to be necessary and appropriate, to assure to the maximum extent practicable the availability of sufficient quantities of natural gas from the interstate pipelines serving the essential agricultural, food processing, or food packaging user for use for any essential agricultural, food processing, or food packaging purposes as determined by the Secretary of Agriculture, for which natural gas is necessary, as determined by the Secretary of Agriculture including, but not limited to, irrigation pumping, crop drying, and use as a feedstock or process fuel in the production of fertilizer and essential agricultural chemicals in existing plants (for present or expanded capacity) and in new plants.

"(2) No prohibition pursuant to paragraph (1) of this subsection may be inconsistent as determined by the Commission with the goals of substantially minimizing unemployment attributable to interruption of natural gas supplies or with maintaining natural gas supplies to residential users, to small users, to hospitals, or for products and services vital to public health and safety.

"(b) For purposes of this section, the Secretary of Agriculture shall not determine any use of natural gas to be necessary if such gas is to be used as a boiler fuel to serve (1) expanded capacity of existing facilities, (2) an existing facility for which natural gas supply contracts have expired, (3) new facilities, or (4) an existing facility that has the capability and necessary equipment to burn petroleum products or other alternate fuels, the burning of petroleum products or other alternate fuel by such facility in lieu of natural gas is practicable, and petroleum products or other alternate fuels will be available to such facility. The Secretary of Agriculture shall certify to the Commission the volumes and identify the users of natural gas determined to be necessary for essential agricultural, food processing, or food packaging purposes.

"PROHIBITION OF USE OF NATURAL GAS AS BOILER FUEL

"SEC. 205. (a) The Administrator shall, by rule, prohibit any powerplant from burning natural gas if he determines that—

"(1) such powerplant had, on September 1, 1975 (or at any time thereafter), the capability and necessary plant equipment to burn petroleum products;

"(2) the burning of petroleum products by such plant in lieu of natural gas is practicable;

"(3) petroleum products will be available during the period the order is in effect; and

"(4) natural gas made available as the result of such prohibition could be available, directly or indirectly, to a priority interstate purchaser.

A rule under this subsection shall not take effect (A) until a date which the Administrator of the Environmental Protection Agency certifies is the earliest date on which such plant can burn, in compliance with the Clean Air Act (including any applicable implementation plan) petroleum products which the Administrator determines, under paragraph (3), are available, or (B) if the Commission certifies to the Administrator that the prohibition under this paragraph will impair the reliability of service in the area served by the plant.

"(b)(1) The Administrator shall, by rule, prohibit the use of natural gas by any powerplant if the Administrator determines—

"(A) that alternative supplies of electric power are available to the electric power system of which such powerplant is a part;

"(B) that the generation of such alternative supply of electric power will not result in an overall increase in consumption of natural gas; and

"(C) natural gas made available as the result of such prohibition could be made available, directly or indirectly, to a priority intertate purchaser.

"(2) A rule under this subsection shall not take effect if the Commission certifies to the Administrator that the prohibition would impair the reliability of service in any area served by those affected electric power systems.

"(c)(1) The Administrator shall exempt from any rule under this section the burning of natural gas for the necessary processes of ignition, startup, testing, and flame stabilization by powerplants.

"(2) Subject to paragraph (1) of this section the Administrator may make a rule under subsection (a) or (b) of this section apply to all natural gas burned by the powerplant to which such rule applies or may specify the periods and amounts of natural gas to which such rule shall apply.

"(d) The Administrator shall, by rule, prohibit the sale, directly or indirectly, to any person other than a priority interstate purchaser of natural gas made available as a result of rules under subsections (a) and (b) of this section.

"(e)(1) If the application of a rule under this section results in a sale of transferred gas by a curtailed user or a supplier of a curtailed user to a person other than such curtailed user or a supplier of such user, such seller may not charge an amount for such transferred gas which exceeds the amount he would have charged such user or supplier (as the case may be). In addition, the person to whom such sale is made shall compensate the curtailed user, and any supplier of such curtailed user, in an amount which is equal to any net increase in such user's reasonable costs for replacement fuel or replacement power, and any net increase in such supplier's reasonable costs and any other losses which are incurred by such supplier, as a result of the application of the order issued under this section. Such compensation shall be in an amount agreed upon by the parties, or if the parties are unable to agree in an amount determined by the Commission in accordance with the provisions of this section.

"(2) For purposes of this subsection—

"(A) The term 'curtailed user' means a powerplant to which a rule under this section is applicable.

"(B) The term 'transferred natural gas' means natural gas which a curtailed user does not consume by reason of a rule under this section and which is made available to another person.

"(C) A person is a supplier of a curtailed user if he sold natural gas to such user, or sold natural gas to any person for resale (directly or indirectly) to such user.

"(f) This section shall not apply to any powerplant of which the maximum daily use of natural gas does not exceed fifty thousand cubic feet.

"(g) For purposes of this section, the terms 'powerplant' and 'petroleum product' have the same meanings as such terms have under section 2 of the Energy Supply and Environmental Coordination Act of 1974.

"(h) Section 2(f)(1) of the Energy Supply and Environmental Coordination Act of 1974 is amended by striking out 'June 30, 1975' and inserting in lieu thereof 'June 30, 1976'.

"(i) This section (other than subsection (i)) does not affect any authority under the Energy Supply and Environmental Coordination Act of 1974.

"PRODUCTION OF GAS AT THE MAXIMUM EFFICIENT RATE

"SEC. 206. (a) The Secretary of Interior shall, by rule, require natural gas to be produced from fields, designated by such Secretary, at the maximum efficient rate of product determined for such field.

"(b)(1) Within 45 days after the date of enactment of this title, the Secretary of the Interior, by rule, shall determine the maximum efficient rate of production for each field on Federal lands which such Secretary determines produces, or has the capacity to produce, significant quantities of natural gas.

"(2) Each State or the appropriate agency thereof may determine the maximum efficient rate of production for each field (other than a field on Federal land) within such State which the State or appropriate agency determines produces, or has the capacity to produce, significant quantities of natural gas.

"(3) If, at the end of the 45-day period which begins on the date of enactment of this title, a State or the appropriate agency thereof has not determined the maximum efficient rate of producion for any field (other than a field on Federal land) within such State, which field the Secretary of the Interior determines produces, or has the capacity to produce, significant quantities of natural gas, the Secretary of the Interior may, by rule, specify the maximum efficient rate of production.

"(c) For purposes of this section the term 'maximum efficient rate of production' means the maximum rate of production of natural gas which may be sustained without loss of ultimate recovery of crude oil or natural gas, or both, under sound engineering principles.

"(d) Nothing in this section shall be construed to authorize the production from any Naval Petroleum Reserve subject to the provisions of chapter 641 of title 10, United States Code.

"PRICE CONTROL AND ALLOCATION AUTHORITY FOR PROPANE AND OTHER PRODUCTS IN SHORT SUPPLY

"SEC. 207. Notwithstanding the provisions of section 4(g) or any other provision of the Emergency Petroleum Allocation Act of 1973, as amended, the regulations promulgated by the President under section 4 of such Act and the authority of the President under such Act shall, with respect to propane and butane, remain in effect for the duration of the supply emergency period.

"PENALTIES

"SEC. 208. (a)(1) Any person who is deter- of section 4(g) or any other provision of the Secretary, after notice and an opportunity for a presentation of views, to have violated a provision of this Act or any rule or order under this title (for which such Commission, the Administrator, or the Secretary has responsibility), shall be liable to the United States for a civil penalty of not more than $10,000 for each violation; and if any such violation is a continuing one, each day of violation constitutes a separate offense. The amount of any such penalty shall be assessed by the Commission, the Administrator or the Secretary by written notice. In determining the amount of such penalty, the Commission,

the Administrator or the Secretary (as the case may be) shall take into account the nature, circumstances, extent, and gravity of the violation committed and, with respect to the person found to have committed such violation, the degree of culpability, any history of prior offenses, ability to pay, effect on ability to continue to do business, and such other matters as justice may require.

"(2) Such civil penalty may be recovered in an action brought by the Attorney General on behalf of the United States in the appropriate district court of the United States or, prior to referral to the Attorney General, such civil penalty may be compromised by the Commission, the Administrator, or the Secretary, as may be applicable. The amount of such penalty, when finally determined (or agreed upon in compromise), may be deducted from any sums owed by the United States to the person charged. All penalties collected under this subsection shall be deposited in the Treasury of the United States as miscellaneous receipts.

"(b) A person is guilty of an offense if he willfully violates a provision of this title or rule or order under this title. Upon conviction, such person shall be subject, for each offense, to a fine of not more than $25,000, imprisonment for a term not to exceed 5 years, or both.

"ENFORCEMENT

"SEC. 209. (a) The Attorney General, at the request of the Commission, the Administrator, or the Secretary (as the case may be), may bring an action for equitable relief to redress a violation by any person of a provision of this title, or a rule or order under this title. Any other person may bring a civil action alleging a violation of a provision of this title or rule or order under this title.

"(b) The district courts of the United States shall have jurisdiction with respect to any civil action brought under subsection (a). The court shall have the power to grant such equitable relief as is necessary to prevent, restrain, or remedy the effect of such violation, including declaratory judgment, mandatory or prohibitive injunctive relief, and interim equitable relief, and the courts shall further have the power to award (A) compensatory damages to any injured person or class of persons, (B) costs of litigation including reasonable attorney and expert witness fees, and (C) whenever and to the extent deemed necessary or appropriate to defer future violations, punitive damages.

"(c) A rule or order prescribed under this title is subject to judicial review to the extent authorized by, and in accordance with, chapter 7 of title 5, United States Code, except that (A) the second sentence of section 105 thereof is not applicable, and (B) the appropriate court shall only hold unlawful and set aside such a rule or order on a ground specified in subparagraph (A), (B), (C), or (D) of section 706(2) thereof.

"RULEMAKING

"SEC. 210. The Commission, the Administrator, or the Secretary, in addition to the authorities specifically granted herein, may, notwithstanding any other provision of law, require the submission of such information as the Commission, the Administrator, or the Secretary, in their discretion, determines are necessary or appropriate to carry out the purposes of this title, and shall have authority to issue rules and orders applicable to any person which the Commission, the Administrator, or the Secretary (as the case may be) determines are necessary or appropriate to carry out the purposes of this title.

"EXPIRATION

"SEC. 211. Sections 203 (except subsection (g) thereof), 204, 205, 206, 207, and 210 of this title shall expire on midnight, June 30, 1976.

"TITLE III—PRODUCTION AND CONSERVATION INCENTIVES

"SHORT TITLE

"SEC. 301. This title may be cited as the 'Natural Gas Production and Conservation Act'.

"DEFINITIONS

"SEC. 302. As used in this title, the term—

"(1) 'affiliate' means any person directly or indirectly controlling, controlled by, or under common control or ownership with any other person as determined by the Commission pursuant to its rulemaking authority. In promulgating rules to implement this paragraph to specify when one person is an affiliate of another person, the Commission shall consider direct or indirect legal or beneficial interest in another person or any direct or indirect legal power or influence over another person, arising through direct, indirect, or interlocking ownership of capital stock, interlocking directorates or officers, contractual relations, agency agreements or leasing arrangements;

"(2) 'boiler fuel use of natural gas' means the use of natural gas or synthetic natural gas as the source of fuel for the purpose of generating steam or electricity in amounts in excess of 50 Mcf on a peak day;

"(3) 'Federal lands' means any land or subsurface area within the United States which is owned or controlled by the Federal Government or with respect to which the Federal Government has authority, directly or indirectly, to explore for, develop, and produce natural gas, except that nothing in this Act shall amend or change in any way any grant of land or right in land created by the Alaska Native Claims Settlement Act (18 U.S.C. 437) or any Act granting statehood to a State. The term includes the Outer Continental Shelf, as defined in section 2(a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1331(a)). The term excludes lands which the Federal Government acquired by mortgage foreclosures and continues to hold mineral interests;

"(4) 'includes' should be read as if the phrase 'but not limited to' were also set forth;

"(5) 'intrastate commerce' means commerce between points within the same State, unless such commerce passes through any place outside such State: *Provided*, That all sales of new natural gas or exempt natural gas produced from Federal lands within a State and consumed within the same State shall be treated as sales of natural gas in interstate commerce;

"(6) 'joint venture' means any undertaking by two or more persons who have a community of interest in the purposes of the undertaking, and who share the right to control or direct the conduct of the undertaking;

"(7) 'Mcf' means one thousand cubic feet of natural gas at 60 degrees Fahrenheit and 14.73 pounds per square inch pressure;

"(8) 'new natural gas' means—

"(A) any natural gas (i) which the Commission in its discretion determines was not dedicated to interstate commerce prior to September 1, 1975; and (ii) which is not natural gas associated with oil or natural gas occurring in the form of a gas-cap associated with an oil zone; or

"(B) any natural gas which is committed by contract to the intrastate market if such contract, on or after September 1, 1975, terminates and is not renewed or if such natural gas is otherwise available for sale;

"(9) 'old natural gas' means natural gas that, prior to January 1, 1975, was dedicated to interstate commerce on the date of the first delivery of such natural gas as determined by the Commission in its discretion;

"(10) 'paragraph' means a paragraph of the subsection in which the term is used;

"(11) 'pipeline' means a person engaged in the transportation by pipeline of natural gas in interstate commerce except that the term does not include persons who are exempt from the Commission's jurisdiction pursuant to sections 1(b) or 1(c) of the Natural Gas Act (15 U.S.C. 717(b) or 717(c));

"(12) 'producer' means a person who produces and sells natural gas;

"(13) 'purchaser' means a person who purchases or acquires natural gas from a producer or small producer;

"(14) 'residential user' means a person who uses natural gas for personal, family, or household purposes;

"(15) 'section' means a section of this title;

"(16) 'small user' means a person or governmental entity that used not more than 50 Mcf of natural gas on its peak day of natural gas usage in the preceding calendar year;

"(17) 'subsection' means a subsection of the section in which the term is used; and

"(18) 'user' means a person or governmental entity using any natural gas after it is delivered in interstate or intrastate commerce; the term includes a producer or small producer who consumes natural gas (except for transporting or processing natural gas) in facilities owned or controlled or under common control by such producer or small producer.

"NEW CRUDE OIL AND NEW NATURAL GAS PRICING

"SEC. 303. (a) NEW CRUDE OIL PRICE CEILING.—Crude oil that is defined as new crude oil, pursuant to subsection (h)(4), may not be sold or transferred, after the date of enactment of this title, by a producer or crude oil or by an owner of oil-producing land receiving royalties, at a price in excess of $9.00 per barrel plus any increases authorized pursuant to subsection (c). Such ceiling shall apply only to any first sale of new crude oil in the United States.

"(b) OLD CRUDE OIL PRICE CEILING.—Crude oil that is defined as old crude oil, pursuant to subsection (h) (5), may not be sold or transferred, after the date of enactment of this title, by a producer of crude oil or by an owner of oil-producing land receiving royalties, at a price in excess of $5.25 per barrel. Such ceiling shall apply only to any first sale of old crude oil in the United States.

"(c) NEW CRUDE OIL PRICE CEILING ADJUSTMENT.—Commencing with the month following the date of enactment of this title, and at monthly intervals thereafter, the new crude oil price ceiling enumerated in subsection (a) shall be adjusted by the Administrator for any inflation or deflation by multiplying it by a number whose numerator is the latest available quarterly implicit price deflator for gross national product as of the date of computation and whose denominator is the implicit price deflator for gross national product for the corresponding quarter of the base year 1974, as compiled by the Bureau of Economic Analysis as initially published by the Department of Commerce, but in no event shall such adjustment amount to an increase of more than 5 cents ($0.05) per barrel in any month.

"(d) EXCEPTIONS.—(1) The provisions of subsections (a), (b), and (c) shall not apply to any of the following categories of new crude oil production.

"(A) synthetic oil produced from coal, organic wastes or from other nonconventional sources;

"(B) shale oil;

"(C) heavy oil production; or

"(2) The Administrator may, by rule, promulgate a special price ceiling or exempt from price ceilings new crude oil produced by tertiary or a comparable advanced recovery technique or for any category of new crude oil production specified in paragraph (1) if he finds that such a ceiling or exemp-

tion is necessary and in the public interest. If any such ceiling or exemption is promulgated, the Administrator shall transmit a copy of such ceiling or exemption and findings to the Congress in writing together with a statement of the reasons therefor. Such a ceiling or exemption shall be known as a special new crude oil price ceiling or exemption. The Administrator may implement a special new crude oil price ceiling or exemption 60 days after the applicable transmittal to the Congress, unless either House of Congress approves a resolution of that House stating in substance that such House disapproves such ceiling or exemption, in accordance with the procedures set forth in section 1017 of Public Law 93-344 (31 U.S.C. 1407). If such a ceiling or exemption is disapproved by either House, the Administrator is authorized to modify the initially proposed special new crude oil price ceiling or exemption, taking note of the reasons for such disapproval. The Administrator may transmit to the Congress a revised special new crude oil price or exemption in accordance with the procedures for an initial transmittal.

"(c) NEW NATURAL GAS PRICE CEILINGS.—(1) Not later than January 1, 1976, the Commission shall establish national price ceiling applicable to any first sale of new natural gas in the United States. Such price ceiling shall become effective midnight, June 30, 1976, and shall to the maximum extent practicable approximate the average sales price, as determined by the Commission, for contracts entered into or renewed during the period August 1, 1975, through November 1, 1975, for natural gas produced and sold in intrastate commerce but in no event shall such price ceiling exceed $1.30 per Mcf.

"(2) The Commission shall, by rule, provide that no producer may charge, and no purchaser may pay, a price for any first sale of new natural gas in the United States occurring after November 1, 1975, which exceeds (A) the national price ceiling established by the Commission under paragraph (1) plus any increases authorized pursuant to paragraph (3); or (B) the applicable special new natural gas price, if any, established pursuant to subsection (f).

"(3) Commencing with the month following the date of enactment of this title, and at monthly intervals thereafter (notwithstanding that the national price ceiling becomes effective midnight, June 30, 1976), the new natural gas national price ceiling enumerated in paragraph (1) shall be adjusted by the Commission for any inflation or deflation by multiplying it by a number whose enumerator is the latest available quarterly implicit price deflator for gross national product as of the date of computation and whose denominator is the implicit price deflator for gross national product for the corresponding quarter of the base year 1974, as compiled by the Bureau of Economic Analysis as initially published by the Department of Commerce, but in no event shall such adjustment amount to an increase of more than 1 cent ($0.01) per Mcf in any month.

"(f) SPECIAL NEW NATURAL GAS PRICE.—(1) The Commission may, by rule or order promulgate price ceilings in excess of the national price ceiling together with adjustments, if any, if it finds that—

"(A) new natural gas production at such price is in the public interest; and

"(B) such price does not exceed the current and prospective cost of exploration, development, and production of such new natural gas plus a rate of return on investment which is reasonable and conducive to attracting the capital necessary for such exploration, development, and production.

Such a special new natural gas price ceiling may be promulgated for any of the following categories of new natural gas production—

"(i) synthetic natural gas;

"(ii) new natural gas produced from wells that exceed 20,000 feet in depth;

"(iii) new natural gas produced from wells located in water of depths in excess of 600 feet; and

"(iv) new natural gas produced from low-porosity rock formations.

If any such ceiling is promulgated, the Commission shall submit a copy of such price ceiling and findings to the Congress in writing together with a statement of the reasons therefor.

"(2) Sixty days after the applicable submission to Congress, the Commission may implement a special new natural gas price ceiling promulgated pursuant to paragraph (1) unless either House of Congress approves a resolution of that House stating in substance that such House disapproves such price ceiling, in accordance with the procedures set forth in section 1017 of Public Law 93-344 (31 U.S.C. 1407). If such a price ceiling is disapproved by either House, the Commission is authorized to modify the initially proposed special new natural gas price ceiling, taking note of the reasons for disapproval. The Commission may submit a revised special new natural gas price ceiling, subject to the procedures for an initial submission.

"(g) PRESIDENTIAL REPORT.—On January 1, 1980, the President shall submit recommendations and the reasons therefore in writing to Congress together with any proposed changes in the price ceilings for new crude oil, new natural gas, or both. Such proposed changes in price ceilings for new crude oil and new natural gas shall be effective 60 days after the applicable submission to the Congress, unless either House of Congress approves a resolution of that House stating in substance that such House disapproves such change or changes, in accordance with the procedures set forth in section 1017 of Public Law 93-344 (31 U.S.C. 1407). If any such change is disapproved by either House, the President may modify the initially proposed recommendation and change, taking note of the reasons for such disapproval. The President may submit a revised proposed change in any such price ceiling, subject to the procedure for an initial submission.

"(h) DEFINITIONS.—As used in this section, the term—

"(1) 'Administrator' means the Administrator of the Federal Energy Administration;

"(2) 'base period production level' means a number which shall be computed monthly, subject to supervision by the Administrator, by each producer of crude oil and each owner of oil-producing land receiving royalties. Such number shall be equal to (A) the number of barrels of crude oil, defined by the Administrator under the 'old crude oil' definition in effect on August 31, 1975, pursuant to the Emergency Petroleum Allocation Act of 1973, produced during the year prior to the date of enactment of this section; (B) divided by 12; (C) reduced by 1.67 percent of such quotient for each month that has elapsed since the month following such date of enactment; and (D) increased by the amount, if any, by which the base period production level for any preceding months exceeded the actual production of such producer or owner during such month;

"(3) 'crude oil' means all hydrocarbons, regardless of gravity, that exist in a liquid in underground reservoirs and that remain liquid at atmospheric pressure after passing through surface separating facilities, and lease condensate, which is a natural gas liquid recovered in associated production by lease separators;

"(4) 'new crude oil' means the total number of barrels of domestic crude oil produced from leased or owned property during a specific month less the base period production level for such month; and

"(5) 'old crude oil' means the total number of barrels of domestic crude oil produced from leased or owned property during a specific month, up to the base period production level for such month.

"(i) ADJUSTMENTS TO NEW NATURAL GAS PRICE CEILING.—A producer shall increase or reduce the price at which he sells natural gas to a purchaser by the following factors:

"(1) a gathering allowance as specified by the Commission for any gathering actually performed by the producer or small producer;

"(2) the actual costs of removing carbon dioxide, water, sulfur, or other impurities incurred by the producer or small producer to deliver pipeline quality natural gas;

"(3) any amount actually paid by a producer or small producer for State or Federal production, severance, or similar taxes;

"(4) a proportional adjustment for British thermal unit (Btu) content from a base of one thousand Btu's per cubic foot of natural gas at 60 degrees Fahrenheit and 14.73 pounds per square inch pressure; and

"(5) an amount equal to the uncompensated value of any advance payments or any other form of compensation paid to the producer or small producer.

"(j) TREATMENT OF OTHER GAS.—After the date of enactment of this title, all sales of natural gas in interstate commerce that are not sales of old natural gas must comply with the provisions of this title concerning new natural gas.

"(2) After the date of enactment of this title, all dedications of natural gas in intrastate commerce must comply with the provisions of this Act concerning new natural gas.

"(3) Notwithstanding the provisions of paragraphs (1) and (2) and section 302(8), of this title, any Federal agency, State, political subdivision of a State, Indian tribes, bands, or Alaska Natives may, with respect to new natural gas that they are entitled to take as a royalty (not to exceed a combined and cumulative total of a one-eighth interest within any State), withdraw such gas from interstate commerce after deliveries are commenced and may use or resell such gas in intrastate commerce as new natural gas. Nothing in this paragraph shall restrict the amount of royalties that may be taken by any landowner.

"FILING REQUIREMENT

"SEC. 304. All purchasers shall file with the Commission all new natural gas sales contracts, transfer agreements, or any other transfer arrangements.

"OLD NATURAL GAS

"SEC. 305. The Commission, notwithstanding any other provision of law, shall not authorize an increase in the price charged by a producer of old natural gas unless such an increase is necessary—

"(1) to cover the cost of production (including deeper drilling or reworking operations) of such old natural gas and to provide a reasonable rate of return on investment to such producer or small producer; or

"(2) to afford (A) such a producer a price which is equal to a cost-based price which the Commission has authorized a similarly situated producer of old natural gas; or (B) such a small producer a price that is equal to a cost-based price which the Commission has authorized a similarly situated small producer to charge for old natural gas.

"RESIDENTIAL AND OTHER SMALL USERS

"SEC. 306. (a) GENERAL.—The Commission shall—

"(1) require all pipelines to file separate tariffs with respect to (A) old natural gas, (B) new natural gas, and (C) synthetic or liquefied natural gas, in such form and manner as to reflect the price and average annual volumes of each which enter each such pipeline;

"(2) require all pipelines to give first priority for sales or transfers under the applicable tariff for old natural gas to local dis-

tribution companies, to the extent such old natural gas is available, to meet the requirements of each such company's residential users and small users; and

"(3) promulgate rules to govern sales, exchanges, or transfers among pipelines and sales, exchanges, or transfers to local distribution companies served by multiple pipelines, to the extent necessary to achieve the purpose of this section.

"(b) ENFORCEMENT.—It shall be unlawful for local distribution companies to charge residential users and small users rates which do not reflect the lesser cost of old natural gas for such users. It shall be the duty of the State utility commissions to assure that the benefits of the old natural gas tariffs are reflected in the rates to such residential and small users.

"INCREASING NATURAL GAS SUPPLIES

"SEC. 307. (a) PROMPT CERTIFICATION.—All applications, except where two or more natural gas companies file competing and mutually exclusive applications under section 7(c) of this Act (5 U.S.C. 717f(c)), for the construction of pipeline facilities subject to the jurisdiction of the Commission shall be decided by the Commission in accordance with this subsection. The Commission shall grant (with or without conditions) or deny such applications within 120 days of the filing of an application, or within 120 days after the date of enactment of this title in the case of applications pending before the Commission on such date. The 120-day period shall commence on the date on which such applications contain all of the information required by the Commission. If the Commission fails to grant or deny any such application within the applicable 120-day period, the Commission shall be deemed to have approved such application as last submitted.

"(b) EXEMPTION.—Notwithstanding any other provision of law, sales of new natural gas (except synthetic or liquefied natural gas) by producers or by small producers may be made without any application for a certificate of public convenience and necessity under section 7(c) of this Act (15 U.S.C. 717f(c)) and such sale shall be made at a price pursuant to the applicable provisions of section 303, and if applicable in accordance with section 202(8).

"(c) COMMON CARRIER.—After date of enactment of this title the Commission shall, as a prerequisite to granting any certificate of public convenience and necessity for facilities for transporting or gathering natural gas on Federal lands, require such transportation and gathering facilities to be common carriers for use by any pipeline to transport natural gas upon payment of a reasonable transportation fee. The Commission shall require other natural gas gathering and transportation systems to operate on such a common-carrier basis for use by any pipeline to the extent that surplus capacity is available.

"(d) PRODUCTION REQUIREMENT.—(1) Notwithstanding any other provision of law, any agreement (including a renegotiation) pertaining to natural gas or oil development on Federal lands which is consummated on or after the date of enactment of this title shall require, as a condition to such agreement, that the person granted the right of development shall design and immediately implement an exploratory and development program to obtain maximum efficient rates of production from such lands as soon as practicable, subject to submission of such program to, and its approval by, the Secretary of the Interior. The person granted any right of development shall in writing immediately inform the Commission of the discovery of natural gas on any such lands, and within 90 days after such a discovery shall submit to the Commission an estimate of volumes discovered and a timetable for commercial development. Such a person shall prepare and submit to the Commission a detailed timetable of the actions necessary for the speedy development and production of such natural gas. Such a person shall contract for the sale of such natural gas in interstate commerce within 2 years after the date of discovery unless the Commission finds, upon the petition of the person granted such rights, that the volumes of natural gas discovered or developed are not sufficient to be commercially viable or that other valid reasons exist (including the possibility in certain frontier areas, such as Alaska, where transportation costs are so high that additional discoveries of natural gas in the area are likely and could materially reduce transportation costs), but not including market demand prorationing, which justify delaying the production until a subsequent date certain. If such a petition is granted, the Commission shall require the person granted such rights to submit monthly reports of actions taken to begin production at the earliest possible time. The Commission shall also advise other interested Federal agencies and assure that all possible steps are taken to commence the production of this natural gas at the earliest possible time.

"(2) Unless a contract is entered into for the sale of such natural gas within 2 years after the date of discovery of natural gas on such Federal lands, or unless such a petition is granted, and in effect and its terms complied with, the rights that had been granted the person to develop natural gas or oil on the Federal lands covered by such agreement shall terminate and any sum paid for such rights shall be forfeited.

"(3) With respect to agreements pertaining to natural gas or oil development on Federal lands (other than agreements entered into for the purpose of establishing strategic reserves) consummated prior to the date of enactment of this title, the requirements of paragraphs (1) and (2) of this subsection shall be applicable to the fullest extent legally permissible. To the extent that such requirements cannot legally be made applicable to any such agreements, such agreements shall be terminated at the earliest possible date in order to make such requirements applicable.

"(4) In order to facilitate the enforcement of this subsection, the Secretary of the Interior shall report to the Congress and the Commission, within 90 days after the date of enactment of this title and annually thereafter, on the status of all Federal lands leased or planned to be leased in the subsequent year for natural gas and oil development. Each such report shall list all parcels planned to be leased in the subsequent year and parcels leased; the name, address, and affiliates of the holder of such lease; the Interior Department's prelease evaluation of probable quantities and values of natural gas and oil underlying such lease; the number of exploratory and developmental wells drilled to date; whether natural gas and oil have been discovered at the time of the report; the date on which any natural gas or oil not being produced was discovered; estimated reserves of natural gas and oil; and annual production of natural gas and oil therefrom.

"(e) RESOURCE EVALUATION.—In estimating the value of natural gas on Federal lands for the purpose of determining the sufficiency of any bid, the Secretary of the Interior shall utilize the appropriate applicable price ceiling established by the Commission as adjusted pursuant to section 303.

"(f) DEDICATION REQUIREMENTS.—After the date of enactment of this title, all production of new natural gas from Federal lands shall be sold or transferred to a pipeline.

"(g) RESERVE INFORMATION.—(1) The Commission is further authorized and directed to conduct studies of the production, gathering, storage, transportation, distribution, and sale of natural, artificial, or synthetic gas, however produced throughout the United States and its possessions whether or not otherwise subject to the jurisdiction of the Commission, including the production, gathering, storage, transportation, distribution, and sale of natural, artificial, or synthetic gas by any agency, authority, or instrumentality of the United States, or of any State or municipality or political subdivision of a State. It shall, insofar as practicable, secure and keep current information regarding the ownership, operation, management, and control of all facilities for production, gathering, storage, transportation, distribution, and sale; the total estimated natural gas reserves of fields or reservoirs and the current utilization of natural gas and the relationship between the two; the cost of production, gathering, storage, transportation, distribution, and sale; the rates, charges, and contracts in respect to the sale of natural gas and its service to residential, rural, commercial, and industrial consumers and other purchasers by private and public agencies; and the relation of any and all such facts to the development of conservation, industry, commerce, and the national defense. The Commission shall report to the Congress and may publish and make available the results of studies made under the authority of this subsection.

"(2) In making studies, investigations, and reports under this section, the Commission shall utilize, insofar as practicable, the services, studies, reports, information, and programs of existing departments, bureaus, offices, agencies, and other entities of the United States, of the several States, and of the natural-gas industry. Nothing in this section shall be construed as modifying, reassigning, or otherwise affecting the investigative and reporting activities, duties, powers, and functions of any other department, bureau, office, or agency in the Federal Government.

"NATURAL GAS CONSERVATION

"SEC. 308. (a) GENERAL.—The Commission shall by rule prohibit all boiler fuel use of natural gas in interstate and intrastate commerce if such use is not initially contracted for prior to January 1, 1975, by users other than residential or small user unless, upon petition by a user, the Commission determines that—

"(1) alternative energy supplies, other than crude oil or products refined therefrom or propane, produced in any State are not available to such user; or

"(2) it is not feasible to utilize such alternative fuels at the time of such Commission determination.

"(b) EXISTING CONTRACTS.—The Commission shall promulgate, by rule, a national plan to prohibit as soon as practicable boiler fuel use of natural gas initially contracted for prior to January 1, 1975, by users other than residential or small users. In determining practicability, the Commission shall consider all relevant factors, including the availability of alternative energy supplies produced in any State, other than crude oil products refined therefrom or propane, the ability to satisfy applicable pollution prevention standards when using such alternative fuels, and the need to avoid imposing unreasonable economic hardships. The Commission shall coordinate its activities wih other Federal agencies to assure that boiler fuel use of natural gas by users other than residential or small users is ended to the maximum practicable extent 10 years after the date of enactment of this title. The Commission shall also encourage conservation and more efficient use of natural gas by all other users.

"(c) PROCEDURE.—In implementing the provisions of this section with respect to intrastate commerce, the Commission shall apply the provisions of section 17 of this Act (15 U.S.C. 717p).

"(d) EFFECT ON OTHER LAWS.—Nothing in this title shall impair any requirement in any State or Federal law pertaining to safety

or environmental protection. The Commission, in determining feasibility or practicability, where required by this section, shall not assume that there will be any lessening in any safety or environmental requirement established pursuant to State or Federal law.".

SEC. 4. Section 2 of the Natural Gas Act (15 U.S.C. 717a) is amended (1) by inserting in paragraph (7) thereof after "thereof," and before "but only insofar" the following: "or between a point upon Federal lands within a State and any other point,"; (2) by inserting in paragraph (5) thereof (A) after "gas" and before "unmixed" the following: "produced from a gas well or an oil well" and (B) by inserting after "natural" and before "and" the following: "synthetic"; and (3) by inserting the following new paragraph:

"(10) 'synthetic natural gas' means gas entering a pipeline or intrastate pipeline or local distribution company produced from any source other than a gas well or an oil well. As used in this paragraph 'intrastate pipeline' means a person engaged in the transportation by pipeline of natural gas in intrastate commerce.".

SEC. 5. Section 20 of the Natural Gas Act (15 U.S.C. 717s) is amended by adding at the end thereof the following new subsection:

"(d) Any district court of the United States in which venue is appropriate under section 1391 of title 28, United States Code, shall have jurisdiction, without regard to the citizenship of the parties or the amount in controversy, with respect to any civil action involving any alleged violation of (1) the Natural Gas Act (15 U.S.C. 717(a) et seq.), the Federal Power Act (16 U.S.C. 791a et seq.), or any other Federal law under which Congress directs the Commission to exercise any independent regulatory function; (2) any duly authorized rule, regulation or license issued under any such law; or (3) any condition of any certificate of public convenience and necessity issued by the Commission under any such law. The court shall have the power to grant such equitable relief as is necessary to prevent, restrain, or remedy the effect of such violation, including declaratory judgment, mandatory or prohibitive injunctive relief, and interim equitable relief, and the court shall further have the power to award (A) compensatory damages to any injured person or class of persons, (B) costs of litigation including reasonable attorney and expert witness fees, and (C) whenever and to the extent deemed necessary or appropriate to deter future violations, punitive damages. Any court of appeals of the United States in which venue is appropriate under section 1391 of title 28, United States Code, shall have jurisdiction, upon petition by the Commission, to grant appropriate mandatory or prohibitive injunctive relief, and, at any time interim equitable relief.".

SEC. 6. The Bureau of Economic Analysis shall continue to compile, and the Department of Commerce shall continue to publish, the implicit price deflator for gross national product, in accordance with procedures consistent with those in effect on January 1, 1975, in order to carry out the purposes of this Act.

SEC. 7. If any part of this Act is declared unconstitutional, or the applicability thereof to any person or circumstances is held invalid, the applicability of such part to other persons and circumstances and the constitutionality or validity of every other part of the Act shall not be affected thereby.

Mr. STEVENSON. I thank the Senator from Ohio.

Mr. GLENN. Mr. President, it is my belief that this bill we have offered, S. 2310, is the best possible hope of alleviating, at reasonable prices, at least a portion of the projected gas supply shortages for the coming winter.

Without emergency action on the part of Congress, widespread industrial and agricultural unemployment in areas supplied by the interstate pipeline system is inevitable.

In my State of Ohio, which experienced the largest firm curtailments in the country in the first quarter of 1975, as many as 40,000, and one prediction of 100,000, jobs may be lost.

This emergency, Mr. President, does not start at some vague future date. It starts in Ohio and some other States on November 1, 1975, the date set and announced as the start of 65 percent cutbacks to much of industry—65 percent cutbacks November 1.

Mr. President, I have talked some on the floor here about Ohio and I would like to include some remarks about other States and the effect that these curtailments may have on other States.

In Ohio, as a percent of our total employment, we have some 29 percent of our people employed in industries using gas in some form or another that is critical to that industry.

In terms of total numbers of people involved in the work force in those gas-using industries, we have 996,000 people involved. I would like to go through a listing of the other 13 States that are primarily affected by this gas curtailment this winter and to include in the RECORD their percent of total employment dependent on gas-using industries and the numbers of thousands of people so involved.

In New Jersey, 32 percent of the work force is in gas-using industry, which means 717,000 people.

In Maryland, it is 20 percent, affecting 202,000 people.

In Virginia, it is 9 percent of the total employment, with 116,000 people .

In North Carolina, with 33 percent, it is 552,000 people.

In South Carolina with 29 percent, it is 27,000 people.

In Pennsylvania, with 23 percent of the total employment, it affects 854,000 people.

The Ohio figures I have already given.

In New York, it is 21 percent of total employment affecting 1,249,000 people.

In Kentucky, it is 28 percent of employment, affecting 196,000 people.

In West Virginia, it is 19 percent of employment affecting 77,000 people.

In Delaware, it is 7 percent of employment affecting 11,000 people.

In Missouri, it is 18 percent with 249,000 people.

In Iowa, it is 14 percent of employment with 101,000 people.

In California, it is 18 percent of employment with 972,000 people.

Mr. President, we are not claiming that this nearly 6 million people total will all be unemployed. The best figures that we have been able to obtain are that probably somewhere around a half a million of these people will be unemployed as a direct result of the natural gas shortage this winter. But it does indicate the potential for expansion of unemployment so far beyond the half million figure as to be completely frightening for this winter.

S. 2310 is directed solely at this winter's problem and does not address long-term pricing policies for natural gas. This is an emergency act to cover a specific emergency period effective only from enactment through June 1976. Our objective in designing this bill as an emergency measure was to get meaningful legislation through the Congress expeditiously—to avoid getting mired down in the controversy surrounding gas deregulation and other long-term pricing alternatives—a debate that promises to be prolonged in both Chambers.

Mr. President, I might add that I think we have seen example after example on this floor of where any discussion of long-term pricing policies has resulted immediately in such topics as long-term pricing effects on international markets, on Btu equivalencies, on the effect on gas and the dollar price of oil products on gas. We have had other discussions on fuel price settings, whether the measure should be a ton or a Btu equivalency, or several other different ideas that are abroad. That has already resulted in a very extended debate in this Chamber and indicates that if we are to go ahead and combine the long and short term aspects of this problem, as proposed in the Pearson-Bentsen substitute amendment, we will indeed be sounding the death knell of early relief that might be effective this winter.

Mr. President, keeping these long term pricing alternatives separate was an objective that I thought we shared with the Administration. Throughout the development of this legislation and afterward the administration was extremely cooperative and fully as determined as the sponsors of S. 2310 to prevent shortage-induced unemployment in the coming winter months. In light of this background of cooperation, it was doubly disappointing and quite a disappointment to me, to learn from Frank Zarb, a man for whom I have great respect and admiration, that the administration—contrary to our previous understanding—will not be supporting our effort but rather will be taking the tack most likely to frustrate it, that of loading onto our consideration of emergency measures, the very long term questions that we originally agreed to avoid.

Mr. President, Mr. Zarb's deputy, John Hill, met with me and my staff 2 weeks ago and stated in no uncertain terms that the Federal Energy Administration preferred to see Congress deal separately with the short term and long term legislative proposals regarding natural gas.

In a letter to Senator MANSFIELD they backed up this desire by stating very clearly that they wish no emergency gas legislation would be tacked onto the extension of the Allocation Act, which was being considered at that time, another example of their desire to keep these two issues separate.

Moreover, he agreed with me that in view of the dire forecasts for unemployment this winter it was essential that Congress consider legislation dealing

with our immediate problems first, and then move on to our long range policies.

That strategy was implicit in other statements. In Mr. Zarb's letter to Vice President ROCKEFELLER accompanying the submission of the administration's emergency bill, he wrote:

Even with immediate deregulation, however, the shortfall has become so acute that the Nation faces the certainty of serious curtailment for the next two winters. The gravity of the immediate situation requires prompt steps to cushion the impact of shortages during this winter.

He noted that those prompt steps might be at hand, according to an article from the Journal of Commerce of September 12, 1975, observing "a 'growing indication' on Capitol Hill that the lawmakers believe that special measures are needed to cope with impending shortages, and said he is encouraged by the similarities between the Democratic proposals and Mr. Ford's". In the same vein, in hearings of the Senate Commerce Committee on September 15, Mr. Zarb stated:

In brief, Mr. Chairman, we do need emergency steps. We are fairly close in most of the areas proposed.

The strategy explicitly endorsed by Mr. Hill and implicitly supported by Mr. Zarb is also the strategy of the majority leadership. It is the leadership's intent to move as quickly as possilbe to consider and act on the emergency steps needed to deal with this winter, and then, immediately thereafter, to call up S. 692, next on the calendar, and to tackle the long range problems.

Mr. President, I am convinced this strategy is essential if we are to deal adequately with this winter's gas shortage and the jobs that are imperiled by it. I received a letter from Congressman DINGELL confirming my view in this regard.

Introduced into the RECORD yesterday, was a similar letter from Mr. STAGGERS, which makes an even stronger point of the folly of hooking the long-term and short-term aspects of natural gas together. These letters are in the RECORD.

Rather than read through the letters at this point, let me simply point out to my colleagues Mr. DINGELL's assurance that while the House Subcommittee on Energy and Power, which has jurisdiction over natural gas legislation, intends to proceed immediately to consideration of short-term gas legislation, he does not believe it possible for the House to move as quickly on long-term bills.

Mr. STAGGERS' letter not only supports that stand but notes the connection of the long- and short-term legislation together will "doom" consideration of my short-term legislation this year. I point out the word "doom" is Mr. STAGGERS' choice.

Most significantly Mr. DINGELL, writes:

In view of the urgent need for the Congress to enact emergency legislation in time for it to have a meaningful impact on the natural gas problems facing the nation this winter, I would urge that the question of permanent natural gas legislation not be permitted to delay enactment of appropriate emergency measures. Joining the emergency and permanent legislation is likely to produce such a result.

I firmly believe that Representative DINGELL and Representative STAGGERS are correct. Why have administration spokesmen, who once also shared that view, changed their position?

Why have they, after acknowledging that we were close to agreement and thus close to initiating the "prompt steps" needed for this winter, suddenly turned 180 degrees to inject new issues into the debate—time-consuming issues on which there is no semblance of agreement in the Congress?

Purely and simply because they favor long-term deregulation of the wellhead price of interstate natural gas and see the emergency bills which have been proposed as vehicles for obtaining that end, as a means of piggy-backing their other interest onto this emergency. That end I admit has attractive aspects. While I have not reached a firm position on long-term pricing policies for natural gas, I agree that the deregulation approach has some appeal. But whatever the merits of any long-term solution to our gas problems, I am convinced it cannot be enacted quickly. To insist that it be enacted as a condition to the passage of emergency legislation is thus to jeopardize the jobs and hold hostage the well-being of hundreds of thousands of Americans.

Mr. President, I submit that the legislative procedure now proposed by the Administration and a few of my colleagues are dangerous and ill-conceived. I strongly urge those who support this strategy to reconsider—to think through the damage that could be done by these tactics. Particularly I urge the administration to return to the strategy originally put forward by administration spokesmen, that of first considering emergency legislation to cope with an impending employment and economic disaster which starts in just 30 days, and then move on to consideration of the longer term aspects of gas and oil pricing, regulation, or deregulation, or whatever. If we fail to follow that path, I predict the administration and the Congress will subject itself to the harshest kind of criticism from the Nation's jobless and those concerned about their welfare.

Mr. President, when the vote occurs this afternoon, after all the rhetoric that has been exhibited in this Chamber in the last 2 days, there will be only two basic issues involved. Efforts that have occurred yesterday and today to amend the Emergency Natural Gas Act of 1975, deal with long-term policies, not with the present natural gas emergency. S. 2310 applies to only this winter.

The first issue is the desire to combine the short- and long-term considerations of natural gas.

The Fannin amendment, which was defeated yesterday, would have deregulated virtually all new gas from now on.

The Pearson-Bentsen amendment, which we shall vote on in a short time this afternoon, has two parts: One covers the emergency period, and the other is a long-term proposal.

The natural gas emergency is upon us now, with 65 percent cutbacks in some areas going into effect on November 1. There is not sufficient time to consider the varied long-term approaches which will be debated and still get a bill through which will do any good for this winter.

Regardless of Senate action, it is the opinion of leaders in the House that if long- and short-term considerations are combined, it will not be possible to get rapid House action.

The second major issue that will be voted on this afternoon is pricing. If we are successful, and succeed in keeping the short- and long-term aspects separated, there is a good chance of early House action. However, the issue of pricing remains, and that is a difference.

Both the proposal considered yesterday, the Fannin amendment, and the Pearson-Bentsen amendment of today, would, however, take all limits off of pricing immediately, both short- and long-term.

The Hollings-Glenn-Talmadge approach of S. 2310 would keep existing intrastate free market prices during this emergency period while we determine what long-term pricing policies will be.

We are fully aware of the long history of inaction by the Congress with regard to natural gas, and have agreement on both sides of the aisle to bring the long-term bill S. 692 onto the floor immediately upon disposal of S. 2310. S. 692 is on the calendar now, so that is not just an idle promise. It is vitally important that we fully consider all ramifications of long-term policies that will set the pattern for the future. With the varied ideas to be presented, completion of action would be highly unlikely in time to cope with the natural gas emergency with us now.

We firmly believe that the only approach that will do the job for this winter on an emergency basis is immediate enactment of the Hollings-Glenn-Talmadge approach taken in S. 2310. It will help alleviate this winter's shortages, while keeping prices as status-quo, with a full agreement to then turn immediately to long-term natural gas consideration encompassed in S. 692.

Most importantly, this is the only approach likely to get sufficiently early House action to do any good this winter.

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

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

PRIVILEGE OF THE FLOOR

Mr. LEAHY. I ask unanimous consent that Herbert Jelovitz of my staff be accorded the privilege of the floor during the consideration and voting on the various energy proposals before the Senate this afternoon.

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

Mr. BARTLETT. Mr. President, I would like to point out to my colleagues that the Pearson-Bentsen amendment addresses the natural gas problem in a complete way. It provides a workable

procedure for the curtailed pipelines in the East and the North to secure gas supplies from the producing areas. Under the 180-day emergency exemption procedure in the bill, producers and intrastate pipelines with excess gas would willingly sell that gas to those who need it.

We received information yesterday that there is approximately 4 billion cubic feet of gas available from the pipelines in the intrastate markets of three States: Texas, Louisiana, and Oklahoma. This is on a yearly basis. So for 180 days, there would be 2 billion cubic feet available to fill a demand and shortage of 3 billion cubic feet.

That would take the sting out of the shortage in the Eastern and Northern States.

This bill provides a long-term stimulus to finding new gas supplies, both onshore and offshore. Onshore gas is deregulated immediately, permitting the last several years' drilling surge in the onshore producing areas not only to continue, but hopefully to expand considerably; and it would.

While the gas from the Outer Continental Shelf will not be deregulated immediately, which I would prefer, the criterion for setting the new gas price is vastly improved over that now used by the Federal Power Commission.

Mr. GLENN. Mr. President, will the Senator yield for a question?

Mr. BARTLETT. I yield.

Mr. GLENN. The Senator referred to 2 billion cubic feet. Did he mean 200 billion?

Mr. BARTLETT. Yes. I thank the Senator from Ohio.

The resultant higher price in the Outer Continental Shelf should greatly revive drilling activity in that area, where it has practically ceased because of the unfair discriminating and low FPC-controlled prices now in existence.

The Pearson-Bentsen amendment assures consumers that the price they pay for gas will not increase abruptly while at the same time making certain that new gas supplies will be forthcoming.

First, I emphasize that this bill is not total immediate deregulation. Only new gas is deregulated onshore and subjected to the higher but controlled prices offshore.

If no new gas is found and dedicated to the interstate pipelines, consumers will not have to pay for it. The producers still take the exploratory risk. Old gas continues under FPC control until existing contracts expire gradually over the next 20 years.

The wellhead price of natural gas is only 20 percent of the total cost to the ultimate gas consumer. Thus a wellhead price increase would impact a consumer in a modest way.

Again I emphasize that it is only new natural gas which will receive the higher price. Unlike S. 2310, the Pearson-Bentsen amendment does promise greater gas supplies for distressed areas this winter and in the future. It, therefore, protects consumers from unnecessary cost increases and in other ways.

I am glad to elaborate on why the S. 2310 proposal will not provide gas for distressed areas this winter.

If gas moves through an existing pipeline, which is guaranteed under S. 2310, consumer costs go up, amortization expenses and the consumers rate will have to be spread over less gas; therefore, the cost per unit increases.

It is almost unbelievable to me that the proponents of Senate bill 2310 would try to pass a bill which would guarantee some of their constituents a widening shortage of natural gas and the others, the ones who are not without it, a higher bill for the gas they do have to burn.

Also, in most States, industrial and commercial customers share part of the burden of pipeline amortization. As the shortages increase in the future, the industrial consumers will be denied gas entirely and will, therefore, not foot any of the bill. All costs will fall directly on the residential users.

In the long run, the Pearson-Bentsen amendment will deregulate all new natural gas at the wellhead. This is necessary to maximize the efforts of producers to explore for and develop natural gas supplies from all possible areas, both onshore and offshore.

If over the long term we limit the price in any way, then there will be some gas reservoirs which will not be found or, if found, will not be developed because of purely economic reasons or for those which are already developed and approaching the point of abandonment would be abandoned prematurely because of economic factors.

This country has a severe shortage of natural gas. If we do not want it to get worse, we have to find at least as much gas as we produce. If we want to restore gas service to those who have lost it in the last several years, we have to find more gas than we produce.

I think this is one of the things of which every Senator should be cognizant; that is, that we do have a declining reserve situation in our natural gas, declining production, and the price has not been sufficient to replace the gas that is produced. When the price is sufficient to replace the gas that is produced, then it is just going to stop the decline, but it is not going to provide additional reserves that can be produced to take care of those who no longer have gas supply.

If Senators from the consuming States will check with their constituents, they will find that there is a tremendous difference in the price of heating homes between those lucky, fortunate constituents that are connected up to natural gas and receive natural gas, as opposed to those who heat their homes with fuel oil or with electricity.

So there is an unfairness here which traces back to an unfairness at the wellhead where the owner of these resources, both the royalty owner and the producer, are not receiving a sufficient price.

The American people want to know that we do have an energy program which will not only stop the decline in our production of gas and oil, but which will reverse the trend and increase the supplies sufficient to take care of our needs now and in the future. Certainly, it is an American approach to be optimistic and to plan for a larger requirement in the future, even though we are also planning for conservation measures which have a likewise long-term period for attainment.

Additions to reserves at the 1973 production rate of 22.6 trillion cubic feet per year have occurred only once in the last 20 years, in 1956. The average rate of reserves additions during the period 1968 to 1974 was only a little more than half of that, 9.3 trillion cubic feet per year, far below what was needed and far below what is being used. I know there are some on the other side of the aisle, and I would say on this side of the aisle too, who believe that the estimated size of our undiscovered resource base is not great enough to warrant deregulation because, no matter how much our drilling effort is increased, supplies cannot be increased enough to do any good.

Therefore, we should keep prices low to protect our constituents from the oil companies. Such an attitude is one of being a self-defeatist. I predict that it will return to haunt those who expound it. The American people will wonder why their elected representatives made an arbitrary decision about an unknown activity, the undiscovered oil and gas resources in the United States and, therefore, were deprived of the opportunity to have the oil and gas which would have been found.

Again I stress that the higher prices that would be paid for new natural gas under this bill will only be paid on that gas that is found, delivered, signed, and sealed; and the effort that goes to find it, the exploration effort will be paid for by private enterprise.

We have no choice but to drill. The producer takes the risk, if nothing is found he loses money. The consumer does not pay.

This is especially true with natural gas because we are only proposing deregulation of new natural gas.

Two days ago, I listened to the Senator from South Carolina tell us how Federal regulation of the natural gas industry has succeeded, how it helped his State, and other States.

But I am afraid he is confusing the issue. The Natural Gas Act was passed by Congress in 1938 in order to regulate the natural gas pipeline and transportation industry, not the producing industry. It was recognized that the pipelines from the producing areas to the consuming areas would be natural monopolies. Consumers would have the choice of buying gas from the pipeline that served his area or of not buying gas at all. Regulation of the transportation of natural gas can be considered a success as the Senator said because it did permit the gas to be transported into the consuming areas of the country.

From this point on, however, the good Senator's logic falters. Regulation of the wellhead price of natural gas has been a dismal failure. Otherwise, there would not now be shortages in the interstate

market and surpluses in the intrastate market.

As an illustration of what has happened, I shall use figures on U.S. gas well drilling.

In the late 1950's an average of 858 exploratory gas wells per year were drilled in the United States, with a high of 972 occurring in 1959. This declined to a low in 1971 of less than 440. The decline in activity was the result of low controlled interstate gas prices and the availability of adequate supplies to meet demand in the intrastate market. These supplies were developed because of previous drilling efforts.

When a shortage started to occur in the intrastate markets, the price increased, and the drilling activity picked up also. In 1972—601 exploratory gas wells; in 1973—900 exploratory gas wells; and in 1974—1,195 exploratory gas wells.

But because prices continued to be held at ridiculously low levels, very little of this recent drilling was for interstate gas. This is corroborated by the statistics on offshore gas well drilling which has practically ceased in recent years and by reserve addition figures for recent years which indicate that almost all gas found has been dedicated to the intrastate market.

The point here is that it was not until shortages began to appear in the intrastate market, that intrastate prices increased. This caused an upsurge in an increase in intrastate reserves. The number of exploratory gas wells drilled in 1974 was higher than in any of the previous 20 years.

The uncontrolled intrastate market worked to alleviate a shortage. The controlled interstate market failed, produced a shortage, is still failing and will continue to produce greater shortages unless we in Congress change the law and deregulate natural gas prices on a long-term basis.

The Senator from South Carolina apparently argues that FPC regulation of wellhead prices was successful because consumption increased. But he has confused regulation of the transportation of natural gas and regulation of wellhead prices. He has confused apples and oranges. I hope my colleagues see through what he has said.

There are many Members of this body concerned about propane supplies. So am I. The Pearson-Bentsen amendment will result in an increase in propane supplies because 70 percent of our domestic propane is derived from natural gas. As new gas supplies are found, propane production will increase.

The Senator from Ohio is quick to admit that S. 2310 is not designed to increase natural gas supplies. I agree with him on this, it will not increase natural gas supplies. So if it is enacted, we should all expect natural gas shortages, and propane shortages to be worse next winter. This simple fact should be consoling to the constituents of my colleagues who support S. 2310.

Justification for why expiring contracts should be included in the new gas definition:

To continue to price all old gas at the old FPC rate, denies producers the wherewithall to form capital for drilling new wells—that is, limiting producer to an out-of-date cost of service rate on old gas forces him into liquidation because he does not receive enough from current sales to replace them.

Carrying the replacement cost argument further, even though the FPC will permit producers to increase the rate on old gas if cost justified, this procedure is not adequate to support an ongoing exploratory drilling effort because this cost justified price for producing wells would still be far below replacement costs of new gas. Figures in AAPG statistical bulletin No. 3 show the number of exploratory wells drilled which are needed to find fields of a certain size. Good for making point on number of wells to be drilled and why it takes a big drilling effort.

If we do not permit producers the assurance of receiving a free market price on expired contracts, this action might exclude remedial operations on existing fields or the installation of compression facilities on low pressure fields which would decrease abandonment pressure and increase ultimate reserves. These operations can be done relatively quickly and could get gas into interstate pipeline.

Even though the FPC will in some cases raise a rate if cost justified, this occurs after the fact and a producer has no assurance that it will be adequate to cover all his costs plus a fair rate of return. Thus, he might be inclined to invest money elsewhere rather than risk doing the work plus the regulatory process. The FPC cannot stop a producer from abandoning a field he believes is not profitable to continue producing. Without expiring contracts included in the new gas definition, we risk this occurrence.

At the time the original contract was negotiated, it was recognized by both parties that it would expire sometime in the future and that a renegotiation process would occur at that time. This fact, in part, determined the nature of the contract. If gas is deregulated, the interstate pipelines are not without leverage because the pipeline connection is there. Furthermore, the pipelines are not going to pay the producer much more than the price of alternate fuels to its customers less transportation. Furthermore, the pipelines have good managers who should be capable of negotiating with producers.

Economists who have studied the natural gas producing industry claim it is "workably competitive" and generally greater economic power is possessed by the pipelines than by the producers. There are thousands of producers but relatively few pipelines, and even fewer pipelines with facilities in any given producing area.

I support the Pearson-Bentsen amendment. It is a good compromise solution to the natural gas problem of this Nation. It provides relief for the distressed areas of this country, relief they can be assured of having.

It provides a long-term solution to the natural gas problems. Deregulation occurs in the long run. This will guarantee a maximum drilling effort both onshore and offshore.

I commend the sponsors of this legislation for offering it. I warn those who plan to vote for S. 2310, that it will not work, will result in greater shortages, and will not provide any relief for the distressed areas this winter.

Mr. PEARSON. Mr. President, will the Senator yield?

Mr. BARTLETT. I will yield to the distinguished Senator from Kansas.

Mr. PEARSON. Mr. President, I ask unanimous consent to make a short statement and print matter in the RECORD.

Mr. President, great emphasis has been made upon the position of the House of Representatives in relation to combining the short- and long-term emergency and the permanent solution. The distinguished Senator from Ohio in his very able statement just a few minutes ago again most forcefully put forward the argument in that behalf.

We do not really wish to reduce this to a partisan sort of "who gets the most letters from someone." I emphasize that. But we did inquire of Mr. DEVINE and also Mr. BROWN of the House of Representatives who have enormous interest in this particular matter, as to what the position of the committee or some Members would be.

So, Mr. President, I will ask unanimous consent to print in the RECORD today a letter from SAMUEL L. DEVINE and CLARENCE J. BROWN, that indicated that they disagree with the position of the chairman of their own committee; that they have had hearings; that of the 39 witnesses who appeared there, they heard testimony as to the need of some form of deregulation; and that they thought it would be wise on their part and on our part to move ahead and to consider both of these matters at the same time.

So, Mr. President, I ask unanimous consent to have printed in the RECORD a letter dated October 2 of this year.

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

COMMITTEE ON INTERSTATE
AND FOREIGN COMMERCE,
Washington, D.C., October 2, 1975.

Hon. JAMES PEARSON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR: This letter responds to your request for our views with respect to the prospect for enactment of natural gas pricing legislation in the House of Representatives. We understand that Chairman Staggers of our Interstate and Foreign Commerce Committee has written to Senator Hollings indicating that our Subcommittee on Energy and Power is confining its deliberation to the singular purpose of arriving at an agreement on emergency legislation and that any combination of long-term and emergency proposals would seriously imperil chances for House and Senate agreement on such legislation.

We must strenuously disagree with the Chairman's assessment of the situation in the House. In the first place, Mr. Brown of Ohio has introduced a comprehensive natural gas bill which combines emergency measures to deal with this winter's situation and long-term measures to phase in deregulation of natural gas prices. Secondly, in

the four full days of hearings on the natural gas situation held before the Energy and Power Subcommittee last week, 36 of the 39 witnesses before the Subcommittee specifically came out in favor of deregulation of natural gas as the only real solution to our supply problems and most of these witnesses indicated that legislation dealing with the short-term only would be most short-sighted. With this sort of record overwhelmingly in favor of some form of deregulation, we plan to do all we can to see that the issue of long-term deregulation is combined with any consideration of emergency measures as natural gas legislation moves from the Subcommittee to the Full Committee and on to the Floor of the House.

Our assessment of the attitude of House membership indicates that there is a growing concern for this country's natural gas shortage and that more and more Members are becoming convinced that the only rational solution to this supply problem is some form of comprehensive legislation similar to that which you and Senator Bentsen have introduced on the Senate side. It is our urgent hope that both Houses of Congress respond to this need and that we come to conference prepared to deal with both long-term and short-term issues regarding natural gas legislation.

Sincerely,

SAMUEL L. DEVINE,
CLARENCE J. BROWN,
House of Representatives.

Mr. GLENN. Mr. President, will the Senator yield for a question?

Mr. PEARSON. I yield.

Mr. GLENN. I ask whether the hearings referred to, the extensive hearings, have been on all aspects of the long-term aspects of deregulation. It was my understanding that the hearings that were held recently have been on the short-term aspects only, and this would tend to substantiate what the Senator from Ohio has been pushing, that it only would delay if it went over there and they had lengthy hearings.

Mr. PEARSON. Perhaps I should have read the entire letter.

Mr. GLENN. I am willing to accept a summary.

Mr. PEARSON. I read from the second paragraph:

We must strenuously disagree with the Chairman's assessment of the situation in the House. In the first place, Mr. Brown of Ohio has introduced a comprehensive natural gas bill which combines emergency measures to deal with this winter's situation and long-term measures to phase in deregulation of natural gas prices.

This is responsive, I think.

Secondly, in the four full days of hearings on the natural gas situation held before the Energy and Power Subcommittee last week, 36 of the 39 witnesses before the Subcommittee specifically came out in favor of deregulation of natural gas as the only real solution to our supply problems and most of these witnesses indicated that legislation dealing with the short-term only would be most short-sighted. With this sort of record overwhelmingly in favor of some form of deregulation, we plan to do all we can to see that the issue of long-term deregulation is combined with any consideration of emergency measures as natural gas legislation moves from the Subcommittee to the Full Committee and on to the Floor of the House.

I have a copy of this letter, and I will give it to the Senator.

Mr. GLENN. Mr. President, will the Senator yield?

Mr. PEARSON. I yield.

Mr. GLENN. I submit that the committee chairman, who has expressed himself in opposition to the expression of Representative DEVINE and Representative BROWN, has stated that he feels that long-term considerations are necessary.

In following what he has described in the House, I believe some of the longer term aspects of deregulation that have come up in discussion here on the floor have not been addressed in the House as yet: the long-term pricing effects on production, the Btu equivalencies that are being discussed in this Chamber, the international aspects of this, the oil pricing effect on gas prices, the other fuel price setting comparisons that have been proposed by various Members.

In our discussions back and forth, I believe that it was consideration of these other items that the committee chairman and Representative DINGELL and Representative STAGGERS wish to address themselves to, before committing themselves to long-term consideration.

I submit, Mr. President, that these types of considerations are not something we are going to solve in just a few days. A few days in connection with the emergency bill are critical. November 1, we will begin having 65-percent cutbacks in some areas of the country.

I would tend to take the committee chairman's assessment that longer term considerations will require extensive hearings and that that would delay beyond any hope of getting emergency legislation that would do any good this winter.

Mr. PEARSON. I say to the Senator from Ohio that I am well aware of the power of chairmen of committees, particularly in the House, and I have had a great deal of personal experience in the Senate.

I wanted to insert this letter in the RECORD to show that there is a division, as there always is, in sentiment on the House side. I do not think we have had any expression from anyone else.

What we have is an exchange of letters—a Democratic majority and a minority kind of exchange. I want to make that part of the record prior to the vote on the tabling motion today.

Mr. HOLLINGS. Mr. President, will the Senator yield?

Mr. PEARSON. I yield.

May I also say to the Senator from Ohio, as the Senator from South Carolina said yesterday, that the Senate—this is without criticism—is very much further advanced in its study of this matter. We have been going into it for some 4 years. I think they have slowly gotten into the whole natural gas study in the House.

Mr. GLENN. The Senator from Kansas has been very fair. He is pointing out things on both sides of the aisle. He has a reputation for being fair and pointing out both sides of an issue, and his reputation is well-deserved.

Mr. HOLLINGS. I ask this of either the Senator from Kansas or the Senator from Oklahoma: Are we not in essence, then, with the exchange of letters, pointing up and emphasizing that there is this diversity, that there is this strong feeling, that they both will come with their letters, and that time is of the essence? With that kind of diversity, neither side is going to give on the long term. That is the whole point.

No one expects to get that long-term solution, whatever it may be, before Thanksgiving or December, at the rate we are going. That is why we tried to streamline the matter, for this isolated emergency, for the jobs which may be lost during this month of October.

If we fail, if what Mr. DEVINE says in his letter is true, he, the minority, is fighting in one direction, and the majority is fighting in the other direction. That has been the division and the time-consuming aspect.

No one is going to deny the minority of its right to be heard, and it should be heard; and no one is going to deny the majority role when we get down to a vote. That is the point. That is what we have been emphasizing. But the long-term bill is one question and we need an emergency bill—to allow us to solve the unemployment problem this month.

Mr. PEARSON. The Senator is correct, that time is of the essence. But time is of the essence not only for the emergency bill but also for the permanent, long-range bill. It has been my position all through this that by combining them, we push forward, and we push forward on the permanent as well.

I believe that if we send the House this bill, they will move; they will be responsive to it. I understand what they have said in their letters, and I am sure they are quite sincere in feeling that way. But a little more of not pressure but greater opportunity, with something before them which has passed the Senate, can be done in the next few days. I am confident of that.

Mr. HOLLINGS. But since decontrol is the solution of the Senator from Kansas, along with the Senator from Oklahoma, and since if we had decontrol, at 12 minutes to 2, immediately, today, and we still could not bring on any added gas for this winter, where is the pushing forward? Are we not, in essence, pushing the people out of employment this winter?

Mr. PEARSON. We are arguing about two time frames. If another year goes by on a permanent solution, where does that put us?

Mr. HOLLINGS. No one is trying to say another year. I would be just as dismayed as the distinguished Senator from Kansas. I am worn with hearings, correspondence, friends, our constituents, and everything else on this issue. So I pray, along with the Senator from Kansas, that we surely do not put this off another year. The Senator has me on his side 100 percent on that score.

Mr. PEARSON. I do not doubt that. I understand also that once this emergency bill goes, then we are free, we are clear. Nobody has to do anything until June of next year. We have solved the winter thing. The Senator will see in the letter, which is to me from Mr. Zarb, that he wanted an emergency bill for 2 years.

Mr. HOLLINGS. That is right.

Mr. PEARSON. That is what they first sent up, 2 years. When we adopted some of their proposal, we took that out and made it only 6 months.

Mr. HOLLINGS. We did.

Mr. PEARSON. That is right, and the pressure will stay on. When this bill goes, and I hope one of them goes, leaves here, is passed, and goes to the House, all the pressure is off. Then, up from the Committee on Foreign Relations comes the Egyptian-Israeli agreement, and that is important. It has a time frame element to it. Then we go to something else. Then the Niagara of new crises falls on us day after day, and I do not think we will pass a permanent bill, that is what concerns me, even though the Senator and I want to. I do not think we will get one this year. This is the best chance to do it, in my judgment.

Mr. HOLLINGS. If we cannot get a permanent bill this year, what makes the Senator feel he can get an emergency bill this year?

Mr. PEARSON. I think we are going to pass an emergency bill.

Mr. HOLLINGS. Why not pass it by itself, either the Senator's or mine?

Mr. PEARSON. They are compatible, the ones we proposed. We are going to get a chance, I guess, with the Stevenson amendment coming in this afternoon.

Mr. HOLLINGS. I hope we would not be required to go that far. If we do table the Pearson-Bentsen amendment, we will be tabling the Stevenson-Hollings amendment along with it. So I hope we do not get into the long-term matter during this discussion.

The fact remains that the letter from our colleagues, Mr. DEVINE and Mr. BROWN on the House side, more than emphasizes what we have been trying to emphasize, that we just cannot make apples out of oranges, that no matter how thin the pancake, there are still two sides, and there is time involved. The month of October is now ticking off and these contracts have to be confirmed if we are going to avoid unemployment this winter.

That, Senator from Kansas, and that, Senator from South Carolina, we can accomplish. We know that. It can be done. But the power play for the long-term solution, whether it is passed this year or next year, is certainly going to run us right into the ditch of not being able to take care of the unemployed due to the lack of gas this winter.

Mr. BARTLETT. Mr. President, I wish, for just a minute or so, to comment on the comments made by the distinguished Senator from South Carolina.

Certainly, the producing States want to provide of their excess gas to the distressed States. But they are interested in how they would be required to do this.

There are two main reasons why the Senator's proposal will not work and will not deliver, in my opinion, any gas to the distressed States. That is because it provides a controlled price which would not guarantee to those who have the excess gas that they would be able to charge a price that would permit them to replace it. Since they have been required, in many instances in the past, and others have been required, in those producing States, to provide gas to the East, at far below prices that would permit replacement, they are not interested in any more of this.

Second, they have a deep concern, as the Senator knows, about the pitfalls of Federal regulation under the Federal Power Commission on prices and other matters, and they do not want to have their intrastate system come under the Federal Power Commission. They are of the opinion, right or wrong, that the provisions of his substitute would not guarantee them that they would not come under the requirements of the Federal Power Commission.

These are the reasons why, in my opinion, the Senator's proposal is very different from the proposal of the Senator from Kansas and the Senator from Texas.

It is my understanding, from talking to those who have the gas and who want to make it available in as large quantities as they can, excess gas, that they feel that they will be protected on price and free from ultimate, continual Federal Power Commission regulation under the proposal of the Senator from Kansas and the Senator from Texas. They do not feel the same about the proposal of the Senator from South Carolina and the Senator from Ohio.

Mr. HOLLINGS. Will the distinguished Senator yield?

Mr. BARTLETT. I am happy to yield.

Mr. HOLLINGS. I had the privilege of meeting last evening with the distinguished Governor of Oklahoma, Governor Boren.

Mr. BARTLETT. A very fine gentleman.

Mr. HOLLINGS. Yes, a fine gentleman. The conversation started out in the first instance about how he did not think it would work, that they could just not get the gas, as the distinguished Senator is now describing to the Senate. Then, as I was listening to Governor Boren, he explained that he had gotten together with users in North Carolina and South Carolina and gotten together with suppliers in his own State. Then he told of all the different meetings that had been held—and I do not want to misquote. This is only from sheer memory. I think he was talking in terms of about 800 million cubic feet. We are talking in terms of billions, I realize.

In Oklahoma, there is this feeling that there is a crisis. He understood the unemployment issue and that there are certain curtailed users for which he is trying to work something out. His objection, of course, was going into the intrastate market at any price. One could understand his point just as well as anything in the world. But other than going into that intrastate market at a price, the only other hurdle then was—how does one get the gas through the intrastate line? And, of course, that is what is intended by the Pearson bill and what is intended by the Hollings bill. We were originally requested in July to clean out that legal hurdle. We both believed that some kind of law was needed in order to get it through that intrastate line.

I clarified it, as well, in amendment No. 934. Intrastate buyers of natural gas were not affected by the priority accorded to interstate pipelines in deep curtailment. If the Senator will remember, our distinguished colleague from Kansas was talking about section 4(e) and now he agrees it pertains only to interstate buyers and we ought to say it in the affirmative. And we are going to do it. Governor Boren also had that misunderstanding.

When we concluded what I felt was a very enjoyable meeting, it came down to the fact that he was the Governor of Oklahoma and like Churchill, who was not elected to preside over the demise of the British Government, Governor Boren was not elected to release all of Oklahoma's gas, but, rather, to protect that particular gas. The invasion, as he saw it, was trying to fix that price. Even though it was a free market price, we just could not agree on that.

I told him that we had looked at that matter and studied it all during August with the approach, the Magnuson-Pearson-Hollings bill, S. 2244. It was open-ended. But to get that surplus gas and confirm those contracts at reasonable prices, we decided to require area ceiling prices to be set. This is what Governor Boren had already done on his own volition, and which we all commend him for and respect him for. My users have been down, not only to Oklahoma, but principally to Texas, and they have made tentative contracts. But I think we ought not wonder where we are going to get the gas. I think there is surplus gas. The Governor specified a particular industry or fertilizer plant with a priority. But he said, "After all, Senator, that construction cannot be completed in 9 months, so why not, during the next 9 months, give it to the unemployed or curtailed areas of the country, rather than just sit there on it, if we can agree on the terms."

I found him very understanding and I thought it was a healthy get-together, that we could discuss this thing dispassionately and boil it down. There is no reason for the distinguished Senator from Oklahoma and the Senator from South Carolina to continue to confront each other on the question of whether or not we think we can get the gas. We are talking only about surplus gas available, of which even the Governor of Oklahoma has said there is some, and he, on his own, has gotten access to some of that gas.

Now the question is the terms and he does not want the invasion of the intrastate market.

Mr. BARTLETT. Let me say to the Senator from South Carolina, there is no question, of course, about the gas being available. I was talking about that. There is no question about what the distinguished Governor of Oklahoma espouses and how he represents, in a way, many more States than just Oklahoma. He has a proposal which has received support from 35 Governors.

This is a proposal for 5 years to deregulate all new gas onshore and offshore, and I am certain he mentioned this to the distinguished Senator.

Mr. HOLLINGS. He certainly did; that is right.

Mr. BARTLETT. But the point is, in my opinion, those who have the gas available, including the producers who would have gas committed for the future, such as the fertilizer plant the Senator mentioned, are of the opinion that his bill, as it has been read by them, would not give them that protection, and I also mentioned that they are not satisfied with the price.

There is another consideration that is very important to the Governor of Oklahoma and myself and the Senator from Kansas, and that is it is not fair, it is not just, to merely take care of the short-term, the emergency, which we are doing now in the State of Oklahoma, by providing gas from our State to Transco which handles customers in the State north of the Senator, North Carolina, and in Virginia.

But it is most important that we look at this on a long-term basis, just as the Senator from Kansas was mentioning a moment ago. It is a combined package because of what we do do with price even in the price of the Senator's bill, which is higher than prices now controlled by the Federal Power Commission at 52 cents a thousand, to the extent that if that were applied offshore it would then stimulate drilling there.

But since the price in the Senator's bill is the average price of August there is going to be a rollback in certain areas, and in other places it will be an increase, but it is going to be a controlled price with no flexibility, so it is not going to have the beneficial effect. To the extent that it is a restrictive control, it will reduce the amount of energy, the amount of gas, to be found.

I feel in the kind of shortage I see—and I have been seeing for 15 or 20 years coming and now here—that we should not hold back; we should use every resource we can to solve this crisis as quickly as we can and to do it fairly and squarely.

Mr. President, I yield the floor.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. President, the junior Senator from Kansas has received a great deal of input from people in the State of Kansas about the emergency natural gas bill, S. 2310, we are considering. Without exception, this input has indicated that the bill in its present form would be detrimental to natural gas production and usage in Kansas and would also most likely be contrary to our national interests.

It is the strong feeling of this Senator that the best approach to this situation is embodied in the amendment introduced by the distinguished senior Senator from Kansas (Mr. PEARSON). For that reason, his amendment has my support.

LONG- AND SHORT-TERM SOLUTION

The problem confronting us in the area of natural gas has long-term and short-term aspects.

It is clear that in the long term, we must encourage the development and production of our natural gas resources. The economic importance of utilizing our vast but as yet undeveloped natural gas resources has been more than adequately discussed here and in committee hearings.

But to utilize those resources, we must reinstate some form of adequate incentive for natural gas producers to invest their time and money. The solution provided in the so-called Pearson-Bentsen amendment is the phased-in deregulation of new natural gas.

In my opinion, that approach is well suited to creating production incentives in Kansas and other States as well. It establishes that producers would receive the free market price incentive to get out and drill and develop and produce natural gas at the maximum rate.

At the same time, it would insure that price increases for consumers would be gradual and carried out over a period of time according to the gradual rate that new production is brought on stream, and the gradual rate of phasing-in deregulation.

Deregulation of new natural gas would also put that energy resource on a price level equivalent to the comparable price of oil and coal. That step would allow industry and commercial users of natural gas to plan on the cost of natural gas they might expect to pay in coming years so that they could make a conversion to coal or some other source of fuel. The net effect would surely be a greater conservation of natural gas and would encourage better usage of the high quality fuels characteristic of natural gas for feedstocks and process fuels.

In spite of the greatly increased incentive provided in the deregulation of new natural gas, it is generally accepted that there would be a continued shortage of natural gas for our current demand for a number of years. So there is a short-term problem.

The short-term problem, as this Senator understands, is that we need to alleviate to the greatest degree possible the hardships caused by natural gas curtailments. The Pearson-Bentsen amendment permits that by allowing high priority users under curtailment to go to the greatest source of new natural gas production—the intrastate market—and compete on an even basis there with intrastate consumers for new supplies of natural gas.

This amendment would not infringe upon the needs of intrastate consumers nor their ability to enter the intrastate market and purchase additional supplies of gas. Nor would that amendment amount to a disincentive for additional intrastate production.

So, in response to both the long-term and short-term problems, we have a long-term and short-term solution embodied in this amendment. It is my feeling that we should adopt it promptly.

SOLUTION NEEDED NOW

This Senator understands that the sponsors of S. 2310 would plan to bring up S. 692, their legislative proposal to resolve the long-term problem immediately after resolution of this bill, S. 2310, which purports to take care of the short-term problem.

But this Senator feels that the best solution would be to adopt the amendment before us and resolve the problem once and for all. It appears that it will be some time before we finish consideration of the bill presently before us, and even some time further before consideration of S. 692 could be completed in the best of circumstances. Natural gas consumers have been waiting for 20 years for a congressional policy to reverse the decline of natural gas production. While a few more days or weeks or months might not be much compared to 20 years, the junior Senator from Kansas believes that the best course of action is to adopt right now—once and for all—the amendment presently before us that will resolve the overall problem.

Mr. President, another matter that concerns the junior Senator from Kansas and others who come from agricultural States and, as I read section 5(a)(1) of S. 2310, and also in the substitute amendment No. 934, an attempt is made to establish an agricultural priority. Under this section, the Federal Power Commission is authorized upon petition or by its own motion to prohibit the interruption of natural gas supplies where such supplies are serving essential agricultural, food processing, or food packaging users. The agricultural priorities are to be defined by the Secretary of Agriculture to include but not be limited to irrigation pumping, crop drying, and use as a feed stock or process fuel in the production of fertilizer.

Yet paragraph a(2) of section 5 seems to give the agriculture priority defined in paragraph 1A low priority when compared with other users of natural gas. Specifically, the provision of paragraph 2 place the agriculture users beneath residential users, small users, hospitals, users involved in production and the delivery of services vital to public health and safety; and users for whom curtailment would result in increased unemployment. Lines 12 through 15 on page 10 state that nothing within the agriculture priority may be interpreted as inconsistent "with the goals of substantially minimizing unemployment attributable to interruption of natural gas supplies" outlined in the preceding portions of the bill. It would seem that this language places agriculture users beneath commercial users and would void the agriculture priority so long as unemployment was being caused by commercial or industrial curtailments.

The latest figures available project a 1.3 trillion cubic foot gas shortfall in the coming year. It is expected that even in the best of circumstances, emergency legislation would make available only about 200 to 400 billion cubic feet of the shortage from intrastate and new gas sources. These figures indicate that during the coming year, commercial curtailments are inevitable, unemployment will result, and the provisions of section 5(a)(2) will prevent the agriculture priority established in section 5(a)(1) from ever taking effect.

A thorough analysis of the specific provisions of the agriculture priority section of this bill and an analysis of the projected supplies that will be available in the coming year lead me to conclude

that section 5 is only window dressing and there is no agriculture priority granted at all. I would appreciate any information which would lead me to different conclusions.

AGRICULTURE PRIORITY IN THE PEARSON-BENTSEN AMENDMENT

Mr. President, the Senator from Kansas feels that the agriculture priority provided in the Pearson amendment under proposed section 26 of the Natural Gas Act would be much better for farmers and for agricultural users than the provision in the so-called Hollings approach.

The farm priority in the Pearson amendment pertains in all cases "except to the extent that natural gas supplies are required to maintain natural gas service to residential users, small users, hospitals, and similar services vital to public health and safety and notwithstanding any other provision of law or of any natural gas allocation or curtailment plan in effect under existing law." The farm priority of the Hollings approach would not pertain to those circumstances where it might be inconsistent "with the goals of substantially minimizing unemployment attributable to interruption of natural gas supplies or with maintaining natural gas supplies to residential users, to small users, to hospitals, or for products and services vital to public health and safety."

This Senator feels that farmers recognize the importance of continuing natural gas to hospitals and for public health and safety, but most farmers would probably have difficulty in understanding why natural gas supplies should be continued simply for the purpose of avoiding unemployment if those natural gas supplies were essential for food production.

It is a matter of importance. If a person is out of work, it is possible to obtain unemployment compensation with which to subsist on. The Senator from Kansas feels that is a very undesirable situation and that we should avoid unemployment to the greatest degree possible; but obviously, without an adequate supply of food, it becomes very difficult to subsist. So, it would seem more important to provide natural gas for agriculture than simply for the purpose of avoiding unemployment.

It is the opinion of the junior Senator from Kansas that the Pearson-Bentsen amendment does, in fact, provide for a priority for agriculture, whereas the Hollings amendment is nothing but an empty promise.

Finally, Mr. President, I would like to raise the issue of natural gas deregulation and its bearing on the propane situation.

I think we all recall the disastrous situation in the winter of 1973–74 when the price of propane rose over 30 cents per gallon and got up in the vicinity of 40 cents per gallon. That price was literally financial disaster for many rural people in Kansas and in many other States of the Nation; particularly, in the rural areas in the southern part of this country. Many of my colleagues from the South may recall that situation.

The high prices of the 1973–74 season were especially severe because many rural people are living on low incomes and could not afford the doubling and nearly tripling of their heating bills.

At the same time that prices were soaring, it was difficult to even obtain a supply in many cases.

PROPANE PRODUCED FROM NATURAL GAS

But the point is that phased-in deregulation, as provided in the amendment, is important for the price and supply situation of propane, for everyone knows about 70 percent of our propane supply comes from the processing of natural gas.

Obviously, as the supply of natural gas declines, the supply of propane also must decline.

As propane production declines in parallel with the natural gas production decline, we have to make up the deficit from imports or from crude oil. Propane from crude oil means that propane prices go up. Imported propane in the past has come from Canada and Venezuela, but neither of those countries have the capacity sufficient to cover our projected deficits.

IMPORTANCE TO AGRICULTURE

This Senator would like to mention a few facts that underscore the importance of propane to agriculture and food production.

Fifty-three percent of U.S. farms use propane.

In 1971, 1½ million farmers bought 28 percent of the U.S. sales of propane.

Propane runs engines, warms chickens and livestock, dries grains and peanuts, and cures tobacco.

Use of propane for drying grain, especially corn, has risen most rapidly. Corn belt needs for propane have doubled since 1964. As Senators from corn-producing States will know, corn is harvested wet in order to obtain the best threshing results and must be dried in order to be stored for any period of time. That drying requires propane or natural gas. We are now producing corn crops in the area of 6 billion bushels per year. It takes a lot of propane and natural gas to dry those crops. I am sure my colleagues from the south understand the importance of natural gas and propane for peanuts and tobacco.

PROPANE AS AN ALTERNATE FUEL

One of the problems that drove up prices in 1973 for propane and made propane a very scarce fuel was that large industries such as General Motors and other car manufacturers were trying to purchase propane as an alternate for natural gas. That problem has not gone away. When we have a natural gas curtailment, the market for propane increases. But as the supply of natural gas declines, so does the supply of propane decline.

So it is a vicious circle. In order to prevent the demand for propane from getting out of hand, we need to reduce natural gas curtailments as much as possible. That means increasing the supply of natural gas which is best done by natural gas deregulation.

PROPANE ALLOCATION

I am pleased to see that both the Pearson-Bentsen amendment and the amendment of the Senator from South Carolina contains a propane allocation program. Obviously we need to continue the propane allocation system to prevent a recurrence of the disaster of propane prices and supply of 1973–74.

But as every Senator knows, the allocation and price control program does not produce a single drop of propane. It does not produce a single cubic foot of natural gas.

So this Senator would hope that phased-in natural gas deregulation might be adopted so as to prevent a continuation of the price and supply problems in propane.

Mr. BENTSEN. Mr. President, I want to first congratulate the Senator from Kansas concerning the remarks on agriculture and the Pearson-Bentsen amendment.

Mr. President, we are now facing crucial decisions on what policies we should adopt in this natural gas shortage. Presently the shortage is being borne at the cost of crippling curtailments, higher priced alternative fuels, and by expensive imported petroleum. That does not make economic sense.

There is an alternative. The phased decontrol measure Senator PEARSON and I are sponsoring is the alternative of using the marketplace to generate increased supplies of natural gas. That is the only practical answer to the shortages we are experiencing.

S. 2310 is a measure to spread the shortages by bureaucratic regulation. I do not believe that anyone can call a policy of spreading shortages an adequate policy. A national policy must include increases in supply.

Our only sensible choice, Mr. President, is the enactment of a system of phased deregulation, and I firmly believe that our substitute amendment represents the best achievable compromise by providing for the immediate deregulation of the wellhead price of new onshore natural gas and a 6-year phaseout of regulation of new natural gas produced from offshore Federal lands within the Outer Continental Shelf.

In addition, our measure contains the emergency measures which everyone agrees are necessary this winter. First, a provision whereby severe shortage-plagued pipelines may purchase from intrastate sources for emergency periods of 180 days; Second, emergency allocation authority for propane; and third, authority for the Federal Power Commission to prohibit the use of natural gas as a boiler fuel. The provisions, being emergency related, would expire on April 4, 1976.

Mr. President, these provisions can have some immediate effect, we all agree here that in all likelihood no more than 200 to 300 billion cubic feet of gas is available for sale to the interstate pipelines for consumption this winter. I do not believe that the measure from the Senator from South Carolina will put that gas into the interstate system. I know amendment 919 will. The provisions which we have included in our amendment are tried and proven.

The Federal Power Commission in the past has experimented with deregulation

of small producers and the results were most favorable. In the Texas Panhandle the year after the small producer exemption was approved by the Federal Power Commission, there was a 50-percent increase in the wells drilled in that area. Natural gas wells completed jumped from 68 in 1971 to 114 in 1972. I believe that this is a good test of what deregulation could mean. A recent study by Paul W. MacAvoy and Robert S. Pindyck, both of MIT, indicates that phased deregulation could reduce shortage of natural gas to negligible levels by 1980.

This study is complemented by a study by the Brookings Institution which concludes that the present method of price regulation has contributed significantly to the current natural gas shortages.

Mr. President, that is the reason that both the Washington Post and the New York Times have editorialized in favor of decontrol.

Mr. President, although it is billed as the solution to the immediate problem, S. 2310 will do nothing to relieve the shortage this winter. The bill creates an administrative quagmire through which it will be impossible to proceed in time to provide any relief for the 1975–76 winter.

S. 2310 requires the Federal Power Commission to set area price ceilings and select "essential" users of gas within 15 days.

This is impossible.

The Federal Power Commission has neither the information, nor the legal authority to obtain the background data for such determinations. It is optimistic that such determinations could be made in 15 months, much less 15 days. Compounding this difficult is the fact that the Federal Power Commission is already understaffed.

As a further difficulty, S. 2310 requires concerted actions by the Federal Power Commission, the Federal Energy Administration, the Secretary of the Interior, the Secretary of Agriculture and the Environmental Protection Agency. Disagreements among these agencies could result in protracted delays. Also, the provision permitting civil suits by private litigants would assure such uncertainty that no action would be likely this winter.

In addition to the totally impractical nature of the administrative procedures required, S. 2310 further displays irresponsibility in its many technical difficulties that have been discussed at length earlier in this debate. It was not idle rhetoric when S. 2310 was labeled as the "Lawyers Retirement Act of 1975."

Mr. President, the impracticability of S. 2310 can be understood because of the haste with which it has been written and considered. The bill was both introduced and considered in a span of 7 days last month. In contrast, the alternative Senator PEARSON and I are offering is the result of discussions, hearings, and debate which go back considerably prior to the 94th Congress. Events leading directly up to the introduction of this proposal can be traced back at least 2 years. Those who say we need to wait and consider the question later are only avoiding the question. And I can say that the American people are sick and tired of this Congress delaying and avoiding the energy question. We must not avoid the question any longer. We must vote today against the tabling motion so that this body can consider and decide the long-range answers to the natural gas shortage.

I fully recognize that this measure, if enacted, will ultimately result in higher gas prices. But I submit that the alternatives of a dependable supply of natural gas at modestly higher prices is infinitely preferable to that of no gas or drastically curtailed supplies for all classes of users. Conditions existing today on the interstate pipeline system indicate that curtailment levels on some pipelines could reach such a degree in the near future that service to even residential and commercial users could not be maintained on some systems.

The increase in price which most consumers would pay in the aftermath of partial deregulation of new gas would be relatively small. Transmission and distribution costs constitute two-thirds to three-fourths of the cost of natural gas delivered to residential users in the East and Midwest. These transportation costs will not increase and will not be removed from regulation. Furthermore, the new gas no longer subject to controls at the wellhead under this amendment would be expected to flow into the natural gas stream at the rate of only 5 to 10 percent per year.

It must be understood that interstate pipelines give to all customers, even the last to hook up, the benefit of the low-priced gas already in the pipe. Thus, it will take many years for the gas at the consumer end of the pipe to reach a Btu equivalence to oil.

The Federal Power Commission translated these facts into a study of the long-range economic impact of the amendment that Senator PEARSON and I are offering. The study considered the total impact on our economy that partial decontrol will have. Notice, Mr. President, I said the total impact. Not the partial impact of considering only those consumers now receiving reliable supplies of natural gas. Natural gas costs go beyond heating costs. Take for example the costs of the many consumer goods that are produced from natural gas and with the help of natural gas utilization. When we consider this total figure, including the impact that transportation expenses have on final consumer costs of natural gas, the figures become quite different than the ones we have heard from the proponents of S. 2310.

The Office of Energy Systems of the Federal Power Commission divided the impact among three classes of natural gas users, those families using natural gas and are assured of a continued supply, those families who face curtailments if we do not deregulate and increase supplies, and those nonresidential users of natural gas whose costs will be spread among all families in the goods and services they provide.

The study showed that in 1980, those families who now use gas and are assured of steady supplies will face a higher natural gas bill of $7 a year due to our amendment. However, this increase in price is offset by a savings of $60 a year for those families who are facing curtailments unless we deregulate and increase supplies, and a savings to all families of $216 million, or $40 a family in the goods and services they must purchase from those nonresidential users of natural gas.

That is a different picture than the one you have been hearing, Mr. President. It is different because it takes into consideration the total impact of our measure as compared to S. 2310. It is the long-range impact, and that is what this Congress must start considering. We must stop moving from crisis to crisis with makeshift emergency legislation. We must look ahead; we must plan ahead; we must stop putting off energy questions until later.

Mr. President, the vote today is a vote on whether to table the most workable proposal before the Senate. Even if all of the provisions of amendment No. 919 are not acceptable to my colleagues, I urge that it be put before the Senate as the vehicle for advancing the good we seek.

Mr. President, the alternatives are clear. Either we take the bold step today of easing Government regulation and gain increased natural gas production, or we increase the bureaucratic snarl of redtape and try to move the shortages around. I believe increased production is preferable to pitting one segment of our economy against another.

I hope my colleagues will agree.

Mr. GARY W. HART. Will the Senator yield?

Mr. BENTSEN. I yield to my distinguished colleague from the State of Texas.

Mr. GARY W. HART. Will the Senator from Texas yield for a unanimous-consent request?

Mr. TOWER. I yield for that purpose.

Mr. GARY W. HART. Mr. President, I ask that Peter Gold, Kevin Cornell, of my staff, and Harrison Wellford, of Senator PHILIP HART'S staff, have the privilege of the floor during the deliberation of this measure.

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

Mr. GARY W. HART. I thank my friend from Texas.

Mr. TOWER. I shall be very brief, Mr. President.

It occurs to me that all of the arguments on this matter have been stated and restated. They have been debated at considerable length. The issue is very clear and it is before us now. The question has become a political one and it should not be a political question.

Congress should face the reality of the natural gas crisis and put aside previously determined biases. The Congress should judge the issue on the hard economic facts that do justify deregulation.

Unfortunately, politicians are inclined—and I say politicians by way of including everybody in this body, and everybody down the hall in the other end—to deal with issues on a short-term basis. What is the immediate political impact?

Mr. President, I do not care about the

immediate political impact. What I think we had better look to is the long-term solutions, and if they appear to be politically unpopular at the moment, we had better swallow that. If the American people expect us to be statesmen, then let us try to act like statesmen. Even though the popular emotion of the moment might dictate that we do one thing, let us go back to the people and say to the people, "You perceive the situation wrongly. We propose to you to do what, over the long term, will be better for your interests. We can buy a little short-term comfort at the expense of some very long-term misery, indeed."

It is time that we got honest with people. Instead of just bending to the popular will that might demand immediate relief at the moment, why do we not have the guts around here to look at the long-term implications of what we do.

Mr. President, I have a statement I would like to present which was made by C. Jackson Grayson, Jr., who is the dean of the School of Business Administration at Southern Methodist University. From 1971 to 1973 he served as Chairman of the Price Commission back when we had wage and price controls which did not work, which he told us would not work when he took the job, and which he told us did not work after he left the job. If anybody is an expert on the question of economic controls in the regulation of business, it is Jack Grayson due to the pivotal role that he had on the Price Commission.

I would like to read his statement which was broadcast this morning on the CBS morning news.

Oil and water don't mix. Neither do oil and politics. We are witnessing that in our energy problem. The President proposes. Congress disposes. The Congress proposes. The President vetoes. Meanwhile, prices rise. Imports rise. Production declines, and we sit paralyzed while the oil cartel dictates its prices to us.

How can this happen? My opinion is that it is because we are mixing two things together that don't mix well—politics and economics. Politicians focus on the short run. Next election. Economics is long run. Ten years for a nuclear power plant. Five to six years for a major new oil field.

Politics is a power system. Economics is a market system. Politicians fight for different interests (conservationists, business, labor,) and different geographical regions (New England, the South, the West.) Each wants a solution that doesn't hurt him. Results: Public bickering, partisan politics, horsetrading, hearings, stalemates.

The solution they keep avoiding is complete separation of politics and economics—total decontrol. They fear what you will say next election if prices rise. "Economically, it makes sense," many say in private. "But politically out of the question!" But is it?

I know you don't want prices to go up. Neither do I. But wouldn't you rather pay more, if necessary, and have oil and gas? Or would you rather face again waits in line at service stations, loss of jobs, fertilizer shortages, and more dependence on foreign oil?

No political compromises, no price rollbacks, no gradual decontrols, no 100 billion dollar new Federal bureaucracy can avoid the fact; if demand is greater than supply, then either we cut back on demand, increase supplies, or both.

Let's separate politics and economics. Until we do, we will have both bad politics and bad economics. At a time like this, we can't afford either.

Those are the comments of Jack Grayson who was, for 2 years, Chairman of the Price Commission.

Mr. President, are we going to have a market-regulated economy in this country or not? If we are going to partial Government controls, are we not going to precipitate anomalies and dislocations with a half-regulated system, a half-control system, and a half-free market system? Why do our friends, who contend against the legislation proposed here by Senator PEARSON and Senator BENTSEN, not come out and say that the ultimate goal is the nationalization of the energy industry in this country? Why can we not label this old-fashioned popularism for what it is? We have heard the echoes of "Pitchfork" Ben Tillman in this Chamber. We have been subjected to all sorts of exhortation, for the people, against big business. We have heard allegations about abuse on the part of business, on the part of industry. We have painted villains with black hats. We have politicked and demagogued this issue to death. It is time to look at it in the cold light of economics. If we want to nationalize the oil and gas industry in this country, let us say so. The only greater disaster I can think of is once having done so we invite the British Coal Board over to operate the thing, or maybe invite the Postal Service. We proceed on the assumption that the industry is crooked and evil, that the consumer is gullible and naive, and that Government is infallible.

That is arrogation of the powers of government that I, for one, cannot agree to.

I do not think this industry is crooked. Just remember that the American oil industry has for many years, for the lifetime of all of us, provided a surfeit of cheap energy and cheap fuel; until now, when circumstances over which we have no control, except that we do not discipline ourselves in terms of our requirements, have dictated that prices go up.

Now what is it suggestd that we do? Bring under the thumb of Government the very industry that, through the free market system, has made us industrially, technologically, the most powerful Nation in the world economically, and presented us with the highest standard of living in the world.

I reject all the demagoguery I have heard in this Chamber on this subject. If the Senate wants to discipline me for saying that, so be it. But we have heard a lot of it. We have heard enough of it, and it is time we heard a little honest comment on the economic facts of life.

Mr. HOLLINGS. Mr. President, what was the last part of that? Time we had honest comment on what?

Mr. TOWER. On cold, hard economic matters. Something like that. I do not recall exactly; I was speaking extemporaneously.

Mr. HOLLINGS. Yes. Well, the Senator can give a good extemporaneous talk on economics and politics, and not miss a thing; because, Mr. President, this comes, very interestingly, from the ranking Republican member of the Committee on Banking, Housing and Urban Affairs. I had the privilege of serving on the Banking Committee with the distinguished senior Senator from Texas.

If there is one regulated industry where the cold, clammy hand of Government holds sway, where economics is long term and politics is short term, it is banking.

We tried that short-term business before we got the banking laws of Franklin Roosevelt, and we found out what happened with that long-term economics during the twenties and the thirties. Now, under the leadership of the Senator from Texas, we have a plethora of rules and regulations in that industry, and it is growing all the time.

Mr. TOWER. Mr. President, will the Senator yield for a moment?

Mr. HOLLINGS. I yield.

Mr. TOWER. I have been summoned to the Select Committee to Investigate the Intelligence Community, for an important vote. I would like to engage in colloquy with the Senator, though I do not think any colloquy between us will change the outcome of the votes. Therefore, if he will withhold, I would be delighted to engage in colloquy with him later.

Mr. HOLLINGS. Mr. President, we have had enough hit-and-run drivers for the Phillips 66 team, under the leadership of the Senator from California. Now we have only 28 minutes before we vote, and I want to talk about the long-term political decisions that the representatives of the Senator's State have had in getting the benefits of that law.

Mr. TOWER. I would be delighted to debate that with the Senator from South Carolina, but I must be at the select committee.

Mr. HOLLINGS. All right.

Mr. President——

Mr. TOWER. I want the Senator to understand that I would be delighted to hear his comments, because I think it is very interesting. I think the alliance between the Senator from South Carolina and his New England friends is very interesting; and I think it would be very healthy and helpful to bring this matter out in open debate. I would like to join with him in that, but at the moment the Select Committee on the Intelligence Community is about to take a vote on a very vital matter, on the disclosure of sensitive information, and I think I should be there.

But I say again to the Senator from South Carolina I would be delighted to debate with him on this question, though, being pragmatic and realistic, I think probably what we say in this colloquy will not change the outcome of the vote. If I did, I would stay here. But I hope the Senator from South Carolina will excuse me. I will be glad to join with him at any other time certain that he may wish to designate, to debate this issue.

Mr. HOLLINGS. Mr. President, this is the time we all agreed on unanimously, and said it would be voted on at 3 o'clock.

Only now we have only a few of our colleagues on the floor, that we can exchange views with.

When the Senator from Texas goes into the long-term economic decisions and the short-term political decisions, and how they are difficult to mix, I want to hearken to that day when they really did mix for the benefit of Texas, when they had a sorry natural gas industry, in the cold light of the noonday sun, for the State of Texas. It was not any short-term political decision. We said, "We will establish a political authority and commission to hear your applications with respect to your long-term economic investments, and we will give you a long-term decision based on a 20-year backup supply. We cannot expect you to put $100 million or $200 million in pipelines all over America, to build this industry, without long-term political protection.

Now that they have had that long-term political protection, over the last 30 years, and have grown, if you please, to the sixth largest industry——

Mr. TOWER. What happened to that sixth largest industry?

Mr. HOLLINGS. Right now there is nothing wrong with that natural gas producing industry except some greed. Does the Senator know what the intrastate price was in the Fort Worth field before OPEC, 3 years ago? Without a Federal Power Commission, what was the intrastate price in Fort Worth, Tex.?

Mr. TOWER. What was the Fort Worth price?

Mr. HOLLINGS. Yes, the intrastate, free market price in the Senator's State, 3 years ago, before OPEC?

Mr. TOWER. Well, probably about 25 to 40 cents.

Mr. HOLLINGS. The Senator is very near it. For the record, it was exactly 28 cents. So it was a comparable price with the interstate price; we were going along right together, and doing fine, until OPEC came in, the Arab power commission.

Then they said, "Oh, now that we have our gas lines built, and we have the market, we have a return on investment, we have grown in volume and service; now let us just do away with the commission and have free market enterprise, and fix our own prices, because we have the cover, economically, of protection by the Arab power commission."

Mr. TOWER. Will the Senator yield for a question?

Mr. HOLLINGS. Yes.

Mr. TOWER. If we control the price of gas, crude oil, any of these things, should we not also control the price of tubular goods, drilling equipment, wages, so that wages do not rise above the 1972 level? Would that not be reasonable, to keep the costs down to 1972 levels?

Mr. HOLLINGS. The Senator mentioned Grayson Kirk, Grayson C. Jackson, or whatever his name is.

Mr. TOWER. Jackson Grayson.

Mr. HOLLINGS. Jackson Grayson, who used to be the head of the Price Commission. It seems to me that is where we are back to. President Nixon, when we were moving into an election year, and the decisions had to be made, we boomed into phase III, and that is where the inflation started. That is when we had them all regulated.

Mr. TOWER. It should be remembered that President Nixon never asked for wage and price control authority to begin with. As a matter of fact, he opposed the Conference on Wage and Price Controls, under authority of the White House, from its inception.

Mr. HOLLINGS. So we overrode his veto?

Mr. TOWER. But when he instituted them, it was because of pressure in Congress to institute controls, and he thought he had better do it on his own terms rather than the terms that Congress might dictate.

I think it was one of the worst mistakes that has been made. I do not exonerate President Nixon from having made a mistake in judgment on that. But if he had not done it, we would have pushed him into it, or mandated them or insisted on them.

It turned out to be one of the worst disasters we have had, and when we took them off, the lid went off.

If you are going to put controls on, you had better say how long they are going to stay on.

Mr. HOLLINGS. We do.

Mr. TOWER. How long are they going to stay on?

Mr. HOLLINGS. We do. We put them on for 180 days, ending June 30.

Mr. TOWER. And what is going to happen when they come off?

Mr. HOLLINGS. We hope we will have a long-term solution by then.

Mr. TOWER. How can we control one segment of the economy without controlling them all? If we are going to put controls upon the price of oil and gas, why not put controls on agricultural products, why not put controls on the production of steel, why not put controls on the production of tubular goods, on the production of drilling rigs, on wages—ah, the wages—if we are going to roll back prices to 1972, let us roll back wages to 1972, and let us roll back the production costs to 1972. Let us live in the real world as it is.

Mr. HOLLINGS. Yes.

Mr. President, let us live in the real world. I will hold the floor here a minute so I can answer because he is running me out of time here. He wanted to run me out of the Senate, and now he is going to go into the wage and price control discussion.

He and I know there is no OPEC for steel. There is no cartel on steel. There is no cartel on wages. There is no cartel on all these other commodities. But there is an economic cartel setting prices on petroleum products in this world, living in the real world, just at a time when we are trying to expand, go forward, and keep the economy uninflated. We are trying not to respond to the Arab embargo. We have already had all the unemployment and the $69 billion deficit. We have had gasoline prices zoom up. We cannot control it all. We had it go from 35 cents to 65 cents, under all of those circumstances, still trying to hold the line on inflation. Here comes this sing-song about a free market, when the gentlemen sort of laugh all the way to the bank, knowing that there "hain't no such thing." We either have the U.S. Congress or we have the OPEC congress setting our energy prices.

What he is asking us to do is to relinquish our responsibilities under this law under a program that worked well until we got President Nixon, Mr. Nassikas, a breakdown of the regulations, and OPEC. That is what caused the shortage. There was not any shortage in 1972. We did not have industries leaving. We did not have any shut-ins then affect gas service to the east coast, from North Carolina and South Carolina down to Texas, because it was a more competitive situation then. We had the world price of oil at $2, and he knows it, because down in Fort Worth, if they got too high on the gas, consumers would say, "We will get a shiploadful of world oil," if the price of gas went too high.

But now, that we have OPEC, we hear all about this free enterprise, the free market; and if we cannot have it our way, then control everyone. That is an unrealistic argument. Where are we? Where are we with respect to the Bentsen amendment?

I am going to answer and tell the Senator where we are.

Mr. TOWER. Mr. President, will the Senator yield for a question?

Mr. HOLLINGS. No. I am going to tell the Senator what Mr. FANNIN'S amendment is and what the Bentsen amendment is.

Mr. GLENN. Mr. President, will the Senator yield to me for 30 seconds?

Mr. HOLLINGS. No. I wish to finish here for 10 seconds, because I wish the Senator to understand exactly what we have.

We have in the Bentsen amendment what the Senator argued we would never vote for, and that was decontrol.

I have always heard my friends say, "You wouldn't bring it up, you wouldn't bring it up, you wouldn't bring it up."

Well, we voted 57 to 31 to it yesterday. Now what do we have? What do we have if we improve the Fannin amendment.

At least under the Fannin amendment we knew what the price was. It was totally under control of OPEC, and then we all could vote to go to Vienna and get on the telephones and hope we get through to Yamani, and all the rest of that crowd, and find out what the public policy of the United States was going to be because they are the ones setting it.

But, be that as it may, under Senator FANNIN'S amendment there was not this discombobulation and the pea and shell trick.

What does the Bentsen amendment say? It says simply to decontrol the onshore gas, decontrol the onshore gas. And then what does it say on offshore? It says over a 5-year period knowing what? Knowing that there is no significant gas coming in from offshore in 5 years.

They have the Department of the Interior, the house of oil, and here is what the Geological Survey says.

In mid-Atlantic in 1977 for first discovery earliest date possible, it presumes all regions start in 1975, and we are al-

ready into October. This was out the early part of this year, when the September schedules of bids and leases were issued by the Department of the Interior. In the Mid-Atlantic they cannot produce before 1981, southern California 1982, and Gulf of Alaska in 1983.

So the sponsors of the Bentsen amendment will be generous and tell us this is the middle of the road. We are going to have gradual decontrol. What it ends up with is an immediate shortage because the majority of our new gas is offshore. That will not be produced for 5 years but producers will get their windfall profit. They will drill into an already existing reservoir, calling it under the Bentsen amendment new gas. When they get that new gas, price for old gas out of an old reservoir they will take their profits and go offshore, but one may be sure it will not be produced for the next 5 years.

In this 5-year time, we will have all of that inflation onshore but an exacerbated shortage from the lack of offshore new gas production.

Here I am trying to bring about independence and trying to get a public policy. What have we done? We have guaranteed, I say to the Senator from Texas, a shortage in natural gas from offshore because there is no incentive to produce it. Your amendment put in a wholly new offshore pricing criteria.

The Senator's junior colleague came yesterday and said something about the Lawyers Retirement Act of 1975. Has the Senator seen the criteria under this Bentsen amendment, totally new criteria for the courts to determine? It took us 15 years under existing Natural Gas Act for the courts to interpret the current standards.

Here we should be trying to get decisiveness, we should try to do away with uncertainty. But the Bentsen amendment will send all the lawyers to the Supreme Court for the next 5 years, knowing, of course, the big profits are going to be made in decontrolled offshore gas to pay all the legal fees. That is what we have coming under the amendment the Senator is pleading for.

At least the Fannin amendment was a forthright provision to bring in the natural gas offshore from America where the remaining majority of our supplies exist.

Did the Senator have a question? I am glad to yield because I completed that thought and then I will move to another part.

Mr. TOWER. Go ahead, and I will respond in kind if I have time, after the Senator gets through.

Mr. GLENN. Mr. President, will the Senator yield briefly?

Mr. HOLLINGS. I yield to Senator GLENN.

Mr. GLENN. I respond to the original question on this of the time that this act is in effect. The Senator was inferring that this act goes on infinitum and sets some new policy. This act expires June 30, 1976.

Mr. TOWER. Mr. President, if the Senator from Ohio will yield, I have been around the Senate now for almost 15 years, and things that were enacted on a temporary basis sometimes have a way of hanging around for a long, long, long time.

We seek to meet temporary contingencies with temporary legislation. Usually the crisis that we intend to meet is at the point of passing at the time we enact legislation to meet it, and we keep statutes on the books that stay on and stay on, and we are not going to get any long-term legislation. If we get some kind of piecemeal temporary measure that says designed to get us just through a few months, then what we do is come back and renew it rather than get a long-term solution.

Now, the Senator from South Carolina has talked about all the money, the profits, that are being made by the industry in this country. Good heavens, does the Senator from South Carolina know how much it costs to produce a barrel of oil in the Middle East? What is the average?

Mr. HOLLINGS. Mr. President, the answer to the question of the cost of producing a barrel of oil in the United States of America is $6.04 for a new barrel of oil and $3.75 for an old barrel of oil—That was interpolated with the American Petroleum Institute's figures by the Federal Power Commission in August—including a 15-percent profit. That is the domestic cost. They tell me it only costs about 12 or 14 cents a barrel over in the Middle East.

Mr. TOWER. Well, that is about what it costs per barrel. That may be a little low. It may be 28 cents.

But, good heavens, when we consider the cost of producing a barrel of oil in this country, when we consider the cost of producing a thousand cubic feet of gas, the cost is higher than in any other producing country in the world because we maintain artificial standards for our working people, and that is one of the reasons. They do not do that in other countries.

Therefore, I think that makes it all the more incumbent on us, if we are going to maintain this high standard for our people in the working industry, to free up the price.

We heard a lot of talk about profit. What is profit? Profit is the cost of capital, and this country is facing up to a $4.1 trillion capital shortfall over the next 10 years, if we are to continue economic growth.

This is an example of what I have been talking about: But about our short-term thinking based on political expediency: Is it popular to go out and advocate profit? No, because everyone up there in the gallery is going to go out and print in their papers and report over their networks that we are trying to line the pockets of the rich. So it is not a popular thing to advocate profit, and we are not going to get a fair shake in the media when we do, and we have to answer that.

But what should be understood is that this country is facing up to a capital shortfall. Where does profit go? There are just so many fur coats and Rolls Royces that the rich can buy. Then that money goes someplace else, and the bulk of it goes into capital formation and capital recovery, and that is essential to jobs. If there is any industry in this country that ought to make a profit, it is the oil industry.

I am a little less than sanguine about the administration's $100 billion energy plan. I am afraid it might preempt capital that might otherwise flow freely into the business of producing energy.

We had better face up to the capital crisis, because it is on us. We have it. We are not going to create capital in this country unless we allow for profits. I do not care if the profits seem to be excessive from time to time, because where do the profits go? Most of the people who make excessive profits already have enough money to live in luxury. So where does the excess go? It goes into capital formation and capital recovery.

I think there is a movement afoot in this country to reduce profit, to reduce capital availability, so that that could be used as an argument for nationalizing industries. When that happens, we will see the Britainization of the United States. They have tried it over there, and it has not worked, and we are far better off than they are.

I am a little tired of all this demagoguery about profit. We had better face up to the fact that profit creates capital, which creates jobs. I do not know why on Earth we do not want to stimulate the additional production in the United States of oil and gas and keep the capital here and pay American workers to produce it, rather than send it to the Middle East or anyplace else, where the poor Arab fellaheen laborer who produces the stuff probably is not going to realize the benefit of the additional money, anyway. Why do we not keep it here, to produce American jobs, to produce capital formation in the United States?

We are facing up to a $4.1 trillion capital crisis in this country over the next 10 years, and we seem to be unwilling to do anything about it, because somebody—or a number of people, collectively—has made "profit" a dirty word. "Profit" is one of the best words I know.

I am a clergyman's son by background. I am a teacher by trade. I am not a businessman. I have no special axe to grind. But I am glad that I live in a system in which people make profit, in which capital is formed, which provides jobs and a higher standard of living and a better technology and a better life for us all.

I wish we could view this matter objectively, instead of appealing to popular emotions at the moment or appealing to what we consider to be the popular thing advocated in the mass media at the moment.

Mr. HOLLINGS. Mr. President, the argument here is not over the shortfall of capital in America. The administration and Congress have had little to agree upon with respect to energy, but they did agree to a point—until this morning. But what did we agree upon? We agreed upon what Mr. Frank Zarb said, as Administrator of the FEA, and what the President agreed upon when he called the Governors together and the Members of the House and the Members of the

Senate: That you could not treat with this emergency problem in the long-range bill because, as a practical matter, the emergency already would have passed on, the amounts of gas would have been allocated, the people would have been laid off from their jobs by the time the President and the Congress passed a long-term gas bill. The President agreed with it and we did. We are not talking about profit and capital.

This is a 180-day bill. The Senator from Kansas has improved upon the 2-year administration bill, to limit it to 6 months, or 180 days, and we have done the same. Hand in glove, we are trying to work this out, to be able to provide interstate access to the surplus gas in the intrastate market between a willing buyer and a willing seller, without any rollback in current prices.

We would also make gas available from powerplants that can convert to oil or coal. We can pick up 180 billion cubic feet this way and make it available to priority interstate purchasers.

We are looking at an emergency bill for relief of unemployment during the next 6-month period. That is the problem confronting us. That is what the administration agreed upon and submitted their special bill, and we held it at the desk without referral. That is what we agreed upon in our bill and held it at the desk without referral. We worked it down, and we are about ready for the vote. We have been ready since last Friday to vote on my version of it. Senator PEARSON is ready to vote on his version.

In the meantime, in a power play, with all the shibboleths about how America is against profit and we ought to get wage controls, and the side arguments, we move in on a power play and try to jam down the throat of Congress, in a terroristic fashion, a so-called long-range solution that amounts exactly to what we voted down on yesterday. It is the Fannin amendment in Bentsen clothing.

I caution my colleagues to return their attention to the emergency at hand. We do not want to postpone consideration of the long-range solution. We have had S. 692 ready to debate since May. The leadership has spoken that S. 692 would be considered immediately following disposition of this particular emergency bill. Let us not change from this course, as apparently the President did this morning. He told the distinguished Senator from Ohio that we had to treat this matter on an emergency basis alone. This morning, at 8 o'clock, he had a meeting at the White House and said, "Let's keep the long-range solution tied to the emergency bill. We think we can get the votes. Let's bring the pressure."

That is what is happening at this critical hour. It is not a shortage of capital; it is not resentment of profits; it is not long-range legislation. It is no wonder that the people of America are disillusioned with Congress, if Congress cannot even take an urgent unemployment threat that everyone agrees can easily be alleviated if we pass simple short, 180-day emergency bill provision. Either pass Senator PEARSON'S emergency proposal or on the Hollings-Glenn-Talmadge, proposal. One or the other. But let us get into the long-range bill, after the emergency bill is passed.

Mr. President, I move to table the Pearson-Bentsen amendment, under the unanimous-consent agreement that it be voted on at 3 o'clock.

I yield to the distinguished Senator from Kansas.

Mr. TOWER. Mr. President, I believe that the Senator from South Carolina has reinforced my argument that we have to deal with this matter on a long-term basis. Our failure to deal with the energy crisis on a long-term basis over the last 5 years has brought us to the position where we have to deal with it on a short-term basis.

Let us be realistic. If we deal with it only on a short-term basis, then we will forget about the crisis once winter has passed, and again we will have no external discipline on us to deal with it on a long-term basis. That is why I think it is essential that we couple long-term solutions, or perceived solutions, to a short-term solution, or a perceived short-term solution.

Mr. GLENN. Mr. President, will the Senator yield?

Mr. TOWER. I yield.

Mr. GLENN. There is only one reason why we cannot do that, and it is this: Time is running against us. On November 1 of this year, we go into 65 percent curtailments and greater of natural gas in some parts of this country. The unemployment picture in the country, by FEA's own figures, is bleak; there may well be approximately 500,000 unemployed this year. To couple the long-term aspects, which have already been debated on the floor today: But equivalencies; the international aspects of oil; the effects of oil pricing on gas; the price levels of other fuels indicates that we would not be able to get such a measure passed quickly. Time is running short.

Industries are going to shut down. This will cripple our budding economic recovery more rapidly than we are recovering. No leading economic indicators can compensate for that development. We are in a bind as far as time is concerned. That is the only reason we cannot take up long-term consideration at this time.

ADDITIONAL STATEMENTS SUBMITTED ON PEARSON AMENDMENT

NATURAL GAS: A FREE ENTERPRISE APPROACH NEEDED

Mr. HELMS. Mr. President, let me say at the outset that I am very glad that the Senate is now considering natural gas legislation. While our Nation faces energy problems of many varieties on numerous levels, none are more acute than the problems resulting from natural gas curtailments.

And, as my colleagues are aware, natural gas pipelines will very soon be going deeper and deeper into curtailment as the winter heating season approaches. Some pipelines will undoubtedly be curtailing more than others because their supplies will go down faster; some of the local distribution companies which buy their gas from the transmission companies will be curtailed more than others because of the end use to which the gas they sell is ultimately put. Instead of curtailing all users on a pro rata basis, the Federal Power Commission requires curtailment according to a set of priorities based on the end use and the availability of other forms of energy.

The situation of last winter provides a mild illustration of what we can expect this coming fall and winter. At that time, North Carolina, which is served solely by the Transcontinental Pipeline Corp.—Transco—was suffering a curtailment of 42.95 percent. That created an energy shortage which went far beyond anything that alternate fuels or energetic conservation programs could correct. And, since North Carolina's industrial base has been created in the past 20 years around Transco's pipeline, there was an imminent danger of plant closings, a stoppage in production, and the like. A very important fertilizer plant at Tunis, N.C., was actually forced to close for awhile. This plant produces vital fertilizer for agriculture throughout the Southeastern United States. Thus, people in other States who depend on North Carolina products were also threatened with shutdowns. More importantly, payrolls were threatened by plant layoffs.

Of course, North Carolina was not the only State that was sharply affected by curtailment. On the Transco pipeline alone, the following curtailments were in effect for part of last winter in addition to North Carolina's 42.95 percent:

Alabama, 54.70 percent; Georgia, 32.85 percent; South Carolina, 48.19 percent; New York, 21.49 percent; Virginia, 31.68 percent; Maryland, 31.85 percent; Delaware, 31.85 percent; New Jersey, 25.90 percent, and Pennsylvania, 26.84 percent.

Unlike North Carolina, some of these States are served by additional pipelines, but in most cases those pipelines were also in curtailment.

Now, by all projections, the situation this coming winter will be much worse. All estimates indicate that curtailments in North Carolina for this coming winter may exceed 60 percent. This will affect virtually every commercial or manufacturing use of natural gas in the State. Only residential use is considered to be secure. The large scale unemployment that will result from the inevitable plant closings, due to lack of natural gas, is obvious. Thousands upon thousands of employees will be out of work. Of course, the emergency in North Carolina will be repeated, in varying degrees, in other States. We cannot stand idly by while this happens.

The Senate is now being presented with the question of whether it will retain S. 2310, the so-called Natural Gas Emergency Act, as amended, or whether it will adopt the amendment in the nature of a substitute offered by the distinguished Senator from Kansas (Mr. PEARSON). As Senators are aware, the fundamental philosophies of these two proposals are mutually contradictory. The measure offered by the distinguished Senator from South Carolina (Mr. HOLLINGS), for whom I have the greatest respect, would proceed on the premise that continued and expanded Federal regulation is desirable. We would create "area price ceilings" on certain new natural gas for the

life of the bill. However, these "price ceilings" would be applicable to both the interstate and the intrastate market. This application of such price ceilings in the intrastate market would constitute a radical extension of Federal regulation far in excess of any previous legislation. And, in my view, it would compound the errors of the past. Let me explain the basis for my view.

In addition to creating the area price ceilings, the measure offered by the Senator from South Carolina would direct the Federal Power Commission to designate certain interstate natural gas pipelines as priority interstate purchasers. Of course, I do not know which pipelines would receive the priority label. No one else knows either, but under the bill some would be so designated. These priority pipelines would be allowed to go into the intrastate market and bid for intrastate natural gas. However, they would not be allowed to bid in a free market on an unregulated basis. Rather, as indicated, a ceiling will be set up within the area and the so-called priority interstate pipelines would not be allowed to pay more than the ceiling price.

Additionally, the intrastate purchasers of such intrastate gas would not be allowed to pay more than that ceiling price either. The inevitable result will be that both the priority interstate pipelines and the regular intrastate purchasers will be bidding at the same level—they will be offering to buy the intrastate gas at the same price. Of course, that price will be the governmentally imposed ceiling because the shortage will be such that anyone will buy all natural gas that is available at that regulated price.

Therefore, how will the intrastate producers, with no price motivation, decide whether to sell the gas to the priority interstate pipeline or the regular intrastate purchaser? Obviously, the intrastate producers with no incentive to sell it interstate will, in most instances, sell the gas where they have always sold it—they will sell it to their traditional intrastate customers. It is possible that a little natural gas may find its way to the interstate market under this proposal, but I am convinced that there is another more efficient, productive way to attract a much larger volume of gas to the interstate market where it is so desperately needed. And, this can be achieved with less—not more—Federal regulation.

I refer to the concept contained in the Natural Gas Emergency Purchase Act (S. 504), which I introduced on January 30 of this year. This concept was a major feature in S. 2330, the Natural Gas Emergency Standby Act, which the distinguished Senator from Kansas (Mr. PEARSON) introduced on behalf of the administration a few weeks ago. It has been recommended by the Federal Power Commission. And, it is contained in title I, section 104 of the amendment in the nature of a substitute offered by the distinguished Senators from Kansas and Texas.

This emergency purchase approach represents a practical, workable short-term solution. It would allow the Federal Power Commission to exempt from the provisions of the Natural Gas Act the sale of such gas to an interstate natural gas pipeline company which is curtailing deliveries pursuant to a curtailment plan on file with the Commission and which does not have sufficient supply of natural gas to fulfill the requirements of its high priority consumers. Any such exemption would not exceed 180 days. And, the Federal Power Commission would define the term "high priority consumer."

Mr. President, this proposal is a sound approach that will work. As I stated in the Senate Chamber last January, the emergency purchase approach is a proven success. When the Federal Power Commission implemented this concept during the 1973–74 winter season, there were over 500 emergency sales made and committed to the interstate market. That over 172 million Mcf of natural gas were committed to the interstate market. That figure includes approximately 24 million Mcf of natural gas sales made by intrastate pipelines to interstate pipelines. But due to an unfortunate Federal court decision, the Federal Power Commission now lacks the authority to implement this much-needed provision.

The Federal Power Commission favors this approach. The administration favors this approach. The Governors of many States favor this approach. I believe that it is the duty of Congress to provide the Commission with this authority which it needs in order to do the job that Congress has assigned to the Commission.

Now, Mr. President, I will not impose on the Senate's time further. Others are in a far better position than I to explain the many merits of the other provisions of the Pearson-Bentsen substitute. Suffice it to say that emergency natural gas legislation is very much needed, and the Pearson-Bentsen substitute contains the most desirable emergency provision. I hope that the Senate will not gamble on an untested proposal while we approach the winter heating season but will instead adopt a proposal that is a proven success.

Mr. BAKER. Mr. President, as the Senate turns to consideration of legislation designed to deal with the severe natural gas curtailments expected to occur during the 1975–76 heating season, I would like to express my view that it should consider at the same time the various proposals which have been advanced to cope with the natural gas shortage on a long-term basis.

In my opinion, the delay of the Congress in coming to grips with the need to provide increased incentives for exploration and development of new sources of natural gas is inexcusable; and I feel that consideration of emergency legislation without concurrent attention to long-term solutions will be an invitation to disaster in years ahead.

Analysts on all sides of the deregulation issue seem to agree that gas supplies have been decreasing, while demand is increasing at a rapid rate. There is little doubt, in my view, that the current system of regulating wellhead prices of natural gas dedicated to the interstate market is a major cause of our present difficulties. By holding interstate gas prices at an unnaturally low level, we have both discouraged increased exploration and development and encouraged increasing and wasteful use of a premium fuel.

Another aspect of the natural gas issue on which all sides seem to agree is the need for some relaxation of current price controls to help alleviate shortages expected during the coming winter, as well as to stimulate increased supply in future years and to discourage wasteful uses of natural gas. Agreement breaks down, however, on two vital issues: The extent of relaxation which is needed to insure adequate supply, and the impact which increased costs of natural gas will have upon consumers.

S. 2310 and amendment No. 934 would establish new price ceilings on both interstate and intrastate gas, necessitating a Federal Power Commission rulemaking procedure which will undoubtedly result in litigation and delay. I am not convinced that extension of Federal regulation to gas sold in the intrastate market and the imposition of new regulatory restrictions upon producers will accomplish either an increase in natural gas supply over the long term or the redistribution of supplies needed to prevent massive unemployment in many parts of the country due to curtailments this winter.

It is for this reason that I strongly support and urge my colleagues to favorably consider amendment No. 919 to S. 2310, offered by the distinguished Senators from Kansas (Mr. PEARSON) and Texas (Mr. BENTSEN). This amendment proposes emergency procedures which will enable priority pipeline purchasers to obtain excess natural gas from intrastate or interstate sources for a period of 6 months at unregulated prices. The amendment would also facilitate the conversion of electrical utilities from natural gas to alternate fuels and provide standby authority for the President to allocate propane. By establishing a mechanism whereby the maximum possible amount of natural gas can be channeled into distressed areas easily and without undue administrative delay, the Pearson-Bentsen proposal offers, in my opinion, the most promising solution to the shortage which we are facing this winter.

The most important aspect of amendment 919, however, is title II, which would accomplish the immediate deregulation of new natural gas from on-shore wells, thereby encouraging the dedication of this gas to the interstate market and enhancing supply. The amendment provides for a 5-year phasing out of price controls on gas produced from offshore Federal leases, which is already required to be sold in the interstate market.

The continued, though temporary, price regulation of offshore gas, coupled with the continued regulation of natural gas already under contract, will insure that consumer price increases will be gradual and not catastrophic. I am hopeful that the House of Representatives will also give consideration to the desirability of enacting a windfall profits tax or some other provision to insure that excess profits gained by producers

are devoted to further exploration and development.

Mr. President, in my opinion, the favorable impact of deregulation of new natural gas upon future supply has been more than adequately documented. A recent study completed by the Federal Energy Administration indicates that the current decline in natural gas production and exploration can be reversed through the provision of adequate price incentives.

With regard to the question of consumer costs, I believe that we must resign ourselves to the fact that costs of all fuels will be increasing steadily in years to come. In my view, consumer costs for natural gas will be increased regardless of whether the wellhead price of new natural gas is allowed to rise to competitive levels. The major difference will be that under deregulation, consumers will be paying more for an assured supply. With continued regulation, consumers will be paying more for a steadily decreasing supply.

The increased costs to consumers posed by natural gas curtailments which can be expected in the absence of deregulation must not be ignored. Not only will many consumers be forced to change to more costly alternate fuels, but the fixed costs of transmission and distribution will be spread over a reduced supply; and each customer receiving gas will pay a larger share of these costs.

In addition, we must not forget the economic dislocations which already have occurred in parts of the country as a result of industrial curtailments. A worsening of the curtailment situation will have an even more severe impact upon employment and production in all sectors of the economy.

I believe, therefore, that Americans would prefer that the Congress take that action which is necessary to assure the maximum production of natural gas in the years to come. Amendment 919 is, in my view, a realistic solution to the curtailment crisis which we are facing this winter, as well as to our long-term needs to expand production of natural gas. The prolongation of a Federal pricing policy which results in reduced quantities of natural gas can no longer be tolerated at a time when the Nation needs to explore and exploit every avenue which may lead to increased energy supplies. I urge the Senate to address both the immediate and future problems of natural gas regulation by taking favorable action on amendment 919 to S. 2310 this week.

Mr. PEARSON. Mr. President, we have had a lengthy and a somewhat exhaustive debate on the pending amendment No. 919, as modified, and are about to vote on the motion offered by the distinguished Senator from South Carolina (Mr. HOLLINGS) to table that amendment. But, before this vote occurs, I should like to present a summation of the principal reasons why I believe amendment No. 919, as modified, should not be tabled and why the Senate should proceed to debate this amendment on its merits.

Mr. President, I believe that amendment No. 919, as modified, should not be tabled for the following principal reasons upon which I will elaborate subsequently:

No. 1. Amendment No. 934 to which amendment No. 919, as modified, is pending as a substitute is administratively unworkable, ineffective, and so replete with legal issues to be litigated as to delay its implementation and render it a nullity;

No. 2. Amendment No. 919, as modified, is by far the best legislative vehicle for reaching a solution to both our short-term and our long-term natural gas supply problem; and

No. 3. There is no rational reason why the Senate should not proceed to consider both the short-term and the long-term solution to our Nation's natural gas supply problems, there being, on the contrary, several compelling reasons why both should be considered together.

First, Mr. President, amendment No. 934 to S. 2310 proposes an unworkable and an unduly burdensome administrative structure at a time when we should be cutting through bureaucratic redtape to arrive at viable solutions. For example, it would involve action in concert by the Federal Power Commission, the Federal Energy Administration, the Environmental Protection Agency, the Secretary of the Interior, and the Secretary of Agriculture. Additionally such actions, pursuant to the provisions of amendment No. 934, must be taken within time periods which, I believe most will agree, are wholly unrealistic.

As a matter of fact, Mr. President, yesterday, October 1, I received a letter from the Honorable John N. Nassikas, Chairman of the Federal Power Commission, commenting upon the "serious administrative problems" associated with amendment No. 934. I placed the complete text of this letter in the RECORD earlier today, but for the benefit of my colleagues in the Senate I wish to quote the following pertinent portions from his letter on this point:

> While Amendment No. 934 is a somewhat refined version of the original S. 2310, there still remains serious administrative problems. . . .
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> I do not believe it is feasible for the Commission to establish intrastate rates for new onshore gas at the average new or renewed intrastate contract price for August 1975 within 15 days after date of enactment as provided in Section 4(b). . . .
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> The 15-day requirement of Section 4(a) . . . would impair the Commission's ability to make a well thought out determination of what pipelines should qualify as priority interstate purchasers and what end-users should qualify as essential users for the purposes of this emergency relief legislation.
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> *I am still opposed to Section 4(g). . . .*
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> *I believe this provision could lead to protracted litigation and controversy* because the question of what gas "could have been produced or sold" during the period the Act is in effect . . . would perforce be the subject of exhaustive investigation by the Commission requiring hearings relating to controverted facts and *numerous court appeals from whatever findings may be made. . . .*
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> "I have endorsed the temporary relief pricing concept of Section 104 of your Amendment No. 919, which section would permit curtailing pipelines to purchase natural gas at unregulated prices for up to 180 days. . . . *the Commission's ability to meet the administrative requirements of Section 104 would be considerably less difficult when compared to the numerous administrative requirements of either S. 2310 or Amendment No. 934.*" (Emphasis supplied)

On the same date, October 1, I received a similar letter from the Honorable Frank G. Zarb, Administrator of the Federal Energy Administration commenting upon amendment No. 934 to S. 2310. This letter, too, was printed in full in the RECORD earlier today. The following are but a few pertinent excerpts from Mr. Zarb's letter:

> The Administration is opposed to enactment of (Amendment No. 934 to S. 2310, the Natural Gas Emergency Act of 1975) . . . for the following reasons:
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> (2) The establishment of an "area ceiling price" within 15 days from enactment is unwise and administratively unworkable. It does not allow enough time and is so vague in its concept of "area" that the administrative problems would be insurmountable;
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> * * * * *
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> (5) *Section 4(g)*, which provides that (supposedly) presently available natural gas shall never be sold above a particular price if not sold under the Act, *is both a legal and administrative nightmare.*
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> In summation, . . . we find it *overly vague* in places, *counterproductive* in its regulatory approach, and so *administratively burdensome* that it would be extremely difficult, at best, to administer. (Emphasis supplied)

Also, it should be noted that amendment No. 934 proposes to extend Federal price controls to the intrastate market; to establish Federal end-use controls of natural gas; and to inject the Secretary of the Interior into the work of the several State conservation agencies, if such agencies fail to act.

In connection with extension into the intrastate market, it has been stated repeatedly by the proponents of amendment No. 934 to S. 2310 that the FPC is already collecting intrastate pricing data in anticipation of enactment of the bill. However, as pointed out by Chairman Nassikas in his testimony on September 15, the only intrastate data that the FPC has the authority to collect regards jurisdictional producers. Thus, even if the FPC were able to establish area ceiling prices within 15 days, such prices would be based on significantly incomplete data.

Moreover, Mr. President, amendment No. 934 will do little or nothing to increase our supply of interstate gas. First, there is no economic incentive under amendment No. 934 for an intrastate pipeline to sell surplus gas available for an interstate pipeline, plus the pipeline could expose itself to a complete cost of service of its system by the Federal Power Commission. Second, according to Chairman Nassikas of the Federal Power Commission, amendment No. 934, which is quite similar to S. 2310, might produce "some place in between 200, 300 billion cubic feet" of natural gas. This represents a relatively small amount when considering that in terms of overall gas flowing there are some 22 trillion cubic feet. At worst, however, this questionable amount of production would be at the expense of establishing a very bad precedent.

Thus, in the final analysis, all amend-

ment No. 934 can hope to accomplish is reallocate our existing natural-gas shortage by imposing further governmental regulation. Ironically, such a proposal comes at a time when both the President and the Congress are seeking to eliminate regulations which serve as an impediment to our national economy. Indeed, after careful study, I have concluded that this legislative proposal will serve to aggravate our existing natural-gas supply problem.

The fact of the matter is, Mr. President, that amendment No. 934 represents a very controversial proposal, if not one of dubious efficacy. Perhaps most onerous is section 4(g) of amendment No. 934 which states that if the Federal Power Commission determines that natural gas could have been produced or sold but was not during the effective period of this proposed legislation, then such natural gas may not at any time thereafter be sold at a price above that permitted under this amendment. This is a heavy-handed and drastic sanction which cannot help but be counterproductive to meeting our Nation's energy needs.

I, therefore, fear, Mr. President, that the greatest likelihood arising out of the passage of amendment No. 934 will be that this winter's crisis will be over before the litigation, in which it will become enmeshed, will be concluded.

Thus, my second principal reason for opposing the motion to table is that amendment No. 934 to S. 2310 is replete with issues which could result in litigation nullifying its objectives.

For example, amendment No. 934 requires the Federal Power Commission to establish by rule not later than 15 days after enactment an "area ceiling price," which of necessity means no opportunity to have a full evidentiary hearing, but rather only an informal rulemaking proceeding without opportunity for a hearing—section 4(b). Judicial review of this Commission rule or order would be limited by: First, denying the reviewing court the opportunity to stay the agency's action, and second, limiting the scope of the court's review, denying a petitioner the opportunity to have the court set aside such agency action when "unsupported by substantial evidence" or "unwarranted by the facts to the extent that the facts are subject to trial de novo"—section 10(c).

Furthermore, this bill would limit a producer or seller of natural gas to the price determined under the legislation (Sec. 4(b)), if the Federal Power Commission determines that "natural gas could have been produced or sold, or both, but was not" (Sec. 4(g)). It also provides for a civil penalty of not more than $10,000 for each violation determined by the Federal Power Commission, the Administrator of the FEA, or the Secretary of the Interior "after notice and opportunity for a presentation of views", or if a willful violation, upon conviction it would subject a person "for each offense, to a fine of not more than $25,000, imprisonment for a term not to exceed 5 years, or both" (Sec. 9). All of these provisions, with the exception of the setting of an area ceiling price by the Commission (Sec. 4(b)), do not expire on June 30, 1976, but remain in effect, apparently, in perpetuity, and most, if not all, suffer from vagueness.

Based upon the foregoing, Amendment No. 934 to S. 2310 certainly would appear ripe for early litigation before a three-judge court, seeking "An interlocutory or permanent injunction restraining the enforcement, operation or execution of any Act of Congress for repugnance to the Constitution of the United States . . ." (28 U.S.C. 2282).

In such a proceeding, Section 2284 of title 28, United States Code provides, inter alia, the following:

"If the action involves the enforcement, operation or execution of an Act of Congress or an order of any department or agency of the United States, at least five days' notice of the hearing shall be given to the Attorney General of the United States, to the United States attorney for the district, and to such other persons as may be defendants.

* * * * *

(3) In any such case in which an application for an interlocutory injunction is made, the district judge to whom the application is made *may, at any time, grant a temporary restraining order to prevent irreparable damage.* The order, unless previously revoked by the district judge, shall remain in force only until the hearing and determination by the full court. It shall contain a specific finding, based upon evidence submitted to such judge and identified by reference thereto, that specified irreparable damage will result if the order is not granted. (Emphasis supplied)

"The mere assertion of the unconstitutionality of a Federal statute does not in and of itself require submission of the issue to a three-judge court. . . . If, however, a substantial Federal constitutional question is presented a three-judge court must be convened . . ." *Television News System, Inc.* v. *Illinois Bell Telephone*, 210 F. Supp. 471, 477 (1962). And analogous to *Telephone News System* v. *Illinois Bell Telephone, Co.*, "The statute here in question is a new one. . . . The constitutionality of the procedure contemplated . . . has not, so far as this Court is aware, been considered by any other Federal court. Therefore, in the question of the Court the statute raises substantial constitutional questions . . ." (Ibid. 478).

Admittedly, "a litigant who invokes the power to annul legislation on grounds of its unconstitutionality 'must be able to show * * * that he has sustained or is immediately in danger of sustaining some direct injury as a result of its enforcement' * * * Respondents, to have standing in court, must show an injury or threat to a particular right of their own, as distinguished from the public's interest in the administration of the law' " *Lamont* v. *Postmaster General of the United States*, 229 F. Supp. 913, 917, 920 (1964).

Certainly, such standing can be alleged and should be capable of proof in the instance of amendment No. 934 which, without any congressional finding of a national emergency, subjects the owners of private property to an informal rulemaking proceeding establishing rates affecting such property, and then proceeds to deny that individual property owner the full scope of judicial review provided for under the Administrative Procedures Act—namely 5 U.S.C. 706. It would even deny the reviewing court the ability which it has under the Administrative Procedures Act to stay an agency action—namely 5 U.S.C. 705.

This is especially onerous, bordering on confiscatory, in the case of section 4(g) which would "freeze" in perpetuity the legally permissible price of natural gas to the August 1975 area price ceiling, where the Federal Power Commission determines that "natural gas could have been produced or sold, or both," but such was not done.

Additionally, amendment No. 934 must be taken in the context of its penalty provisions, both civil and criminal, which are vague and which may be assessed without due regard to procedural due process. Taking into account, for example, the civil penalty provision, which remains in effect beyond the termination date of June 30, 1976, "What is left therefore is the question of the constitutionality of §§ . . . to the extent that they, together and singularly, operate to deprive . . . an opportunity to contest, prior to payment, a penalty assertedly due to the government." *Spencer Press, Inc.* v. *Alexander*, 491 F. 2nd 589, 591 (1974).

The civil penalty provision of amendment No. 934 contained in section 9(a) provides for a determination simply upon "notice and an opportunity for a presentation of views", whatever this means. Yet, involved is a civil penalty of not more than $10,000 for each violation. This makes a mockery of the traditional concept of "fair play" in jurisprudence.

There is not even an adequate opportunity for a party to contest the rule or order which he may be charged with having violated. And, ". . . a statute which provides such penalties for noncompliance with an administrative order or regulation must afford reasonable opportunity to test the validity of the order or regulation in the courts." 16A C.J.S. Constitutional Law 640.

Moreover, amendment No. 934 provides that "if any such violation is a continuing one, each day of violation constitutes a separate offense." Thus, "If the act imposes penalties . . . for failure to comply with the order, any application of the statute subjecting appellant to risk of the cumulative penalties pending an attempt to test the validity of the order in the courts and for a reasonable time after decision would be a denial of due process." *Natural Gas Pipeline Co. of America* v. *Slattery, et al.*, 58 S. Ct. 199, 204; 302 U.S. 300 (1937).

Admittedly, the Congress may deny judicial review, and the U.S. Supreme Court frequently has upheld the constitutional validity of statutes which do so. Also, some may argue that the absence of an administrative hearing provision raises no constitutional question since such an omission is within the power of Congress. But, "The right to be heard does not depend upon an advance showing that one will surely prevail at the hearing * * * It is enough to invoke the procedural safeguards . . . that a significant property interest is at stake. . . ." *Fuentes* v. *Shevin*, 407 U.S. 67; 92 S. Ct. 1983, 1997 (1972).

Moreover, the truncated judicial re-

view of actions by the Federal Power Commission proposed in amendment No. 934 may be convenient to attaining the objectives of its proponents, but ". . . administrative convenience or even necessity cannot override constitutional requirments of due process." 16A C.J.S. Constitutional Law 628.

In summary, amendment No. 934 runs the probable risk of protracted litigation challenging its constitutionality on such grounds as denial of due process and vagueness. If so, then this bill will be rendered useless in meeting this winter's natural gas emergency for which it is intended.

Mr. President, I, therefore, am constrained to oppose vigorously amendment No. 934 to S. 2310 in its present form. However, I firmly believe that there does exist a constructive and viable alternative to amendment No. 934 and that alternative is my amendment No. 919, as modified.

As I have noted on earlier occasion, amendment No. 919 in the nature of a substitute for amendment No. 934 includes the so-called Pearson-Bentsen substitute to S. 692—amendment No. 586—as well as certain modifications to provisions proposed in S. 2330, which I introduced earlier at the request of the Federal Energy Administration.

Mr. President, the proposed emergency provisions of amendment No. 934 are to be found in title I—Emergency Natural Gas Authority. Briefly, these provisions include emergency exemptions from regulation by the Federal Power Commission, except for reporting requirements; permissive authority vested in the Federal Energy Administration to prohibit the inefficient use of natural gas as boiler fuel; stand-by allocation authority vested in the President for equitable allocation and distribution of propane to classes of consumers, who are historical users of propane, and where energy and feedstock needs have historically been met through the use of propane; and an expiration date of this emergency title on midnight, April 4, 1976. It, therefore, would be temporary in nature to meet the near-term emergency for a period of approximately six months during the winter heating season of November 1975 through March 1976.

Title II, "Natural Gas Act Amendments" would consist of a modified version of the so-called Pearson-Bentsen amendment (No. 586) to S. 692. This title would provide for the immediate deregulation of on-shore "new" natural gas at the wellhead, and a phasing-out over a period of several years, ending December 31, 1980, of Federal Power Commission regulation over the wellhead price of "new" natural gas from the Outer Continental Shelf.

Such "new" natural gas produced from the Outer Continental Shelf during the phase-out period of Federal Power Commission regulation would be subject to national ceilings for rates and charges established pursuant to specified criteria. Additionally, this title would establish a priority with respect to natural-gas supplies for essential agricultural purposes, and require the Federal Power Commission, in the interest of natural gas conservation, to prohibit the use of natural gas as boiler fuel for the purpose of generating electricity for distribution.

Thus, Mr. President, amendment No. 919 is in its totality an "emergency" measure, meeting both the short-term and long-term needs necessary to alleviate our natural-gas shortage. It constitutes a two-pronged attack upon the problem which would take effect concurrently.

The third and final point I wish to make, Mr. President, is to reiterate my belief that we should consider simultaneously both the near-term natural gas emergency legislation and legislation proposing a long-term solution to our Nation's natural-gas supply problem. I am not persuaded by the arguments of those who would have us treat these as two separate and distinct issues, when, in fact, they are related problems which common sense dictates be considered together.

Moreover, Mr. President, the Senate has been on notice and has been prepared to debate proposals seeking a long-term solution for several months. And, as for the argument advanced that the other body is not prepared to undertake consideration of long-term nautral-gas legislative proposals, I can only observe, Mr. President, that I believe the Constitution of the United States established this Congress as a bicameral legislature, and that since the Senate now is prepared to address this issue, it should do so leaving to the other body the manner in which it will dispose of this facet of our natural-gas problem. By way of example, I foresaw no reluctance on the part of the other body to send over to us an omnibus Energy Conservation and Oil Policy Act of 1975, comprising some four different pieces of legislation considered by the Senate. Consequently, I fail to see any merit whatsoever in the argument that our action with respect to the natural-gas problem should have to be dictated by that of the other body.

Thus, Mr. President, I pose the rhetorical question, "Why shouldn't we tie these two proposals together?" I, and I would hope my colleagues in the Senate will agree, can find no compelling reason why we should not do so.

On the contrary, I can think of several logical and compelling arguments why both the short-term and the long-term bills should be considered together.

First, if the Senate were to consider legislation addressed to both short-term and long-term natural gas supply needs, which would function concurrently, then, in my opinion, we probably would diminish the pressures to increase natural-gas prices resulting from the short-term effects of the emergency legislation.

Second, by tying these two bills together, I believe that we would afford the natural-gas industry the degree of certainty and incentive needed to overcome the shortfall in our natural-gas supplies.

Third, from a pragmatic standpoint, the bill, S. 2310, will expire at midnight on June 30, 1976. There is little doubt in this Senator's mind that, recognizing 1976 as a Presidential and congressional election year, the Congress will in all likelihood be loath to undertake consideration of legislative action needed to bring about a long-term solution to the natural-gas crisis.

In summary, Mr. President, it is my belief, supported by the position taken by the Chairman of the Federal Power Commission and the Administrator of the Federal Energy Administration, that amendment No. 934 to S. 2310 is administratively unworkable, and contains provisions which are "both a legal and administrative nightmare." Moreover, it is "counterproductive in its regulatory approach," and will be of little effect in meeting the total shortfall in our natural gas supply for the coming winter heating season.

I further contend, Mr. President, that there does exist a constructive and a viable alternative to amendment No. 934, and that alternative is the pending amendment No. 919, as modified. And, lastly, Mr. President, there is no valid reason whatsoever for the Senate to table amendment No. 919 postponing consideration of it on its merits. In my opinion, the Senate should face up to its responsibility by considering amendment No. 919 on its merits and thereby afford the citizens of this Nation responsive action on this most critical issue. Even if one does not agree with every detail of amendment No. 919, it should be put before the Senate for debate, since it is by far the best vehicle for reaching a solution.

In contrast, what promise does amendment No. 934 hold forth? Amendment No. 934 virtually dictates who can buy natural gas and who can sell natural gas. It seeks to force production of natural gas by wielding a "big stick," albeit one of questionable constitutional validity because of the manner in which it slams the door in the face of those who would seek to protect their rights through judicial review.

Mr. President, Mr. Justice Jackson once observed—

> The wealth of Midas and the wit of man cannot produce or reproduce a natural gas field—FPC v. Hope Natural Gas Co., 320 U.S. 591, 629 (1944).

And, I submit, Mr. President, that the heavy-handed, short-sighted and misguided approach, however well-intended, taken by amendment No. 934 cannot produce or reproduce a natural gas field.

Mr. President, to rely upon S. 2310 to alleviate the natural gas shortage this winter adopts the concept that the end justifies any means. That we find a solution is important. How we find that solution is also important.

This bill adopts every precedent and mechanism which has led us to this particular part of the energy crisis.

Mr. President, we have talked a great deal about legal and technical matters. Statistics, percentages and definitions fill the record. I do not think, for example, that the art of our bureaucracy is up to administering this bill—and they say so. But beyond all those facets of argument, one point emerges, at least it becomes clear to me, and that is that this bill is not fair.

S. 2310 provides that an agency of the Federal Government says who may buy

gas, how much gas he may buy, what gas may be bought and who must produce it. And if the appropriate agency fails to act, within a limited time, to set new maximum production rates then the Department of the Interior comes in and tells the producer how much he must produce. We set, by this bill, what the price shall be, according to what I believe to be a most arbitrary formula. If a producer or an intrastate pipeline doesn't sell at the price we dictate, then he is stuck. He may never again sell his natural gas at any price save that which a Federal Agency decrees.

And if a party is aggrieved, if anyone believes that any one of these acts is unjust or mistaken—well that is tough. This bill seeks to cut off any effective judicial review. If the bill is unconstitutional, an aggrieved party may have that determination, but only after his property has been taken away. The end justifies the means.

And, Mr. President, if other Senators just as concerned as the proponents of S. 2310 have another proposal, if they are so rash as to try to offer another way, if they seize this opportunity to offer not only an emergency approach, but also a long-term permanent solution, the proponents of S. 2310 would seek to bury that proposal by a tabling motion. Once again, the end justifies the means.

Accordingly, I earnestly urge my colleagues in the Senate to vote against this motion to table amendment No. 919 so that we may proceed to a consideration of this legislative proposal on its merits.

Mr. TUNNEY. Mr. President, I have studied the remarks of the Senator from South Carolina on natural gas and I must say I am unimpressed. Even the experts in his home State, the people in closest touch with the natural gas supply nightmare facing South Carolina, disagree with his position. Rather than a short-term measure which may or may not move gas into distressed pipelines, the South Carolina Energy Management Office believes that the Pearson-Bentsen substitute is the best chance South Carolina has to avert crippling unemployment in its factories this winter and every winter thereafter.

Yesterday, the Senator from South Carolina tried to speak as the representative of the people of California. Before he completely immerses himself in the affairs of my State, I would urge him to stop off in Columbia, S.C., to speak with his State energy experts. I would suggest he visit with the folks in Rock Hill, in Darlington, in Greenville and elsewhere throughout his State where thousands of jobs are on the line this winter; more than one-half of the jobs in South Carolina depend on the textile industry. In turn, the textile industry depends on synthetic materials made only from natural gas and natural gas liquids. I believe he will find that his own people are fed up with the bureaucratic mess that his friends at the FPC regularly visit upon consumers in those States which are not fortunate enough to produce their own natural gas.

Mr. President, I would also point out that the reason the major oil companies in Alaska have been able to exert such substantial bargaining advantage over consumers in the lower 48 is that Federal regulation has produced such a severe shortage that consumers everywhere are desperate for natural gas. It seems to me that there are essentially three ways to deal with this sort of situation.

The first is that preferred by the Senator from South Carolina, that is, keeping on tight-fisted regulation and spreading the shortages around for all to enjoy.

The second is deregulation of new natural gas, bringing on large quantities of new supply and breaking the backs of those producers who now have great leverage because of a regulation-induced, ever-worsening shortage.

The third is vigorous antitrust action to insure active price competition among the sellers of Alaskan natural gas.

Mr. President, regulation of wellhead prices has failed to protect consumers. Therefore, I support a combination of new gas deregulation and strong antitrust action to intensify competition in the production of oil and gas. Emphatically, I want to point out that no one is talking about doing away with the many forms of regulation of the natural gas industry which make sense and which have served this Nation well in the past 37 years. No one is considering terminating the authority of the Federal Power Commission to regulate pipeline transportation rates, to require certain dedication standards, to enforce requirements related to public convenience and necessity or to enforce any number of other measures which contribute to the efficient, consumer-oriented operation of this huge industry.

What we are talking about, Mr. President, is the deregulation of the most competitive segment of the industry, the production end. Over 16,000 producers are engaged in the production of natural gas. Under the economics of FPC regulation, most are forced to sell off their holdings to major oil companies, thereby creating the ironic, though not surprising, phenomenon of regulation increasing concentration of production and market power. Deregulation of the wellhead price, therefore, will not only increase supply, it will lead to a more competitive industry structure, especially when combined with new antitrust measures.

I am delighted that the Senator from South Carolina (Mr. HOLLINGS) mentioned the advance payments deal between the Atlantic Richfield Co., and the Southern California Gas Co. I know he shares my deep concern for over this deal and I hope he will support my efforts to guarantee a fair shake for California consumers.

Mr. President, I have introduced an amendment which was incorporated in the Pearson-Bentsen substitute to S. 2310 which will guarantee that the citizens of California are repaid, with interest, every penny of the amount of these advance payments.

If the Senate fails to table the Pearson-Bentsen amendment, I intend to offer my own perfecting amendments with respect to the definition of new natural gas and offshore regulation. I hope that the Senator from South Carolina will support my amendments to limit the scope of deregulation to those areas where it will be the most productive of new supplies and least expensive at the consumer's burner tip. Thank you.

Mr. HRUSKA. Mr. President, there are before the Senate two approaches to solving the natural gas shortage. One approach is to continue, and even to deepen, our reliance on price controls and allocation rules. The other approach is to end our dependence on Government regulations so that free market forces are permitted to come into play.

This latter approach is taken by the Senator from Kansas and the Senator from Texas in their amendment No. 586, in the nature of a substitute, to S. 692, the Natural Gas Production and Conservation Act of 1975. This amendment provides for the deregulation of new natural gas while requiring existing contracts to be honored in full in addition to providing allocation priority to agriculture and food-processing during the phaseout period. I am a cosponsor of this amendment because I believe that if we calmly and carefully examine the evidence, the greater wisdom of this approach will be clearly evident. The Senator from Kansas and the Senator from Texas have also offered this same approach in amendment No. 919, in the nature of a substitute, to S. 2310, the Natural Gas Emergency Standby Act of 1975.

Natural gas producers must receive a competitive rate of return for their efforts if the shortage is to end. This Nation does have extensive natural gas resources. The Senator from Kansas and the Senator from Texas admit that they do not know the price for new natural gas which will be necessary to insure producers a sufficient return, but they are prepared to allow the interplay of competing market forces to make that determination. On the other hand, the supporters of S. 2310 and S. 692 believe that they are qualified to make that determination and are unwilling to leave this decision to the producers and consumers of natural gas.

These are able, knowledgeable, and hard-working Senators. Yet, no matter how much time any one of us is able to spend solving the mysteries of the natural gas business without neglecting the numerous and important other responsibilities which compete for our time, I do not believe it is possible for any of us to know what is the sufficient price. Nor do I believe that any Senate staff member can hope to learn this information. Neither is it possible for us to write rules and regulations which will enable the Federal Power Commission to bring this result about. Market conditions are too complex and change too rapidly. Past experience is a poor guide to the future because all the easy-to-get natural gas has already been discovered. How are U.S. Senators to know the costs and the methods of finding and developing the harder-to-find deposits?

Practice in parliamentary debate would seem poor preparation for the business of finding new natural gas. The only way anyone can discern this information

is to enter the market. There are numerous people eager to gamble with their own time and money on how to produce natural gas. Should a portion of this group be proved wrong, the public will not be asked to share in the resulting loss. If in testing their theories in the marketplace, some people prove their claims to be correct, then they shall prosper. More importantly, our Nation will have natural gas. The only test that counts—the test that identifies the true experts—is the acid test of the marketplace, not the test of parliamentary debate. The Senator from Kansas and the Senator from Texas have chosen the wiser course in relying upon this solution. It is in the best tradition of American free enterprise.

Opponents of this method argue that a free market for energy does not exist, nor can it exist as long as the OPEC cartel exists. Therefore, they claim that it is better for the United States to set energy prices than allow foreign producers to do so. I quite agree that the OPEC cartel exists: that it fixes prices for all the world to see, and that our own natural gas shortage must be considered within the entire energy picture. The sponsors of S. 2310 and S. 692 believe that the better way to achieve energy independence is to burden our own energy producers with price controls and production regulations. Mr. President, it seems to me that the more logical course in achieving energy independence from foreign producers is to free our own producers of burdensome rules and regulations.

The long experience of this nation for over 20 years with producer controls on natural gas sold in interstate commerce would seem to clearly support this position. Any measure that discourages domestic supply forces energy-users to look abroad. Price controls on domestic oil and natural gas have strengthened the bargaining position of OPEC by increasing our demand for its product. We might as well admit that OPEC exists and adopt measures which will reduce our reliance on foreign oil. A monopoly loses its power when alternatives to its product enter the market. The Senator from Kansas and the Senator from Texas have not lost sight of this fundamental economic truth.

The argument is often made that our domestic natural gas industry is not really competitive and therefore regulation must be retained. A dispassionate review of the industry shows it to be not a monolithic whole, but a collection of individuals and firms with conflicting interests. It is true that on occasions monopoly power is held: Sometimes by producers, sometimes by pipeline companies. This monopoly power however, has been infrequent and brief. Historical experience has shown that where it exists, monopoly power is more often a problem with pipeline companies than it is with producers.

Most academic studies have concluded that competition in the field markets is gas, as provided for by the Pearson-Bentsen alternative, does not free pipeline companies from the regulatory checks which they face. Nor does it free producers from the obligation of fulfilling existing contracts. It does free producers from regulation at the level of the industry where the conditions for competition are favorable. The experience of intrastate natural gas markets shows that competition at the wellhead exists and that keeping it free of regulation does serve the interests of both producers and consumers alike. If conditions at the wellhead are favorable to competition, it would seem wise to permit competition to operate and thereby obtain the benefits provided.

Mr. President, several of my colleagues have claimed that S. 2310, the Natural Gas Emergency Act of 1975, is designed to deal only with the problems anticipated for this winter. Their argument is that little or nothing can be done to increase supply in the short run and therefore there is no justification for permitting an increase in price at the wellhead beyond that which existed in the intrastate market as of August 1975. Although I fervently wish it were otherwise, I quite agree that little can be done to increase natural gas supply for this winter. Something can be done for next winter however, and still more can be done for the winter after that. We can allow price incentives to encourage future supplies.

At some point we will have to face the fact that deregulation must occur if we are ever to end the shortage. If there is little we can do for this winter's problems, at least let us now begin taking steps to reduce the problems of next winter. I cannot agree that it is wise to continue the shortage indefinitely because we are unable to find its cure immediately. The problems of this winter have been created by mistakes and forces of long-standing. These problems cannot be solved by stopgap solutions. The measure introduced by the Senator from Kansas and the Senator from Texas faces up to the realities of this situation.

The Pearson-Bentsen alternative takes into account the inability of the Congress to suspend the laws of economics. Violation of these laws harms the very persons who can least afford the damage. Price ceilings do not provide lower energy prices to those who must bear the brunt of the resulting shortage. Mr. President, deregulation of new natural gas would mean lower effective energy prices for these people since the shortage will force them to choose between high-priced energy substitutes or doing without entirely. Price controls decrease rather than increase the purchasing power of workers whose plants have been shut down because adequate natural gas supplies could not be obtained.

Instead, paychecks are replaced by unemployment benefits. The prices of products no longer produced by these firms will rise, rather than fall, as consumers bid for what is left. These are the actual results of natural gas regulation and they cannot be avoided. There is widespread support for regulation only because of the belief held by many that they will be able to buy all the gas they want at the regulated price. This is not true. The realization is beginning to spread that the actual result of Government regulation is the inability to buy natural gas. The Pearson-Bentsen alternative faces up to this harsh reality.

The State of Nebraska has, thus far, in comparison to most other consumnig States, been fortunate in avoiding layoffs and production cuts which are the direct result of natural gas regulation. The outlook as projected by the Federal Energy Administration is relatively good for Nebraska for the coming winter. However, the picture for the longer term in Nebraska is bleak if natural gas regulation is continued. A study done by Massachusetts Institute of Technology professors Paul W. MacAvoy and Robert S. Pindyck for the American Enterprise Institute, entitled "Price Controls and the Natural Gas Shortage," concludes that:

> If all residential demands in the North Central and Southeast are met through FPC requirements that residential consumers be served first, the excess demand in these regions would be experienced by industrial buyers. Thus, from 90 to 100 percent of industrial demands in these regions would have to be cut off, with buyers going to alternative fuels or curtailing production of final products and services. Both would reduce employment, and consumers as job holders would lose.

Continued natural gas regulation means fewer jobs for Nebraska. Already, the signs of economic retardation are beginning to appear in my home State. Constituents have written me time and again of being unable to obtain essential natural gas supplies. As a result, they have had to postpone, even cancel entirely, their business plans. For some, this has meant being unable to dry their crops. For others it has meant not being able to build homes because these homes could not be connected to natural gas supplies and therefore have become difficult to sell. There are a thousand different ways that the natural gas shortage is halting on Nebraska's great economic potential. Its effect is just as great in other States, as well. Unless steps are taken immediately to begin reversing this process, the somber projections of Professors MacAvoy and Pindyck will become a complete reality. The Pearson-Bentsen alternative provides for these necessary steps.

It must be remembered that the Pearson-Bentsen alternative does not release producers from honoring existing contracts. The prices paid for supplies covered by the contracts will not increase until the contracts are completed. Some of these contracts run for a period of 20 years and more. There will not be immediate deregulation of all natural gas, but a phased deregulation as existing contracts expire with the passage of time and as new gas supplies are brought on line for future years.

The Pearson-Bentsen alternative also provides for allocation priority to agriculture and food-processing during the phase-out period. Since we do have a shortage which we cannot solve for the short term, it is essential that steps be taken to assure that farmers can get their crops to market and that consumers will have adequate food supplies.

We must realize however, that the amount of natural gas we can allocate has been decreasing and will continue to decrease as long as we continue on our present course. The day is fast approaching when not all essential uses for natural gas can be met.

Mr. President, the Pearson-Bentsen alternative appears the most promising option before us. It does not attempt a futile repeal of economic laws. It relies upon free enterprise which has served this Nation so well in its 200 years of existence. This is the wiser choice. It offers the greater chance of ultimate success. We can postpone reality no longer. This measure should be adopted.

The PRESIDING OFFICER. The hour of 3 o'clock having arrived, the question is on agreeing to the motion to lay on the table Mr. PEARSON's amendment as modified.

Mr. HANSEN. 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. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. GRAVEL (after having voted in the negative). Mr. President, on this vote I have a pair with the Senator from Indiana (Mr. BAYH). Were he present, he would vote "aye"; were I to vote, I would vote "nay." Therefore, I withhold my vote.

Mr. FORD (after having voted in the negative). Mr. President, I have already voted "nay." If the Senator from Michigan (Mr. PHILIP A. HART) were here, he would vote "aye"; were I to vote, I would draw my vote.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH) and the Senator from Missouri (Mr. SYMINGTON) are necessarily absent.

I also announce that the Senator from Michigan (Mr. HART) is absent because of illness.

The result was announced—yeas 45, nays 50, as follows:

[Rollcall Vote No. 427 Leg.]

YEAS—45

Abourezk	Hartke	Metcalf
Biden	Haskell	Mondale
Brooke	Hathaway	Morgan
Bumpers	Hollings	Moss
Burdick	Huddleston	Muskie
Cannon	Humphrey	Nelson
Case	Inouye	Pastore
Church	Jackson	Pell
Clark	Javits	Proxmire
Cranston	Kennedy	Ribicoff
Culver	Leahy	Schweiker
Durkin	Magnuson	Stafford
Eagleton	Mansfield	Stevenson
Glenn	McGovern	Talmadge
Hart, Gary W.	McIntyre	Williams

NAYS—50

Allen	Dole	Laxalt
Baker	Domenici	Long
Bartlett	Eastland	Mathias
Beall	Fannin	McClellan
Bellmon	Fong	McClure
Bentsen	Garn	McGee
Brock	Goldwater	Montoya
Buckley	Griffin	Nunn
Byrd, Harry F., Jr.	Hansen	Packwood
	Hatfield	Pearson
Byrd, Robert C.	Helms	Percy
Chiles	Hruska	Randolph
Curtis	Johnston	Roth
Scott, Hugh	Stevens	Tunney
Scott, William L.	Stone	Weicker
Sparkman	Taft	Young
Stennis	Thurmond	
	Tower	

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—2

Gravel, against.
Ford, against.

NOT VOTING—3

Bayh Hart, Philip A. Symington

So the motion to lay on the table Mr. PEARSON's amendment, as modified, was rejected.

Mr. BENTSEN. Mr. President, I move to reconsider the vote by which the motion to lay on the table was rejected.

Mr. TOWER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Illinois.

Mr. JACKSON. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. STEVENSON. I yield, Mr. President, without losing my right to the floor.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

DEVELOPMENT OF NAVAL PETROLEUM RESERVES

Mr. JACKSON. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on H.R. 49.

The VICE PRESIDENT laid before the Senate a message from the House of Representatives announcing its disagreement to the amendment of the Senate to the bill (H.R. 49) to authorize the Secretary of the Interior to establish on certain public lands of the U.S. national petroleum reserves the development of which needs to be regulated in a manner consistent with the total energy needs of the Nation, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. JACKSON. I move that the Senate insist upon its amendment and agree to the request of the House for a conference on the disagreeing votes of the two Houses thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. CANNON, Mr. STENNIS, Mr. SYMINGTON, Mr. NUNN, Mr. GARY W. HART, Mr. JACKSON, Mr. METCALF, Mr. HASKELL, Mr. THURMOND, Mr. WILLIAM L. SCOTT, Mr. TAFT, Mr. HANSEN, and Mr. BARTLETT, conferees on the part of the Senate.

INDIAN CLAIMS COMMISSION AUTHORIZATIONS, 1976

Mr. JACKSON. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on H.R. 3979.

The Vice President laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H.R. 3979) to authorize appropriations for the Indian Claims Commission for fiscal year 1976, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. JACKSON. I move that the Senate insist upon its amendment and agree to the request of the House for a conference on the disagreeing votes of the two Houses thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. JACKSON, Mr. METCALF, Mr. ABOUREZK, Mr. MCCLURE, and Mr. BARTLETT conferees on the part of the Senate.

NATURAL GAS EMERGENCY ACT OF 1975

The Senate continued with the consideration of the bill (S. 2310) to assure the availability of adequate supplies of natural gas during the period ending June 30, 1976.

PRIVILEGE OF THE FLOOR

Mr. BROOKE. Mr. President, will the Senator from Illinois yield for a unanimous-consent request?

Mr. STEVENSON. I yield.

Mr. BROOKE. Mr. President, I ask unanimous consent that Meg Power of my office be permitted the privileges of staying on the floor for the duration of this bill.

The VICE PRESIDENT. Let us have order in the Senate, please. The Chair cannot hear the speaker. Thank you.

Mr. BROOKE. Mr. President, I ask unanimous consent that Meg Power of my staff be permitted to stay on the floor during the consideration of this bill.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. STEVENSON. Without yielding my right to the floor I yield to the Senator from Nevada.

Mr. CANNON. Mr. President, I ask unanimous consent that Aubrey Sarvis of my staff be permitted the privileges of the floor during the consideration of this bill.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator from Illinois yield for the same purpose?

Mr. STEVENSON. Yes, I yield to the Senator from Virginia.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that Peter Hughes of my staff be granted the privileges of the floor.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. MATHIAS. Mr. President, will the Senator yield for the same purpose?

Mr. STEVENSON. I yield to the Senator from Maryland.

The VICE PRESIDENT. The Senator from Maryland.

Mr. MATHIAS. Mr. President, I ask unanimous consent that Mr. Stuart Janney of my staff be granted privilege of the floor during pendency of the present matter.

The VICE PRESIDENT. Without objection, it is so ordered.

The Senator from Illinois.

Mr. STEVENSON. Mr. President, may we have order in the Senate?

The VICE PRESIDENT. The Senator from Illinois.

Mr. STEVENSON. Mr. President, I had intended to bring up this amendment as an amendment to S. 692, but by its vote on the motion to table the amendment offered by Senator PEARSON and Senator BENTSEN, the Senate has now involved itself not only on emergency pricing of natural gas, but on long-term pricing.

So I offer this amendment as a substitute to the Pearson-Bentsen amendment as a better means of comprehensively controlling wellhead prices for both oil and natural gas.

It is substantially the same amendment offered earlier to S. 692 and I offer it on behalf of Senators MAGNUSON, HOLLINGS, Moss, MCINTYRE, BIDEN, HATHAWAY, BROOKE, JAVITS, MCGOVERN, HUMPHREY and PELL.

Mr. President, the Pearson-Bentsen amendment gives us the worst of all worlds. Yesterday the Senate, by a decisive vote, 57 to 31 defeated the Fannin amendment to decontrol natural gas prices. The Pearson amendment decontrols natural gas prices with one exception, and that exception is for offshore production.

In the case of offshore natural gas production, the Pearson amendment would continue——

Mr. MANSFIELD. Mr. President, may we have order?

The PRESIDING OFFICER (Mr. BROCK). The point is well taken, the Senate will be in order. The Senator will suspend for a moment until the Senate is in order.

If the Senator will bear with the Chair, we will obtain order before the Senator resumes.

The Senator from Illinois.

Mr. STEVENSON. Mr. President, this amendment, the Pearson-Bentsen amendment, decontrols onshore production of natural gas and it continues for 5 years Federal Power Commission ratemaking procedures with respect to the wellhead price for offshore natural gas.

It, therefore, gives us the worst of all worlds.

The Senate has already, by a vote of 57 to 31, emphatically repudiated decontrol of natural gas, which this amendment perpetuates for onshore production, and it continues FPC regulation of offshore production, which if anything is agreed, ought to be discontinued.

The result, Mr. President, of this amendment would be no significant increase in natural gas production. The result would be a resumption of double digit inflation, a resumption of recession and rising unemployment. In the case of the offshore production, the perpetuation of FPC ratemaking involving new standards would mean lengthy litigation during which the courts would attempt to give meaning to these new standards which now have no meaning in law, have no meaning in past regulation or in court precedents.

Litigation would tie up ratemaking for many years, during which time price uncertainty would continue and during that time producers of natural gas offshore would curtail both development of natural gas wells and production from those wells.

So it would, with the continuation of price uncertainty, aggravate shortages, at the very least continue its shortages which originate with inadequate production offshore.

As for the onshore production, the price would immediately go up.

There is no such thing as decontrol. It is really a question of U.S. control versus OPEC control.

To decontrol onshore production of natural gas would mean those prices now at a maximum of about 52 cents per Mcf in interstate commerce would rise immediately to at least $3.

Mr. MANSFIELD. Mr. President, may we have order?

The PRESIDING OFFICER. The Chair would request that those Senators who are in conversation please conduct their conversations outside of the Chamber. The Chair will not proceed until the Senate is in order.

May the Chair respectfully request conversation be held outside of the Chamber; there are still conversations going on.

The Senator from Illinois.

Mr. STEVENSON. Mr. President, there is no such thing as decontrol. It is a question of U.S. control versus control by the governments of foreign oil producing countries, and that statement is verified by the experience with natural gas pricing in the unregulated so-called intrastate market. Intrastate natural gas prices have already hit $2.

If we were to add the demand in some 45 natural gas consuming States to the demand in the 5 States that also produce natural gas, the price would obviously go higher. How high, nobody can say.

The Chairman of the Federal Power Commission has testified that the price instantly, an on-a-spot basis, would reach $3. That, Mr. President, would only be a beginning and that, Mr. President, is a sixfold increase over the maximum interstate price now of about 52 cents.

The consequence of such severe inflation in energy prices is, according to estimates of the Budget Committee staff, a 2.2-percent increase in the overall price levels for the country by 1977, an increase of unemployment by the same time of roughly 650,000, and economic stagnation and with no significantly increased energy supplies.

Those conclusions are fortified by studies conducted by the Joint Economic Committee, among others.

Mr. President, beyond a certain point a high price for energy, whether it is oil or gas, produces no more energy. It cannot produce more natural gas if the natural gas simply does not exist.

The administration's Project Independence, for example, concluded that beyond the price of 85 cents per Mcf, natural gas production increased only marginally. The additional gas that is produced by such higher prices is extremely expensive.

This amendment, Mr. President, establishes an initial new natural gas price of $1.30. By studies of the Budget Committee, among others, that is a price which is more than adequate to provide all of the incentives and resources required by the oil industry. Beyond that point you simply do not get increased production. All we get is more unemployment, more recession and more inflation.

What has happened in the past is that we have not recognized the suitability of fuels and their comparable values. Natural gas in interstate commerce has been priced artificially low, and as long as such a disparity in pricing continues the incentives are to consume, in this case, the natural gas, the premium fuel in shortest supply. On the other hand, the incentives are to produce the higher priced oil, which is in greater supply.

The Pearson-Bentsen amendment would rectify that imbalance by letting them both go up to an OPEC level. In the case of natural gas, it would be to a price level in excess of the OPEC level because of the critical gas shortages which we face in the country.

A better way to rectify it would be to recognize that the price for natural gas is too low, the price for oil is too high, and bring one up and the other down over time to establish a single tier, administerable, comprehensive price ceiling for both oil and natural gas, a ceiling which establishes a comparable price at a level which, on the one hand, gives the industry all the resources and incentives that it needs, and, on the other hand, protects the economy from more energy induced inflation, recession, and unemployment.

That, Mr. President, is what this amendment which I offer does.

If unregulated, natural gas and oil prices at the wellhead would climb to OPEC levels or higher. If regulation continued to price oil too high and natural gas too low, producers would tend to produce oil at the expense of the gas consumers. So this amendment proposes a single tier, comprehensive price ceiling for both. It would first of all establish a $9 per barrel ceiling price for new domestic oil which would remain constant in real dollars over a period of 5 years. Quarterly increases in that price are limited to the GNP deflator, but not to exceed 5 cents per barrel per month.

Mr. BROOKE. Will the Senator yield?

Mr. STEVENSON. I yield.

Mr. BROOKE. As I understand the Senator's amendment, the Senator would support decontrol of natural gas over a period of 5 years. Is that correct?

Mr. STEVENSON. This whole legislation would expire at the end of the 5-year term, at which time the President would establish any pricing formulas he chose and they would go into effect subject to a congressional right to disapprove.

Mr. BROOKE. The Senator's amendment does not foreclose decontrol after a period of 5 years?

Mr. STEVENSON. No, it certainly does not, and it does phase out the existing controls on old oil after 5 years, to bring both oil and gas to a single tier ceiling.

Mr. BROOKE. If the Senator will yield further, is it correct that the Senator, in addition to not foreclosing decontrol after a period of 5 years, attempts, by

this amendment, to establish a ceiling for new natural gas at $1.30?

Mr. STEVENSON. The initial ceiling under this amendment is at $1.30, which is the average price for unregulated intrastate gas.

Mr. BROOKE. Is it the Senator's contention that the $1.30 would supply enough incentive so that we could get new production of natural gas?

Mr. STEVENSON. Yes. That is the unregulated intrastate price now. It is also a price which is equivalent to the average oil price established in this bill. The oil disparity which increases incentives for oil and decreases incentives for natural gas would be gone. The studies of the Budget Committee, the Joint Economic Committee and others conclude that this would provide the industry with plenty of incentive and resources with which to produce both natural gas and oil, but, on the other hand, also build in some protection against arbitrary OPEC prices, which is a primary cause of inflation, recession and unemployment.

Mr. BROOKE. It is my understanding that the intrastate price in Louisiana at the present time is $1.90. The Senator's amendment would put the ceiling price at $1.30. Is this consistent with having sufficient incentive for us to have a sufficient supply of natural gas?

Mr. STEVENSON. The $1.90 price which the Senator has referred to is not the average intrastate rate. The average is about $1.30. That reflects the demand within the producing States. If we were to add to that demand within those producing States the pent up demand in some 45 States, many of which are faced with critical natural gas shortages, it does not take a genius to figure out what would happen to the $1.30 price and the $1.90 price which the Senator mentioned. It would go up at least $2 or $3 and way beyond the point at which you have the adequate resources, the adequate incentives, with which to produce the gas which is there to be produced.

In the judgment of the Joint Economic Committee and the Budget Committee, that is a generous price. It was not very long ago that the industry would have been satisfied with a much lower price, and it was not very long ago that the administration, in its Project Independence, indicated that 85 cents was an adequate price. This is a generous figure.

Mr. BROOKE. How does the Senator arrive at the $1.30 price?

Mr. STEVENSON. On the basis of studies by the Joint Economic Committee and the Budget Committee. The Senator from Utah (Mr. Moss) is active as a member of that committee, and in directing those studies, partly based on cost assumptions, including assumptions about future costs, and on adequate returns as opposed to alternative economic endeavors; and I mentioned that in relation to oil production. We wanted to gear this natural gas price to a reasonable average for oil, and he came out, as did others, with $1.30.

I yield to the Senator from Utah.

Mr. MOSS. Mr. President, if the Senator will yield here, I would like to add, on that point that he has responded to about the return to the oil companies, panies would receive, the study that was made by the Energy Task Force of the what the exploration and drilling com-Budget Committee indicates that if we go to $9 oil and $1.30 gas, the average income or return on oil exploration and development would be 14 percent on capital investment. That would return an average of 14 percent on all the money spent on exploration and development, which the Task Force held was a sufficient incentive that it would encourage continued exploration and development of any gas supplies that are available, and that could be discovered and developed.

I for that reason have joined with the Senator from Illinois in his amendment. I think that we now have gone right down to the core of this problem of how we are going to encourage the greatest amount of exploration and production here in this country, and at the same time hold in check at least to some degree the inflation that will sweep upon us if energy prices suddenly take another jump.

As the Senator will remember, the President, at the beginning of the year, wanted total deregulation, and then later, after he had vetoed the bill when we gave him total deregulation, he announced that he did not want that. In fact, he had prior to that said we had to have a 39-month phaseout and he definitely did not want total deregulation and asked, indeed, if we could extend the control period for a time, and work out something so that we would not have this sudden spurt of prices.

So I think what the Senator from Illinois has done, if the Senator from Massachusetts will join with him, is try to work out some middle ground on this thing, as to how we can try to get maximum production in this country and at the same time hold it in line so that we do not have this sudden surge of inflation in prices, and so that our economy can absorb it more gradually, as we continue to recover—we hear every day how we are recovering now—as we continue to recover, and thus attain a balanced energy policy in which there is certainty, which is the basic problem of all, the uncertainty that exists at this time. If we could get this, we would have a certainty so that for 5 years ahead, those who wanted to invest their money in exploration and production would know what the return would be on their investment.

Mr. BROOKE. I thank the Senator. With that evidence, I make further inquiry of the Senator from Illinois, if the Pearson amendment becomes law, would the Senator have any estimate as to where the price of gas would go?

Mr. STEVENSON. First, let me add to what I said earlier. The $1.30 figure is supported not only by the sound analysis conducted under the direction of the Senator from Utah, but also by studies conducted by the Federal Power Commission and studies conducted by the Congressional Budget Committee.

On that point about uncertainty, that is one of the difficulties with the Pearson-Bentsen amendment: prolonged uncertainty. The Senator from Utah is absolutely correct; producers are withholding production in anticipation of higher prices. They are faced with certainty, and they will be as long as this debate continues about energy prices.

The Pearson-Bentsen amendment continues FPC rate-making with respect to offshore production. It establishes new standards, which will have to be defined in the courts. It prolongs the uncertainty in the pricing of production offshore.

That uncertainty will cause producers to withhold or to curtail their production in anticipation of higher prices.

No one can say exactly where the price, unregulated, will go. It is a question which I and others have asked the experts; and the answer you typically get, probably a conservative answer, is that it will immediately go as high as $3 on a spot basis. That was the answer given to that question recently by the chairman of the Federal Power Commission.

That means a sixfold increase over the maximum price prevailing in interstate commerce now for natural gas. The Senator mentioned $1.90 as a spot sale. There have been higher spot sales in the unregulated intrastate market. Add the demand from 45 States to the demand from the 4 or 5 producing States, and there is no telling where it would go. Three dollars immediately; it could be $4 or $5 in the near future, because of the premium quality of the product, the many uses, and the critically short supply.

Mr. HASKELL. Mr. President, I wonder if the Senator from Illinois will yield for 5 minutes. At 4 o'clock, I say to the Senator from Massachusetts, we have a vote scheduled on an amendment which I described at length on Monday. I merely want to offer it and recapsulize what I said about it at that time. Under the unanimous-consent agreement, after the vote the Senator from Illinois will have the floor, or will retain it under the unanimous-consent agreement.

Mr. STEVENSON. Without relinquishing any of my rights, Mr. President, I yield to the Senator from Colorado.

Mr. HASKELL. I thank the Senator.

I ask that the amendment be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Colorado (Mr. HASKELL) for himself, Mr. HATHAWAY, Mr. RIBICOFF, Mr. HUMPHREY, and Mr. RANDOLPH, proposes an amendment.

Mr. HASKELL. I ask unanimous consent that further reading of the amendment be dispensed with.

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

Mr. HASKELL's amendment is as follows:

Strike section 207 (page 25, line 20 through page 27, line 6) and insert in lieu thereof a new subsection "H":

RESERVE INFORMATION.—(1) The Commission is further authorized and directed to conduct studies of the production, gathering, storage, transportation, distribution, and sale of natural, artificial, or synthetic gas, however produced, throughout the United States and its possessions whether or not otherwise subject to the jurisdiction of the

Commission, including the production, gathering, storage, transportation, distribution, and sale of natural, artificial or synthetic gas by any agency, authority, or instrumentality of the United States, or of any State or municipality or political subdivision of a State. It shall, insofar as practicable, secure and keep current information regarding the ownership, operation, management, and control of all facilities for production, gathering, storage, transportation, distribution, and sale; the total estimated natural gas reserves of fields or reservoirs and the current utilization of natural gas and the relationship between the two; the cost of production, gathering, storage, transportation, distribution, and sale; the rates, charges, and contracts in respect to the sale of natural gas and its service to residential, rural, and commercial and industrial consumers, and other purchasers by private and public agencies; and the relation of any and all such facts to the development of conservation, industry, commerce, and the national defense. The Commission shall report to the Congress and may publish and make available the results to the Congress and may publish and make available the results of studies made under the authority of this subsection.

"(2) In making studies, investigations, and reports under this section, the Commission shall utilize, insofar as practicable, the services, studies, reports, information, and programs of existing departments, bureaus, offices, agencies, and other entities of the United States, of the several States, and of the natural-gas industry, but such studies, investigations, and reports shall be based on information developed, or completely reviewed for accuracy, after the date of enactment of this subsection". Nothing in this section shall be construed as modifying, reassignment, or otherwise affecting the investigative and reporting activities, duties, powers, and functions of any other department, bureau, office, or agency in the Federal Government.

"(3) In order to assist in determining necessary actions to eliminate the national emergency which exists with respect to natural gas supplies the Commission shall carry out and complete, not later than ninety days after the date of enactment of this subsection, an initial such study with respect to the total estimated natural gas reserves of fields and reservoirs and the current utilization of natural gas and the relationship between the two. Such study shall include specific estimates for individual fields and reservoirs but shall not include reserves controlled by small producers. On January 1, 1977, and at the beginning of each calendar year thereafter, the Commission shall, within the following ninety-day period, complete a review of the previous study and revise the results thereof to the extent necessary. A report of such initial study and each such review shall be made, within the time provided for the completion thereof, to the President and the Congress.

Mr. HASKELL. Mr. President, this amendment is offered as an amendment to the Pearson amendment. Just to summarize very briefly what I said at great length on Monday: For the first time, if this amendment is adopted, without any question the FPC will have the right to determine the proven reserves in the United States. Up to this point, and for the last 20 years, the producing companies have successfully resisted such determination and, therefore, we only get our statistics through a trade association and, as I pointed out on Monday, those statistics are seriously flawed.

I ask on this amendment for the yeas and nays, Mr. President.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The nays and yeas were ordered.

Mr. HASKELL. Since I described this at great length on Monday, I shall not take up any more of the Senator's time. I yield to the Senator from Illinois.

Mr. STEVENSON. Mr. President, no one can say with certainty where the price would go if natural gas were deregulated and its price permitted to go up to and exceed the equivalent price established by the foreign oil producers for oil. That question has been asked of many, including Mr. Zarb of Federal Energy Administration, and he, too, like the Chairman of the Federal Power Commission, said $3.

We are asked to decontrol the price of natural gas with no assurance of what will happen and an inability on the part of those who urge it to predict the price that will follow. Some do concede that it will hit $3 immediately.

A year and more ago some of the witnesses that we have heard in the Committee on Commerce on this subject, supported a decontrolled natural gas price. They expected that the high price for oil would produce supplies of oil which would, in turn, bring down the price of oil. Those expectations have, of course, been disappointing. The oil cartel has demonstrated its ability to control the price, indeed to increase the price by decreasing production.

Many of those same witnesses, their expectations disappointed, including the Chairman of the Federal Power Commission, say, yes, we are in favor of deregulation but, of course, there must be a ceiling, some protection against arbitrary, extortionate OPEC pricing of natural gas in order to protect the economy from more energy-induced inflation, recession, and unemployment.

Mr. President, this amendment establishes an initial new oil price of $9. It also phases out price controls for old domestic oil over a 5-year period up to the ceiling established for new oil. Authority within the Federal Energy Administration is established, subject to congressional approval, to exempt from these oil price controls certain high-cost production categories such as tertiary recovery, heavy oils, and synthetic oils. The Federal Power Commission would have similar authority with respect to natural gas.

Unlike the House-passed bill, which deals with oil prices, this proposal would simply decontrol these high cost oils letting them rise to the world marketplace.

The House-passed bill establishes several tiers of pricing requiring the administration of a complex allocation system. This amendment establishes a single ceiling price for all new natural gas based on the average new natural gas price in the intrastate market from August to November of 1975, not to exceed $1.30 per Mcf with quarterly increases based, as in the case of oil, on the GNP deflater, but in no case to exceed 1 cent per Mcf per month.

Finally, Mr. President, this amendment would, as I had indicated a moment ago to the Senator from Massacusetts, establish Presidential authority after 5 years to modify or eliminate the pricing formulas but subject to disapproval by either House of Congress.

It would, therefore, eliminate the present pricing disparity between oil and gas, not by letting natural gas rise to an OPEC level or higher, but by holding down the average price of oil and bring ing up the price of natural gas.

The average initial price for oil, under this formula would be about $6.75, which is roughly equal on a Btu basis to the $1.30 price established initially for natural gas. A reasonable price relationship would, therefore, be established and maintain.

I think, Mr. President, that one of the reasons for the failure of the executive and the legislative branches to come to terms upon a sensible pricing proposal has been in the past our failure to recognize that it is impossible to sensibly control the price of one of these fuels without reference to the price of the other. We have not recognized this comparability in value, in part, because of the structure of Government. One committee will consider oil and another committee natural gas. The House of Representatives has not even begun to consider long-term pricing for natural gas.

Only now and for the first time are we bringing these two together in a comprehensive proposal. It strikes me as somewhat curious that the administration which, after supporting decontrol of oil, finally recognizes that there really was no such thing, that in fact it was supporting OPEC control of oil prices and agreed to support a ceiling on oil. But it has still not recognized that the same phenomenon or an even more dangerous phenomenon occurs with respect to the price of natural gas, more dangerous because the price of natural gas can go higher than oil on a Btu equivalent basis.

The arguments for a ceiling in the case of oil accepted by the administration are just as valid in the case of natural gas, more so, if anything, because of the critically short supply for natural gas which can send the prices higher than the OPEC price for oil.

A recent study by the Energy Task Force of the Committee on the Budget, under the direction of the distinguished Senator from Utah, who has given generously of his time and skill to the preparation of this amendment, a study also by the Federal Power Commission, and a study about to be issued by the congressional Budget Committee all indicate a price of $9 per barrel for new domestic oil production and $1.30 per Mcf for natural gas provide the domestic oil industry with a 14-percent rate of return on investment.

They also indicate that these prices, $9 per barrel for oil and $1.30 for Mcf for natural gas, would cause substantial increases in production and that increases in production diminish at prices above those levels.

So, Mr. President, I am hopeful that this amendment can finally establish a middle position on supply and price, the basis for compromise, and for action to-

ward a coherent national energy pricing policy. It would create incentives for gas production as well as oil production. It would also protect the economy from unnecessary energy induced inflation and recession.

Mr. ABOUREZK. Mr. President, for the last 3 days we have been discussing ways to deal with an anticipated severe shortage of natural gas this winter. Now we are being asked to consider, without debate on the nature and causes of this shortage, a substitute measure which would end the cost-based regulation of natural gas in the interstate market. We have had no real debate. We have not arrived at any conclusion about the cause and nature of the shortage.

Senators may recall that in July I submitted for the RECORD a Reader's Digest article which posed precisely the critical question we have yet to answer: "Is There Really a Natural Gas Shortage?" My distinguished colleague from South Carolina has already referred to this article during earlier debate.

The claim of natural gas shortage is based on figures showing that our proved reserves of natural gas have been declining drastically since 1968. But the Reader's Digest brought forth troubling evidence that these very figures have been manipulated by the industry. In light of this, the article makes an unusual recommendation that Congress postpone consideration of legislation to meet the curtailment problem until we get the facts on proved reserves and answer to the shortage question.

It would be a cruel irony if the passage of emergency legislation helped to preserve the ignorance of the public and the Congress about the amount of natural gas actually available for production, and put the Nation permanently at the mercy of the gas producers.

Proved reserve estimates are collected by an American Gas Association committee composed of oil and gas industry employees. Once collected, the AGA reports that statistics on proved reserves in a generalized way so as to protect "trade secrets"—a practice which prevents the FPC from ever verifying the accuracy of the figures. The figures could indeed be doctored, and the FPC would never know it.

I referred a minute ago to a Reader's Digest article on this issue. I am going to introduce for the RECORD the secret correspondence between American Gas Association President F. Donald Hart and Hobart Lewis, the editor of Reader's Digest. This exchange occurred in August in response to the Digest printing of "Is There Really a Natural Gas Shortage?" The main point at issue in their letters is whether underreporting of proven reserve figures represents actual withholding or production and if so, what are the dimensions of this withholding. I do not need to remind anyone who has listened to the current debate that the existence of even 1 trillion cubic feet of withheld gas would directly affect both the fate of emergency legislation and long-term solutions of the natural gas problem—not to mention the fate of many people this winter.

In his unpublished letter, Mr. HART calls the Digest's efforts "irresponsible journalism." The AGA president's 24-page letter depends on innuendo and misstatement, and makes no conclusive refutation of the arguments in the original story. In its own word, the purpose of the AGA letter was to "assist" the Reader's Digest to a proper interpretation of the proven reserves question. It is my understanding that in fact the gas industry met in person with the editors of the Reader's Digest to apply pressure for a rebuttal or a new article posing the petroleum industry's point of view. Indeed, in advance of publication of the article, I believe an effort was made by the industry to seriously modify the contents.

It is certainly to the credit of the Reader's Digest and its editors that they yielded to none of this pressure. We should thank the magazine for posing these critical questions on the causes of the current shortage, and sticking to their guns in the face of the sort of persuasive propaganda that most of us are regularly subjected to by representatives of the same industry. Of course, the AGA letter is more of that same propaganda. The Reader's Digest editor, Hobart Lewis, remains clear that what his magazine printed was a request that decisions on a policy of great importance not be made "until Congress has had a chance to determine whether the figures on proven reserves of natural gas have been manipulated."

In fact, the editors considered that their reportage would do a distinct public service if it succeeded in getting Congress to order an independent investigation of natural gas curtailments. I could not agree more with Lewis' observation that "what the country needs, far more than the passage of any one law is public respect for the lawmaking process itself."

But Congress has not investigated, and here we are on the floor debating whether deregulation will end some shortage of natural gas. The questions that were raised by this article and which form the substance of the correspondence I am submitting, have not been answered. We cannot responsibly take up the problem of gas supply and availability without the answers to these questions. I want to lay them out so we are all very clear on why such an inquiry is demanded:

First. Based on a limited investigation into proved reserves for 31 leases in the Gulf of Mexico, the FPC found American Gas Association reports to have understated reserves by at least 54 percent: The AGA reported new proved reserves of 3.1 trillion cubic feet for 850 leases—while the FPC found 4.8 Tcf of new gas on a mere 31-lease sample. Later using subpenaed documents covering the same leases, the Federal Trade Commission found over 100 percent underreporting to AGA.

Second. In 1971, Senator PHILIP HART requested an investigation of the reliability of the American Gas Association proved reserves figures. In their inquiry, the FTC found serious underreporting by producers to the AGA. The discrepancies between the reports to the AGA and the private proved reserve ledgers of individual companies varied as much as 1,000 percent for some fields. Data on ledgers kept by 20 fields showed an overall discrepancy of 24 percent between AGA figures and FTC figures.

Third. The FPC staff is currently investigating dedicated nonproducing gas reserves in the Gulf of Mexico. FPC chairman John Nassikas recently told the House Subcommittee on Oversight and Investigation that these wells contain at least 8.5 Tcf of gas that is not being produced. These reserves have been committed to the interstate pipelines, and facilities do exist to carry the reserves to market, but on more than 31 percent of the total dedicated reserves, no production is taking place.

Fourth. On September 25 of this year, testimony before the House Subcommittee on Energy and Power underscored the possibility that the shortage results from speculative withholding. Congress itself must take some responsibility for this, because we have continued to hold out to producers the prospect of deregulation and higher prices. A secret memorandum obtained by the committee indicated that a major producer was anticipating a 450-percent increase in price over the regulated level. Congressman Moss also made clear the complicity of the Federal Power Commission in this situation. According to testimony, the FPC fuels the speculators' hopes by neglecting to implement its own rules and regulations and by failing to insist on delivery of contracted offshore reserves. Little more than 1 month ago, the District of Columbia Circuit Court ordered the FPC to investigate nondelivery of contracted gas saying "certainly a responsible administrator would have attempted to determine whether a shortage requiring curtailment presently exists."

We can only conclude that we do not have responsible administration of the regulations. The FPC is headed by men committed to the policy of deregulation. The FEA has had less success in getting accurate, reliable information out of the oil and gas industry than the FPC. As our colleague Senator HASKELL has pointed out, the issue of proven gas reserves and accurate information is germane to this emergency. The public does not know what gas is available to them this winter. It cannot know until Congress commits itself to a full investigation of the withholding question—and beyond that, to the question of systematic underreporting of reserves. The discussion here today is whether we shall accept the industry's prescription of the natural gas problem, and adopt the solution it has lobbied for since 1954. We are talking about basing a controversial and far-reaching policy change on misinformation and no information. Certainly, the discussion on the floor in the past week should have made us aware of the vital importance of a single billion cubic feet of gas, let alone the amounts which the charges of underreporting indicate exist.

Only an independent investigation will

show the real supply situation with regard to natural gas. The importance of this issue to the American people demands that Congress take responsibility for answering conclusively the charges that the current curtailments are the results of willful withholding, and the decline in additions to proven reserves the result of deliberate underreporting. After that, we can take up the issue of deregultion and regulatory reform of natural gas.

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

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

AUGUST 1, 1975.

Mr. HOBART LEWIS,
Chairman and Editor-in-Chief,
Reader's Digest,
Pleasantville, N.Y.

DEAR MR. LEWIS: The article in the August issue of Reader's Digest, "Is There Really a Shortage of Natural Gas?" is appalling. In coming out strongly for a delay in deregulation of the field price of natural gas on the basis of a very poorly researched analysis into the so-called "hidden reserves" controversy, you are performing an uncharacteristic disservice to your millions of readers, and the overall public interest.

The impression is that of a "bombshell issue" which some writers hunger for when in reality this one has been around as long as the Federal Power Commission's unworkable 22-year regulatory experiment which has left the nation critically short of its premium fuel at the worst possible time. This "false shortage" hue and cry has been raised, answered, rebutted and counteracted numerous times over the years in every conceivable forum—Congress, Federal Agencies, and the courts.

For your publication to take a firm position—indeed, one of direct lobbying—on such a shallow treatment of a very technical and complex subject demonstrates an unbecoming naivete. Your publication has provided the opponents of deregulation—who will never admit there is a natural gas shortage—an unexpected forum, when you urge the public to speak out against deregulation of new natural gas, raising the question of a secondary issue just when virtually all the real experts agree that there is indeed a serious gas shortage. This is an issue which diehard opponents of deregulation will continue to raise no matter how often or how comprehensively it is answered.

Inasmuch as the consequences of the gas shortage could be economic chaos if positive corrective action is not taken soon, Reader's Digest's recommendation that action be deferred is, in our opinion, irresponsible journalism.

A.G.A. does not represent the gas producers. Other than to continue service to its customers, A.G.A. has no direct economic incentive to urge deregulation of the wellhead price of new gas. It advocates doing so as the only feasible way to encourage exploration and development of new supplies and to protect the flow of gas to 160,000,000 American consumers.

Failure to deregulate will perpetuate a worsening gas shortage (regardless of who estimates the reserves), and will soon result in economic chaos as industry faces a 100% curtailment by the early 1980's if present trends continue. Domestic consumers unable to obtain gas will be forced to turn to alternate energies at costs several times that of deregulated natural gas.

The issue of deregulation and reserves reporting are only indirectly related. Regardless of whose figures are more believable with respect to proved reserves, these estimates do not produce any additional gas. Deregulation will.

On a less critical issue, we would be moved to apologize for the length of the attached memorandum. However, in view of the sensational and biased article you have published on this vital matter, we sincerely urge you to consider the facts we set forth.

We ask you to take steps to rectify the misrepresentations inherent in Mr. Miller's article, not only as a matter of principle, but in deference to the reputation Reader's Digest has earned as a reliable source of information.

We stand ready to assist you in any way we can. To this end, may we have an audience with you and your editorial board at the earliest possible date?

Sincerely,

F. DONALD HART.

RESPONSE TO READER'S DIGEST NATURAL GAS ARTICLE[1]

It is difficult to respond with brevity to this article because it is so fraught with misstatements, quotes out of context, innuendoes, and one-sided presentations that we can only conclude there are deliberate omissions of the other side of the admittedly complex and controversial issue of reserves estimating. The outright misrepresentation that reserves estimates represent the key issue involved in the deregulation debate is unconscionable. The overwhelming weight of evidence in support of deregulation is based on the ascertainable and irrefutable fact that a real shortage of natural gas indeed does exist. However, we will proceed chronologically:

1. Let us begin with the title, "Is There *Really* a Shortage . . .". The underscoring makes clear at the outset the conclusions this author wishes to convey. The inflammatory nature of what is to come is obvious from the catch-phrases of the opening paragraph: ". . . explosive question . . . big energy companies . . . phony shortage . . . force Congress. . . ."

2. In the second paragraph he begins combining the catch-phrase with the misstatement. Can there be a more fearsome threat to the already overburdened consumer than: ". . . thus adding billions of dollars to the national fuel bill." This ties in with the comment on the next page: "Take off the ceiling, let the wellhead price go up (most estimates agree it would double or triple). . . ."

The author here buys hook, line and sinker the erroneous figures tossed about by deregulation opponents where they merely take some projected field price rise and apply it to current production of 21 trillion cubic feet per year, and through this mathematical exercise come up with a several billion dollar figure. This is an incorrect analysis of price change possibilities which grossly misleads the consumer-reader in three respects.

First, it fails to note that any of the interstate gas deregulation proposals, including that endorsed by A.G.A., relate only to the wellhead price of "new" gas. While the price of this "new" gas will indeed be substantially higher than present prices—that is the incentive for broader exploration—the cost of gas to the consumer will increase by only a fraction, as the new supplies are rolled in over the years with the large volumes of "old" supplies under long-term contracts at the present lower prices which will continue under Federal Power Commission regulation.

Second, it fails to state that the wellhead price, which probably would increase two or threefold through deregulation, represents only about 20% of the current residential gas price.

Both of these factors which make the consumer impact both relatively small and gradual are ignored. Yet the record before Congress is replete with evidence that the impact of field price deregulation on the consumer's gas bill is in the range of $10 per year or less than 5%. This will amount to between one and two dollars per month each year over the next 10 years.

Third, and perhaps most unforgivable, is the failure to even acknowledge the true potential impact of failure to deregulate on the national fuel bill. What is the alternatively natural gas is no longer available to some consumers. The answer is higher priced fuel oil with its added burden of oil imports or electric space heating at three to six times the burner tip price of deregulated natural gas.

3. Continuing the misstatements of the second paragraph, the author announces that ". . . the key figures around which the debate revolves come from the gas industry itself. . . ." Here he refers to proved reserve estimates which, as we will discuss later, are a happy hunting ground for industry critics. But these estimates are by no means the key issue. While this peripheral argument over reserves continues through Federal agencies and congressional committees, the truly persuasive reasons to deregulate the field price are based on other readily ascertainable facts. These are as follows.

Exploration and drilling for natural gas and oil in the United States dropped steadily after the Supreme Court imposition of Federal price controls on natural gas in 1954. Total wells drilled dropped from over 58,000 in 1956 to about 26,000 in 1971—less than half the peak level. During this period the demand for gas more than doubled. With such obviously negative trends, it was inevitable that there would be, at some point, a shortage. It hit in 1971, with the first actual curtailments to customers under existing contracts. These curtailments have increased each year with the most severe impact on industrial users—the first to be cut back. Curtailments this next winter are expected to be some 45% higher than last winter. Curtailments are not caused by reserves estimates and cannot be alleviated by debates over reserve estimates. Curtailments reflect the physical inability of existing gas reservoirs, committed by the producer under contract to the purchasing interstate pipeline, to produce any greater volumes. If everyone in the U.S. could suddenly know the exact volume of all proved reserves, natural gas production and deliverability would not be improved. The gas shortage would not be changed at all.

Now let us examine the plight of those interstate pipelines and their distributor customers who serve most of the country's 160,000,000 natural gas consumers. They have not been able to add any significant new supplies since the advent of curtailments. Why? Because interstate pipelines have been unable to compete with intrastate buyers for new gas supplies in much of the U.S. As the shortage became apparent to all natural gas buyers—both interstate and in the intrastate markets of such major producing states as Texas, Louisiana and Oklahoma—the intrastate price began to rise steadily to a range between 75 cents and $1.25 per Mcf. This compares with about 52 cents per Mcf that interstate pipelines can offer as a result of FPC ceiling prices, so they are hopelessly out of competition for new supplies. This is a disparity which virtually all in Congress recognize must be eliminated. This can only be done in one of two ways—you either deregulate the interstate sales or you extend the Federal controls to the states. In view of the dismal track record of past field pricing—which even opponents of deregulation admit is intolerable—is it any wonder that deregulation is gaining in favor among Members of Congress and their informed constituents?

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[1] "Is There *Really* a Shortage of Natural Gas?", by James Nathan Miller, Reader's Digest, August, 1975.

The "phony shortage" argument began to emerge in the late 1960's and intensified in the early 1970's when it did indeed become apparent that there was a shortage and the only hope for industry critics was to label it "phony". It has been raised and answered in congressional testimony on numerous occasions and the specific A.G.A. responses will be described later in more detail. For discussion purposes, let us assume that some proved reserves are being withheld awaiting the higher prices of deregulation and analyze this contention by industry critics.

First, in the unregulated intrastate markets onshore in the major producing states, producers can now receive the free market price, so there is no incentive to withhold. Second, in the offshore Federal OCS areas where the Federal Government is the lessor, there are prudent development obligations to the lessee which can be and are enforced. So the producer-lessee can hardly delay exploration and development obligations capriciously without incurring financial loss, including cancellation of his lease. These have been and are continuously reviewed by the U.S. Geological Survey of the Interior Department. Finally, the offshore producer who expends huge sums on lease bonuses and drilling costs is under intense pressure to earn current revenue from his investments—not to wait patiently for some congressional action which the author says the producer has been seeking "for the last 20 years".

What the producer clearly is withholding, however, is the expenditure of vast sums of money required for the exploration and development of new, potential gas supplies, because he does not think it is worth the risk at current interstate prices. Under the free enterprise system of government, thankfully you cannot make him do it. With adequate incentive, he will assume the risks.

In recent testimony before the Subcommittee of Representative John Moss (D-Cal), FPC Chairman John Nassikas put the "phony shortage" issue in perspective when he said:

"Those who emphasize the frailties of our present data and who would base national gas policy on the supposition that vast quantities of gas are being withheld from the markets are not, in my opinion, being realistic about the magnitude of the problem which we face. If natural gas is being withheld from the market, the potential for withholding is, in my view, simply not large enough to substantially alter the dimensions of the gas shortage as we now know it."

Thus, the real issues of the deregulation debate are a long expected and growing shortage of natural gas with a devastating impact on our nation's industry, and an equally devastating possible future impact on residential consumers, brought about by disincentive price levels imposed by our own Federal Government on our own premium source of domestic energy. The average field price level of the 21 trillion cubic feet of natural gas produced in the U.S. last year was 30 cents per Mcf or less than the equivalent of $2 per barrel crude oil. The Federal "incentive price" for new gas is 52 cents per Mcf, or about $3 per barrel equivalent. This situation prevails at a time when oil imports at a price of over $12 per barrel continue to increase, and when electricity rates for home consumption are virtually skyrocketing. The ridiculousness of continuing this policy is patently obvious.

Massive increases in U.S. drilling—improved domestic self-sufficiency in energy—jobs for our nation's workers—national economic recovery—consumer prices and mitigating the inflationary impact of all forms of energy—conservation, natural gas is our most efficient fuel—the environment, natural gas is our cleanest fuel. *These are the issues around which the deregulation debate must revolve,* not the endless controversy over reserves estimates. Let us now turn to this issue.

4. The final misstatement in the second paragraph refers to these reserve figures when the author says ". . . and the industry refuses to let the government see the records on which these figures are based." It is repeated later on page 128: "The industry has refused to release the data that would prove or disprove the charge of manipulation."

The short answer to this is that any time the government has provided a vehicle for assuring that this voluminous, complex data would be reviewed by technically competent people and that individual company confidential data—some of which has unique proprietary value—would be protected, *the industry has made it available.* It did so in the Southern Louisiana Area Rate proceeding before the FPC. It did so in the National Gas Survey, a comprehensive study also conducted by the FPC. It did so in the recent Federal Energy Administration study.

However, any time these government assessments are made—no matter how objective they are—the shrill voice of the "no shortage-ever" spokesmen quickly relegates the participants and their agencies to the role of "tools of the industry".

Much is made of the Federal Trade Commission investigation and the "staff" contention of "serious underreporting". The author refers to one bureau of the FTC in his consistently one-sided approach. He omits the findings of another bureau of the FTC, which has publicly presented a diametrically opposite finding that issuance of an FTC complaint would be "extremely ill advised". For now, let us just surmise that if the FTC accepts the latter staff recommendation, it too will be quickly categorized as a "handmaiden of the industry" by the "no shortage-ever" proponents.

5. Before proceeding to a discussion of the various charges as to the reserves estimates per se, it would be helpful to consider what is involved in making and evaluating such estimates.

A.G.A. started compiling an estimate of natural gas reserves in 1946, as a continuation of an effort which was conducted by the Government during World War II to establish an inventory of America's crucial resources for waging the war. This type of information was clearly necessary for long-range planning, and to provide general information for the natural gas transmission and distribution companies on the availability of future supplies to obtain public financial support for the construction of necessary facilities.

Since its inception, the A.G.A. Committee on Natural Gas Reserves has been composed of knowledgeable, professional geological and petroleum engineers, most of whom have served on the committee or its subcommittees for longer than 10 years, and has included a representative from the U.S. Bureau of Mines. As noted in the Reader's Digest article, many of the men who serve on these subcommittees are employees of natural gas producers, since they, through their companies, have access to the information which is necessary to formulate a reserves estimate.

These are the men most qualified to do the job. We agree with the FTC Bureau of Economics' comment on the implied accusation that by itself, just being producer employees might indicate readiness to misrepresent reserve figures: *"That a company pays a man's salary does not necessarily imply that it is purchasing a man's integrity."*

Along this same line the author states: ". . . that if the industry wanted to doctor them (the figures), the system is ideally designed to do it." This is similar to saying that since a man has hands, he is ideally suited to becoming a pickpocket.

In assessing the committee function, it should be remembered that reserves estimating is an activity which calls for great professional skill, but does not lend itself to great exactness. A petroleum geologist or engineer is trying to estimate, initially on the basis of a very small amount of data, how much oil, natural gas and water will be found in a geologic formation of uncertain size located at a great depth below the surface. To use an analogy, it is as though one were handed a large sack, told it was filled with pennies, nickels and dimes, and asked to estimate how much money was in it. Knowing the weight of the sack would not be enough information to make any more than a broad guess. Only after several handsfull of coins have been taken out could one begin to make any statistical estimates as to the probable mix of coins in the sack, and one would never really know exactly how much money is there until the last coin is removed.

In reserves estimating it is commonplace for reasonable, objective, technically qualified men to differ widely on individual field estimates when reviewing exactly the same data. When this process is subjected to the adversary proceedings of the regulatory or legislative arenas, *any* reserve estimates by *anybody* will inevitably be controversial and subject to second guessing.

There is no better example of this than the range of criticisms of the National Gas Survey, a comprehensive review by government geologists and engineers—Federal and state—of a statistically reliable basic data sample selected by government statisticians. These range from "damning with faint praise" to open vilification of the participants. To the diehards who say the shortage is contrived, these government studies simply came up with an answer unsuitable for their purposes.

6. A theme that runs throughout is the author's preoccupation with the producing companies' reluctance to make *all* of their basic proprietary data available under circumstances tantamount to being open to the public, including their competitors. This is reflected in the comment at page 131:

"The Information Gap. Perhaps the most troubling question is why the oil and gas industry—in the midst of a public relations campaign to re-establish its credibility with the public—is putting the whole campaign in jeopardy with its determined secrecy about the gas reserves. Many other industries routinely turn over their most closely guarded secrets to government agencies—patent applications, detailed financial figures, chemical and drug formulas, etc. If the oil and gas companies have nothing to hide, why do they insist on hiding so much?"

Item 4 above, spoke to the erroneous contention that ". . . the industry has refused to release the data . . ." There are valid reasons for the producer's reluctance to release all data sought by broad, scattershot requests without some reasonable ground rules.

As the author admits, much of this underlying data is of a proprietary nature and has great value to the company which accumulated it. Further, it is readily susceptible to being misunderstood or misinterpreted. The producing companies have shown repeatedly that they are prepared to permit their data to be inspected by knowledgeable outside parties who will protect its proprietary aspects. Precisely what they fear is having it made public so it can be picked over or shaped into misleading comparisons, either inadvertently by technically incompetent people, or deliberately to serve political purposes, all of which have occurred in the recent past.

The problem the producers face, in this respect, is highlighted in the Reader's Digest article by quotations from the Federal Trade Commission's complaint memorandum. The reserves information contained in that memorandum was given to the Federal Trade

Commission on the basis of its firm commitment to maintain its confidentiality—a commitment which it knowingly breached by turning the information over to Representative Moss, who then compounded this impropriety by making the report public. If the FTC will not honor its responsibilities, and if it seeks (as it did in the case of the subpoena discussed in the article) information which goes far beyond the legitimate scope of its inquiry, is it any wonder that such subpoenas are resisted?

An example of the specific concerns resulting from the FTC's evaluation of data submitted by the four companies who did not resist the FTC subpoenas of 1971, are statements such as that which appear on page 129:

"Among the huge disparities that the FTC cited were instances in which the companies' in-house reports on their reserves were ten times higher than what A.G.A. reported."

This charge has been repeated again and again to Congress despite the explanation by the company involved. The subject gas reserve was found in what was essentially an oil reservoir. A relatively small amount of associated gas cap atop the oil was reported in the A.G.A. *field* estimate of gas reserves. The much greater volume of gas dissolved in the oil was estimated by API reserves subcommitteemen in accordance with the published procedures of the A.G.A. and API reserves committees which recognize that dissolved gas estimates are a function of oil reserves estimating. Per normal procedures this reservoir estimate of dissolved gas was combined by API with all other South Louisiana dissolved gas estimates and provided to the A.G.A. subcommittee for addition to its summation of field-by-field estimates of non-associated and associated gas reserves. Since A.G.A. field estimates do not include dissolved gas, any comparisons of A.G.A. field estimates with company ledgers which happen to include dissolved gas should obviously differ. Thus, the FTC staff's failure to understand such technical details has resulted in widespread allegations of gross under-reporting and the explanation never seems to catch up with the more sensational sounding charge.

It is our understanding that the 11 companies involved now have responded to the subpoenas issued by Representative Moss' Subcommittee, referred to on page 131. A virtual room full of records and data have been deposited at the GAO building in Washington. It is our hope that the episode described above will not now be repeated time and again. It is our hope that the data will not be reviewed solely by lawyers, accountants, clerical staff and others without technical competence in this field. We would only hope that an organized responsible review be conducted.

Also, in the quote above, the analogy that the author tries to draw between patent applications, financial figures and chemical and drug formulas is not a valid one, since in the first instance, the purpose of revealing the secret is to obtain a patent monopoly, while in the latter two instances, the Government agency involved is under an obligation to, and has a track record of, keeping the information confidential.

7. With respect to the FTC investigation, we would offer two additional points.

First, when Senator Philip Hart (D–Mich.) asked FTC to investigate the accuracy of A.G.A. statistics some five years ago, the reserves estimates were originally questioned *not* to confirm or deny a gas shortage, nor to support or denounce deregulation. The question was whether alleged under-reporting led to unjustifiably high price setting since the FPC used these figures in setting area rates. But Chairman Nassikas has said in testimony that it makes little difference—area rates were adjusted to account for any perceived inaccuracy that might be in these figures. Further, as noted earlier the FPC national area rates are just now up to the 52 cents per Mcf level while intrastate gas now is averaging between 75 cents and $1.25/Mcf. And most importantly, there appears to be no intrastate shortage of gas at these market clearing prices. Can Reader's Digest or Representative Moss, or anyone, therefore, seriously contend that the A.G.A. reserve figures have caused the FPC to inflate gas prices unjustifiably?

It seems rather obvious that just the opposite is true. Gas reserves are down and they will continue to decline until the Federal Government gets out of the price control business. None of the alleged "inaccuracies" in reserves estimates would even approach offsetting the gross error of setting price controls to stimulate future exploration by averaging costs of past years. Any consumer can see the fallacy of expecting to purchase a product today at 1970 prices.

Second, the author presents a very one-sided view of the FTC staff's deliberations on this issue. He says on page 129:

"The documents that the FTC did get have convinced members of its staff that there is 'serious underreporting' that it is 'tantamount to collusive price rigging'."

This reference to the FTC "staff" is actually to the Commission's Bureau of Competition. Not so widely reported—including no mention whatsoever in this article—is the position of the FTC's Bureau of Economics, which also has been presented to Representative Moss' Subcommittee.

Memoranda by the Bureau of Economics say charges of collusion to increase prices by misrepresenting gas reserves cannot be substantiated and that a complaint against A.G.A. and the gas companies would be "extremely ill advised."

A memorandum of the Bureau of Economics dated May 28 says Bureau of Competition examiners used figures that were not comparable—comparing proved reserves reported to A.G.A. and "possible" or "probable" reserves reported to FPC.

In an April 16 memorandum, the Bureau of Economics says it is "frankly puzzled" by the charge of conspiracy between A.G.A. and oil companies to maintain a misleading reporting system.

It pointed out the examiners had no data from seven oil companies which are fighting FTC subpoenas for company information and the reports of four other companies disclosed no consistent or joint pattern.

8. The defamation of the "Independent Study" (the FPC's two-year National Gas Survey) on pages 129–130 casts an undeserved stigma on an outstanding example of government-industry voluntary cooperation in a major, comprehensive study which was considered for years to be urgently needed by the Commission in its overall regulatory role, and was not by any means for the gas reserves evaluation alone. Its undertaking had been strongly recommended by previous Commissions. It is virtually dismissed by the author with a comment such as that on page 130:

"The 'independent' study was actually designed by an 'advisory' committee dominated by industry executives from Exxon, Mobil, Gulf, Texaco, etc."

The National Gas Survey was designed and carried out by the FPC which, for this effort, used a vast array of academicians and government employees—accountants, engineers, geologists, statisticians, engineers and economists. There were industry "advisory" committees, but their purpose strictly was to advise and assist the FPC in this effort by providing such technical expertise, manpower and information as the FPC and its supervisory staff might request and employ under its own direction. There is a great deal that industry can and does provide other than the contested reserve data.

Chairman Nassikas and the Commission, in organizing this extensive effort, were well aware of their susceptibility to criticism by some as to industry participation. They have long been conditioned to *ex parte* matters and are sensitive to them. There are those who believe that objectivity can only come out of a monastery. Yet a knowledgeable study must involve those who know something about the industry—whether from government, academia or the industry itself—and this only comes from exposure to that industry and its operations.

In any event, ground rules were carefully formulated and followed to allay criticisms such as the author cites by one Member of Congress saying, "It gives every appearance of having been a put up job." Suffice it to say, it was no such thing, and Chairman Nassikas has described the program and its results in meticulous detail publicly and to Congress on numerous occasions.

Then there is the curious statement attributed to Dr. Paul Root, a distinguished petroleum engineer who came to the Commission from the University of Oklahoma. It leaves the impression that the 158-field sample was somehow deficient. We refer to the following quote:

"The study's director, University of Oklahoma Prof. Paul Root, admits that the 158-field sample was not designed to check the accuracy of A.G.A.'s figures." (The "not" was even in italics.)

Indeed it was not so designed. It was a completely independent study. The 158-field sample was selected by the government statisticians on the basis of its statistical validity to extrapolate a reliable total of U.S. proved reserve figure. Dr. Root, his Federal and state geologists, then proceeded to make their own evaluation of the basic raw data provided to them by producers and all other sources, including data in the files of the State Conservation Commission, the USGS, and the FPC. So while it was certainly not designed as an "A.G.A. audit," its usefulness as a comparison with the A.G.A. total speaks for itself.

The innuendo here is, in our opinion, a distinct disservice to a large group of dedicated government employees with a special professional competence who devoted much time and effort to a comprehensive study under the most objective circumstances possible.

8. With respect to "The Case of The 31 Leases" discussed on page 130, this is an example of some of the confusion that can result when all of the problems of estimating proved reserves under adversary circumstances are compounded by mixing these estimates with those of potential supplies which fall into such categories as "probable," "possible," and "speculative." This particular case has been the subject of written correspondence between A.G.A. and the Commission staff. It has been addressed as a matter of public record in Congressional hearings.

The FPC estimate of reserves was based on the sketchiest of information—in many cases one "test" well for up to 1,400 acres. To go back to our earlier analogy, this is like guessing the amount of money without even weighing the sack of coins, and represents a figure far too speculative for inclusion as a "proved reserve," under the consistent, long-standing procedures used by the A.G.A. Committee on Natural Gas Reserves. A.G.A. proved reserve procedures have, for reasons which have stood the test of time and experience, consistently allowed any one well to prove-up only much smaller areas. A.G.A. reserves are proved as drilling progresses. To go beyond this, it is the opinion of the experts, simply violates the "proved" part of the definition. Another often overlooked point is that when a gas field is fully developed the A.G.A. estimate and other estimates, which were more speculative at earlier time periods, will both be adjusted and come closer to agreement.

After substantial production has occurred, the estimates will essentially agree.

The FPC and its staff are continuing to make estimates of these 31 leases and others in the OCS area. But of greater importance, this entire controversy has been called to the attention of the Interior Department. If in its capacity of lessor of these Federal leases, it determines that there is in fact gas that could be available for commercial delivery, they have full authority to require prudent development and timely sale of the gas. As discussed earlier in Item 3, there are adequate legal, financial and practical pressures to see that this is done. It is certainly in the interest of the A.G.A. member companies to see that such development and sale is pursued and they encourage it by every means possible. This brings us to the next point.

9. We most vigorously object to certain of the author's references to A.G.A. and its motivation. We refer to quotes such as the following:

"Since 1946, the American Gas Association (AGA) has been making an annual survey of the producers' underground reserve stocks. . . . Is it possible that the AGA has been manipulating its statistics to make things look worse than they are? . . . The industry has both the incentive and the ability to manipulate the figures."

This displays a surprising lack of knowledge of the three segments of the gas industry and the role each has played throughout the 22-year old field pricing controversy. Because it is so important that the public fully understand the distinction between A.G.A. member companies and the producing segment of the industry—and their respective financial incentives—we offer as Appendix A a portion of the testimony presented to the Senate Commerce Committee on November 8, 1973 by a panel of five gas distribution company chief executives. It is therein emphasized that:

"A.G.A. members are the distribution and transmission segments of the gas industry, not the producers. There is no self-serving benefit for A.G.A. members to point to a non-existent gas shortage. . . . It absolutely defies logic to conceive that the distribution and transmission companies would help create or publicize a false shortage."

In the appendix is a detailed description of the distribution company role throughout the 22-year field price regulatory history, including their vigorous and successful opposition to field price increases when it was widely believed that gas supplies were adequate. As concerns over shortage began to grow in the late 1960's, witness G. J. Tankersley said:

"My own company, the Consolidated Natural Gas System, engaged the three largest geological consulting firms in the country to tell us if gas were being held back. The answer was no. Undoubtedly, numerous other gas companies did the same as well as utilized their own staffs of engineers, geologists, and petroleum scouts to ascertain that there were no significant unknown proved reserves. And they can look to data that must be filed with the states for all wells drilled in performing these checks."

This portion of the A.G.A. testimony concludes with the statement:

"So, again speaking for the gas companies who have the direct responsibility to serve consumer and who receive no monetary benefit from the economic incentives herein urged, we submit that the natural gas shortage is real, serious, and very much in the consumers' interest to be alleviated."

We earnestly invite your attention to the full portion of this testimony attached as Appendix A. It presents valid and deeply held views further reflected in the fact that it was presented in formal congressional testimony by an A.G.A. panel of five of the top gas industry spokesmen.

10. Our initial dismay over the prejudging of the shortage issue reflected in the title of this article is exceeded only by our outright shock at the final paragraph which openly urges your millions of readers to lobby Congress on the degregulation issue.

As we have emphasized in the foregoing, the shortage is real and worsening. There are incontrovertible facts which make this clear. This Nation is in the absolutely ridiculous situation of (a) urgently seeking domestic energy self-sufficiency and reducing high priced unstable foreign oil imports ($12 per barrel plus) while (b) simultaneously perpetuating a stifling price control mechanism ($3 per barrel equivalent) on natural gas produced in the U.S. When we consider that natural gas is presently the dominant source of domestic energy for 160,000,000 consumers; is by far the most critical energy used by our Nation's industries (accounting for over 50% of their usage—2½ times that of the next largest source); is our cleanest fuel in that it doesn't pollute our land or water; is our most efficient fuel in that it doesn't have to be transformed as do all of the primary fuels to form electricity or as crude oil must be refined; and when we consider that there is a very significant resource base of potential natural gas supplies in our own country which virtually cry out for development, the ridiculousness becomes almost unbelievable.

But believe it we can. Because this industry's one million mile underground pipeline network installed at an investment of $50 billion—and which is the most efficient, environmentally superior energy delivery system in existence—is being forced to ever lower levels of efficiency as curtailments increase, so that consumers will have to bear the dual adverse effects of shortages and higher costs due to this growing inefficiency. But the ultimate adverse effect will come when the consumer's gas gets cut off and he must resort to the sharply higher priced, less desirable form of energy.

This is a situation that can only be resolved by removing the blatant incentive price disadvantage imposed on this premium fuel. It will not be resolved in any way by the endless debate to achieve some mythical unanimity on reserves estimates. There is nothing—no matter how objective or how comprehensive the effort—which will satisfy the diehard opponents of deregulation and get them off their crusade to perpetuate this controversy. It has been raised, answered, rebutted and counteracted, *ad nauseam*.

Former Secretary of the Interior, Rogers Morton, now Secretary of Commerce, put it this way in recent testimony before the Senate Commerce Committee:

"The continually recurring claim that the shortage is contrived has been refuted by every knowledgeable effort to determine its veracity. The same arguments (that natural gas producers have underreported their reserves) have been raised and rejected (1) in six separate area rate proceedings by the Federal Power Commission; (2) by the United States Court of Appeals for the District of Columbia; (3) by the Fifth and Ninth Circuit Courts; (4) by the United States Supreme Court; and (5) by the Federal Power Commission's National Gas Survey."

Still the dilatory tactics of the "no shortage-ever" proponents continue. The author of this article has provided them a most unexpected forum. If, with the help of your publication and its communication channels to millions of Americans, this misguided effort is successful, the regulatory albatross remains and the shortage worsens to the point of genuine chaos, they will have a "solution" for the energy industries' failure to perform. Nationalization.

In view of your previous commitment to the principles which have made this Nation great, including the free enterprise system, does Reader's Digest really want to be a party to this?

APPENDIX A—EXCERPTS FROM STATEMENT OF THE AMERICAN GAS ASSOCIATION

(Presented by G. J. Tankersley, Chairman of the Government Relations Committee, American Gas Association, Chairman, The East Ohio Gas Co.; Herbert D. Clay, Chairman, American Gas Association, President, National Fuel Gas Co.; C. J. Gauthier, First Vice-Chairman, American Gas Association, Chairman, Northern Illinois Gas Co.; Paul Reichardt, Second Vice-Chairman, American Gas Association, President, Washington Gas Light Co.; and Harvey A. Proctor, Chairman of the Research and Development Executive Committee and Immediate Past Chairman of the Gas Supply Committee, American Gas Association, Chairman, Southern California Gas Co., before the Commerce Committee of the United States Senate, November 8, 1973, on S. 2048 and S. 2506, to amend the Natural Gas Act.)

2. A.G.A. MEMBER COMPANIES DERIVE NO BENEFIT FROM FINANCIAL INCENTIVES NEEDED TO EXPLORE FOR NEW SUPPLIES

As the above clearly indicates, this shortage is real. However, we realize that it has become increasingly fashionable to attack the A.G.A. proved reserve estimates as the supply shortage has worsened. The purpose of many of these attacks is to support a contention that there is no shortage and hence no need for incentives to alleviate it. In some instances these attacks are by those who were quite willing to accept these same estimates in past years when they indicated an excess of discoveries over production. I can only say that these critics, small in number but quite vocal, do not have the responsibility to serve consumers directly as do our A.G.A. member companies. So let me repeat what I have said before in Congressional testimony on this subject:

"A.G.A. members are the distribution and transmission segments of the gas industry, not the *producers*. There is no self-serving benefit for A.G.A. members to point to a nonexistent gas shortage. Quite to the contrary, as there is increasing public awareness of the supply problem—as there must be if we are to solve it—our competitors use this fact against us, our ability to finance is impaired, we cannot serve customers we have sought for years, and we are even forced into the very unhappy and complex situation of curtailing deliveries and allocating limited supplies among existing customers. It absolutely defies logic to conceive that the distribution and transmission companies would help create or publicize a false shortage."

There have even been specific erroneous contentions, some in public testimony before Congress, that gas distribution and transmission companies will earn an additional return on the higher field prices that will be necessary to stimulate domestic exploration. This is not so, and those who so contend do not understand either the Federal or State utility regulatory processes. These higher costs for new gas supplies will be passed along, dollar for dollar, to the consumer without any addition or handling charge by our member companies who recover only their actual costs—such as those for purchased gas—and a reasonable, regulated return on their investment in facilities.

In gas pricing matters, distributors represent the consumer, and so stated in their quite successful regulatory and judicial battles for lower prices in the late 1950's and 1960's when it was believed that adequate supplies were not in jeopardy. I emphasize this because some casual observers automatically assume that those who urge lower prices are "consumer spokesmen," regardless of the issues or the facts. And I merely restate for the record that when the facts

appeared to justify lower prices, gas distributors were aggressive and persistent advocates.

AUGUST 20, 1975.

DEAR MR. HART: Thank you for your very complete critique of our article, "Is There *Really* a Shortage of Natural Gas?," by Digest roving editor James Nathan Miller in the August issue. It is good to have an official industry answer to the article, one that gathers together almost all the criticisms I have received, and I welcome the opportunity to reply to these objections as comprehensively as you have put them.

Let me say first, however, that certain of your comments—for example, the statements on pp. 4, 5, 6, 22, etc., that present the economic arguments for deregulation—wander considerably afield from the subjects covered by our article. For this reason I think it is important for me at the outset to make clear what the article did and did not say.

What it did attempt to do was simple and straightforward. It posed the important question of whether the American Gas Association figures on U.S. "proved" reserves (which are the key statistics on which government policies affecting natural gas are based) have been manipulated "to make things look worse than they are." While the article did not pretend to answer the question, it found considerable evidence that there may be manipulation, but little hope that the FPC or FEA, which have immediate oversight of the industry, will investigate this evidence. It therefore urged that a vote on deregulation be put off "until Congress has had a chance to determine whether the figures have been manipulated."

The article did *not* attempt to analyze the political or economic pros and cons of the deregulation argument. It did not oppose deregulation. (As you undoubtedly know, the Digest published an article favoring deregulation, "We Are Running Out of Gas—Needlessly," by Patricia Starratt, in April, 1973. In my opinion, this was an exceptionally strong and lucid statement of your industry's case.) It did not deal with discrepancies arising in the ill-defined area of "probable," "possible" and "speculative" reserves. (It dealt only with "proved" reserves.) It did not question the existence of a present shortage of gas at the consumer's end of the pipeline, as opposed to the producer's end. (On p. 127, it explicitly stated that such a shortage has already begun to appear.)

I will, therefore, limit my comments to the points the article did cover. What follows is a listing of your major specific criticisms, more or less in the order in which you made them, along with the Digest's response.

The "irrelevance" of the underreporting question. You say (p. 3) that underreporting is a "peripheral" factor in the present debate, and you quote chairman Nassikas as stating that ". . . the potential for withholding is, in my view, simply not large enough to substantially alter the dimensions of the gas shortage as we know it."

This may, of course, turn out to be an accurate appraisal, but you cite no evidence to back Mr. Nassikas's opinion, while there is considerable evidence supporting a contrary view. For instance, in the case of the 31 leases, our article points out that 1.7 trillion feet of gas appeared to be missing from AGA's estimates. More recent evidence (which was made public too late for inclusion in our article) indicates that the missing total was actually 2.6 trillion feet.

To put this figure in perspective, it should be realized that 2.6 trillion feet represents about 60 percent more gas than was involved in last year's delivery cutbacks by all U.S. pipelines. Yet the spot-check that uncovered this large amount of missing gas involved only four percent of the 850-odd leases in offshore Louisiana; if comparable underreporting exists in any substantial number of the remaining 96 percent of the leases, the 2.6 trillion feet would be only a small part of what is missing from the AGA's records for the Gulf alone.

As you know, this case is not unique. Other examples of possible underreporting and withholding of reserves have been of a similar magnitude. And while the AGA claims that each case has been satisfactorily explained, other responsible observers deny this. Thus, until the companies are willing to provide an impartial regulatory agency with the in-house figures that would prove or disprove AGA's figures, the public is in effect left in the position of having to accept the industry's word. For example, today, a year and a half after its report on the 31 leases, the FPC is still investigating the disparity; the AGA still refuses to provide the data the FPC has asked for, and the public has no explanation for the missing gas other than the one you state on p. 19 of your criticism of our article.

In another case, the FPC is now investigating a possibility of withholding that involves 7.9 trillion feet of gas that pipelines have contracted for but are classified as "nonproducing." In still another case, three weeks ago the U.S. Court of Appeals in the District of Columbia ordered the FPC to undertake an immediate investigation of charges that the Transcontinental Pipe Line's anticipated curtailments for this winter are caused by deliberate withholding of gas reserves in the Gulf. In its order, the court strongly criticized the FPC for not already having made an investigation. It said: "Certainly a responsible administrator would have attempted to determine whether a shortage requiring curtailment presently exists." In essence, this was a one-sentence summary of our article.

Finally, your own statement on p. 15 seems to demonstrate that the question of underreporting is central to the present debate. Summarizing the industry's position, you state: "Gas reserves are down and they will continue to decline until the federal government gets out of the price control business." Since the key figures showing that the reserves are down are the AGA's figures, the question of whether AGA is underreporting is crucial to your position.

The article's "misstatement" of the price effects of deregulation (pp. 1 and 2). Here, you do not point to an inaccuracy in the cited passage, but you accuse the Digest of bias because it fails to present the facts as the AGA would like to have them presented.

Nobody knows how rapid or large the rise in consumer prices will be. The industry has made a study that indicates it will be slow and of limited extent. The Library of Congress has made a study that indicates it will be sudden and massive. (If we had wanted to portray a "fearsome threat" to the consumer, as you charge (p. 1), we would have reported the Library of Congress's estimate that deregulation will cost $7.1 billion the first year and a total of $75.6 billion during the first six years.) We chose to take neither side of the argument; instead, we merely reported the undeniable fact that the wellhead price will double or triple and that this will add billions of dollars to the national fuel bill.

The industry's refusal to turn over records to government agencies. You say (p. 7) that the industry has demonstrated its willingness to provide the data whenever the government has been willing to guarantee secrecy and proper review by technically competent people. You cite three instances in which you say the companies have turned over the records. Two of these instances—the National Gas Reserves Study and the FEA survey—are mentioned in our article. (See below for a discussion of the National Gas Reserves Study. I do not deal with the FEA survey in this reply, since in your comments you do not attempt to refute our article's criticism of that study.)

The third case you mention is the Second Southern Louisiana Rate Proceeding (1969). It is surprising that you cite this as an example of the industry's willingness to reveal figures to the FPC. Surely you must be aware that this was one of the first cases in which serious doubts were raised about AGA's reporting; that as a result the FPC decided to issue a questionnaire that would get detailed, lease-by-lease reserves figures from the companies; that the companies then threatened to fight the questionnaire with a legal action that, they said, could delay the proceeding for five years; and that the FPC then withdrew the questionnaire.

On p. 11 you say that the reason for the reluctance to turn over figures to the government is a fear that the material will get into the hands of competitors. Yet the field-by-field reserves information that the companies refuse to give to the FPC is the same information that they give to the employes of their competitors on the AGA reserves committee.

On p. 11 you say that our article calls for the companies to make "*all*" (the underlining is yours) their secrets available to the public and their competitors. There is nothing in the article that even remotely suggests this. It asks merely that the companies make available to the regulatory agencies the figures that are needed for an adequate assessment of AGA's totals.

On p. 14 you attempt to differentiate between the gas industry and the industries that do make trade secrets available to government agencies. At a time when the public is being warned that an emergency exists—one that threatens to keep winter warmth from homes and hospitals and to cause unemployment to many thousands of Americans—it is difficult to understand why the gas industry, as opposed to other important segments of industry, should be allowed to pick and choose what information about this emergency it will provide, and to what regulatory agency.

The incorruptibility of AGA's reporting system. On p. 9, you defend the integrity of the members of AGA's reserves committee and imply that this in itself guarantees the accuracy of the figures. The question is not necessarily of the members' integrity. The Federal Trade Commission's Bureau of Competition has found that "even if the system were operated with utmost good faith, the system would still be woefully inadequate . . . ." The deficiencies that it found, said the Bureau of Competition, "subject the system to the potential of being manipulated to suit the producers' interest."

The difficulties of reserves reporting. On p. 10, you imply that the disparities that have been discovered can be explained by the fact that geologic estimation "does not lend itself to great exactness," and on p. 19 you refer to the confusion that can arise when "probable," "possible" and "speculative" estimates are compared. As I have already pointed out, no such confusion was involved in any of the cases mentioned in the article, all of which dealt only with "proved" reserves, which are the most precisely definable of all. With proved reserves, the normal judgmental differences are usually in the area of ten or 15 percent. But the disparities revealed in the cases mentioned by the Digest ran into the hundreds of percentage points.

The article's failure to mention the FTC Bureau of Economics recommendation that an FTC complaint against the gas companies would be "extremely ill advised." The Bureau of Economics memorandum was not made public until June 26, too late for inclusion in our article. However, if we had been able to include it, we would have had to point

out to our readers that the passages you refer to in the memorandum contain internal evidence that raises the most serious questions as to both its motivation and its factual accuracy.

Briefly, the story behind the Bureau of Economics memo is this. In 1970, the Federal Trade Commission's Bureau of Competition began an investigation of possible underreporting by AGA. Last year the Bureau of Competition concluded there was "serious underreporting" and recommended that a complaint be issued against both the AGA and 11 gas-producing companies. The FTC's Bureau of Economics recommended against issuing a complaint. You cite two passages from the Bureau of Economics recommendation. Here are the facts behind these two passages:

The phrase, "extremely ill advised," was used under the heading, "Public Policy Considerations," which the memo described as follows: "As is well known, there exists presently a spirited debate as to whether natural gas regulation should be continued or terminated. If the FTC were to issue a complaint at this point, it would surely cloud the public policy debate . . . . In an environment where major gas producers are under serious suspicion of engaging in conspiratorial behavior, the chances of continuing rational debate on the issue would be seriously diminished."

It seems strange that officials of a law enforcement agency should cite "serious suspicion of conspiratorial behavior" as a reason for not proceeding with a complaint.

The second passage that you cite seems equally questionable. The passage criticizes the FTC's proposed complaint against the companies because the complaint cites cases in which pipeline companies' figures indicated that there were much larger reserves in certain fields than the AGA's figures showed—four and five times larger than AGA's in many cases, 25 times larger in one case. The memo said this comparison was unfair because pipelines use different methods of estimating proved reserves from those used by AGA, and therefore to compare pipeline figures with AGA figures was the same as comparing "apples with oranges."

However, the memo ignored the fact that in the cited cases there was sworn testimony by the pipeline officials who had made the estimates, in which they said they had used the same methods of measurement as those used by AGA.

The FTC's "failure to understand technical details." On p. 11, you refer to a case mentioned in our article in which the FTC found internal company records that exceeded the AGA's figure by ten to one, and you say that this discrepancy was due to the FTC's failure to realize that the company estimate included dissolved gas while the AGA's estimate did not. Actually, the FTC has specifically stated that it did add the dissolved gas to the AGA estimate before making the comparison. (See p. 258, Hearings on Competition and Concentration in the Natural Gas Industry, June 26–8, 1973, by the Senate Judiciary Committee's Subcommittee on Antitrust and Monopoly.)

The article's "defamation" of the National Gas Reserves Study (pp. 16 ff). (Your critique refers to the NGRS erroneously as the National Gas Survey.) I will go into some detail here, since the NGRS is the keystone of the industry's defense, the only piece of specific documentary evidence to which you point.

You criticize two points about our article's reference to the NGRS. First, you deny (pp. 16–17) that the study was designed by an industry-dominated advisory committee.

According to Vol. II of the FPC's National Gas Survey, p. 37, the genesis of the NGR was as follows: "The Supply-Technical Advisory Task Force—Natural Gas Supply was requested to develop procedures for a National Gas Reserves Study to provide an inventory of proved gas reserves independent of inventories used heretofore. The procedures developed were reviewed by experts in government, academia and the industry, endorsed by the National Gas Survey Technical Advisory Committee on Supply, reviewed by the Executive Advisory Committee of the National Gas Survey, and recommended to the Federal Power Commission. Following its modification to meet specific needs, the FPC implemented the National Gas Reserves Study . . ."

Thus three committees drew up the NGRS. (The "experts in government, academia and industry" referred to were the members of these committees.) Each of these committees was chaired by an industry executive. Two were also co-chaired by industry executives. On all three, the largest single group of members was composed of industry executives.

Your second criticism (p. 18) is that the article "leaves the impression that the 158-field sample was somehow deficient." Three separate analyses of the sample have been made by informed outsiders. All have reached the identical conclusion: that the sample was useless as a measure of AGA's accuracy. Here is what they found:

James T. Halverson, former director of the FTC's Bureau of Competition: the sample was "a prescription for overlooking AGA underreporting." Prof. Howard Pifer III, a Harvard Business School statistician who served as a member of the NGRS team: the fields in the sample "represented the least likely places to look for AGA underreporting." Prof. Rodney Stevenson of Michigan State University, a former FPC economist: "The NGRS sample is biased in such a manner as to minimize the possibility of detecting under-reporting by AGA."

If these criticisms are correct—that is, if the 158-field sample was specifically tailored to avoid looking at fields that might prove the inaccuracy of AGA's totals—it is hard to see how the study can be considered independent of AGA's figures, or how it can be an accurate estimate of U.S. reserves.

(A fourth critique of the NGRS, the Energy Research, Inc. report referred to in our article, cannot be included in the same category with the above analyses. In an interview with our article's author, ERI's chief investigator admitted that his investigation was limited and that he was unaware that any criticism had been made of the NGRS study, even though the Halverson and Pifer criticisms had been made at open Congressional hearings while the ERI critique was being prepared.)

One final point about your comments on the NGRS. Your statement (p. 18) that it was *not* designed to check AGA's accuracy is the first such admission by AGA that I am aware of. In the two years since the study was issued, the gas companies, the AGA and the FPC have cited it as their main item of proof of AGA's accuracy. This claim was made most recently by chairman Nassikas at a Moss subcommittee hearing July 22, 1975, about a week before our article was published. Contrary to your statement, Mr. Nassikas explicitly said that the study *was* designed to check AGA's accuracy:

Question: Was that study designed to check the accuracy of those figures at that time?

Nassikas: It was designed to check the accuracy of the AGA figures as part of the study. A second phase of the study . . . was to determine what year-end reserves were . . .

Question: I understand it was designed to get the figures. Was it designed to check the accuracy of the figures as well?

Nassikas: Yes.

The author's "confusion" in the case of the 31 leases. Your account of this case (p. 19) merely repeats the previous defense the AGA made before the FPC. It in no way contradicts the summary of this defense that was given in our article.

AGA's "motivation" and the author's "lack of knowledge" of the three segments of the gas industry (p. 20). Nothing you state here contradicts in any way the article's description, on pp. 126 and 127, of the three segments of the industry. The various statements you cite as to why the AGA supports deregulation throw no new light, as far as I can determine, on the question of underreporting or AGA's possible role in it.

Secretary Morton's statement. On p. 24, you quote former Secretary of the Interior Rogers Morton as claiming that the charge of a contrived shortage "has been refuted by every knowledgeable effort to determine its veracity." This is a claim that is difficult to accept at a time when five separate investigations are being conducted into serious unrefuted charges of possible underreporting or withholding of gas. The five are: the FTC's investigation of AGA's reporting system; the FPC's investigations of the 31 leases and of the case of the 7.9 trillion feet of non-producing dedicated gas in the Gulf; the investigation ordered by the District of Columbia Court of Appeals in the Transcontinental pipeline case, and the Moss subcommittee's investigation of the seven companies that refused to turn over the records to the FTC.

As to the FPC rulings cited by Mr. Morton, they tell us nothing of the accuracy of AGA's statistics. All of these rulings were based on the FPC's acceptance of AGA's accuracy with only the most cursory check on how AGA arrived at its figures. The only inquiry the FPC has made into AGA's reporting system was in 1970, when the agency questioned John Jacobs, chairman of the AGA Committee on Natural Gas Reserves; the FPC accepted Jacob's word that the system was reliable, and it looked no further.

However since then the Federal Trade Commission *staff* has conducted a lengthy and detailed investigation of the AGA reporting system in which sworn testimony was taken from a score of officials of the AGA, the producers and the pipelines. This investigation concluded that Jacobs's testimony to the FPC had been inaccurate on fundamentally important points, that there was "serious underreporting" in the AGA figures, and that this underreporting was "tantamount to collusive price rigging."

As to the court decisions cited by Mr. Morton, they are devoid of evidence one way or the other about the possibility of underreporting. The decisions accept AGA's estimates at face value; they involve no investigation of how the estimates were made. The most important of these decisions, that of the Fifth Circuit Court of Appeals, reached only the following conclusion about the possibility of a contrived shortage: "Obviously, the gas is not presently available . . . Given a system which depends on private stewardship and marshaling of natural resources, there is a supply shortage if the producers do not produce." These words do not refute the charge of a contrived shortage; in fact they are equally consistent with a confirmation of the charge.

Mr. Morton's final item of "refutation" is the National Gas Reserves Study, which has been dealt with above.

A "disservice" to our readers. In your covering letter you accuse the Digest of doing a disservice to our readers by possibly delaying or helping to prevent the passage of a deregulation law.

From your viewpoint, within the industry, this comment is understandable. But I ask you to consider the broader perspective a national magazine must bring to problems, and to try to assess the enormous public frustration and disillusionment with both industry and government in recent years. In

that context, we believe that the Digest's article will contribute to the public's belief in the American system by helping to make that system work more openly.

Here we have a case in which a vitally important law, which will have profound effects on the American economy, seems close to passage even though it is under a cloud of serious unanswered charges brought by responsible men. It seems to me that the passage of such a law under these circumstances can do nothing but add to the public's feeling of its own helplessness and disillusionment in the legislative process.

I am certain that you recognize that the Digest has been a leading proponent of the free enterprise system for more than 50 years. We believe that no publication has done more to attack bureaucracy and needless government interference with business. At the same time, we have striven to maintain the balance between what must be private and what must be public.

To the extent that our article helps to bring about an investigation that will provide an answer to the questions it raises, I think it represents a distinct public service. For though I myself believe in the economic principles that favor deregulation of natural gas at the wellhead, I feel that today what the country needs far more than the passage of any one law is public respect for the lawmaking process itself. The investigation our article calls for, regardless of its outcome, cannot but help to strengthen that respect.

Our editors have already met with a delegation from the American Petroleum Institute and discussed with them at length most of the above points. On the basis of that discussion we see no need at this time to consider another article on the subject. However, if you feel that you might be able to make your points more effectively in a personal meeting with us, we would be more than glad to meet with you in Pleasantville at your convenience.

Yours truly,

———.

The PRESIDING OFFICER. The hour of 4 o'clock having arrived, the Senate will now proceed to vote on the amendment of the Senator from Colorado.

The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the role.

Mr. MANSFIELD (after having voted in the affirmative). On this vote I have a pair with the Senator from Mississippi (Mr. STENNIS). If he were present and voting, he would vote "nay." If I were permitted to vote, I would vote "yea." I therefore withdraw my vote.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Florida (Mr. CHILES), the Senator from Mississippi (Mr. STENNIS), and the Senator from Missouri (Mr. SYMINGTON) are necessarily absent.

I also announce that the Senator from Michigan (Mr. HART) is absent because of illness.

Mr. GRIFFIN. I announce that the Senator from Nevada (Mr. LAXALT) and the Senator from Alaska (Mr. STEVENS) are necessarily absent.

I also announce that the Senator from Arizona (Mr. GOLDWATER) is absent on official business.

On this vote, the Senator from Alaska (Mr. STEVENS) is paired with the Senator from Arizona (Mr. GOLDWATER). If present and voting, the Senator from Alaska would vote "yea" and the Senator from Arizona would vote "nay."

The result was announced—yeas 77, nays 14, as follows:

[Rollcall Vote No. 428 Leg.]

YEAS—77

Abourezk	Griffin	Moss
Allen	Hart, Gary W.	Muskie
Baker	Hartke	Nelson
Beall	Haskell	Nunn
Bentsen	Hatfield	Packwood
Biden	Hathaway	Pastore
Brock	Helms	Pearson
Brooke	Hollings	Pell
Bumpers	Hruska	Percy
Burdick	Huddleston	Proxmire
Byrd, Harry F., Jr.	Humphrey	Randolph
	Inouye	Ribicoff
Byrd, Robert C.	Jackson	Roth
Cannon	Javits	Schweiker
Case	Johnston	Scott, Hugh
Church	Kennedy	Sparkman
Clark	Leahy	Stafford
Cranston	Magnuson	Stevenson
Culver	Mathias	Stone
Domenici	McClellan	Taft
Durkin	McGovern	Talmadge
Eagleton	McIntyre	Thurmond
Fong	Metcalf	Tunney
Ford	Mondale	Weicker
Glenn	Montoya	Williams
Gravel	Morgan	Young

NAYS—14

Bartlett	Eastland	McClure
Bellmon	Fannin	McGee
Buckley	Garn	Scott, William L.
Curtis	Hansen	
Dole	Long	Tower

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Mansfield, for.

NOT VOTING—8

Bayh	Hart, Philip A.	Stevens
Chiles	Laxalt	Symington
Goldwater	Stennis	

So Mr. HASKELL's amendment was agreed to.

Mr. HASKELL. Mr. President, I move to reconsider the vote by which that amendment was agreed to.

Mr. MOSS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. TALMADGE addressed the Chair.

The PRESIDING OFFICER (Mr. THURMOND). Under the previous order of the Senate, I believe the Senator from Illinois has the floor.

Mr. TALMADGE. Will the Senator yield to me for a perfecting amendment that I have agreed to with the floor manager of the bill? I do not think it will take more than 5 minutes.

Mr. STEVENSON. Mr. President, without losing my right to the floor, I am happy to yield to the Senator from Georgia.

Mr. TALMADGE. Mr. President, I send a perfecting amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. TALMADGE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 10, strike out lines 12 through 18 and insert in lieu thereof the following new subsection:

(2) No prohibition pursuant to paragraph (1) of this subsection may be implemented by the Commission in a manner that results in curtailing natural gas supplies to residential users, to small users, to hospitals, or for products and services vital to public health and safety. If an implementation of a prohibition pursuant to paragraph (1) of this subsection would necessarily and unavoidably result in curtailments to other essential users, the Commission shall, in its descretion, weigh the unemployment impacts to other essential users against the benefits of continuing or expanding natural gas service to the essential agricultural, food processing or packaging users and shall apportion the natural gas supplies available in the most equitable and beneficial manner.

Mr. TALMADGE. Mr. President, during the past few days of debate on our substitute version of S. 2310, which is amendment No. 934, several Senators have raised questions about the meaning and interpretation of subsection (a)(2) of the agricultural priority section of the bill, section 5. That particular subsection currently reads as follows:

No prohibition pursuant to paragraph (1) of this subsection may be inconsistent as determined by the Commission with the goals of substantially minimizing unemployment attributable to interruption of natural gas supplies or with maintaining natural gas supplies to residential users, to small users, to hospitals, or for products and services vital to public health and safety.

Mr. President, the cosponsors of S. 2310, which include Senators HOLLINGS and GLENN and myself, intended that this language be interpreted by the Commission to mean the following:

In those cases where meeting the natural gas needs of essential agricultural and food industry users may be in conflict with the objective of this bill regarding minimizing unemployment, that the Commission weigh the unemployment impacts to other essential users against the benefits of continuing or expanding natural gas service to essential agricultural and food industry users.

In short, Mr. President, we meant for these two needs for natural gas service to generally be treated equally. Furthermore, we would expect the Commission to apportion those supplies of natural gas available between these two needs in an equitable and beneficial manner.

However, since several Senators seem to feel that subsection (a)(2) in its present form is ambiguous, I have offered an amendment which I believe will clarify the meaning and interpretation of this particular provision.

I have discussed it, Mr. President, with the distinguished floor manager of the bill and it is my understanding that he is favorably inclined toward the amendment and will urge its adoption. It states clearly and specifically what the cosponsors of S. 2310 intended with the original subsection (a)(2) language. I hope that those Senators who have raised questions about this provision will now support this clarifying amendment.

Mr. HOLLINGS. Mr. President, we did discuss this. I do not know where my distinguished colleague from Kansas (Mr. PEARSON) is, but I believe the Senator from Georgia discussed this with the Senator from Kansas.

Mr. TALMADGE. Yes, I did.

Mr. HOLLINGS. It has been cleared on both sides of the aisle. Mr. President, unless there is some discussion of the language, which just clarifies what the amendment is, I urge the adoption of the amendment.

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

Mr. BEALL. Mr. President, before we vote, the Senator from South Carolina says that the Senator from Georgia has talked with the Senator from Kansas on this. I am not quite sure whether, in the proposed amendment, the Senator from Georgia is just making it clear that industrial users are going to have equal access to the gas in the distribution of old supplies.

Mr. TALMADGE. The Commission would consider the unemployment factor with industrial users along with the agricultural priority. They would be given equal weight. We hope that the Commission will offer a fair distribution of the available gas under those conditions.

Mr. BEALL. I understand. I thank the Senator. I read the amendment.

The PRESIDING OFFICER (Mr. THURMOND). The question is on agreeing to the amendment of the Senator from Georgia.

The amendment was agreed to.

Mr. TALMADGE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HOLLINGS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. TALMADGE. Mr. President, I thank my distinguished friend from Illinois.

ORDER FOR RECESS UNTIL 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 10 o'clock tomorrow morning.

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

ORDER FOR THE RECOGNITION OF SENATORS LONG, RIBICOFF, AND MANSFIELD TOMORROW, AND FOR ROUTINE MORNING BUSINESS AND RESUMPTION OF CONSIDERATION OF S. 2310

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders or their designees have been recognized under the standing order tomorrow morning, the distinguished Senator from Louisiana (Mr. LONG) be recognized for not to exceed 15 minutes; and that he be followed by Mr. RIBICOFF for not to exceed 15 minutes; and to be followed by Mr. MANSFIELD for not to exceed 15 minutes; after which there will be a period for the transaction of routine morning business for not to exceed 15 minutes, with statements therein limited to 5 minutes each, such period to be for the purpose only of the introduction of statements, petitions, memorials, resolutions, and bills in the RECORD; and that upon the conclusion of routine morning business the Senate resume consideration of S. 2310.

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

Mr. ROBERT C. BYRD. I thank the Senator for yielding.

NATURAL GAS EMERGENCY ACT OF 1975

The Senate continued with the consideration of the bill (S. 2310) to assure the availability of adequate supplies of natural gas during the period ending June 30, 1976.

Mr. STEVENSON. Mr. President, I yield to the distinguished Senator from Utah.

Mr. MOSS. Mr. President, I indicated earlier that I support the amendment that has been introduced by the Senator from Illinois and a number of cosponsors. This is an amendment that accomplishes what all of us have said we were seeking for a long period of time, and that is a reasonable compromise between the views of those who would roll back and hold down the price of energy in this country to a point that many think would be restrictive as to the production of energy, and would increase the dependence we have on foreign imports, and the other extreme of a complete deregulation of price and allocation of supply of energy that would result in the soaring of prices so swiftly and so far that impetus would be given to the inflation factor in this country and both inflation and unemployment would increase.

I ask unanimous consent that there be printed in the RECORD a page, page No. 11, of the report of the task force on energy of the Committee on the Budget, which is entitled "Decontrol Policy Options."

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

	Decontrol policy options			
	Immediate	39-mo., $11.50 oil, $1.80 gas	66-mo., $9.00 oil, $1.30 gas	66-mo., $7.50 oil, $1.00 gas
(1) Change in:				
(a) Oil prices (percent) [1]:				
75:3 to 76:4	26.5	4.7	−2.9	−6.9
76:4 to 77:4	7.6	14.1	9.9	9.7
77:4 to 80:4	20.7	37.6	29.5	39.1
75:3 to 80:4	64.3	64.3	38.2	[2] 42.0
(b) Energy prices (percent) [3]:				
75:3 to 76:4	36.6	14.6	2.1	−2.9
76:4 to 77:4	20.1	24.3	16.5	14.0
(c) Inflation rate (percent) [4]:				
75:3 to 76:4	2.9	1.2	.3	−.1
76:4 to 77:4	1.8	1.9	1.1	.9
(d) Unemployment rate (percent) [4]:				
75:3 to 76:4	.9	.4	.1	0
76:4 to 77:4	.5	.6	.3	.3
(2) Import levels (MMBD):				
75:3	6.2	6.2	6.2	6.2
76:4	6.6	7.0	7.2	7.3
77:4	7.3	7.7	7.9	8.6
80:4	5.2	5.2	7.0	[2] 9.4
(3) Rate of return on oil exploration and development (percent) [5]	25.0 22.4	22.0 19.4	14.0 12.3	8.0 6.8

[1] The blend price of all oil—old, new and imported. Assumes removal of tariff; $1.00 OPEC price increase each year.

[2] The price increase is greater under the $7.50 option than it is under $9.00 because decreased domestic production increases the share of higher-priced imports in total U.S. oil consumption. Import estimates do not reflect impact of mandatory conservation or other energy programs.

[3] Fossil fuel energy prices—weighted average of wellhead price of oil (including imports), natural gas, and 9 mo. price of coal.

[4] The inflation and unemployment figures reflect the estimated effects of increasing incomes and rising energy prices on energy consumption. The increase in unemployment and price levels from 75:3 to 77:4 is the sum of the changes in each year.

[5] The top row is computed using a 10-percent increase in drilling costs between 1974 and September 1975; the bottom row uses a 20-percent increase. The proper figure depends on the increase in drilling costs, not in drilling prices which, in turn, depends on oil prices. The difference between prices and costs are the profits that sellers of drilling equipment and services obtain in a period of rising oil prices. Both sets of calculations assume a continuation of recent trends in finding oil. Rate of return under immediate decontrol depends on size and frequency of OPEC price increases.

Note: At the end of 1980:4, the oil prices assumed are $17.50 for the 39-mo. alternative, and $12.30 for the 66-mo. $9.00 alternative. It should be noted that the end of the 66-mo. period occurs at the beginning of 1981:2 ,in the 2d quarter beyond the analysis. No assumptions are made as to any price increases in the 67th mo. or any impact anticipating such increases in the pattern of domestic production or imports.

Mr. MOSS. Mr. President, I would like to point out that this page consists of a table which makes comparisons as to the effect of several options. One is the immediate decontrol which would come about if we did not have any further legislation on this matter; the 39-month, $11.50 cap on oil, and $1.80 on gas proposal that the President made; a 66-month, $9 price on oil and $1.30 price on gas, which is the selected one in this table for optimum benefit; and, finally, a 66-month, $7.50 oil cap, and $1 on gas, which are essentially the figures that were proposed by the House in the Dingell bill.

There we have the four possible courses we might take in dealing with this problem.

If the Senators will study that table they will find out that the option there in the third column, with the $9 cap on oil, with a 5 percent a month increase to take care of the inflation factor, and 1½ percent per month increase on old oil until it got up to where it meets with new oil, and the $1.30 top price on gas, which is the average price of all intrastate gas being sold now, would produce the optimum so far as prices are concerned, energy prices, so far as the inflation rate is concerned. Therefore, I think that alinement, which is very close to that now proposed in the amendment before the Senate, would achieve what we have been looking for, and that is an element of balance and an element of compromise.

We are concerned at this time that we

need to conserve energy to the maximum degree possible so that we will not be dependent on imported petroleum and gas. We need to encourage to the maximum degree we can domestic production of oil and gas and, at the same time, we have the problem of dealing with the factors of inflation and unemployment in this country because we are still in a very critical stage so far as inflation is concerned, and another surge in energy prices would be the factor to turn upward again to double-digit proportions the amount of inflation that we have experienced.

Moreover, we still have more than 8.5 percent of our people unemployed and unemployment is going to be slow to recede, in any event. If we have a surge of inflation, there will be increased unemployment because business activity will stagnate and costs will go up, consumers will not be able to buy and the result, inevitably, will be that many of our citizens, additional in number, will lose their jobs.

The factor, in order to encourage the maximum degree of discovery and production of energy, is to be sure that there is an appropriate return on capital invested.

So this study indicates the amount of return that would be available under each of the options that I mentioned in the report and whereas, of course, the maximum return would be on immediate decontrol with a net profit after taxes of 25 percent, that grades on down so that in the column that approximates the amendment now before us there would still be a return on capital after taxes, a net return, of 14 percent.

It is the belief of the committee and the belief of those who support this amendment that a 14-percent return on capital is fully adequate to encourage the exploration and production of oil and gas in this country and that if this amendment becomes law, since there is a 5-year period and since the inflator factor is built in so that prices may move up as inflation takes its toll, that there is that element of certainty that we need to encourage capital to be invested and to produce oil and gas.

There would be no uncertainty that would encourage withholding of investment because not for a period of 5 years, at least, would there be any likelihood or any opportunity for the price to surge ahead.

As it is at the present time with the uncertainty that exists, capital is holding back and they are not utilizing their funds in their efforts to do the maximum amount of discovery and production.

Therefore, I think that the only reasonable thing for us to do is to come together on this central compromise between the various possible directions that we might take.

If we completely deregulate it, or if we take the first column in this list, then, certainly, we could not expect the House to go along because the House has already spoken and has chosen what is essentially the fourth column.

We might expect them to move over in between the two extremes, or the extremes here of the 39-month period of phaseout the President has proposed or the rollback to a lower level in the costs the House has proposed.

So I would urge my colleagues to study very carefully the impact of each of these proposals and I urge that they support the amendment that is before us.

If this is not done, we will wind up finally after the time has expired for the extension of allocations and controls, the time expires the middle of November, and we will have accomplished nothing. We will have then the extreme position of no control at all and the disastrous increase in inflation and unemployment that that situation would bring.

For that reason, I support this amendment and urge that it be adopted and that the bill then, as it is fashioned with the amendment in it, could become law and we could finally have fulfilled what we have said all along is our objective, to find a reasonable middle road to deal with this problem that has plagued our country, has brought us in large part the inflation we have now, and has contributed so severely to the unemployment that we experience in this country.

I hope that we can rather quickly come to the place where we can have a decision on this matter and having done that we can move on to the other business that we have before us.

I thank the Senator for yielding to me on this matter.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, will the distinguished Senator from Illinois yield for a unanimous-consent request?

Mr. STEVENSON. I yield for that purpose to the Senator from West Virginia.

Mr. ROBERT C. BYRD. I thank the Senator.

ORDER FOR RECESS UNTIL 9 A.M. TOMORROW AND FOR THE RECOGNITION OF SENATORS ON TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the convening on tomorrow be at 9 a.m., and that following the remarks of Mr. RIBICOFF, Mr. FANNIN be recognized for not to exceed 15 minutes, and that he be followed by Mr. EAGLETON for not to exceed 15 minutes, prior to the recognition of Mr. MANSFIELD under the order entered.

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

Mr. ROBERT C. BYRD. I thank the Senator.

NATURAL GAS EMERGENCY ACT OF 1975

The Senate continued with the consideration of the bill (S. 2310) to assure the availability of adequate supplies of natural gas during the period ending June 30, 1976.

Mr. STEVENSON. Mr. President, I am grateful to the Senator from Utah for his remarks and I commend him for the efforts which he has put into this proposal.

I think he made a good point, a practical point; if the Pearson-Bentsen amendment is adopted, it is not likely to get very far in the House.

In fact, the House leadership has indicated that it will not go to conference with the Senate on such a long-term pricing provision. Of course, it is also possible that the conference on the House-passed bill, the oil bill, will produce an oil pricing provision which would be unacceptable to the President.

So, as I believe he indicated, this is not only a sound proposal, I might add a proposal that is the product of some 2 years of study, hearings and debate, but at this very late date may be the only proposal that is capable of enactment.

Mr. BUMPERS. Will the Senator yield?

Mr. STEVENSON. As he pointed out, the Allocation Act is due to expire November 1, at which point all control will expire.

I thank the Senator.

Mr. President, I yield to the Senator from Arkansas.

Mr. BUMPERS. Mr. President, I want to ask the sponsor of the bill—really, this is in the nature of a parliamentary inquiry and I should be addressing the Chair and will be if the Senator does not know the answer to this—we are in the third degree on the amendment, as I understand it; the Stevenson amendment, which is now pending is a third-degree amendment and if it prevails in this Chamber it would not be subject to any further amendments, except modifications that were acceptable to the sponsors; is that correct?

The PRESIDING OFFICER. The Stevenson amendment is not a third-degree amendment, it is a second-degree amendment. It is not subject to further amendment.

Mr. BUMPERS. Mr. President, a further parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BUMPERS. Mr. President, does that mean that if a motion to table the Stevenson amendment is not agreed to that it is still the pending question and may not be amended?

The PRESIDING OFFICER. The Senator is correct.

Mr. BUMPERS. Could it be amended or modified by agreement of the author, or the sponsor?

The PRESIDING OFFICER. It can be modified by the author until the Senate takes action.

Mr. BUMPERS. But not amended?

The PRESIDING OFFICER. But not amended.

Mr. BUMPERS. So if the Stevenson amendment is agreed to here, that is the end of this whole question, 934, the Pearson-Bentsen amendment, the whole works, is that correct, with no amendments in order, no further amendments in order?

The PRESIDING OFFICER. The Stevenson amendment is not amendable. If agreed to, the question would be on the Pearson amendment as amended.

Mr. BUMPERS. What I am saying, certainly, that will be the next question to be presented to this body, and if that substitute is accepted here it is not sub-

ject to any amendment; in other words, this Chamber will be voting on the Stevenson substitute in its entirety without any amendment, and if that prevails that will be the end of this emergency gas question now pending before the Senate.

Mr. STEVENSON. Mr. President——

The PRESIDING OFFICER. There would be other votes, but they would be on other pending amendments—the Pearson amendment, as amended, and then the Hollings amendment, as amended.

Mr. STEVENSON. Mr. President, if this amendment were adopted, there could be no more amendments to it. For that matter, even if it is not adopted, no amendments, as I understand it, would be in order.

The Senator said it would be the end of emergency gas business. The Stevenson amendment contains not only the long-term pricing proposals which I have described, but also the so-called Hollings-Glenn emergency pricing provisions. So it would not be the end of emergency pricing.

Mr. BUMPERS. That was a misnomer. If I may pursue this a moment further, S. 2310 was the original so-called emergency gas bill. As I understood it, the Talmadge-Hollings-Glenn amendment was an amendment in the form of a substitute, No. 934. That was a substitute amendment.

The next amendment was the Pearson-Bentsen amendment to the Hollings-Glenn substitute. It was my impression that that was an amendment in the second degree.

Mr. HOLLINGS. A substitute amendment, that is right.

Mr. BUMPERS. And it is my understanding that S. 2310 may not be amended further. The question is, does that not make the Stevenson amendment, then, a third degree amendment substitute?

The PRESIDING OFFICER. The Hollings amendment is a complete substitute, and therefore, as the first substitute is considered as original text.

Mr. BUMPERS. Another parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BUMPERS. Did the Hollings-Glenn substitute become the bill and was S. 2310 withdrawn, or is S. 2310 still the pending bill?

The PRESIDING OFFICER. S. 2310 is still pending and is still amendable. The Stevenson amendment is not amendable. The Hollings and Pearson amendments are amendable.

Mr. BUMPERS. The Hollings and Pearson amendments are amendments?

The PRESIDING OFFICER. Are pending amendments and are amendable.

Mr. BUMPERS. Are amendable, that is correct. In other words, they are subject to further amendment. And the Stevenson substitute is not?

The PRESIDING OFFICER. That is correct. That is what the Chair said.

Mr. BUMPERS. I thank the Chair.

Mr. STEVENSON. Mr. President, I ask unanimous consent that the following Members be added as cosponsors of this amendment: Senators McINTYRE, BIDEN, HATHAWAY, BROOKE, McGOVERN, PELL, HUMPHREY, and MAGNUSON.

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

Mr. LONG. What was the request, Mr. President?

Mr. STEVENSON. The request was to add cosponsors to the amendment.

S. 2310, AND THE NATURAL GAS CHAPTER OF OUR ENERGY DEBATE

Mr. MONTOYA. Mr. President, during the last 2 years the Congress has spent a large portion of its time debating and considering the various phases of the energy issue. We in the Senate have recently been confronted with the complex and controversial problems which surround the issue of oil price decontrol. Now we are faced with another complex and controversial phase of the energy debate—deregulation of natural gas. The debate surfaces on the eve of the traditionally high natural gas consumption winter months. Our debate begins amid predictions of shortages of natural gas supplies in the Northeast up to 30 percent, or industrial shutdown, dwindling coal supplies, and while we remain under the ever-present specter of uncertain imports of petroleum crude from the OPEC cartel. Mr. President, some proponents of S. 2310 depict those of us from the energy-producing States as insensitive to the needs of the rest of the country and interested only in accumulating vast profits from an essential resource. But this is not true, Mr. President. Far from being insensitive to the needs of the Nation, we of the producing States are very mindful of, and sensitive to, the needs of the American people and the realities of our current natural gas emergency situation. The reality of the problem is the decreasing supply of natural gas and the lack of proper incentives for new exploration and development for natural gas producers to assure continued sufficient supplies of natural gas for all parts of the country. It is this concern of the producing States that has resulted in a call for deregulation of all new onshore natural gas, and the phased-out deregulation of new offshore natural gas sources, in order to provide incentives for new exploration and assure sufficient amounts for future utilization.

Mr. President, I must oppose S. 2310 as reported, and urge my colleagues to adopt a more reasonable approach. This emergency legislation attempts to meet the needs for natural gas this winter by establishing more controls without the necessary incentives for natural gas producers. The bill, rather than encouraging increased natural gas output, discourages further new exploration and development. Also, S. 2310, the Hollings-Glenn emergency bill, while dealing with the emergency situation, terminates in June of 1976. It is clear to see that the Senate may be falling back into a do-nothing strategy that has plagued us in dealing with the question of oil decontrol. Delaying action only prolongs the lack of direction in our Nation's energy policy. We now have the opportunity to deal with both the emergency natural gas crisis and permanent natural gas deregulation to assure adequate supplies in the future. It is important that we deal with the permanent natural gas question to display to the American public, Congress sincerity in establishing a sound national energy policy.

Mr. President, the winter is quickly approaching and the need for emergency legislation is essential to ease a possible cold winter in the Northeast. But beyond the immediate emergency situation, the long-range question of sufficient natural gas supplies lingers. Clearly, we are faced with an immediate crisis that can be dealt with temporarily, but what is to be done next winter and winters in the future?

Mr. President, as a substitute to S. 2310, Senators PEARSON, BENTSEN, and others have introduced amendment 919 which contains twofold legislation that deals with the emergency natural gas shortage, and the longer range goal of assuring sufficient amounts of natural gas in the future. It seems the more practical answer to the natural gas question, because it combines a strategy to ease the pending shortage this winter by allowing interstate natural gas pipelines to purchase natural gas from intrastate and other natural gas sources, and furthermore, it presents a plan of decontrol that will supply sufficient incentives to assure adequate quantities of natural gas in the future. Also, section 26 of amendment 919 recognizes the very critical need to provide adequately for essential agricultural purposes. For New Mexico, a rural State with more than 2½ million acres of cropland, the importance for establishing priorities for essential agricultural purposes is paramount. Historically, the agricultural sector has relied on natural gas for irrigation pump fueling, crop drying, and the development of fertilizers. These needs must remain a priority to benefit our Nation's farmers, who in turn supply the majority of food consumed by the American public.

I urge my colleagues to adopt the Pearson-Bentsen substitute to S. 2310 and would like to briefly remind them of the magnitude of the problem before us. In my own State of New Mexico, we produced 1,230,487,547 Mcf of natural gas last year, with 22 percent consumed and used in the State. The importance of this fuel to the farmers of New Mexico has not diminished since then. Nor will its importance to businesses and homeowners decrease as the winter months approach. Deregulation of natural gas, through such means called for in the Pearson-Bentsen substitute, is no longer a matter for debate.

It is a matter of necessity. Furthermore, it would significantly stimulate the production of this resource—aiding not only the industry itself, but those farmers, businessmen and homeowners who rely on natural gas as an important source of energy. Stimulation of natural gas is a must. For example: In New Mexico, as of December 31, 1972, production reached 12,335,647,000 Mcf. As of December 31, 1973, production was at 12,488,363,000 Mcf. While an increase of 0.14 percent in production was present, it fell short of the supply capabilities of this essential resource. In addition, sources have estimated that potential reserves of natural gas could reach 23 tril-

lion cubic feet. This potential cannot be wasted. New Mexico cannot afford to lose this supply and neither can the rest of the Nation. Nationally, natural gas provides about one-third of America's overall energy requirements. It accounts for 41.1 percent of domestic energy production, compared to 30.6 percent for crude oil and 22.1 percent of coal. More than 50 percent of the energy consumed by U.S. industry is derived from natural gas and over 55 percent of our homes are heated by natural gas. Demand for this fuel has continued to increase as production has declined. The time is now to supply incentives for increased production and to ease the pending natural gas shortage of this winter. The Pearson-Bentsen substitute to S. 2310 accomplishes this step. Thank you, Mr. President.

PRIVILEGE OF THE FLOOR—H.R. 7706

Mr. LONG. Mr. President, I ask unanimous consent that Mr. Michael Stern and Mr. Joe Humphreys, of the Senate Finance Committee staff, be permitted the privilege of the floor.

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

ORDER OF BUSINESS

Mr. LONG. Mr. President, I ask unanimous consent that the pending business be temporarily laid aside, and that the Senate proceed to the consideration of H.R. 7706; and that when that bill is disposed of, the pending measure, S. 2310, continue to be the pending business before the Senate.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

DUTY SUSPENSION ON NATURAL GRAPHITE

Mr. LONG. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of H.R. 7706.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 7706) to suspend the duty on natural graphite until the close of June 30, 1978.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

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

Mr. LONG. Mr. President, I have discussed this matter with those who are on the Finance Committee on both sides of the aisle, and also with the leadership on both sides of the aisle. It is necessary that we act quickly as we can with regard to a problem involving child care.

We have on the calendar a bill, H.R. 7706, which was reported by the Finance Committee without objection. It has been on the calendar for some time now, and, so far as I can determine, there is no objection whatever to the bill itself.

This bill would suspend the duty on natural graphite until June 30, 1978, for imports from countries which are afforded nondiscriminatory tariff treatments. There is only one domestic source of graphite and this domestic producer is able to supply only a small part of the annual demand. In 1973 domestic production amounted to only 3 percent of national consumption of this material. In fact, the parent firm of the only domestic producer of graphite is seeking the duty suspensions. No unfavorable comments was received by the Finance Committee from the general public on this bill and there were no objections from any of the executive agencies.

Mr. President, the House of Representatives has sent us a bill that related to a problem involving child care. In order that this matter could be the subject of hearings, and the Senate could propose such amendments as it deemed appropriate after hearings had been held, we deemed it wise to keep the House bill in the committee. The committee amendments I will be offering to H.R. 7706 incorporate the House child care language as well as the Finance Committee's proposed child care amendment. In addition, we would suggest that a matter involving the alcohol and drug abuse programs be added as another amendment. I would like to ask the Senator from Maine (Mr. HATHAWAY) to explain that amendment briefly. I ask unanimous consent that I may yield to the Senator from Maine so that he might explain his amendment, which was unanimously agreed to in the committee.

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

Mr. HATHAWAY. Mr. President, I thank the Senator from Louisiana for yielding.

The Finance Committee has agreed to offer as committee amendments three minor, noncontroversial amendments related to title XX funding for services to individuals who are alcoholic or drug dependent. Since these amendments were offered by me to the committee, I want to take this opportunity to thank the chairman and the members of the committee on both sides of the aisle for their cooperation and to explain the amendments briefly to my colleagues.

Each of these three minor changes, which I expect to be considered and accepted together as a single amendment, involve problems that have arisen in a number of States regarding the title XX regulations as they apply to alcoholism and drug abuse treatment programs. The problems have been called to my attention as chairman of the Subcommittee on Alcoholism and Narcotics of the Committee on Labor and Public Welfare. Each of them is grounded in the unique nature of alcoholism and drug abuse treatment among the title XX services designed to turn dependent persons into productive, self-sufficient citizens.

By way of brief description, the first change simply inserts in title XX a cross reference to provisions insuring the confidentiality of the records of persons served by federally funded treatment programs for alcoholics and drug abusers. The second and third changes refer to those parts of the law which require that medical and room and board costs be a "subordinate" part of the total cost of a service funded under this title. Specifically, the second change would insure that the entire rehabilitative process for alcoholics or drug addicts is considered when determining whether medical costs or room and board costs are "subordinate." The third change would exempt the initial detoxification process from those requirements, and from the prohibition against funding services in hospitals, intermediate care facilities and certain other facilities, for a period not to exceed 7 days if such detoxification is determined to be integral to the provision of further services under this title.

Title XX was enacted by Congress for the purpose of providing social services to reverse the growth of individual dependency in America, and to make as many people as possible self-supporting and self-sufficient once again.

Alcoholism and drug addiction are specifically recognized in title XX as two types of "dependency" the act is designed to affect. In fact, they are both classic examples of such dependency, since the successful treatment of alcoholism or drug addiction in an individual almost invariably renders that person a productive, taxpaying, family-supporting, nondependent member of society.

There has been considerable development in alcoholism and drug abuse treatment in the 5 years since major Federal efforts have been inaugurated in these fields. Treatment has been evolving away from medical and institutional models and toward a widespread community-based approach, and that is also a tendency title XX is designed to encourage.

However, in writing title XX regulations and seeking to apply them to alcoholism and drug abuse treatment programs, HEW seems to have overlooked certain unique aspects of such programs.

For if community-based treatment and an end to alcohol and drug dependency are to be the goals, the realities of such treatment must be taken into consideration in the pursuit of those goals.

One area that appears to have been given insufficient thought is the area of confidentiality of the record of persons in treatment.

In the last 2 years, Congress has passed landmark confidentiality legislation for the protection of individuals who are treated for alcoholism, alcohol abuse and drug dependency. The confidentiality provisions specifically provide that the identity, diagnosis, prognosis, and treatment of persons shall be kept confidential unless a person gives his written consent to the contrary. The only exceptions to this tightly drawn protection concern the release of information to medical personnel if required to meet an emergency, to other parties pursuant to a court order upon a showing of good cause, or to qualified personnel for the purpose of conducting research, evaluation or an audit for statistical purposes only, without revealing any individual's name. The prohibitions of this provision apply to all records, irrespective of whether a person is still in

treatments. Penalties ranging from $500 to $5,000 may be assessed against persons violating the provisions.

The need for such a provision is obvious. Only in recent years have we begun to overcome the stigma that has traditionally attached to these dependencies and see them as illnesses which can be successfully treated.

However, much of that stigma remains, and many persons would refuse to seek treatment for alcoholism or drug addiction if they thought there would be any chance that their employer or others in their community would find out. Application of new title XX regulations insenitive to these needs would considerably set back the overall Federal gains in these areas.

The addition of a specific cross reference to the confidentiality law will insure that individuals will continue to be protected in such programs, even if their treatment is funded under title XX, from the moment they first seek services to help end their dependency.

I would underscore the specific need for this protection in the very earliest stages of contact with an alcoholic or drug dependent individual, even prior to determination of eligibility under title XX. Such eligibility must be determined within the confines of the confidentiality law for this service to be effective. If necessary, eligibility must be determined by acceptance of an individual's affidavit as to income and other eligibility requirements. Spot checking might be used to determine that no abuses are taking place, but only with absolute safeguards concerning the identification of the individual as a candidate for alcohol or drug abuse treatment. This is not to imply that a certain amount of record keeping cannot be done as between the service provider and the State title XX agency in control of the funding. For certain purposes, the two may need to be considered different "arms" of the same service.

But as between the two "arms" and any outside individual or institution, the confidentiality provisions must be strictly adhered to.

The second and third parts of this amendment concern other realities of alcohol and drug abuse treatment which need additional emphasis in the administration of title XX.

Rarely, for example, do you find that the several crucial stages of treatment for an individual can be coordinated nicely into a single service center or administered by a single entity in an area. Most often, an alcoholic individual, for example, must go—or be taken—first to a detoxification unit for a length of time—almost always totaling 7 days or less. From there, the individual would proceed to treatment, either in a short term—that is, averaging between 4 and 6 weeks—residential programs, or a halfway house, often based in the community, or some other type of program. After that, or immediately after detoxification, outpatient treatment and extensive counseling would follow, as the individual is brought to a state of self-support or self-sufficiency.

Treatment of drug-dependent individuals can follow similar patterns, although some may require longer-term residential treatment than alcoholics, which title XX is less easily geared to support.

Quite simply, it is a mistake to view any single component of alcoholism or drug addiction treatment as a separate entity for most individuals requiring treatment. The initial short detoxification, in which the medical component may be less subordinate than required under the HEW standards, should be for most individuals simply a preliminary stage of the treatment, even though it may be provided to the individual by a separate entity. Conversely, a person in a treatment program cannot get to the point where treatment will be useful, without first going through some form of detoxification. They are all part of the same "service", and this amendment would insure they are treated as such.

By regulation, HEW has determined that no more than 25 percent of the entire cost of a service funded under title XX may be allotted for medical expenses, and that no more than 40 percent of the cost may be allotted for room and board. This amendment in no way affects those requirements. However, much confusion has developed in the field in States with plans that specify alcoholism and drug abuse treatment facilities as eligible services under title XX.

The amendment clarifies this point by requiring that, for an individual requiring a complete rehabilitative process, that entire process, as outlined above, will be taken into consideration in determining whether the 25 percent medical and 40 percent room and board requirements should apply.

In addition, the amendment underscores the particular value to the entire process of initial detoxification. Generally, detoxification requires more intensive medical and room and board care than title XX would allow. Yet, in keeping with the letter and spirit of the title, it is an essential step for many persons in the process of ending dependency on alcohol or drugs. Few, if any, other services can be provided to a person in need of detoxification. By limiting the exemption of initial detoxification from the requirements to 7 days, it should be clearly understood that Congress does not intend to endorse the funding of long-term or unnecessary medical care of hospitalization under title XX, but rather to insure that initial detoxification can be provided if it is necessary before further services can be effective.

In conclusion, let me briefly explain what the amendments do. One makes sure that the confidentiality requirements of the authorizing legislation with respect to alcohol and drug abuse be observed with respect to any regulations that may be promulgated under title XX. The second seeks to make sure that the requirement by regulation that no moneys be expended under title XX for services in which more than 40 percent of the funds go for room and board, or more than 25 percent go for medical payments, be more realistic with respect to drug abuse and alcohol problems, by making sure that the entire alcohol rehabilitation program be considered as one unit, and the third exempts a detoxification period, up to 7 days, from these requirements.

If there are any questions any Senators may have on this matter, I would be happy to answer them.

Mr. LONG. Mr. President, the Senator from Nebraska (Mr. CURTIS) is on his way to the Chamber. I had hoped he could be here when we act on this measure. I suggest the absence of a quorum.

Mr. MONDALE. Mr. President, will the Senator yield?

Mr. LONG. I withdraw that, and yield to the Senator from Minnesota.

Mr. MONDALE. I commend the chairman of the Committee on Finance for his efforts to deal with this extremely complex and difficult problem of reconciling how children should be properly cared for in day care centers, when their parent or parents work, and trying to do so in a way which meets the objective of encouraging work rather than welfare, but not doing so at the expense of the children.

I think the proposal the Senator introduced earlier this week was the way to do it. I supported him, and was proud to do so. This will give us a month, now, to work out this dispute if we can, and I hope that we can.

I simply wanted to express my admiration for his leadership in this field.

Mr. LONG. As the Senator perhaps knows, hearings on child care staffing requirements have been scheduled for next Wednesday. I applaud the Senator from Minnesota for the very fine contribution he has made in this area. We have some problems, but I believe we will resolve them. I hope we can resolve them in a way that *does the* maximum good for those little children and for their parents.

I am very happy that I find myself in almost complete agreement with the Senator from Minnesota in this area, and believe that we should find a way to meet the problems in such a way that out of the funds available we do the maximum good that can be done for those who are affected by our action. I am very optimistic that we will be able to work out a program that will help these little children, that will reduce the dependency of these families, and that will improve the quality of day care. The Senator is very much interested in all those matters, and I am very proud to work with him in this area.

Mr. MONDALE. I thank the Senator very much.

Mr. HATHAWAY. Mr. President, will the Senator yield for a unanimous consent request?

Mr. LONG. I yield.

Mr. HATHAWAY. I ask unanimous consent that the chief counsel of the Alcohol and Drug Abuse Subcommittee of the Committee on Labor and Public Welfare, Larry Gage, be extended the privilege of the floor during the debate on this measure and any votes thereon.

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

Mr. LONG. Mr. President, I am pleased to see that the Senator from Nebraska (Mr. CURTIS) has arrived in the Chamber. I now send to the desk an amendment involving child care, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. LONG. I ask unanimous consent that further reading of the amendment be dispensed with.

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

Mr. LONG'S amendment is as follows:

At the end of the bill add the following new sections:

SEC. 3. Section 7(a) of Public Law 93-647 is amended by adding at the end thereof the following new paragraph:

"(3) Notwithstanding paragraph (1) of this subsection, payments under section 2002 (a) (1) of the Social Security Act with respect to expenditures in connection with the provision of child day care services in day care centers and group day care homes, in the case of children between the ages of six weeks and six years, may be made, for quarters during the period ending March 31, 1976, without regard to the requirements relating to staffing standards which are imposed by or under section 2002(a) (9) (A) (ii) of such Act, so long as the staffing standards actually being applied in the provision of the services involved (A) comply with applicable State law (as in effect at the time the services are provided), (B) are no lower than the corresponding staffing standards which were imposed or required by applicable State law on September 15, 1975, and (C) are no lower, in the case of any day care center or group day care home, than the corresponding standards actually being applied in such center or home on September 15, 1975.".

SEC. 4. (a) Section 7(a) of Public Law 93-647 is amended by adding at the end thereof the following new paragraph:

"(3) Notwithstanding paragraph (1) of this subsection or section 3(f), payments under title IV or section 2002(a) (1) of the Social Security Act with respect to expenditures made prior to November 1, 1975 in connection with the provision of child day care services in day care centers and group day care homes, in the case of children between the ages of six weeks and six years, may be made without regard to the requirements relating to staffing standards which are imposed by or under section 2002(a) (9) (A) (ii) of such Act, so long as the staffing standards actually being applied in the provision of the services involved (A) comply with applicable State law (as in effect at the time the services are provided), (B) are no lower than the corresponding staffing standards which were imposed or required by applicable State law on September 15, 1975, and (C) are no lower, in the case of any day care center or group day care home, than the corresponding standards actually being applied in such center or home on September 15, 1975.".

(b) Paragraph (3) of section 7(a) of Public Law 93-647, as added by section 3 of this Act, shall not be applicable to expenditures in connection with the provision of child day care services during the fiscal year ending June 30, 1976.

Mr. LONG. Mr. President, I ask unanimous consent that my colleague from Louisiana (Mr. JOHNSTON) be added as a cosponsor of this amendment.

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

Mr. LONG. Mr. President, I am offering as an amendment to this bill a provision approved by the committee on October 1 which would delay the implementation of certain child care standards under the Social Security Act through the end of this month.

Under legislation enacted in December 1974, providers of child care funded under the Social Security Act must meet minimum staffing requirements which have not previously been enforced and which will require a substantial increase in the staff of many of these providers.

The issue of the proper staffing levels for child care is one which has been debated for a number of years and concerning which there are a variety of opinions. The 1974 legislation requires the Department of Health, Education, and Welfare to undertake an evaluation of the appropriateness of these staffing requirements and to report to the Congress between January and June, 1977. Pending the completion of this study, the staffing standards specified in the 1974 Social Services Amendments would have to be met in order for child care programs to qualify for Federal funding under the Social Security Act. These new statutory requirements went into effect on October 1, 1975.

On September 29, 1975, the House of Representatives passed a bill which provided for a 6-month delay in the enforcement of the child care staffing requirements of the Social Services Amendments of 1974 insofar as they apply to children between the ages of 6 weeks and 6 years. The report of the Committee on Ways and Means on this legislation indicates that the 6-month delay is being proposed by the House in recognition of the fact that many child care centers do not presently have the staff necessary to comply with the new standards and in the hope that this delay will make it possible to arrive at a more permanent answer.

The Finance Committee felt that the practical situation faced by the Congress is such as to warrant a delay. There are, on the basis of the evidence available, many child care providers who do not presently have the staff necessary to meet the standards. The committee was not convinced, however, that a delay of 6 months is warranted. The law already provides for a thorough study of the question of what staffing standards are proper, and there is no reason to think that this can be completed before 1977. It is unlikely that there will be substantially more information available in 6 months than there is at present.

Thus it appears that the tasks of the Congress is to find a way of dealing with the standards already in the law until more information is available. A 1-month delay should allow adequate time for this consideration. The committee intends to act promptly to deal with this issue within the time allowed by the amendment I am offering today. The committee has already scheduled hearings on this subject for next Wednesday, October 8, and I would hope that further action could be completed shortly thereafter.

The House may wish to go to conference on this bill. To afford an opportunity for the conferees to have before them the 6-month delay approved by the House, my amendment also includes the text of the House-passed provision. In another section of the amendment, this 6-month provision is superseded by the Finance Committee's 1-month postponement. Thus the Senate in approving my amendment will be approving a 1-month delay, but the House language will be in conference should there be a conference.

It will always be possible to agree to the House language rather than the Senate language, if that is what the conferees wish to do.

I urge that the Senate agree to the amendment.

Mr. CURTIS. Mr. President, our distinguished chairman has previously explained the provisions of H.R. 7706, as reported by the Committee on Finance, together with the proposed committee amendment on child day care centers. I wuold like, briefly, to supplement his comments.

In 1974, Congress added a new title XX through the Social Security Act relating to social services. A major social service to be funded through title XX is the providing of child day care services. Title XX itself contains certain requirements as to the staffing of these day care centers and, additionally, authorizes the Department of Health, Education, and Welfare to promulgate regulations imposing further staffing standards. These standards took effect October 1, 1975. States which are found not to be in compliance as of that date risk loss of Federal funding under title XX. Since a number of States are in fact faced with loss of Federal funds for failure to comply with these staffing requirements, some form of legislative action seems to be clearly necessary.

The House bill, which was not passed until September 29, 1975, responds to this problem by simply postponing the effective date of the staffing standards for 6 months to April 1, 1976.

Under the circumstances, it seemed to me that this was a reasonable approach. However, when the Committee on Finance met to consider the House bill, it was apparent that a number of Senators, including our distinguished chairman, had alternative approaches in mind and that, additionally, a simple 6-month postponement of the effective date posed some problems. Moreover, the Department of Health, Education, and Welfare had yet another alternative that it wished the committee to consider. Because of the time pressures imposed on the committee, which were beyond the committee's power to control, there was no sufficient time to adequately consider the various alternative courses of action available to us, and, if necessary, to hold hearings to receive the views of the administration and other interested parties.

The committee recognized the competing needs for prompt legislative action and for careful consideration of all alternative suggestions. Accordingly, the committee agreed to postpone the effective date of these staffing requirements for 1 month, to November 1, 1975. During this month, the committee will hopefully be able to develop a more satisfactory solution to the problem. Although I have some personal reservations about a simple 1-month extension such as has been recommended by the committee, I nevertheless have concluded that it is the best that can be done under the circumstances. For these reasons, Mr.

President, I support the committee amendment and urge its favorable consideration by the Senate.

The PRESIDING OFFICER (Mr. STONE). The question is on agreeing to the amendment of the Senator from Louisiana.

The amendment was agreed to.

Mr. LONG. Mr. President, I send to the desk a committee amendment to H.R. 7706 relating to alcoholism and drug abuse which is offered on behalf of the Senator from Maine.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Louisiana (Mr. LONG) on behalf of the Senator from Maine (Mr. HATHAWAY) proposes an amendment to add a new section at the end of the bill.

The amendment is as follows:

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

SEC. 5. (a) Section 2003 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"(f) The provisions of section 333 of the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 shall be applicable to services provided by any State pursuant to this title with respect to individuals suffering from drug addiction or alcoholism."

(b)(1) Section 2002(a)(7) of such Act is amended by adding at the end thereof the following new sentence: "With regard to ending the dependency of individuals who are alcoholics or drug addicts, the entire rehabilitative process for such individuals, including but not limited to initial detoxification, short term residential treatment, and subsequent outpatient counseling and rehabilitative services, whether or not such a process involves more than one provider of services, shall be the basis for determining whether standards imposed by or under subparagraph (A) or (E) of this paragraph have been met."

(2) Section 2002(a)(11) of such Act is amended by—

(A) striking out "and" at the end of clause (B) thereof,

(B) striking out the period at the end of clause (C) thereof and inserting in lieu of such period "; and ", and

(C) adding after clause (C) thereof the following new clause:

"(D) any expenditure for the initial detoxification of an alcoholic or drug dependent individual, for a period not to exceed 17 days, if such detoxification is integral to the further provision of services for which such individual would otherwise be eligible under this title.".

(3) Section 2002(a)(7)(A) of such Act is amended by inserting "(except as provided in paragraph (11)(D))" immediately after "other remedial care".

(4) Section 2002(a)(7)(E) of such Act is amended by inserting "and paragraph (11)(D)" immediately after "paragraph (11)(C)".

Mr. LONG. Mr. President, the Social Security Act's social services provisions are an important source of funding for the rehabilitation of drug addicts and alcoholics. Under the Social Services Amendments of 1974, the social services program has been restructured in a new title XX of the Social Security Act, and the regulations for this program have been rewritten to conform with the new legislation.

While the intent of the new law and regulations is completely consistent with continued use of the social services program to help with the rehabilitation of addicts and alcoholics, the language of the law is open to interpretations which might pose some difficulties for these programs. The amendment I am offering on behalf of the Committee on Finance would correct this situation.

The new law requires that individuals served by the program have incomes within specified limits related to State median income levels. Regulations of the Department of Health, Education, and Welfare require the States to verify an applicant's statement that his income is within the permitted limits, and verification may sometimes require an employer contact. This raises the possibility that an employer could be informed in this process that the individual is undergoing treatment for addiction or alcoholism which in turn could result in the loss of his job, defeating the purpose of the rehabilitation effort. To prevent such situations, a provision already enacted into law in the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act Amendments of 1974 requires a special degree of confidentiality in dealing with the treatment of such individuals. The amendment I am offering to this bill would not in any way prohibit the verification of an applicant's eligibility for social services, but it would require that in the case of drug addicts and alcoholics the special confidentiality requirements of the Comprehensive Alcohol Abuse Act be observed.

Another problem is related to the fact that under the new law social services funding generally is not applicable to medical or residential types of care, which is more appropriately funded under other programs. Funding is available only when the care involved is a subordinate and integral part of a social service program. In itself this provision creates no difficulty for drug addiction and alcoholism programs, provided that the whole rehabilitation process is considered. However, there is a possibility under the law and regulations that certain elements of the process could be looked at in isolation and found to be ineligible for funding. The amendment I am offering would correct this by making two additions to the law.

The amendment would make clear that in evaluating services of a medical nature provided to an addict or alcoholic, the rehabilitative process for an individual would be looked at in its entirety and not in segments. Thus initial detoxification, short-term residential treatment, usually about a month in duration, and subsequent counseling and other services would all be considered together.

The amendment also specifically authorizes social service funding for initial detoxification programs up to a duration of 7 days, without regard to the usual ban on funding of services to institutionalized individuals. The detoxification would have to be integral to the further provision of services for which the individual would be eligible.

The amendment I am offering was offered in committee by Senator HATHAWAY at the Finance Committee at its meeting of October 1, 1975 and was approved as a committee amendment.

Mr. HATHAWAY. Mr. President, if the Senator will yield, if there are any questions in regard to the amendment, I am happy to try to answer them.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Louisiana.

The amendment was agreed to.

Mr. LONG. Mr. President, I send to the desk an amendment to the title of the bill.

The PRESIDING OFFICER. The amendment to the title will be stated after the bill is passed.

If there is no further amendment to be offered——

Mr. LONG. Mr. President, I was informed that the Senator from Colorado (Mr. HASKELL) is on his way to the Chamber, that he had some question with regard to this matter, and I wish to afford him that opportunity.

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. HELMS. 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 OF BUSINESS

Mr. HELMS. Mr. President, I wonder if the distinguished Senator from Illinois would permit me to have about 4 or 5 minutes under unanimous consent for an extraneous matter.

Mr. STEVENSON. Mr. President, without losing my right to the floor, I am glad to yield to the Senator from North Carolina.

The PRESIDING OFFICER. The Senator from Illinois does not have the floor. The Senator from North Carolina has the floor.

Mr. MANSFIELD. Mr. President, will the Senator yield to me for 1 minute?

Mr. HELMS. I am delighted to yield to the distinguished majority leader.

U.S. GRAIN EXPORTS TO THE SOVIET UNION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the pending business be laid aside temporarily and the Senate proceed to the consideration of Calendar No. 393, Senate Resolution 269, by Senators TUNNEY and DOLE.

The PRESIDING OFFICER. The resolution will be stated by title.

The second assistant legislative clerk read as follows:

A resolution (S. Res. 269) relating to United States grain exports to the Soviet Union.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

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

Mr. TUNNEY. Mr. President, I send a modification of the resolution to the desk and ask that it be stated.

The PRESIDING OFFICER. The modification will be stated.

The assistant legislative clerk read as follows:

On page 2 in line 4 after the words "Soviet Union" strike the "an" and add "a short term."

The PRESIDING OFFICER. The question is on agreeing to the modification by the Senator from California.

The modification was agreed to.

Mr. TUNNEY. Mr. President, this resolution is designed to promote the possibility of obtaining Soviet oil at lower than OPEC prices in return for American grain.

Senator DOLE and I have been joined by 13 of our colleagues as cosponsors of this resolution.

To those who might question whether the Soviet Union is indeed interested in such an agreement, I would say that in the face of tremendous grain shortages and a 4 to 1 negative balance of trade with the Soviet Union, the Soviets may have no choice.

As for how much oil the Soviets would be able to export, the Federal Energy Administration reports that the U.S.S.R. currently produces 9.2 million barrels per day, has a daily surplus of 1.2 million barrels, and has an 83-million-barrel reserve.

But we do not need that much oil to find a lever we can use on OPEC prices. As their recent meetings showed, the OPEC motto is hardly "all for one and one for all."

Once they perceive their potential revenue loss, their cartel sessions may strike a different tone.

The U.S. negotiating team is now in Moscow, and an agreement is rumored to be near. Now is the time for the Senate to speak.

I urge each of you to support this resolution which, if it helps reduce the tremendous burden of the cost of petroleum, could prove to be a milestone in our effort toward this country's ultimate energy solution.

Mr. President, I add as cosponsors to the resolution the Senator from Arkansas (Mr. BUMPERS), Senator EAGLETON, Senator HANSEN, Senator GARY HART of Colorado, Senator HARTKE, Senator HATHAWAY, Senator MORGAN, Senator Moss, Senator PELL, Senator STONE, Senator TAFT, Senator THURMOND, and Senator MANSFIELD.

I say that we are particularly appreciative that the Senator from Florida (Mr. STONE) has been such a vigorous supporter of this concept in the Committee on Agriculture and Forestry.

In the hearings before the Committee on Agriculture and Forestry on July 11, 1975, Senator STONE made a very strong statement in support of this basic proposition.

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

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

TRANSCRIPT OF PROCEEDINGS: COMMITTEE ON AGRICULTURE AND FORESTRY—SALES OF GRAIN TO THE SOVIET UNION

The CHAIRMAN. Senator Stone.

Senator STONE. Thank you, Mr. Chairman.

Mr. Secretary, when you appeared before this Committee on July 11, I asked if you had given any thought to the concept of trading or bartering of Soviets for oil and petroleum products, getting a little of theirs for a little of ours.

You stated the Soviets are regular customers for our feed and this is about the only place they can get the quantity they need. This was without directly responding to my suggestion that we seriously consider this, but affirming they need what we have.

Today in your opening remarks you stated that we are paying for the imported energy with agricultural exports, again reflecting the benefits of paying for the energy needs we have with our agricultural exports.

Finally, Mr. Secretary, the FEA figures show that the Soviets produce 9 million barrels of crude oil each day, more than any other country, and that in 1974 they had a 1.2 million barrel a day surplus and an 83 billion barrel reserve.

Have you given further thought, therefore, to the idea as we negotiate with them for such things as Chairman Burns was talking about, reserves, and as we interchange agricultural information of exploring this because if we did, not only would the production costs of chemical feed stocks be eased for our agricultural producers, not only would the energy crisis to some extent be moderated, but the public feeling against this deal, I think, which is high, would be lower.

Secretary BUTZ. Yes, sir.

As somebody in the State Department remarked ten days ago, this is being explored.

But, I think you have to examine it a bit more.

You said that the costs of energy would be lower here. This would be only if they made a price concession transfer to us in return for us making a price control transfer to them.

Senator STONE. It all depends on how much they need ours and how much we need theirs.

But, we would be negotiating on the basis of those needs.

Secretary BUTZ. That is correct.

HEARINGS BEFORE THE COMMITTEE ON AGRICULTURE AND FORESTRY

Senator STONE. One last point, in the light of the fact that farmers and growers have been suffering from a cost increase in fertilizer, particularly nitrogen based fertilizer, and you have mentioned that in your opening statement again, and in the light of the fact that the Soviet Russians have oil and petroleum for export and have, in fact, been making quite a windfall on that during the last year and a half, has the USDA given any thought to the fact that you have some leverage to think of getting some of that good fertilizer feed stock that we are short of in connection with food that they are short of?

Secretary BUTZ. With the suggestion that I made 2 years ago during the OPEC oil embargo as to why do we not shut off food stuffs to them.

Senator STONE. Not shut off, just get a little of theirs for a little of ours.

Secretary BUTZ. The suggestion has been made and I have taken the position that the United States must be a dependable, constant exporter of the foodstuffs, or else our domestic food plant is in trouble. Now, we ought not to tie it directly with that kind of quid pro quo arrangement.

Senator STONE. I could not agree more in terms of our regular customers, but when you take the Soviets coming in outside of the normal situation, and that is why the Board of trade prices have been fluctuating, it is a windfall, it is extra.

Mr. TUNNEY. Mr. President, I yield to the Senator from Kansas.

Mr. DOLE. Mr. President, the Senator from Kansas is pleased that the Senate is taking up this resolution in such a timely manner. It is my feeling that this resolution, if acted upon in as timely a manner by the President, will be greatly beneficial to all Americans—including farmers and consumers.

For if the Russians will sell us oil, it will help diversify our energy sources and hopefully reduce our dependence upon the OPEC nations. It may even be possible that the Soviets will negotiate a price advantage for us on the oil, based on the importance of our grain resources worldwide as mentioned in section 2 of the resolution.

But the Senator from Kansas would emphasize that this resolution does not call for a barter arrangement, or for an agreement to peg the price of oil to the price of wheat. For the price of wheat may go up in future years and the price of oil may come down. If that happened, we could find ourselves at a disadvantage in a barter arrangement.

This Senator would also expect that the agreement should be short term. That way, we will have an opportunity to reassess the situation to insure that we are not increasing our oil vulnerability by buying from the Russians.

It is my understanding that our negotiators are already in Moscow. If the President acts promptly on this resolution—as he hopefully will—they will attempt to concurrently negotiate an annual grain sales agreement and an oil purchase agreement with the Russians.

For our grain sales are much more important—worth about $1.4 billion to our balance of payments from sales already made this year—than the oil we might buy from the Russians, which private sources estimate to be 200,000 to 300,000 barrels per day at best. So with concurrent negotiations, we would not risk losing the benefits of the grain sales just for the lesser benefits of the oil we might obtain.

Mr. President, I hope the Senate will adopt this resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution, as modified.

The resolution, as modified, was agreed to.

The preamble was agreed to.

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

Whereas the United States is the largest grain-producing Nation in the world; and

Whereas it is in the national interest of the United States to assure that exports of surplus American grain are made in a manner that will protect the interests of both American farmers and consumers; and

Whereas the Soviet Union is potentially a regular, large quantity customer for American grain exports; and

Whereas the Soviet Union is now the largest oil-producing nation in the world; and

Whereas the Soviet Union is interested in purchasing American grain but faces a large balance-of-payments deficit in its trade with the United States; and

Whereas the Soviet Union could sell its oil resources to the United States in order to acquire the foreign exchange necessary to purchase American grain; and

Whereas the policy of détente would be advanced if the two countries engaged in the mutually advantageous trade of commodities vital to the interest of each country: Now, therefore, be it

Resolved, That it is the sense of the Senate that the President, during the negotiations on a multiyear agreement with the Soviet Union on the purchase of American grain, should attempt to negotiate with the Soviet Union a short-term agreement whereby the Soviet Union would sell oil to the United States.

SEC. 2. It is further the sense of the Senate that the United States negotiators shall negotiate the purchase price for Soviet oil at a level which reflects the high value the United States attaches to its grain resources.

SEC. 3. The Secretary of the Senate is directed to furnish a copy of this resolution to the President of the United States.

SENATE RESOLUTION 233 PLACED UNDER "SUBJECTS ON THE TABLE"

Mr. MANSFIELD. Mr. President, I ask unanimous consent that Senate Resolution 233 be placed under the heading "Subjects on the Table."

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

ADDITIONAL JUDGESHIPS FOR THE U.S. COURTS OF APPEALS

Mr. MANSFIELD. Mr. President, I have been informed that Calendar No. 396, S. 286 has been cleared on both sides. I ask unanimous consent to call that bill up at this time.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 286) to authorize additional judgeships for the United States courts of appeals.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary with amendments, as follows:

On page 1, line 5, strike "two additional circuit judgeships for the second circuit,";

On page 1, line 7, strike "two" and insert "one";

On page 2, line 1, strike:

SEC. 2. The two additional circuit judgeships authorized by section 1 for the second circuit shall be filled only upon certification of need by the Judicial Conference of the United States.

On page 2, line 5, strike "Sec. 3." and insert "Sec. 2.";

On page 2, under "Circuits" strike "Second";

On page 2, under "Number of Judges," strike "11";

On page 2, under "Circuits" strike "Fourth" and insert "Fourth";

On page 2, under "Number of Judges," strike "9" and insert "8";

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the President shall appoint, by and with the advice and consent of the Senate, one additional circuit judgeship for the first circuit, one additional circuit judgeship for the third circuit, one additional circuit judgeship for the fourth circuit, one additional circuit judgeship for the sixth circuit, one additional circuit judgeship for the seventh circuit, one additional circuit judgeship for the eighth circuit, and one additional circuit judgeship for the tenth circuit.

SEC. 2. In order that the table contained in section 44(a) of title 28 of the United States Code will reflect the changes made by section 1 in the number of circuit judgeships for said circuits, such table is amended to read as follows with respect to said circuits:

"Circuits:	*Number of Judges*
First	4
Third	10
Fourth	8
Sixth	10
Seventh	9
Eighth	9
Tenth	8".

The amendments were agreed to.

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

Mr. MANSFIELD. I thank the distinguished Senator from North Carolina for his unfailing courtesy and consideration.

Mr. HELMS. I thank the distinguished Senator.

The PRESIDING OFFICER. The Senator from North Carolina.

THE TRIP OF SENATOR WILLIAM L. SCOTT

Mr. HELMS. Mr. President, I thank the Chair.

The Senator from North Carolina has noted, as have other Senators, an article and an editorial published this week in the Washington Star about the distinguished Senator from Virginia (Mr. WILLIAM L. SCOTT) in connection with an overseas trip I believe in August.

Mr. President, the distinguished Senator from Virginia has told the Senate in this Chamber that the original article published on September 30 was "inaccurate from start to finish."

Having devoted almost all of my life to the news business prior to coming to the Senate, this episode troubles me because the Washington Star, it seems to the Senator from North Carolina, had an unusual opportunity to provide a sense of balance to newspaper coverage in this city in terms of objectivity and fairness.

As I review the circumstances as they appear at least superficially to me, I find myself wondering just how carefully the Washington Star checked the "facts" contained in the article.

This afternoon I called an editor of the Washington Star, who happens to be an able young man who came here from a fine North Carolina newspaper, to ascertain whether the Washington Star had sought to obtain, for example, the passenger manifest of the Government plane which received such attention in the original article about Senator WILLIAM L. SCOTT.

Contrary to implications of that article, a copy of the passenger manifest, which I have here, shows that numerous other Members of Congress and their wives were passengers on the same plane.

For example, the distinguished Senator from Arkansas, Mr. BUMPERS, and his wife, Betty, are listed. Others listed are the distinguished Representative from Missouri, Mr. RANDALL, and Mrs. Randall; the distinguished Representative from North Carolina, Mr. TAYLOR, and Mrs. Taylor; the distinguished Representative from Texas, Mr. ECKHARDT, and Mrs. Eckhardt; the distinguished Representative from Michigan, Mr. ESCH; the distinguished Representative from Pennsylvania, Mr. ESHLEMAN, and Mrs. Eshleman; Representative HAMMERSCHMIDT, of Arkansas; Representative and Mrs. REGULA, of Ohio; Representative and Mrs. GOODLING, of Pennsylvania; Representative WHITEHURST, of Virginia. There are many others whose names are not readily identifiable to me, but I assume that they are either Members of Congress or staff members or State Department representatives or Department of Defense representatives.

In any case, Mr. President, the original article, frankly, left me with the impression that only Senator and Mrs. SCOTT and a few of Senator WILLIAM L. SCOTT's aides were aboard that plane, when obviously this is not true; and I believe that it could have been obtained easily by any representative of the news media.

The editor of the Washington Star, when I called him this afternoon, candidly stated that he did not know whether his newspaper had sought to obtain a copy of the passenger manifest, and neither did he know whether his newspaper had sought to obtain comment from the Department of State concerning all the anonymous quotations attributed to an unidentified "spokesman" for the State Department who was exceedingly critical of the Senator from Virginia.

Of course, being unable to identify his critic, Senator WILLIAM L. SCOTT really has no reasonable opportunity to review the criticism so widely circulated as a result of the Washington Star article.

I do not know whether the facts are correct. Based on the totally inaccurate impression that Senator and Mrs. SCOTT were almost alone as occupants of the plane, I am inclined to believe that there is serious doubt about the whole news story.

On the other hand, I have to believe that the Washington Star wants to be fairer than is indicated in this episode. At a minimum, I would think that the newspaper would want to correct the obvious errors in its original story and perhaps as well make formal inquiry of the State Department as to those comments attributed to an unidentified "spokesman."

Mr. President, I speak as a Senator who has declined to participate in any overseas trip at Government expense—that is to say, at the taxpayer's expense. I do not criticize Senators who feel otherwise, and I assign no virtue to myself in my own position as to such trips. That is a judgment each of us has to make. There may be, at some time in the future, a trip which I will regard as necessary to my performance of responsibility as a Senator. I have not seen one yet, but that situation may change.

Mr. President, I have in my hand the text of an editorial broadcast on radio station WAVA in Arlington, Va., at 10:45 a.m. on Thursday, October 2, 1975. It is headed "Washington Star 'Exposes' Virginia's Junior Senator: The Anatomy of a Smear." This editorial apparently was written by Les Kinsolving, a gentleman whom I do not know. However, since it seems to be giving the other side, the alternative view of the comment about Senator WILLIAM L. SCOTT, 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:

WASHINGTON STAR "EXPOSES" VIRGINIA'S JUNIOR SENATOR: THE ANATOMY OF A SMEAR

"Senator William O. Scott on Tour" was the Washington Star's Banner above its page one story headlined: "It was a Diplomat's Nightmare," by Lisa Myers.

There is no William O. Scott in the U.S. Senate, and there is nobody by the name of Lisa Myers employed on the reportorial staff of the Star.

Miss Myers is a stringer, two years out of journalism school. She works for an organization called "Bureau of National Affairs" which she says used to be connected with U.S. News and World Report.

Miss Myers began her "exposé" by getting Senator Scott's name wrong (William *L.*—not William *O.*).

Investigative reporter Myers proceeded directly to eclipse this minor miscue by reporting that "On his 24 day junket through ten countries during the August recess the Virginia Senator took "a jetliner the size of a Boeing 707 . . ."

In point of fact, during most of his travel in the Middle East, Scott flew in an eight-seater with propellers, not jet. He flew—with a number of other Congressmen—on the jetliner to Rome and then changed planes.

Miss Myers admitted to WAVA News that she knew this, but "I didn't feel it merited the space".

The "Diplomat's Nightmare" headline was motivated by Miss Myers' quoting of "one State Department official who insisted on anonymity."

"It was a diplomat's nightmare," according to Miss Myers' hidden source, "Scott managed to insult almost every country."

In order to believe this alleged contention from an unidentified source, one must conclude that last August a United States Senator managed to insult such countries as Iran, Jordan, Egypt, Syria and Saudi Arabia—none of whom have said anything about any insults. These are nations whose temperaments have not been given to suffering insults patiently—or to being restrained when inclined to criticize the United States.

Miss Myers' anonymous source does not even specify the nature of the alleged insults. None of the wire services or numerous news bureaus in the Middle East have reported any such insults. Neither the Congressional Liaison Desk at the State Department or the Senate Armed Services Committee have received any such complaints. Only a stringer named Lisa Myers, and this one month after the fact.

How in the hell does a United States Senator defend himself from such phantom accusations? Such accusations that stink strongly of the tactics of the late Senator from Wisconsin?

Miss Myers also reported that Senator Scott:

"Thanked Egyptian President Anwar Sadat, while overlooking the Suez Canal: 'This is beautiful. I've always wanted to see the Persian Gulf'."

Sound ludicrous, doesn't it? In point of fact, however, when Scott visited the Suez Canal, Sadat was hundreds of miles away, on a Mediterranean villa near the Libyan border.

This has been verified by two men who accompanied the Senator, Charles Connelly and Gordon Thorpe. Connelly also denies that Scott ever made such absurd statements about Gaza and a mosque as reported by Miss Myers. But because one man works for the Senate Armed Services Committee and the other for the Department of Defense, Miss Myers can neatly smear their integrity by quoting her anonymous sources as saying "Scott has a reputation for rolling heads".

If Senator Scott had managed to insult ten countries, would such Senators as Jackson, Symington, Goldwater and Stennis permit him to cause the firing of anyone reporting such massive misconduct?

It was Senator Stennis who described Scott's tour as "complete dedication and perseverence" and "an asset to the Committee".

Senator Sparkman also commended the Virginia Senator for "a tremendous presentation", while Senator Percy told the Senate:

"Anyone who characterizes these trips as junkets has no concept of the responsibilities of a Senator. Many times legislation is decided by one vote. We vote on billions of dollars and the potential loss of tens of thousands of lives in this area. . . ." The Senator from Virginia will be far better equipped".

Senator Percy joined Senators Stennis, Sparkman and Thurmond in commending Scott—which commendations Miss Myers failed to report. The Washington Star's "world editor", Jack Cassidy, when asked about Miss Myers' desperately dirty smear, said the newspaper stands behind it.

He then added a dirty smear of his own. "Are you working for Scott's office?" He then said "Would you like to come down here and run this paper?"

"No thank you," I replied, "that's being done by a Texas banker".

Admittedly, I am unqualified for such a post at the Star—among other reasons because I don't know how to go about running a newspaper so that it loses one million dollars a month.

Les Kinsolving, special report on the 'Anatomy of a Smear."

DUTY SUSPENSION ON NATURAL GRAPHITE

The Senate continued with the consideration of the bill (H.R. 7706) to suspend the duty on natural graphite until the close of June 30, 1978.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (H.R. 7706) was passed.

The PRESIDING OFFICER. The clerk will now state the amendment to the

The assistant legislative clerk read as follows:

The Senator from Louisiana (Mr. LONG) proposes an amendment to the title:

Amend the title of the bill so as to read: An Act to suspend the duty on natural graphite until the close of June 30, 1978, and for other purposes.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. LONG. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. HOLLINGS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LONG. Mr. President, I move that the Senate insist on its amendments, request a conference with the House, and that the Chair be authorized to appoint the conferees on behalf of the Senate.

The motion was agreed to; and the Chair appointed Mr. LONG, Mr. NELSON, Mr. MONDALE, Mr. HATHAWAY, Mr. CURTIS, Mr. FANNIN, and Mr. HANSEN conferees on the part of the Senate.

Mr. LONG. Mr. President, I ask unanimous consent that H.R. 7706 be printed with the amendments of the Senate numbered.

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

NATURAL GAS EMERGENCY ACT OF 1975

The Senate continued with the consideration of the bill (S. 2310) to assure the availability of adequate supplies of natural gas during the period ending June 30, 1976.

The PRESIDING OFFICER. The question is on the pending amendment, the Stevenson amendment.

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

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at 9 a.m. tomorrow.

After the two leaders or their designees have been recognized under the standing order, the following Senators will be recognized, each for not to exceed 15 minutes, and in the order stated: Mr. LONG, Mr. RIBICOFF, Mr. FANNIN, Mr. EAGLETON, and Mr. MANSFIELD.

There will then be a period for the transaction of routine morning business for not to exceed 15 minutes, with statements limited therein to 5 minutes each, after which the Senate will resume consideration of S. 2310.

Rollcall votes could occur tomorrow.

RECESS UNTIL 9 A.M. TOMORROW

Mr. HOLLINGS. Mr. President, I move, in accordance with the previous order, that the Senate stand in recess until 9 a.m. tomorrow.

The motion was agreed to; and at 5:18

p.m. the Senate recessed until tomorrow, Friday, October 3, 1975, at 9 a.m.

NOMINATIONS

Executive nominations received by the Senate October 2, 1975:

AGENCY FOR INTERNATIONAL DEVELOPMENT

Stanley S. Scott, of the District of Columbia, to be an Assistant Administrator of the Agency for International Development, vice Samuel C. Adams, Jr., resigned.

SECURITIES AND EXCHANGE COMMISSION

Roderick M. Hills, of California, to be a Member of the Securities and Exchange Commission for the remainder of the term expiring June 5, 1977, vice Ray Garrett, Jr., resigned.

CONFIRMATIONS

Executive nominations confirmed by the Senate October 2, 1975:

U.S. ADVISORY COMMISSION ON INFORMATION

The following-named persons to be members of the U.S. Advisory Commission on Information for the terms indicated:

For a term expiring January 27, 1977:

Arthur C. Nielsen, Jr., of Illinois.

For a term expiring January 27, 1978:

George H. Gallup, of New Jersey.

(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.)

DEPARTMENT OF STATE

Foreign Service nominations beginning Virgil L. Moore, to be a Foreign Service officer of class 1, and ending Thomas A. Pettit, to be a consular officer of the United States of America, which nominations were received by the Senate and appeared in the Congressional Record on September 3, 1975.

HOUSE OF REPRESENTATIVES—*Thursday, October 2, 1975*

The House met at 10 o'clock a.m.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

The Lord God is a sun and shield; the Lord will give grace and glory; no good thing will He withhold from them that walk uprightly.—Psalms 85: 11.

Almighty God, we bow our heads before this altar of prayer set up by our fathers praying for the citizens of our beloved country and for the Members of this House of Representatives. Help us to realize as never before that "righteousness exalteth a nation and sin is a reproach to any people." To this end we come seeking wisdom for the decisions we must make, strength for our daily tasks, and good will to motivate us in all that we do.

Thus may the hours of this day be well spent in our service to Thee and to our Republic. Keep us ever loyal to the royal within ourselves and ever steadfast in our support of that which is for the highest good of our free land.

Like the Master, in whose spirit we pray, may we go about doing good. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

CALL OF THE HOUSE

Mr. BAUMAN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McFALL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 572]

Ambro	Beard, R.I.	Casey
Andrews, N.C.	Bolling	Clausen,
AuCoin	Burke, Fla.	Don H.
Baldus	Byron	Conyers
Dellums	Kindness	Ruppe
Diggs	McClory	Ryan
Dingell	McCormack	Santini
Dodd	McDonald	Scheuer
Esch	McKinney	Sisk
Eshleman	Macdonald	Staggers
Evins, Tenn.	Madigan	Steelman
Fary	Maguire	Stuckey
Fish	Matsunaga	Studds
Fraser	Moakley	Teague
Goldwater	O'Brien	Treen
Gude	O'Hara	Udall
Harsha	Patman, Tex.	Van Deerlin
Hébert	Pepper	Waxman
Holt	Pike	Wilson, Tex.
Hughes	Riegle	Young, Alaska
Johnson, Colo.	Rogers	
Kemp	Rose	

The SPEAKER. On this rollcall 370 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair will not take unanimous-consent requests from Members at this time; we will take business requests first.

PERMISSION TO FILE CONFERENCE REPORT ON H.R. 8561, AGRICULTURE AND RELATED AGENCIES APPROPRIATIONS, 1976

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tonight to file a conference report on the bill (H.R. 8561) making appropriations for Agriculture and related agencies programs for the fiscal year ending June 30, 1976, and for the period ending September 30, 1976, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

PERMISSION FOR SELECT COMMITTEE ON INTELLIGENCE TO SIT TODAY DURING 5-MINUTE RULE

Mr. GIAIMO. Mr. Speaker, I ask unanimous consent that the Select Committee on Intelligence may be allowed to conduct its hearings today, notwithstanding consideration of the Department of Defense appropriation bill under the 5-minute rule.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

PERMISSION TO FILE FURTHER CONFERENCE REPORT ON H.R. 8121, DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS, 1976

Mr. MAHON. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tonight to file a further conference report on the bill (H.R. 8121) making appropriations for the Departments of State, Justice, and Commerce, the judiciary, and related agencies for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. SNYDER. Mr. Speaker, reserving the right to object, I shall not object, but I do want to ask the chairman of the committee this question: Have the conferees met on the legislation?

Mr. MAHON. Mr. Speaker, if the gentleman will yield, I will state to him that the conferees are meeting at 10 o'clock this morning on the State-Justice appropriations bill.

Mr. SNYDER. Mr. Speaker, I thank the gentleman, and I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

REQUEST FOR PERMISSION FOR COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION TO MEET TODAY DURING THE 5-MINUTE RULE

Mr. ANDERSON of California. Mr. Speaker, I ask unanimous consent that the Committee on Public Works and Transportation be permitted to meet to-

day for the purpose of conducting business during the 5-minute rule.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. ROUSSELOT. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

REQUEST FOR PERMISSION FOR SUBCOMMITTEE ON MILITARY COMPENSATION OF COMMITTEE ON ARMED SERVICES TO MEET TODAY DURING THE 5-MINUTE RULE

Mr. STRATTON. Mr. Speaker, I ask unanimous consent that the Subcommittee on Military Compensation of the Committee on Armed Services be permitted to meet today during the 5-minute rule.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. ROUSSELOT. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

REQUEST FOR PERMISSION FOR SUBCOMMITTEE ON PUBLIC BUILDINGS AND GROUNDS OF COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION TO MEET AT 2 P.M. TODAY NOTWITHSTANDING THE 5-MINUTE RULE

Mr. RONCALIO. Mr. Speaker, I ask unanimous consent that the Subcommittee on Public Buildings and Grounds of the Committee on Public Works and Transportation be permitted to meet at 2 o'clock p.m. today, notwithstanding the 5-minute rule.

The SPEAKER. Is there objection to the request of the gentleman from Wyoming?

Mr. ROUSSELOT. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

ANNOUNCEMENT OF HEARINGS

(Ms. ABZUG asked and was given permission to address the House for 1 minute, to revise and extend her remarks and include extraneous matter.)

Ms. ABZUG. Mr. Speaker, on October 22, the Subcommittee on Government Information and Individual Rights, which I chair, will begin hearings on several aspects of the integrity of the Federal Bureau of Investigation's record-keeping systems, both preceding and immediately following the tragic assassination of President Kennedy in Dallas. Specifically, the subcommittee will be investigating allegations that important documents may have been withheld from the Warren Commission—including a letter purportedly written by Lee Harvey Oswald 10 days prior to the assassination threatening an FBI official in Dallas, and an internal FBI memo allegedly sent prior to the Dallas trip warning of a plot against the President.

The hearings will also focus on the "Do Not File" system of FBI records, purportedly used to cover any record of FBI burglaries and other operations, and will inquire into allegedly missing or destroyed files maintained by the late J. Edgar Hoover.

Pursuant to the subcommittee's oversight over the National Archives and the Freedom of Information Act, we will also examine the current Archives policies which have withheld from public release some 150 FBI and Central Intelligence Agency documents submitted to the Warren Commission.

The hearings will commerce at 9 a.m. on Wednesday, October 22, in a room to be announced.

WHITE HOUSE SEEMS MORE CONCERNED ABOUT TURKISH OPIUM THAN DOMESTIC TOBACCO GROWERS

(Mr. JOHN L. BURTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JOHN L. BURTON. Mr. Speaker, it appears inconsistent to me that our President seems more concerned about the opium growers in Turkey than he is about the small tobacco growers in the United States.

His veto of price supports which would have enabled small tobacco growers to keep up with increasing costs is being followed by a request that Conrgess in effect supply unlimited arms to the Turkish Government, which has just sanctioned a doubling of opium production in that country, much of which is exported and winds up in this country as heroin.

Mr. Speaker, the least we could expect is a requirement that any arms for Turkey, as well as the heroin, be labeled, "The Surgeon General has determined these proudcts are hazardous to your health."

PROPOSED CHANGES IN QUORUM CALL PROCEDURE

(Mr. TAYLOR of North Carolina asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TAYLOR of North Carolina. Mr. Speaker, today I introduced a House resolution which, if approved by the House Rules Committee and the House, will save some legislative time for all Members and especially for the Speaker.

At present, when the House is in a Committee of the Whole, the Committee Chairman receives and announces the results of all votes including rollcall votes. The Committee Chairman determines when a sufficient number has responded to nonrecorded quorums.

But, at present when a recorded quorum is taken during the Committee of the Whole at the end of the quorum call the Chairman has to yield the Chair to the Speaker and make a report concerning the quorum call and the number responding and the Speaker directs that the names of those not responding be entered in the RECORD.

The resolution that I introduced would provide that at the end of a recorded quorum call if a quorum has been established that the Chairman presiding just announce the results as he announces the results of rollcall votes and have the names of those not responding recorded in the CONGRESIONAL RECORD without the necessity of the Speaker having to come in and preside for a minute or two.

Only when a quorum is not established would the Committee rise and report back to the House.

By this simple procedural change, we lose nothing and can speed up the legislative process.

THE PRESIDENT'S VETO OF TOBACCO SUPPORT LEGISLATION

(Mr. PEYSER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PEYSER. Mr. Speaker, a little over 2 weeks ago the House, with most of the Members having no knowledge of what was happening, acted in passing the tobacco support legislation that was going to cost the taxpayer millions of dollars.

The Senate, in even a more underhanded method, with four Members on the floor, during the Yom Kippur recess, acted and passed the tobacco-support legislation.

The President yesterday, as we now know, showed great courage on vetoing this bad legislation.

Mr. Speaker, I hope the Members of this House and the committee chairmen involved will never again try to take a piece of legislation of this nature and slip it through this Chamber.

The President was under political pressures, important political pressures to him, but he acted, I believe courageously on this and has given it back to the House.

Mr. Speaker, I hope that we respect that kind of judgment and that kind of man.

THE PRESIDENT'S VETO OF THE TOBACCO-SUPPORT LEGISLATION

(Mr. CARTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CARTER. Mr. Speaker, it is true that the tobacco-support legislation passed the House and was vetoed by the President. I regret it very much.

Actually, this legislation would have cost the United States approximately $53 million. Tobacco is taxed to the extent of $6 billion by the Federal Government and by the States. This is a great source of revenue for Government and for the people in many of the Southern States.

I had no part in the passage of this legislation, but certainly I did support it. The action of the President in vetoing it has actually hurt thousands of *small* farmers in my State and in other States in the South.

Mr. Speaker, I deplore its veto, and I regret the bad advice that the Secretary of Agriculture gave.

Mr. JENRETTE. Mr. Speaker, the action of President Ford in vetoing the tobacco legislation clearly demonstrates

his total disregard of the needs of small farmers. It amazes me that tobacco growers, each with a farm averaging only 2 acres, but in combination generating over $6 billion annually in State and Federal taxes, should incite such a demonstration of Presidential wrath. Let us examine the cause of the veto.

The first argument repeats the rather tiresome charge that the bill is "inflationary." This is simple, White House subterfuge. Anyone who cares to consult the Agriculture Department will find that the realized cost of the tobacco program this year was in the plus column—to the tune of $1.1 million. Any implication that the Government is giving handouts to tobacco farmers is absolutely not true.

The next possible reason was that the tobacco bill slipped through the Congress surreptitiously, implying that the bill passed illegally. Again, I can only point out the falsity of such a notion, and state that the legislation was sent to the White House with the blessings of both Houses of Congress.

No, it is obvious that the reasons for this veto involved neither finances nor parliamentary procedure. Instead, it was a simple case of callous disregard for a group of farmers who just happen to grow a crop that is unpopular in some circles. But even those so-called reformers on the Nader team could not deny the fact that production costs have increased 35 percent in a year of falling prices. Or that tobacco has been vital to our economy since the early days of this Nation's heritage.

I would not expect Mr. Nader to consider these facts, but I find it shameful that President Ford and Earl Butz prefer to stay in the dark and ignore their duty. On behalf of the thousands of small tobacco farmers, I deplore the action just taken by the President.

Mr. PERKINS. Mr. Speaker, will the gentleman yield?

Mr. JENRETTE. Yes, I yield to the gentleman from Kentucky.

Mr. PERKINS. Mr. Speaker, I wish to commend the distinguished gentleman from South Carolina (Mr. JENRETTE) on the statement he has made.

The truth of the whole matter is that the figures as to the cost of the tobacco program that were relayed to the President by the Secretary of Agriculture, I think the gentleman will agree, were absolutely untrue, and false.

Mr. JENRETTE. I certainly agree wholeheartedly with the gentleman from Kentucky.

DEPARTMENT OF DEFENSE APPROPRIATIONS BILL, 1976

Mr. MAHON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 9861) making appropriations for the Department of Defense for the fiscal year ending June 30, 1976, and the period beginning July 1, 1976, and ending September 30, 1976, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Texas (Mr. MAHON).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committtee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 9861), with Mr. ROSTENKOWSKI in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Before the Committee rose on yesterday the Clerk had read through page 58, line 6 of the bill.

Are there further amendments at this point?

Mr. MAHON. Mr. Chairman, I move to strike the requisite number of words.

AMENDMENT OFFERED BY MR. GREEN

Mr. GREEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GREEN: Section 755, page 58, on line 6: None of the funds appropriated in this act may be expended to close or in any way facilitate the closure of the transfer assured in Philadelphia or any of the following installations:

Alabama
Anniston Army Depot
Redstone Arsenal
Maxwell AFB
Fort McClellan

Arizona
Davis Monthan AFB, Tucson

Arkansas
Little Rock AFB
Pine Bluff Arsenal

California
Fort Mason, San Francisco
McClellan AFB, Sacramento
Sharpe Army Depot, Lathrop

Colorado
Pueblo Army Depot
Lowry AFB, Denver
Rocky Mountain Arsenal, Denver

Connecticut
Navy Sub Base, New London

Delaware
Dover AFB

Florida
MacDill, AFB, Tampa

Georgia
Fort Gordon
Fort Benning, Columbus

Idaho
Mountain Home AFB

Illinois
Savanna Army Depot, Savanna
Scott AFB, Beldville
Rock Island Arsenal

Indiana
Fort Benjamin Harrison, Indianapolis

Kansas
Forbes AFB, Topeka
Kansas Army Ammo Plt., Parson

Kentucky
Lexington-Blue Grass Army Depot, Lexington

Louisiana
Fort Polk, Leesville

Maine
Naval Air Station, Brunswick

Maryland
Edgewood Arsenal
Aberdeen Proving Grounds
Naval Air Station, Patuxent
Army Eng. Dist., Baltimore
Fort Meade

Massachusetts
Naval Air Station, Weymouth, Mass.

Michigan
Detroit Arsenal

Minnesota
Twin Cities Army Ammo Plt., New Brighton

Mississippi
Columbus AFB

Missouri
Army Ammo Plt., St. Louis

Montana
Malustrom AGB, Great Falls

Nebraska
Offutt AFB, Omaha

Nevada
Nellis AFB, Las Vegas

New Hampshire
Navy Shipyard, Portsmouth

New Jersey
Fort Monmouth
Fort Dix

New Mexico
Kirtland AFB

New York
Fort Drum, Watertown
Fort Hamilton, Brooklyn
Fort Wadsworth, Staten Island
Naval Air Station, Brooklyn
Watervliet Arsenal

North Carolina
Fort Bragg

North Dakota
Fort Minot AFB

Ohio
Def. Constr. Supply Center, Columbus

Oklahoma
Fort Sill, Lawton

Oregon
Umatilla Depot Activity, Hermiston

Pennsylvania
Frankford Arsenal

Rhode Island
Naval Complex, Newport and Quanset Pt.

South Carolina
Charleston Army Depot
Fort Jackson, Columbia
Naval Shipyard, Charleston

South Dakota
Ellsworth AFB, Rapid City

Tennessee
Det. Depot, Memphis

Texas
Kelly AFB
Carswell AFB
Fort Bliss
Fort Hood
Fort Sam Houston
Lackland AFB
Red River Army Depot

Utah
Desert Test Center, Salt Lake City

Virginia
Camp Pickett, Blackstone
Fort Lee, Petersburg
Langley AFB, Hampton
Marine Corps Base, Quantico
Norfolk Navy Shipyard

Washington
Fort Lawton, Seattle
Navy Shipyard, Puget Sound
Navy Supply Center, Puget Sound

Wisconsin
Camp McCoy

Wyoming
F. E. Warren AFB, Cheyenne

Mr. GREEN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

Mr. BAUMAN. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

The Clerk continued to read the amendment.

Mr. GREEN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GREEN. Mr. Chairman, last night we passed an amendment concerning the Oceanographic Center in Maryland and the House decided that none of the funds in this act could be used for the purpose of facilitating closure of that installation.

It was said at that time by those who argued against the amendment that such considerations are not our business in this body, that this is something the Army, Navy, and the Air Force have always done. They have had the right to move installations whenever they wanted, move installations whenever they wanted, that is how it has been done for hundreds of years, and that is how it operates.

So I decided to include an installation, and in some cases many installations, in every State in the Union in my amendment, concerning the Frankford Arsenal at Philadelphia. My concern is clearly the Frankford Arsenal but there is also another concern, and it is the concern I have about this body giving away too much authority to the executive department time after time. Have we not seen that in the last few years?

The fact of the matter is I do not have any more evidence that any one of these bases is going to close than I had the day before they closed the Frankford Arsenal. They will tell you if he will call them that now they have no plans to close these installations, but 1 week from now that the decision could be made to close any of these installations. I think it is our business to know what they do with the funds that are appropriated in the Department of Defense. The Defense budget has an enormous impact on the economy of this country.

An area like Philadelphia, with extremely high unemployment, is devastated by the closing of the Frankford Arsenal. I think it is about time that the Department of Defense explain and justify the decisions they make. Some of the justification for closing this facility was that other facilities had golf courses and that the Frankford Arsenal did not. These arbitrary decisions are made while we shut our eyes, it is wrong way for us to act in that fashion.

I have tied these other installations in purposefully. One may say that what I am trying to do is cute. It is, but what we are doing in this House by never examining what they do with the opening and closing of installations, without paying any attention to the rate of unemployment in the area involved is more wrong. I hope that as a method of protest to the way they have acted in the past we can pass this amendment and begin to make sense out of how the Department of Defense does spend our money in this country and how it does affect the economy of this country.

Mr. BARRETT. Mr. Chairman, will the gentleman yield?

Mr. GREEN. I yield to the gentleman from Pennsylvania.

Mr. BARRETT. I thank the gentleman for yielding.

I rise in support of the amendment, and I want to associate myself with the gentleman's remarks. I think it is necessary that we adopt this amendment.

Mr. EILBERG. Mr. Chairman, will the gentleman yield?

Mr. GREEN. I yield to the gentleman from Pennsylvania.

Mr. EILBERG. I thank the gentleman for yielding.

I wish to associate myself with the remarks of the gentleman in the well. I should like to point out that the Department of Defense has ordered the closing of the Frankford Arsenal at Philadelphia, and that closing has just begun. It will cost at least $200 million to close that arsenal, and there is no doubt that some of that money will come out of the bill that is presently on the floor. That money will be spent in various ways. It will be spent for the retirement of employees at the Frankford Arsenal; it will be spent for severance pay for some of those employees; it will be spent for the relocation of those persons who are reassigned to other sites, that personnel from the Frankford Arsenal will be sent to, in their various missions.

Mr. GREEN. What is my point? Are they going to close the Little Rock Air Force Base? We do not know. We just do not know. But one could not find out today, if they were going to close it next month, whether or not they have any plans to do so. I think every Member of this body ought to think long and hard before he votes against this amendment, because each Member is liable to be treated in his State the same way they treated us in our city.

Mr. CHARLES H. WILSON of California. Mr. Chairman, will the gentleman yield?

Mr. GREEN. I yield to the gentleman from California.

Mr. CHARLES H. WILSON of California. I thank the gentleman for yielding.

As a member of the California delegation, I personally prefer that California be removed from this amendment. There is absolutely no need for it insofar as we are concerned.

Mr. GREEN. That is exactly what they told us at the Frankford Arsenal. I do not yield further to the gentleman. The gentleman can get his own time.

Mr. PERKINS. Mr. Chairman, will the gentleman yield?

Mr. GREEN. I yield to the gentleman from Kentucky.

Mr. PERKINS. I thank the gentleman for yielding.

Mr. Chairman, I wish to compliment the distinguished gentleman from Pennsylvania for offering an amendment of this type. The Lexington Blue Grass Ordnance Depot at Lexington, Ky., according to all studies, was the most efficient operation in the United States, and before the election last year Senator Cook and others made public announcements that there would not be a closing of the Blue Grass Ordnance Depot. After the election we got a notice that they were going to close this most efficient facility.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. GREEN was allowed to proceed for 5 additional minutes.)

Mr. PERKINS. Mr. Chairman, will the gentleman yield?

Mr. GREEN. I yield to the gentleman from Kentucky.

Mr. PERKINS. I certainly feel the gentleman from Pennsylvania is to be complimented. The Defense Department just arbitrarily and capriciously closes the doors of the installations that they want to close without regard to the efficiency of the operation and without regard to considerations of fundamental importance to the area of the country affected.

Mr. GREEN. I thank the gentleman from Kentucky very much for his contribution. He makes a central *point*. These studies are all made in-house and the decisions are made for many reasons, sometimes frivolous reasons, sometimes as frivolous as a golf course, and with a total disregard for the conditions existing economically in the particular area where they are going to close a facility. I know by including every State in this we put some Members of the House on the spot, but this House ought to be put on the spot with respect to overseeing how the moneys are spent that we appropriate for the Defense Department and what effect the decisions will have on the economy.

Mr. CARTER. Mr. Chairman, will the gentleman yield?

Mr. GREEN. I yield to the gentleman from Kentucky.

Mr. CARTER. Mr. Chairman, I compliment the gentleman from Pennsylvania. I strongly support his amendment.

My colleague from Kentucky was exactly right when he stated the Blue Grass Ordnance Depot according to the records was the most efficient in the United States and yet it is being arbitrarily decimated by actions of the armed services.

Mr. GREEN. The last time they studied the Frankford Arsenal, my recollection is that of 60-some arsenals in the country, Frankford rated 8th.

I thank the gentleman from Kentucky for his contribution.

Mr. EILBERG. Mr. Chairman, will the gentleman yield?

Mr. GREEN. I yield to the gentleman from Pennsylvania (Mr. EILBERG).

Mr. EILBERG. Mr. Chairman, there will be money spent out of that which is appropriated under this bill for the retirees and for severance pay and for housing and for relocation, and there will be money spent out of that appropriated in this bill for disposal of facilities at Frankford and including the excessing of equipment and the dispersal thereof. There is question money will be spent out of this bill for the disposal of the Frankford Arsenal.

Mr. GREEN. I thank the gentleman

from Pennsylvania (Mr. EILBERG) for his contribution.

Mr. STRATTON. Mr. Chairman, will the gentleman yield?

Mr. GREEN. I yield to the gentleman from New York.

Mr. STRATTON. Mr. Chairman, I join the gentleman in support of this amendment.

There is an installation in my district, Watervliet Arsenal, and I hope the amendment means any portion of it that will be closed or transferred elsewhere is also included within the meaning of the amendment offered by the gentleman. They tell me that no decision has been made but they are thinking of closing it down but until they make the decision we are living under the sword.

Mr. GREEN. I think we have the right to know what they are going to do and their reasons for it. At the present time we have no way of knowing until they come in and tell us and they have a study that is spurious and we have no time to examine the study and disagree.

I urge favorable consideration of the amendment.

Mr. NIX. Mr. Chairman, will the gentleman yield?

Mr. GREEN. I yield to the gentleman from Pennsylvania (Mr. NIX).

Mr. NIX. Mr. Chairman, I associate myself with the amendment offered by the gentleman and congratulate him for offering it, I think it is absolutely essential and necessary that this type of legislation be enacted.

I thank the gentleman from Pennsylvania.

Mr. GREEN. I thank the gentleman from Pennsylvania (Mr. NIX) for his contribution.

Mr. DENT. Mr. Chairman, will the gentleman yield?

Mr. GREEN. I yield to the gentleman from Pennsylvania (Mr. DENT).

Mr. DENT. Mr. Chairman, I join the gentleman in the well on this amendment. I know for the last 20 years I have been in this hall I have watched larger and larger functions of certain installations being taken out of our area. In western Pennsylvania we feel the brunt of it because the State of Pennsylvania outside of the city of Philadelphia has no other installations really worth anything.

Mr. GREEN. I thank the gentleman from Pennsylvania (Mr. DENT).

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. GREEN. I yield to the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Chairman, I thank the gentleman from Pennsylvania for yielding. I also thank him for offering this amendment, but I do have some question about the procedure that will result. Is it my understanding if the amendment is adopted that henceforth the various military branches would have to come to the Congress and seek approval in advance?

Mr. GREEN. The amendment simply says no funds appropriated in this act will be used to close or in any way facilitate the closure of all the military installations I have included in my amendment.

The purpose is clear. It is really to get some justification from the Defense Department concerning the funds they may use and the impact that is going to have on our economies in our areas and how the areas will be affected. Its purpose is first to give us a foot in the door to save our arsenal and in a larger sense to make the Defense Department to act more responsibly. These decisions some say should not be political. I agree. The point is they are political today. Adopt this amendment and give the House some chips to place on the bargaining table when we approach the Defense Department. Let's make sense out of spending. Let's open not shut our eyes. You may close yours today and be sorry you did next month.

Mr. MAHON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, some people wonder why Congress is at times held up for ridicule. If this amendment should be adopted, the Members of this Congress would be panned from coast to coast as a Congress that was not so much interested in trying to strengthen its fighting forces and keep them lean and fit, but was primarily interested in keeping installations in operation in our districts.

I would assume that most Members will consider this as a frivolous amendment.

I do not blame my good friend, the gentleman from Pennsylvania, for offering his amendment. The Frankford Arsenal is in his district and it is understandable that his people are vitally concerned. He had every right to offer an amendment seeking to be helpful to his people.

There is a proposal by the Army to save $24 million a year. The GAO says about $20 million a year could be saved by the closing of this arsenal.

It was advertised for closure back on November 22, 1974. Here is a list of proposed realinements and closures. Everybody was notified of what was being proposed; so I think it would be most unfortunate—most unfortunate—to adopt this amendment. I do not know how much we would have to increase the spending in this bill if we would keep all these installations, about 80 of them, without any change. This is a very serious problem.

Mr. Chairman, we speak against waste in the military and fat in the budget and unnecessary spending by the Defense Department. We cannot then place ourselves in the position of trying to prevent some savings.

Back a few years ago the Brooklyn Navy Yard was closed, was it not, I will ask the gentleman from New York (Mr. ADDABBO)? It meant millions of dollars to Philadelphia, because certain functions were transferred to Philadelphia, if the gentleman remembers. There have been things of that kind that have developed before.

I just hope that we will have no difficulty with voting down this amendment. I think we can all explain to our constituents that we want to be reasonable and fair and considerate, but we do not want to make ourselves look ridiculous in our own eyes and the eyes of the country.

Mr. ADDABBO. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from New York.

Mr. ADDABBO. Mr. Chairman, in this bill, as a matter of fact, we cut $7.5 billion for fiscal year 1976. If this amendment should carry and these facilities could not be closed or any reductions in force made, the military would have to look elsewhere to close other facilities and lay off people at other installations in order to comply with the cuts made in this bill. Is that not a fact?

Mr. MAHON. Mr. Chairman, the gentleman is correct. We have had this information as to the proposed closings and realinements since November 1974.

Now I will be glad to yield to my friend, the gentleman from Philadelphia, Pa.

Mr. EILBERG. Mr. Chairman, I thank the distinguished gentleman from Texas, for whom I have the greatest respect, and I mean that sincerely.

The gentleman knows and everyone in the House knows that savings do not come in the first year when they close a facility. The savings come later; so I do not get the point.

The other point, Mr. Chairman, they do not provide for these things. I understand we cannot legislate in every instance, but I do not believe we have paid enough attention to exactly the rationale given to closing the different facilities all over the country at different times.

Mr. Chairman, I am against waste in the Defense Department, but I am also against the House arbitrarily giving away its prerogatives to examine whether or not the Defense Department is making right decisions in connection with waste.

This is a national emergency, Mr. Chairman. Everyone knows as well as I do there will be a conference committee and there will be all sorts of things done; but the House can, I think, go on record today saying they want the Defense Department to begin to be accountable to us and send a message to them today that we are not going to tolerate willy-nilly their unwise decisions.

The CHAIRMAN. The time of the gentleman from Texas has expired.

(By unanimous consent Mr. MAHON was allowed to proceed for 5 additional minutes.)

Mr. HAYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Ohio.

Mr. HAYS of Ohio. Mr. Chairman, I thank the chairman for yielding to me. I was going to seek my own time.

Mr. Chairman, I can understand the problem of the gentleman from Philadelphia, and I have talked to many other gentleman who have problems of this kind. I, fortunately, do not have.

If the gentleman's amendment passes, I propose to offer an amendment stating that no funds under this bill or any other bill can be used to establish any military establishment in my district, including a recruiting station. I do not want anything to do with any of them, because they are all headaches.

Mr. MAHON. I thank the gentleman.

Mr. EILBERG. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Pennsylvania.

Mr. EILBERG. Mr. Chairman, the distinguished chairman of the committee referred to the fact that Congress was notified of the closing of Frankford Arsenal. I call to his attention that the law requires much more than a press release. It requires a full accounting from them.

There never has been a full report to the Congress. That is wrong. That is the law, a requirement of the law.

Furthermore, the gentleman stated that there will be a saving of $24 or $20 million, whatever the figure was that he refers to. We also have studied these figures at length, and the great expense, and I wish to say that it will cost money; it will cost much more money. In fact, nothing will be saved.

Mr. MAHON. I thank the gentleman. Back in about 1969, the Defense Department tried to save some money by closing down a large portion of the Frankford Arsenal. It was not possible to get it done at that time in view of the political opposition. I do not blame anyone for trying to protect his district, but we just cannot afford to legislate in this sort of way.

I would hope that we could soon come to a vote on this issue. I repeat that everyone has the right now to revise and extend his remarks at this point in the RECORD, and I would hope that we could move rapidly to a vote on this matter because we have two other important matters to consider in the House today.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Missouri.

Mr. ICHORD. Mr. Chairman, I am curious as to why the gentleman from Pennsylvania exempted other types of installations. Do we not have the same argument applying to other military installations?

Mr. MAHON. Why not include all military installations which are in various parts of the country and defense industries?

Mr. GREEN. Mr. Chairman, I just want to say to the gentleman and make perfectly clear that what I did was pick out some installations in every State. I did it arbitrarily, purposefully, to draw the attention of the Members of this House, from all over the country, to the arbitrary way the Defense Department makes these decisions. It includes more kinds of installations not just arsenals.

Mr. ICHORD. Why did the gentleman limit it?

Mr. GREEN. There was no need to include every single facility in the country to get the House to focus on this matter. A few in every State I thought to be sufficient.

Mr. ICHORD. I have no further comment, but I do not believe that I received a sufficient explanation to validify this amendment.

Mr. SIKES. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Florida.

Mr. SIKES. Mr. Chairman, I sympathize with any Member who is losing bases or whose base activities, are being reduced or moved away.

I have military installations in my district, and I have had it happen to me. I have had activities moved to other States. I was not happy about it but the reasons always were explained to me, as they will be explained to any Member who has a similar problem. There are always justifications which make sense.

The point is that we are asked to embark on a very dangerous precedent. The amendment was not read in detail, but there are about 80 bases listed in this amendment. That means those 80 bases are frozen, and the personnel is frozen, whether their activities are needed or not.

Mr. Chairman, one significant thing is that this bill is being cut $9 billion, $7.5 billion in fiscal 1976 and $1.5 billion in fiscal year 197T—the transition period, below the budget estimates. Somewhere in the defense structure there must be cuts. We have a smaller defense establishment. That is dictated by the amount of money available.

In addition, Mr. Chairman, because of personnel cuts in the authorization bill, we shall have to take reductions in personnel. If this amendment carries, the personnel will be frozen on these 80 bases. It will not matter whether the bases are important, or whether there is a need for them for the Nation's defense. The bases are important from an economic standpoint. But we cannot dictate to the Defense Department from the floor of the House of Representatives on base locations to satisfy economic considerations. These bases are for the defense of the Nation, and they have to be operated accordingly and located accordingly. Insofar as these 80 bases are concerned, under this amendment the military can make no plans except to maintain them as they are at present. When Congress starts to dictate base structure for the military installations, we are getting into deep water. We do not have the expertise to determine what is required for defense and where. If we approve this amendment, we will set the groundwork to take similar action every year, and if we start moving bases willy-nilly we will have constant confusion in Congress and in the Pentagon. This is a dangerous undertaking.

I hope the Members will bear in mind that additional funds will be required to continue the activities on these 80 bases if the amendment is approved.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from California.

Mr. ROUSSELOT. I appreciate the gentleman's yielding to me.

Is it not also true that if the military, in any of these instances, made a decision to move a base, this amendment would require that before a closure of one base and subsequent movement to another base, these specific provisions could obstruct such action? The funding would be affected, would it not? And I think the amendment, although well intentioned to protect the gentleman's own Frankford Arsenal, does not take into consideration the problems of the military moving bases in a normal manner.

Mr. MAHON. I believe that the gentleman is correct.

Mr. EDWARDS of Alabama. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the gentleman from Pennsylvania has come up with an ingenious approach. But I must say his very ingenuity is the basis for voting this amendment down. He has laid out for the whole House to see the folly in trying to bring this type of decision before the House of Representatives or the Congress. If we ever get ourselves involved in this kind of business where we play politics with locations and bases and facilities, we are in trouble.

I spoke on this issue last night when the oceanographic center was debated. We are opening the door to a tremendous mistake if we start playing politics with the military.

Mr. Chairman, I do not think any of us want that. I do not think any of us can justify that, and I think most of us agree that if we should be so foolish as to adopt this amendment, it will be thrown out in the Senate or in conference, or somewhere. But it is ridiculous to take this approach and to try to get this body involved in military decisions. The military is trying to do the best they can under the restraints that this Congress and the Committee on Appropriations places on them. They must try to modernize and upgrade the military everywhere they can. They must try to consolidate. They must try to do the best they can with the dollars we give them.

I think if we open the door in this House with this sort of an amendment, be it 1 base or 50 bases in 50 States, wherever it is, we will live to regret the day.

Mr. GREEN. Mr. Chairman, will the gentleman yield?

Mr. EDWARDS of Alabama. I yield to the gentleman from Pennsylvania.

Mr. GREEN. Mr. Chairman, I respect the gentleman, and I know he is sincere. I can even understand he is making a point with some validity. But it breaks down. I do not agree with the gentleman. The chairman said they tried to close the Frankford Arsenal in 1967 but it could not be done for political reasons.

The gentleman is afraid we are going to play politics with this issue. What does the gentleman think has been done with this issue forever? Politics has been played with it.

I think that the Frankford Arsenal is an efficient facility; it is one that should not be closed. I think politics has been played with this issue, and I would repeat to the gentleman that I think that is wrong.

Mr. EDWARDS of Alabama. Mr. Chairman, I have no objection whatever to the gentleman from Pennsylvania (Mr. GREEN), who is, of course, from Philadelphia, trying to work in every way he can to convince the Army that this facility should not be closed down.

I will state that I have had several facilities closed during the 11 years I have been here, and when the decisions were made, I fought like the dickens to convince them otherwise.

But to bring this matter in here and get it involved as a contest of the gentleman's district versus mine or some other Member's district versus another Member's district is straining the system in a way that is not proper.

I think there is nothing at all wrong with the gentleman trying to save that facility, but the gentleman is asking the Members of this House in effect to mediate and in effect to decide as between bases and Members and in effect say to the military, "You have got to make nothing but political decisions when you try to reevaluate these facilities."

Mr. GREEN. Mr. Chairman, if the gentleman will yield further, I am sure the gentleman has seen a list of where these bases are located and how they relate to the districts of various chairmanships and various members of the committees.

Mr. EDWARDS of Alabama. Mr. Chairman, I will state to the gentleman that if there are such lists, I have never looked at them. In all the time this Member has served as the ranking member of the Subcommittee on Defense of the Committee on Appropriations he has received neither a military contractor nor a military base, and, like the gentleman from Ohio, is not looking for any.

Mr. MAHON. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. Members standing at the time the unanimous-consent request was agreed to will be recognized for approximately 1 minute each.

(By unanimous consent, Mr. MAHON yielded his time to Mr. PERKINS.)

The CHAIRMAN. The Chair recognizes the gentleman from Kentucky (Mr. PERKINS).

Mr. PERKINS. Mr. Chairman, this is a shameful situation, and in my judgment the chairman of the committee shares my concern about this limitation of 1 minute on an important amendment.

As for the projects that Members do not want in this bill or in this amendment, amendments could be offered to strike them out, and the projects that should be added may be added.

The General Accounting Office certainly did not go along with the Department of Defense. The Defense Department is going to lose money in closing down the Blue Grass Ordnance Depot at Lexington, Ky., and I think it is time that we send the Defense Department a message.

The Members talk about politics. Politics were played in Kentucky in the Senate election of 1974, and the gentleman from Kentucky (Mr. CARTER) on the opposite side of the aisle will verify this.

Mr. Chairman, all of the Members from Kentucky, including the gentleman from Kentucky (Mr. BRECKINRIDGE), the gentleman from Kentucky (Mr. CARTER), and myself, contacted the Defense Department, and they said, "No, we have no intention of closing down this depot." Former Senator Cook made a public announcement that he had contacted the Secretary of the Army, and they said they had no intention of closing down.

Mr. CARTER. Mr. Chairman, will the gentleman yield?

Mr. PERKINS. I yield to the gentleman from Kentucky.

Mr. CARTER. Mr. Chairman, I thank the gentleman for yielding.

I want to state that what the gentleman has said is true, that the Secretary of the Army did tell me up until the first of this year that there was no chance whatever and no thought whatever of closing the Blue Grass Ordnance plant down. Then like a bolt out of the blue came the order to cut it back.

Mr. Chairman, he is exactly right, and I deplore this action.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. PERKINS. Yes, I yield to the gentleman from Texas, the chairman of the committee.

Mr. MAHON. The Defense Department has said that the Army will save some $30 million a year if it closes this ordnance plant.

Mr. PERKINS. Let me say to my distinguished colleague, the gentleman from Texas (Mr. MAHON), that the reason I said it would cost more than it would save is because it has continually been rated the most efficient for its type in the country.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania (Mr. COUGHLIN).

Mr. COUGHLIN. Mr. Chairman, I support my colleague, the gentleman from Pennsylvania (Mr. GREEN), and my other Pennsylvania colleagues in our attempts to preserve the Frankford Arsenal. We have received, indeed, very shoddy treatment from the Department of Defense in this connection.

If my good friend, the gentleman from Pennsylvania (Mr. GREEN), had limited his amendment to preserving the Frankford Arsenal, I would have voted for it. In its present form, however, it includes many other installations, about 100 installations in almost all the 50 States. I have no knowledge of the viability of these installations. We would, by this amendment, require that all of them be continued at a time when we are trying to reduce military expenditures. I cannot support such a sweeping and irresponsible amendment.

(By unanimous consent, Messrs. MOAKLEY, DENT, and NIX yielded their time to Mr. GREEN.)

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania (Mr. BARRETT).

Mr. BARRETT. Mr. Chairman, I just want to take this minute to point out exactly what the military, particularly the Army, has done to Philadelphia. In a period of less than 5 months, the military announced plans to move four installations out of the city, causing 8,600 persons to be put on the unemployment rolls.

They moved the Army Electronics Command out of Philadelphia to Fort Monmouth, N.J., after having spent approximately $8 million to modernize and adapt the building to the type which they needed. The move to Fort Monmouth will cost millions more for the necessary facilities there.

They took the Marine Corps Supply Center facility out of Philadelphia after spending several million dollars to modernize and automate the operation. The move to another State will require totally new facilities which, it is estimated, will cost over $20 million. This is in addition to the costs of moving people, equipment, and so forth.

They moved into the Navy Yard and took the Naval Engineering Center moving that into another State where there were no facilities, not even a building, and no houses for the employees.

(By unanimous consent, Mr. ZEFERETTI yielded his time to Mr. GREEN.)

The CHAIRMAN. The Chair recognizes the gentleman from Colorado (Mr. EVANS).

Mr. EVANS of Colorado. Mr. Chairman, under the Defense Department's operation "Concise" the Pueblo Army Depot near my hometown is going to go from 2,800 employees down to about 800. Fifty percent of these people are from minorities, mostly Spanish-surnamed people.

The unemployment problem in my city resulting from this is going to be a drastic one.

Mr. Chairman, I do not think that the Army is making a wise decision, but I do not think that this is the place or the way in which I may find my remedy.

Perhaps the gentleman from Pennsylvania (Mr. GREEN) is doing a service to us here, at least on one point.

I strongly disagree with the comments made by the gentleman from Florida (Mr. SIKES) when he said this Congress does not have the capacity to pass on judgments of the Department of Defense when it comes to the question of where one does or does not locate a military facility. That damn well is the business of the Congress, but I think we will not be able to handle that as long as those people asked to pass on such questions have vested interests themselves.

Mr. Chairman, I think we ought to have a means by which we can review these decisions on a basis in which our parochial interests are not involved and the military judgments can be critically and objectively assessed.

Mr. Chairman, I am going to vote against the amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Wyoming (Mr. RONCALIO).

Mr. RONCALIO. Mr. Chairman, I have been criticized by my opponents on several occasions because I do not speak often enough from the well of this House.

I only respond once in a while to Members whose opinions I profoundly respect.

I respect the gentleman from Alabama (Mr. EDWARDS) very much. I have listened over the years to what he has had to say.

So today, when he said that politics should not enter into the location of bases, I can only respond that that is all that has ever affected the final decision on the location of bases.

I think it is time that the people have something to say about where these installations are to be located, not just the

manufacturers and the suppliers of the country. And the basic—and often the only—means for public input on these matters rests with their elected Representatives.

All I say is to let the people have something to say as to where these massive prosperity producers are located. I agree. Let us be honest about the location of Defense Department bases, let us admit that politics has always in the final analysis, determined their location.

I will support the amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania (Mr. GREEN).

Mr. GREEN. Mr. Chairman, I will do everything I can not to take the full 5 minutes so that we can vote on this matter.

I think what the gentleman from Wyoming (Mr. RONCALIO) has just said is on point. It is one thing for Members to sit around here and say that we should not be able to get up and defend our parochial interests—and in this case I have an absolute parochial interest because the Frankford Arsenal is in my district and is being closed. That may seem to be a problem for me. But even more importantly than that is a tragedy to the city of Philadelphia. There are people involved in this.

The Department of Defense spends enormous sums of money in the United States every year and the impact of that enormous amount of money on the economy of the country in areas of high unemployment is never considered. For a long time before this occurred in my district I have articulated my concern about the lack of considerations reflected in Defense Department decisions. I did so for a long time before they got to the point where they decided to close the Frankford Arsenal in Philadelphia.

My good friend, the gentleman from Pennsylvania (Mr. COUGHLIN) from just outside Philadelphia, says that if my amendment had just included the Frankford Arsenal he would vote for it. But because I have included so many of these other installations that perhaps this amendment is not the way to go. The fact of the matter is that the only way we can wake this horse up is to kick it. That is what I am trying to do.

The point is that we, as Members of the Congress, should be responsible for what happens here.

I agree that we could get too parochial and possibly engage in internal politics in the House as to whose district is going to get these or other bases because they have the most clout but the fact of the matter also is that politics has always played a part in the location of installations in various districts. The way we operate today is wrong but that is the system we follow. That is the way it has worked. Further the very ones who decry this most frequently are often the ones that benefit from it most frequently.

So, let us pass this amendment and let us focus on the issue of how we can find a better way to locate these defense facilities in this country so as to provide the kind of modern military machine we need with a minimum of adverse economic impact.

The CHAIRMAN. The Chair recognizes the gentleman from Virginia (Mr. ROBINSON).

Mr. ROBINSON. Mr. Chairman, I subscribe completely and fully with the remarks of our colleague, the gentleman from Alabama (Mr. EDWARDS) with regard to this situation, and that is the reason I feel exactly the way the gentleman from California does. I wish that Virginia was not included in this amendment.

I think it is wrong, I think it is unreasonable, that we should be included because we do not agree with the gentleman or the statement that he has made with regard to the biggest industry in this country today. The moving of defense and defense related agencies should not be subject to political whims.

How can we expect any efficiency to ever be realized so far as the Department of Defense is concerned unless it has some flexibility with regard to moving installations in this country that have to do with the Department of Defense. They, the DOD people, are the ones who should determine this. We must realize that defense installations and facilities wear out just as they do in other industries and that they have to be relocated in the interest of greater efficiency. That is why we will be hobbling them if we adopt this amendment.

I trust that the House will have the good sense to vote this amendment down.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania (Mr. EILBERG).

Mr. EILBERG. Mr. Chairman, from the time when I received the press release that the Frankford Arsenal would be closed, we went through a series of meetings with representatives of the Army. In each case the so-called expert would tell us that he did not have all the answers and that we would hear later.

Mr. Chairman, we frequently did hear later by way of correspondence, but very rarely did we get any information of any meaningful value.

It has been said that the Department of Defense says that there would be a savings of $20 million per year. We have intensive studies made by the city of Philadelphia and by organized labor, and they indicate that it will cost a great deal more money year by year after the Frankford Arsenal goes, if it goes. I might say also, Mr. Chairman, that the Army has always admitted in its so-called reported savings that it never considers the economic effect on the community involved. This is the most serious point of all. Why is not the economic effect on a community considered?

Mr. GREEN. I did not make this point when I was in the well. It is this simple. What was the joke around this House for years when Congressman Rivers was chairman? Everybody talked about the installations that were moved to South Carolina and Louisiana. That is how decisions are made.

The CHAIRMAN. The time of the gentleman has expired.

The Chair recognizes the gentleman from Alabama (Mr. EDWARDS).

Mr. EDWARDS of Alabama. Mr. Chairman, we have all had a chance now to sound off against the military and to be heard in behalf of our particular bases and installations. The committee also has been praised to some extent for cutting $7.5 billion out of this budget this year. I will guarantee the Members when they cut $7.5 billion, something has got to give, and that means we have got to do some relocating and changing around, adjusting and modifying, and that is what the military has to do when we trim the fat out of their programs.

I agree with the gentleman from Pennsylvania (Mr. GREEN). Maybe there is a better way, and I think we ought to look for a better way, but I disagree completely that here in this House, in this type of situation, is that better way. I am willing to look for a better way, but for goodness sake, let us not lose our perspective today and get carried away with this amendment.

Mr. PATTISON of New York. Mr. Chairman, I will vote in favor of this amendment. I will vote in favor because the Watervliet Arsenal, the oldest arsenal in the United States, is located just adjacent to my district. My vote causes me some discomfort, because it is obvious to any sensible person that this mechanism is not a rational one for deciding which arsenals should be continued and which should be closed. The problem is that the mechanism traditionally used for making those decisions is also an irrational one. My vote in favor is one way that I can send a strong message to the Military Establishment to the effect that some rational method for such decisionmaking must be designed and legislatively established to replace the old system of placing or removing military establishments based on the seniority, committee assignment, and influence of the local Congressperson.

In the case of the Watervliet Arsenal, the AMARC study recommended the moving of the Benét labs from the production facilities and its relocation to Aberdeen. A study prepared by the arsenal employees has completely discredited the conclusions of the AMARC study. No decision has yet been made by the Department of the Army. I trust the information provided by the very capable arsenal study will result in a change in the Army's conclusions and the Benét labs will remain where they are and where they must remain in order to effectively do the research jobs that is its mission. Removing the research arm to a distant place is about as sensible as putting the steering wheel of your car in your living room.

I would like to make one point in fairness to the way the Department of the Army has acted in the case of the Watervliet Arsenal. Unlike the past practice of making a decision in secret and announcing it as a fait accompli, for the first time, the Army study was made available well in advance of the decision to move the facility—which decision has not yet been made. This procedure gave those affected time to examine the study and to come up with an alternate plan. It is my understanding that this procedure was used for the first time in the case of Watervliet, and was instituted by the former Secretary

of the Army, Mr. Howard "Bo" Callaway. In taking this step the Army has made a bold and giant step in responsibility and accountability. I know that Mr. Callaway was advised by his subordinates that such a procedure would never work and would only cause great grief to the Department. I applaud Mr. Callaway for his courage and encourage his successor to continue with this process. No doubt it will cause difficulty for the Department. No doubt it will allow local opposition to apprise and consolidate. But the procedure should be continued because it is right and just in a society such as ours. Efficient, it may not be. It would not be adopted in Russia. But since when have we in this great country measured our sometimes cumbersome procedures against that standard?

I am confident that if such procedures were established as a permanent policy, this amendment would not have been necessary, and if offered would gain no support.

My message, therefore, Mr. Chairman, is that I will support amendments such as this so long as I and the other Members of this body have no other alternative. When a rational alternative is part of the process, amendments such as this will not be necessary.

Mr. HYDE. Mr. Chairman, I quite agree with the distinguished chairman, Mr. MAHON, that this is the type of amendment that makes Congress look ridiculous. We ought to turn our lapel buttons in for four stars to wear on our shoulders since we now presume to operate the military establishment. There are 78 military establishments to be frozen in place if this amendment passes, and this would create chaos in our defense establishment.

If the executive were to tell Congress where to locate its hearing rooms the outraged cries could be heard as far as Baltimore.

This is an ill-conceived and even frivolous amendment that plays the rankest politics with the Nation's defense. I urge the resounding defeat of this type of legislation.

Mr. RAILSBACK. Mr. Chairman, I believe that it is especially proper that people who are represented in Congress by their Representatives make certain that no military installation is closed or reduced without good reason. We must be very certain that we have sufficient information about the cost-effectiveness of such actions, and that we are aware of the impact such actions would have on a community, its people, its job force—and most emphatically, our country.

In my own district, I have been concerned about the transfer of the Rodman Laboratory from the Rock Island Arsenal and the reduction of the Savanna Army Depot to a depot authority.

Transferring the Rodman Laboratory will affect the overall defense programs of the country's Army by the loss of engineers and experts in the design and development of weapons. These people do not desire to move from the Midwestern part of our country to the East. They are the men who have developed over many years of effort the weapons of this country, and they will be particularly hard to replace. The transfer will also more centralize our vital defense targets for easy destruction by foreign powers, and the movement will separate the research and development programs from the production engineering communities by nearly 1,000 miles and will certainly cut down on the communication of information between these two groups of people.

In the case of the Savanna Depot, the reduction means a complete loss of professional personnel, and may seriously jeopardize an important part of our defense system. The curtailment of the depot to a depot authority and the transfer of the special weapons system to New York and California will mean that the heartland of the Nation will have to rely on the abilities of the east and west coasts installations to supply these essential weapons during periods of full military alert.

I am therefore today supporting the amendment to prevent the use of funds to close or otherwise affect these and other military installations.

Mr. MEZVINSKY. Mr. Chairman, I support the amendment offered by the gentleman from Pennsylvania.

All of us who have had to deal with the Defense Department in regard to facilities in our districts know what a frustrating experience that can be. For instance, the Rock Island Arsenal, which is listed in this amendment, draws a great number of employees from the First District of Iowa. I have been involved with negotiations with the Army for 2 years to keep the research and development center in Rock Island.

While the Army is prepared with so much justification data that it would take forever to rebut, I have not been satisfied that they adequately considered the community repercussions of their decisions to the Quad City area. A decision to close down a substantial portion of a plant can have a devastating impact on any community. To have these decisions made in a vacuum—without understanding their immediate and long-term effects on the community and our economy—is the major shortcoming of Army reorganizations.

We cannot afford to be penny-wise and pound-foolish. We have to look at the big picture and not cause inestimable damage throughout the other segments of the economy.

It is with this in mind that I ask the Department of Defense to reassess its decisionmaking criteria, and I think this amendment makes that point.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Pennsylvania (Mr. GREEN).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. GREEN. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 130, noes 274, answered "present" 1, not voting 28, as follows:

[Roll No. 573]

AYES—130

Abdnor	Green	Nix
Abzug	Gude	Nowak
Anderson, Calif.	Hanley	Oberstar
Badillo	Harrington	O'Neill
Barrett	Harris	Patterson, Calif.
Bauman	Hawkins	Pattison, N.Y.
Beard, R.I.	Heckler, Mass.	Perkins
Bevill	Heinz	Peyser
Biaggi	Helstoski	Pike
Biester	Holt	Railsback
Bingham	Holtzman	Richmond
Blanchard	Horton	Rinaldo
Blouin	Howe	Rodino
Brademas	Hubbard	Roe
Burke, Calif.	Hughes	Roncalio
Burke, Mass.	Hungate	Rooney
Burton, Phillip	Jacobs	Rosenthal
Carter	Jones, Tenn.	Roybal
Chisholm	Kazen	Ryan
Clay	Keys	St Germain
Cohen	Krebs	Santini
Corman	LaFalce	Sarbanes
Cornell	Leggett	Scheuer
Cotter	McDade	Schneebeli
Daniels, N.J.	McEwen	Schroeder
Dent	Madden	Schulze
Diggs	Maguire	Spellman
Drinan	Metcalfe	Stokes
Early	Meyner	Stratton
Edgar	Mezvinsky	Studds
Eilberg	Mikva	Sullivan
Emery	Mineta	Thompson
Evans, Ind.	Minish	Traxler
Fenwick	Mink	Tsongas
Fish	Mitchell, N.Y.	Ullman
Flood	Moakley	Vigorito
Fiorio	Mollohan	Walsh
Ford, Mich.	Moorhead, Pa.	White
Ford, Tenn.	Morgan	Wolff
Forsythe	Moss	Yatron
Gaydos	Murphy, N.Y.	Young, Ga.
Gilman	Murtha	Zablocki
Gonzalez	Natcher	Zeferetti
	Nichols	

NOES—274

Adams	Conlan	Hastings
Addabbo	Conte	Hayes, Ind.
Alexander	Coughlin	Hays, Ohio
Ambro	Crane	Hechler, W. Va.
Anderson, Ill.	D'Amours	Hefner
Andrews, N.C.	Daniel, Dan	Henderson
Andrews, N. Dak.	Daniel, R. W.	Hicks
Annunzio	Danielson	Hightower
Archer	Davis	Hillis
Armstrong	de la Garza	Hinshaw
Ashbrook	Delaney	Holland
Ashley	Derrick	Howard
Aspin	Derwinski	Hutchinson
Bafalis	Devine	Hyde
Baldus	Dickinson	Ichord
Baucus	Dodd	Jarman
Beard, Tenn.	Downey, N.Y.	Jeffords
Bedell	Downing, Va.	Jenrette
Bell	Duncan, Oreg.	Johnson, Calif.
Bennett	Duncan, Tenn.	Johnson, Colo.
Bergland	du Pont	Johnson, Pa.
Boggs	Eckhardt	Jones, Ala.
Boland	Edwards, Ala.	Jones, N.C.
Bonker	Edwards, Calif.	Jones, Okla.
Bowen	English	Jordan
Breaux	Erlenborn	Karth
Brinkley	Eshleman	Kasten
Brodhead	Evans, Colo.	Kastenmeier
Brooks	Fascell	Kelly
Broomfield	Findley	Kemp
Brown, Calif.	Fisher	Ketchum
Brown, Mich.	Fithian	Kindness
Brown, Ohio	Flowers	Koch
Broyhill	Flynt	Krueger
Buchanan	Foley	Lagomarsino
Burgener	Fountain	Landrum
Burke, Fla.	Frenzel	Latta
Burleson, Tex.	Frey	Lehman
Burlison, Mo.	Giaimo	Lent
Burton, John	Gibbons	Levitas
Butler	Ginn	Litton
Byron	Goldwater	Lloyd, Calif.
Carney	Goodling	Lloyd, Tenn.
Carr	Gradison	Long, La.
Cederberg	Grassley	Long, Md.
Chappell	Guyer	Lott
Clancy	Hagedorn	Lujan
Clausen, Don H.	Haley	McClory
Clawson, Del	Hall	McCloskey
Cleveland	Hamilton	McCollister
Cochran	Hammer-schmidt	McDonald
Collins, Ill.	Hannaford	McFall
Collins, Tex.	Hansen	McHugh
Conable	Harkin	McKay
	Harsha	McKinney
		Madigan

Mahon	Quie	Steed
Mann	Quillen	Steelman
Martin	Randall	Steiger, Ariz.
Mathis	Rangel	Steiger, Wis.
Mazzoli	Rees	Stephens
Meeds	Regula	Stuckey
Melcher	Reuss	Symington
Michel	Rhodes	Symms
Milford	Risenhoover	Talcott
Miller, Calif.	Roberts	Taylor, Mo.
Miller, Ohio	Robinson	Taylor, N.C.
Mills	Rostenkowski	Thone
Mitchell, Md.	Roush	Thornton
Moffett	Rousselot	Treen
Montgomery	Runnels	Vander Jagt
Moore	Russo	Vander Veen
Moorhead, Calif.	Sarasin	Vanik
	Satterfield	Waggonner
Mosher	Sebelius	Wampler
Mottl	Seiberling	Waxman
Murphy, Ill.	Sharp	Weaver
Myers, Ind.	Shipley	Whalen
Myers, Pa.	Shriver	Whitehurst
Neal	Shuster	Whitten
Nedzi	Sikes	Wiggins
Nolan	Simon	Wilson, Bob
Obey	Skubitz	Wilson, C. H.
Ottinger	Slack	Winn
Passman	Smith, Iowa	Wirth
Patman, Tex.	Smith, Nebr.	Wright
Patten, N.J.	Snyder	Wydler
Pettis	Solarz	Wylie
Pickle	Spence	Yates
Poage	Stanton,	Young, Alaska
Pressler	J. William	Young, Fla.
Preyer	Stanton,	Young, Tex.
Price	James V.	
Pritchard	Stark	

ANSWERED "PRESENT"—1

Breckinridge

NOT VOTING—28

AuCoin	Fuqua	Rose
Bolling	Hébert	Ruppe
Casey	McCormack	Sisk
Conyers	Macdonald	Staggers
Dellums	Matsunaga	Teague
Dingell	O'Brien	Udall
Esch	O'Hara	Van Deerlin
Evins, Tenn.	Pepper	Wilson, Tex.
Fary	Riegle	
Fraser	Rogers	

Messrs. GONZALEZ, ABDNOR, EVANS of Indiana, WHITE, JONES of Tennessee, COHEN, EMERY, and PEYSER changed their vote from "no" to "aye."

Messrs. FITHIAN, NOLAN, and EDWARDS of California changed their vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. YATES. Mr. Chairman, I rise to strike out the last word.

Mr. Chairman, by previous vote in the House, the appropriation for the National Board for the Promotion of Rifle Practice, Army, which appears on lines 11 through 25, on page 16 of the bill, was stricken from the bill, leaving the funds for that agency only for the transition period.

Mr. Chairman, I spoke with the chairman of the committee, I spoke with the ranking member, and they agreed that this is just a tag end that should be stricken.

Mr. Chairman, I ask unanimous consent, therefore, that the language appearing on page 16, lines 23 through 25, be stricken from the bill.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

Mr. MAHON. Mr. Chairman, I have no objection.

Mr. EDWARDS of Alabama. Mr. Chairman, if the gentleman will yield, I have no objection.

Mr. LATTA. Mr. Chairman, reserving the right to object, I do so for the purpose of asking the gentleman to explain his request in more detail.

Mr. YATES. If the gentleman will yield, the gentleman was present on the floor of the House when the original appropriation was stricken. The language I seek to strike at the present time relates only for the transition period for 3 months. The board would be out of existence for the rest of the year, and there will be no funds for its operation.

I have cleared this with the gentleman from Florida (Mr. SIKES), who agrees that this appropriation is only for the transitional period, as well.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

Mr. LATTA. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

The Clerk will read.

(The Clerk concluded the reading of the bill.)

Mrs. SCHROEDER. Mr. Chairman, I would like to commend the Appropriations Committee for its willingness to review the Pentagon budget requests with a skeptical eye. Hopefully this practice will be continued and expanded by both the Armed Services Committee and the Appropriations Committee when future defense budgets are considered.

I would also like to point out to my colleagues that the overall level of spending reductions recommended by the Appropriations Committee are very close to the reductions recommended by the alternative defense posture issued this past May. At that time, this House was considering the defense budget authorization.

The alternative defense posture, I remind by colleagues, was an analysis of the defense budget issued by myself and five colleagues on the Armed Services Committee—Mr. LES ASPIN, Mr. JIM LLOYD, Mr. BOB CARR, Mr. RONALD DELLUMS, and Mr. THOMAS DOWNEY. The major portion of our recommended reductions were for funding requests for research and development and procurement of weapons systems. The alternative defense posture recommended overall funding cuts of 14 percent in these areas. Unfortunately, the majority of the Armed Services Committee did not agree with what they considered to be substantial cuts.

Four months later, the Appropriations Committee has recommended that cuts of approximately 12 percent be made in these very same areas of the budget. As one of the sponsors of the alternative defense posture, I am very gratified to see that the House is now following the lead of the Appropriations Committee. Pentagon programs, like all government programs, must be forced to economize and be scrutinized well. I hope that the Armed Services Committee is beginning to recognize the desire of the House to question Pentagon funding requests more closely.

I would like, however, to underscore the fact that even the $8.7 billion shaved from this year's budget request of $120 billion does not begin to bring the budget to a bare bones level. Pentagon budgets have traditionally been rumored to include padding in anticipation of routine congressional cuts.

I am not suggesting that the $8.7 billion cut from this bill should be considered a token gesture. It is not. However, I do feel that we must recognize that Pentagon estimates are never bare bones. Furthermore, cost estimates and projections of need can become extremely flexible when the Pentagon decides that it wants to economize on a particular program.

Money can always somehow be cut from a defense program—whether that program is the B–1 bomber or the Trident submarine—if Pentagon planners decide that it is necessary. However, the Pentagon would surely attack identical budget measures as an outrageous threat to our national security if they were instituted at congressional direction.

To support these points, I would like to submit the following two items for the RECORD:

The first item is a report completed recently by Mr. LES ASPIN entitled "The Feasibility of the 600-Ship Fleet." Completed for Members of Congress for Peace Through Law, the Aspin report concludes that the present goal of expanding the Navy from its present size of 498 ships to 600 ships by 1985 is practical impossibility. The MCPL report concludes that current shipyard capacity, rates at which current ships can be expected to retire over the next decade, and the expected rates of new ship completion all combine to make the goal impossible to attain.

The MCPL report does not address the question of whether a 600-ship fleet is desirable. Because of this, I would like to call readers' attention to an author's note which emphasizes that attempts to reach the 600-ship goal would probably be most unwise. To quote Mr. ASPIN:

Attempting to get a fleet of that size would entail enormous expenditures for what could be a marginal increase in security. It could encourage the naval arms race. It would most probably result in a surface fleet of vulnerable, high value targets.

I agree. The report follows:

THE FEASIBILITY OF A 600-SHIP FLEET

(Prepared by Representative LES ASPIN for Members of Congress for Peace Through Law)

On March 13, 1975, Chief of Naval Operations Admiral James L. Holloway expressed the view of top U.S. naval officials when he testified that:

"... if the United States is to maintain the margin of maritime superiority that we enjoy today—although it is a slim one—over the Soviets, we must have a minimum of 600 active ships by the mid-1980's.

"I would like to add that 600 ships is not enough. We must have 600 capable ships. We must have them in the proper balance. By balance, I mean balance among the types, such as carriers, surface combatant ships, submarines, support ships, and amphibious ships. And a balance between expensive all purpose ships and smaller ships, designed for special tasks which can be built less expensively, and which will give us the large number for worldwide geographic coverage.

"... Congress must examine our needs with the view of building toward a 600-ship active force.[1]

Footnotes at end of article.

The Navy is clearly intent on attaining the force of 600 ships discussed by Admiral Holloway. William Middendorf, the Secretary of the Navy, favors a "force level objective" of 600 vessels by the mid-1980's and has submitted a shipbuilding program to the Secretary of Defense that attempts to implement it.[3] In Congress, the Seapower Subcommittee of the House Armed Services Committee has already endorsed the Navy's goal.[4]

Because of its prevalence and importance in naval planning, the 600-ship objective deserves careful consideration. At first glance, it is very ambitious. At the end of fiscal year 1975, there were 496 active ships in the fleet.[4] Between 1968 and 1975, navy shipbuilding averaged 12 news vessels per year. This rate of construction can not sustain a 500-ship navy, let alone permit augmentation of the fleet.[5] For the Navy to alter its prospects and to increase the force by a hundred ships would be no small achievement.

The Navy's 600-ship objective can be questioned on 2 grounds: its desirability and its feasibility. While there are serious questions that can be raised about the desirability of the 600-ship fleet,[6] they are not the focus of this report. The purpose of this paper is to examine the latter issue, whether the Navy's fleet size objective is realistic. Four different projections are made to assess whether a 600-ship force is attainable:

(1) a projection based on Navy planning assumptions;

(2) a projection that takes into account a variety of non-budgetary constraints;

(3) a projection that assumes realistic funding levels;

(4) a plausible, though pessimistic projection.

On the basis of these projections, 3 conclusions are reached:

(1) a fleet of 600 ships can not and will not be achieved by the mid-1980's;

(2) The Navy shipbuilding budget level is not the only and not even the most important factor constraining fleet size. Increased budgets will not lead to a 600-ship force by the mid-1980's;

(3) If the Navy is to attain expanded force levels, it may have to focus almost exclusively on smaller, conventionally-powered, less expensive vessels.

These conclusions must be tempered by the data on which they are based. The projections contained in this report are based solely on unclassified material and are unlikely to constitute fully accurate predictions of the specific number and kinds of ships in the fleet. Nevertheless, because of the long lead times involved in shipbuilding and the plethora of information in the public record, naval force levels can be reliably estimated.

A PROJECTION BASED ON NAVY PLANNING ASSUMPTIONS

The force level at some future point in time will equal the number of ships that are presently active plus the number of ships that are added to the fleet between now and that time minus the number of ships that are retired from the fleet during the same period. We can thus make an estimate of the size of the fleet in 1980 and in 1985 using five numbers: the size of the present fleet (496 ships at the end of FY 1975), the number of ships that will be added to the fleet in the next five years and in the next ten years, and the number of ships to be retired in the next five years and in the next ten years.

Considering first the additions to the fleet, approximately 65 ships authorized in FY74 and in previous years will be delivered to the fleet over the next four fiscal years.[7] If we assume for purposes of approximation that there is a five-year lag between the time ships are authorized and the time ships are delivered,[8] then the 22 ships authorized in FY75 should be delivered by the end of FY80. Therefore, about 87 ships will be added to the fleet by June 30, 1980. Using a five year rule-of-thumb and assuming that the Navy receives all of the ships it requests, an additional 157 ships will be delivered by June 30, 1985. This 157 figure consists of FY76 through FY80 authorizations of 23, 29, 35, 35, and 35 ships repectively.[9] These estimates are optimistic since they are based on what the Navy will seek and not necessarily on what it will obtain.

How many ships will be retired during the same period of time is a matter of judgment. Deputy Secretary of Defense William Clements has written that the Navy must plan to retire about 3.7 percent of its active fleet on an annual basis; [10] this would mean that 18 to 19 ships would be retired each year. On the other hand, Secretary of the Navy Middendorf has stated that between 25 and 30 ships will need to be retired each year.[11] On the basis of a ship-by-ship analysis of retirements (discussed later), the 18–19 figure seems to be more accurate and is used.

Using the above numbers, one can calculate the force level estimates displayed in Table 1.

TABLE 1.—*Aggregate Fleet Projection*

Category	Number of ships
Fleet size at end of fiscal year 1975	496
Ships added fiscal year 1976–80	87
Ships retired fiscal year 1976–80	93
Fleet size at end of fiscal year 1980	490
Ships added fiscal year 1978–85	157
Ships retired fiscal year 1981–85	92
Fleet size at end of fiscal year 1985	555

The estimate in Table 1 is based on aggregate figures. A different way to derive a similar projection is to look at a ship-by-ship breakdown of the fleet. The sources of such a projection are: a list of all ships presently in the fleet and the ages of those ships,[12] an estimate of the maximum useful service life of ships presently in the fleet (in order to estimate when current ships will be retired),[13] and a study of all ship programs that will result in new vessels over the next 10 years.[14]

Table 2 provides the results of such a projection. Appendix I provides a more detailed explanation of how the numbers in the table were derived. The figures are optimistic in that they assume full implementation of the Navy's authorization requests.

TABLE 2.—DISAGGREGATED FLEET PROJECTION

Type of ship	Fleet size, end of fiscal year— 1974	1980	1985
Strategic submarines (SSBN)	41	43	41
Attack submarines (SSN/SS)	74	83	90
Aircraft carriers	15	12	12
V/STOL carriers	0	0	7
Cruisers	7	2	7
Destroyer types (DLGN/DLG/DDG/DD)	90	92	93
Escort ships (DEG/DE/PF)	65	68	111
Amphibious warfare ships	65	58	52
Mine warfare ships	9	0	0
Patrol ships	14	37	44
Underway replenishment ships	49	39	50
Auxiliary ships	86	53	38
Total number of ships	515	487	545

Both the aggregate and disaggregate procedures forecast the size of the Navy fleet using the Navy's own planning assumptions. Both estimates point to similar outcomes: about 490 ships by 1980 and 550 ships by 1985. This is obviously well short of the Navy's goal.

Footnote at end of table.

PROJECTION ASSUMING UNLIMITED BUDGETS

Achieving the 600 ship goal would require changing some of the Navy's standard assumptions. For example, to attain 600 ships by 1985 would require a FY77–FY80 shipbuilding program of 45 ships per year.[15] Is this possible? Could the Navy attain a 600 ship fleet if there are no constraints on the Navy's shipbuilding budget?

Such a program in fact does not appear feasible. There are several factors that would obstruct the Navy's efforts to achieve its goal by the mid-1980's even if Congress were to appropriate massive naval procurement budgets. These factors are: shortages of skilled manpower, limited shipbuilding capacity, and delays in ship delivery.

The first of these constraints is the shortage of skilled manpower in the shipbuilding industry. Shipbuilding is a very labor-intensive enterprise. 40 to 50 percent of a shipyard's total cost is accounted for by labor and overhead; moreover, ". . . the amount of labor used cannot be substantially reduced by automation and other capital improvements. This is particularly true for warship construction where the installation of complex equipment involves a great amount of labor."

Studies by the Department of Labor and the Maritime Administration have concluded that there are "currently moderate to serious shortages of skilled labor in *all* major ship new construction areas." [17] The lack of skilled shipbuilding personnel such as pipefitters, shipfitters, high strength alloy welders, electricians, and machinists has been identified as the "greatest single immediate limitation on the private shipbuilding industry." [18] Even at the current levels of ship construction, these shortages of trained employees have already disrupted schedules of delivery for new ships, prompting the director of the Naval Sea Systems Command to state that "short-term capability levels have been approached or exceeded from the labor market point of view."[19]

Neither industry nor government programs to alleviate these shortages appear to offer much hope for relief in the near future. The annual output of training and apprentice programs in commercial shipyards has been termed "negligible" by the Maritime Administration survey of U.S. shipbuilding manpower, and there is little incentive for the industry to expand such efforts since the programs are funded by the shipyards and their costs are passed on to consumers in the form of higher ship building and repair costs.[20] As for federally funded training programs, the few graduates such programs produce tend to leave the shipbuilding industry; most shipyards report very low (20-30%) retention rates among graduates from government-supported programs. The major reasons for these low retention rates are the basic unattractiveness of shipbuilding work and the presence of better paying construction jobs where a shipyard-related skill is applicable.[21]

Given the current manpower shortages and their likely persistence in the near future, it will be most difficult to build more than the 22 ships we are currently producing in a year. The Navy's expanded shipbuilding program that averages about 35 new ships per year "assumes no shipyard capacity constraints." [22] This assumption is not realistic given the evidence of skilled labor shortages; even with increased budgets for shipbuilding, the Navy's planned program could not be implemented in the near future.

A second factor that would constrain shipbuilding output even with expanded budgets is shipyard capacity. Shipbuilding ways and basins (i.e., shipbuilding positions) provide a physical limitation on shipbuilding pro-

grams. In particular, there is only one yard, Newport News, that can construct nuclear powered surface combatants. The ability of Newport News to build such vessels at the levels the Navy desires must be met with considerable skepticism in light of its past ship construction problems as well as its additional defense and commercial workload. In general, while it is unclear exactly how many ships could be constructed with unlimited funds, there will certainly not be enough capacity in the near future to support a 45 ships per year rate.

Delays in delivery of constructed vessels would also constrain the future growth of the fleet. Delays in ship delivery have been endemic to the shipbuilding industry. For example, of the five Tarawa class assault ships, delays in delivery under revised contracts range from 23½ to 32½ months. Delays in delivery of Los Angeles class submarines ranged from 5 to 15 months.[23] Because of such delays, a five year lag between authorization and delivery is more often than not too short. (Indeed a ten year lag may be more realistic).[24]

If all three of the above factors are taken into account, crude adjustments can be made in projecting aggregate force levels by assuming:

(a) that shipbuilding output will expand at an average rate of only four ships per year in the FY76–FY80 period (thus, ship authorizations for the FY76–FY80 period would be 23, 27, 31, 35, and 39 ships respectively);

(b) that there is a 6-year lag from the time ships are authorized to the time ships are delivered.

The aggregate projections of force levels shown in Table 1 can be adjusted by incorporating the above two assumptions. Retirement rates are the same as used in the first projection. The result is a 1985 fleet size of 514 ships as shown in Table 3.

TABLE 3.—*Adjusted aggregate fleet projections*

Category	Number of ships
Fleet Size at end of fiscal year 1975	496
Ships added fiscal years 1976–80	65
Ships retired fiscal years 1976–80	93
Fleet size at end of fiscal year 1980	468
Ships added fiscal years 1981–85	[1] 138
Ships retired fiscal years 1981–95	92
Fleet size at end of fiscal year 1985	514

[1] With 6-year lags between authorization and delivery, this is the sum of FY75–79 authorizations of 22, 23, 27, 31, and 35 ships respectively.

PROJECTIONS ASSURING CONSTRAINED BUDGETS

A more accurate estimate of future fleet size would take into account the multitude of pressures that hold the Navy's shipbuilding budget in check. These pressures come from the Office of the Secretary of Defense, from the Office of Management and Budget, and from the Congress. The Navy's 35-ships-per-year target for FY78 to FY80 could cost $8–9 billion per year in constant fiscal year 1976 dollars,[25] which would be about twice the size of the congressionally approved FY76 shipbuilding budget (about $4 billion). This $8–9 billion figure would also be well above navy shipbuilding budgets of the previous 5 years which have averaged about $4 billion (FY76 dollars). If experience is any guide, the Navy's budget requests will be substantially trimmed. A more likely occurrence is that shipbuilding authorizations will probably stabilize at about the present level of $4 billion (i.e., about 23 ships per year).

We can therefore incorporate a budget constraint into projected fleet levels by assuming FY76–FY79 authorizations of 23 ships per year. This results in a fleet size of 490 by 1985 as displayed in Table 4.

TABLE D.—*Aggregate fleet projection with constrained budgets*

Category	Number of ships
Fleet size at end of FY75	496
Ships added FY76–FY80	65
Ships retired FY76–FY80	93
Fleet size at end of FY80	468
Ships added FY81–FY85	[1] 114
Ships retired FY81–FY85	92
Fleet size at end of FY85	490

[1] With 6-year lags between authorization and delivery, this is the sum of FY75–FY79 authorizations of 22, 23, 23, 23, and 23 respectively.

PESSIMISTIC PROJECTION

However, even the above projections assume that ship retirements stay at the level of 18–19 ships per year. If we wanted to be pessimistic and use the retirement figures of between 25 and 30 ships per year suggested by Secretary Middendorf[26] then at least 250 ships would be retired over the next 10 years.

Incorporating both budgetary and non-budgetary constraints with the higher retirement rate results in a 1985 fleet size of only 425 ships (see Table 5).

TABLE 5.—*Pessimistic aggregate fleet projection*

Category	Number of ships
Fleet size at end of FY75	496
Ships Added FY76–FY80	65
Ships Retired FY76–FY80	125
Fleet size at end of FY80	436
Ships added FY81–FY85	[1] 114
Ships retired FY–81–FY85	125
Fleet size at end of FY85	425

[1] With 6-year lags between authorization and delivery and budget constraints, this is the sum of FY75–FY79 authorizations of 22, 23, 23, 23, and 23 ships respectively.

CONCLUSIONS

Four different projections of fleet size have been made in this paper: a projection based on Navy planning assumptions, projection assuming unrestrained shipbuilding budgets, a projection assuming constrained budgets, and a pessimistic projection. These projections are summarized in Table 6.

TABLE 6.—*Summary of fleet size projections*

[Estimated fleet size]

End fiscal year 1985

Type of projection	End fiscal year 1985
Projection based on Navy planning assumptions	550
Projection assuming unlimited budgets	514
Projection assuming limited budgets	490
Pessimistic fleet projection	425

In each case, the size of the Navy's fleet in the middle of the 1980's is *substantially* below the fleet level objective of 600 ships. This conclusion applies regardless of the size of the Navy's shipbuilding budget over the next five years for money is not the only factor, not even the most important factor, affecting fleet size in the mid-1980's.

The projections made in this paper provide a realistic range of estimates given available information and reasonable assumptions. Even optimistic naval planners can only hope for 550 ships by 1985. With more realistic constraints but unlimited budgets assumed, a fleet of about 510–520 ships is predicted for the end of fiscal year 1975. If real budgetary constraints are taken into account, the fleet size will probably fall to 490 vessels. If all constraints are incorporated and if plausible though pessimistic retirement rates are assumed, a force of 425 ships is projected.

These estimates suggest that naval planning, which has been predicated on growth to 600 ships, deserves careful reexamination. For as long as the Navy continues to build the ships it is presently planning to build, its goal of 600 ships by the mid-1980's will not be feasible.

One alternative may be for the Navy to alter the type of ships it purchases and to focus on smaller, conventionally-powered, less expensive vessels. This might allow for some increase in force size even with limited budgets. However, with its aircraft carrier orientation and with legislated requirements to build nuclear-powered major surface combatants, the Navy seems unlikely to move in such a direction.

FOOTNOTES

[1] *Procurement of Naval Vessels—Title I*, Hearings before Subcommittee No. 2 of the House Armed Services Committee (HASC 94–8), 94 Cong. 1 Sess. (1975), pt. 3, pp. 3598–99.

[2] The Secretary's most recent endorsement of the 600-ship objective came in an address to the National Security Commission and Committee of the American Legion in Minneapolis, Minn. on August 15, 1975, p. 6. The shipbuilding program is mentioned in *Department of Defense Appropriations for 1976*, Hearings before a Subcommittee of the House Appropriations Committee, 94 Cong. 1 Sess. (1974), pt. 2, p. 584.

[3] *Current Status of Shipyards, 1974*, Report by the Seapower Subcommittee of the House Armed Services Committee, 93 Cong. 2 Sess. (1974), p. 3.

[4] Statement by Chairman of the Joint Chiefs of Staff General George S. Brown, *United States Military Posture for FY 1976*, p. 80.

[5] Statement of Vice Admiral Frank Price, Jr., Deputy Chief of Naval Operations for Surface Warfare, *Procurement of Naval Vessels—Title I*, p. 3049.

[6] E.g., attempting to get a fleet of that size would entail enormous expenditures for what could be a marginal increase in security. It could encourage the naval arms race. It would most probably result in a surface fleet of vulnerable, high value targets.

[7] The Shipbuilder's Council of America estimated that there were 84 "replacement futures" for the Navy as of July 1, 1974. 19 of these were added in FY75 (*Department of Defense Appropriations for 1975*, Hearings before a Subcommittee of the House Appropriations Committee, 93 Cong. 2 Sess. (1974), pt. 2, p. 8). The remaining 65 should be delivered to the Navy over the next four fiscal years.

[8] This five year estimate is consonant with one given by Secretary of the Navy Middendorf, *Department of Defense Appropriations for 1976*, p. 460. A four to six year estimate is given by Edwin M. Hood, President of the Shipbuilders' Council of America, *Current Status of Shipyards, 1974*, Hearings before the Seapower Subcommittee of the House Armed Services Committee (HASC 83–82), 93 Cong. 2 Sess. (1974), pt. 2, p. 628.

[9] 23 ships will probably be authorized by the Congress for FY76. The Navy is requesting authorization of 29 ships for FY77. The 35 ship figure is based on the average number of ships the Navy is seeking under its proposed shipbuilding program.

[10] Letter from Deputy Secretary of Defense William P. Clements to the Hon. Charles E. Bennett, November 22, 1974, contained in *Current Status of Shipyards, 1974*, Hearings, pt. 3, p. 1550.

[11] *Department of Defense Appropriations for 1976*, pt. 2, p. 475.

[12] John E. Moore (ed.), *Jane's Fighting Ships, 1974/5*, (Sampson-Low, 1974).

[13] The estimate was submitted by Admiral Elmo Zumwalt, then Chief of Naval Operations, in *Department of Defense Appropriations, FY 1975*, Hearings before the Senate Committee on Appropriations, 93 Cong. 2 Sess. (1974), pt. 2, p. 52.

[14] For the specific schedules and types of

ships examined, see the derivation provided in Appendix I. In general, see Secretary of Defense James R. Schlesinger, *Annual Defense Department Report, FY 1975*, March 4, 1974, pp. 117–141. For partial disaggregated projections to 1980, see Barry M. Blechman, *The Control of Naval Armaments* (Washington, D.C.: The Brookings Institution, 1975), Appendix A. An excellent though outdated work in this area is Arnold M. Kuzmack, *Naval Force Levels and Modernization* (Washington, D.C.: The Brookings Institution, 1971).

[15] 45 ships per year in the FY 77–FY 80 period and the 23 ships authorized in FY 76 would produce 203 ships in the FY 81–FY 85 period. This is 46 more than the 157 figure shown in Table 1. These 46 additional ships would produce a fleet of approximately 600 ships in 1985.

[16] Statement of Rear Adm. Robert C. Gooding, Commander, Naval Sea Systems Command, *Current Status of Shipyards, 1974*, Hearings, pt. 1, p. 5.

[17] Emphasis added. The MARAD study is discussed in a report on "U.S. Shipbuilding Industry Skill Requirements," attached by Chief of Naval Material Adm. I. C. Kidd in a letter to Hon. Charles E. Bennett dated April 2, 1974. The letter appears in the *Current Status of Shipyards, 1974*. Report and the quotation is on page 40. The Department of Labor Study, prepared by the Office of Assistant Secretary for Manpower, appears as "Meeting Shipyard Manpower Needs," December 13, 1974, in *ibid.*, p. 47.

[18] Letter from Rear Admiral Gooding to the Secretary of Defense, January 23, 1975, in *Current Status of Shipyards, 1974*. Hearings, pt. 1, p. 20.

[19] Statement of Rear Admiral Gooding in *ibid.*, pt. 1, p. 103.

[20] Statement of Adm. Holloway, Current Status of Shipyards, 1974, Hearings, pt. 3, p. 1494.

[21] See Current Status of Shipyards, 1974, Report, p. 18.

[22] The 35 ships per year program is presented in the letter by Deputy Secretary of Defense Clements to Rep. Bennett in Department of Defense Appropriations for 1976, pt. 2, p. 1549.

[23] See response by Vice Admiral Frank Price in Fiscal Year 1975 Authorization for Military Procurement, Hearings before the Senate Armed Services Committee, 93 Cong. 2 Sess. (1974), pt. 3, p. 130.

[24] Authorizing Appropriation, FY 1976 and FY 197T, for Military Procurement, Report of the House Armed Services Committee (No. 94–199), 94 Cong. 1 Sess. (1975), p. 31.

[25] Statement of Deputy Secretary of Defense Clements in Current Status of Shipyards, 1974, Report, p. 10.

APPENDIX I

Unless otherwise noted, these projections are extrapolations based on data provided in the sources cited in footnotes 11 and 12.

The schedule for strategic submarines is as follows (on the phase-out of Ethan Allen and George Washington subs, see the testimony of Adm. Elmo Zumwalt in *Procurement of Naval Vessels—Title I, H.R. 12564; Nuclear Navy—Title VIII, H.R. 12564*, Hearings before Subcommittee No. 3 (Seapower) of the House Armed Services Committee (HASC 93–43), 93 Cong. 2 Sess. (1974), pt. 2, p. 1046; on the Trident delivery schedule, see the testimony of Vice Adm. Price, *Procurement of Navel Vessels—Title I*, pt. 3, p. 3054):

Class of submarine

	1980	1985
Trident	2	10
Lafayette	31	31
Ethan Allen	5	0
George Washington	5	0
Total	43	41

A breakdown of the projections for attack submarines is as follows (the delivery schedule for Los Angeles-class submarine is in *Fiscal Year 1975 Authorization for Military Procurement*, pt. 3, pp. 1205, 1308):

Class of submarine

	1980	1985
Los Angeles	21	36
Sturgeon	37	37
Permit	13	13
Skipjacks	5	4
Skate	4	0
Other	3	0
Total	83	90

Projections of aircraft carriers are as follows (see testimony of Vice Adm. Price in *Procurement of Naval Vessels—Title I*, pt. 3, p. 3039:

Class of aircraft carrier

	1980	1985
Nimitz	2	3
Kitty Hawk	4	4
Enterprise	1	1
Forrestal	4	4
Midway	1	0
Total	12	12

As for V/STOL carriers, Secretary of Defense Schlesinger states in the *Annual Defense Department Report, FY 1975*, p. 122 that 8 such carriers are planned. Congress has already deleted one of these but it is assumed that the other seven will be delivered by 1985.

1 CGN cruiser will remain in 1980 and it is assumed that 1 CSGN (Strike cruiser) will be delivered by 1980 for a total of 2 cruisers. Thereafter, the delivery of 1 CSGN per year is assumed for a total of 6 CSGN and 1 CGN (7 cruisers) by 1985.

A breakdown of the projections for destroyer type ships follows (the numbers reflect the fact that one DLGN was deleted from the Administration's authorization bill; the Spruance numbers are based on the five-year shipbuilding program submitted by Adm. Holloway in *Current Status of Shipyards, 1974*, Hearings, pt. 3, p. 1508):

Class of destroyer-type ship

	1980	1985
DLGN:		
Virginia	3	4
Truxtun	1	1
Bainbridge	1	1
California	2	2
DLG:		
Belknap	9	9
Leahy	9	9
Coontz	10	10
DDG:		
Sherman	4	4
Adams	23	23
DD:		
Spruance	30	30
Total	92	93

The projections for escort ships are (numbers for the Patrol Frigate come from Vice Adm. Price's testimony in *Procurement of Naval Vessels—Title I*, pt. 3, p. 3040):

Class of escort ship

	1980	1985
DEG Brooke	6	6
DE Knox	46	46
PE Bronstein	2	2
PE Glover	1	1
PF Patrol Frigate	13	56
Total	68	111

Estimated levels for amphibious warfare ships are as follows:

Class of amphibious warfare ship

	1980	1985
LCC Blue Ridge	2	2
LHA Tarawa	5	5
LPH Iwo Jima	6	3
LKA Charleston	5	5
LPA Paul Revere	1	0
LSD Anchorage	5	5
LST Newport	20	20
LPD Austin	12	12
LPD Raleigh	2	0
Total	58	52

The reason for the disappearance of mine warfare ships is that the United States now uses helicopters for mine sweeping so that the ships that become obsolete will not be replaced (see *Annual Defense Department Report, FY 1975*, p. 140).

Projected force levels for patrol ships are (levels for the PHM are derived from Adm. Holloway's presentation of the five-year shipbuilding program in *Current Status of Shipyards, 1974*, Hearings, p. 1508):

Class of patrol ship

	1980	1985
PG	14	14
PHM	23	30
Total	37	44

The scheduled levels for underway replenishment ships are as follows (additions are based in part on Schlesinger's *Annual Defense Department Report, FY 1975*, p. 142):

Class of Underway Replenishment Ship

	1980	1985
AO	10	16
AOR	7	7
AE	13	15
AFS	7	10
AF	2	2
Total	39	50

Projected levels of auxiliary Ships are:

Class of auxiliary ship

	1980	1985
Tugs	18	10
ATS	3	3
AD	7	9
AS	10	10
ASR	8	2
AGHS	0	1
Other	7	3
Total	53	38

The above estimates were used in Table 2 on page 6 of this paper.

The second item I am placing in the RECORD at this time is a story filed by Scripps Howard staff writer Alan Horton August 13, 1975. The Horton story details a decision by Secretary Schlesinger to slow down production on the B–1 and Trident submarine programs in order to free up an additional $5 billion for conventional weaponry over the next five years. I assure my colleagues that any such directive issued by Congress would have been attacked by the Pentagon as a serious threat to our national security. The Horton story follows:

"PENTAGON SWITCHES $5 BILLION FROM NUCLEAR TO CONVENTIONAL WEAPONS"

(By Alan Horton)

WASHINGTON, August 13.—Defense Secretary James R. Schlesinger has ordered the military services to take $5 billion from their shopping list for nuclear weapons and buy conventional arms instead.

Schlesinger's theory: Awesome as the Soviet nuclear buildup is, the growth of the Russian army, naval and air forces is even more a threat to peace and the worldwide balance of power.

Part of the Schlesinger plan is to stretch out production of the Air Force's 244 B1 bombers and Navy's 10 Trident missile submarines. Defense sources said the last B1's and Tridents may not be produced under the new plan until 1988, three or four years later

than previously planned. Other nuclear programs will be slowed also.

The stretch-out will increase the total cost of the strategic programs over the long haul, but it will free money for other purposes over the next few years. The B1 program already is projected at $20.6 billion and the Trident, $15.8 billion.

The money squeezed from the stretch-out—a total of $5 billion in the next five fiscal years—will go for jet fighters and other aircraft, tanks, additional ships for the Navy, troop ships to haul Marines and improved intelligence and communication.

Russia now is outproducing the United States in tanks, ships, airplanes and submarines and has twice as many men under arms.

The strategic slowdown will cut about $2.5 billion from the Air Force's five-year program and add that much to Army spending. The Army will use the money to equip two new divisions. The slowdown in the B1 program will chop about $500 million a year from the Air Force budget and slow B1 production from the planned four per month to two or three.

The Navy will spend about as much as had been planned but not on Trident submarines. Navy sources said Trident spending is to be cut by $150 million per year and the production rate will be slowed from three submarines every two years to one every year.

Schlesinger also has ordered the Navy not to build additional $1 billion to $2 billion nuclear-powered aircraft carriers. The Navy already has two large nuclear-powered carriers and two more under construction. It had hoped to build a fleet of 12 such carriers.

Schlesinger said the Navy should plan on building oil-driven carriers about half the size of nuclear-powered models.

Navy officials and certain powerful Congressmen already are lobbying to reverse Schlesinger's decision, which was relayed to the services in the annual Program Decision Memorandum. Either the President or Congress has the power to overturn Schlesinger's decision.

Over the next five years if the Schlesinger decision holds, all but about $40 billion of the $200 billion the services will spend for weapons and research and development will go for conventional arms.

The lesson offered by the MCPL report and the Horton story is simply this: The congressional prerogative to trim down Pentagon funds for programs is not as limited as we are scared into believing. Congress must learn that cutting the defense budget without affecting our national security is very possible. This was the objective of the alternative defense posture issued earlier this year. This is clearly the objective of the budget which we have been considering for 3 days. My colleagues and I will be continuing our efforts in this direction when the defense budget for next year's programs is sent over.

Mr. GOLDWATER. Mr. Chairman, it is my intention, barring some unforeseen amendment to this legislation, to support and vote for the Department of Defense appropriation for fiscal year 1976. I am, frankly, a little concerned about one aspect of the Appropriation Committee's decisionmaking rationale and about some of the cuts the committee made from the President's budget request. The committee states in its report:

> The Committee does not feel that the defense budget of the United States should be increased solely because of reported increases in the defense budget of the Soviet Union. . . . It is far more useful to compare actual military forces (page 10, committee report).

Those statements, whether taken in context or out, smack of a shortsightedness that is frighteningly reminiscent of of the congressional defense attitude that prevailed to our national sorrow in the 1920's and 1930's.

It is quite true that the Soviet economy does not get the same qualitative result for each dollar spent that the United States does. It is equally true that the inherent inefficiencies of the Soviet economy and defense production industry require a greater percentage of the GNP of the Soviet Union to achieve the same or comparable American result. It is also true that estimates of the size of the Soviet defense budget are not always reliable. It is not, however, a logical conclusion to contend that because of these differences, obscurities and inefficiencies the only reasonable point of analysis is "actual military forces." That is a little like judging your opponent just by the stick in his hand. You cannot be sure that "what you see is what you get." We have been burned before because we were content to rely on appearances. Remember 1957 and Sputnik? Remember the shooting down of Gary Powers? Remember the Cuban missile crisis? Remember the SAM–7 effectiveness and the Soviet resupply capability in the Mid-East?

I am afraid that it was this kind of thinking and analysis that led the committee to substantially reduce or eliminate funding for Trident, AWACS, independently maneuverable reentry vehicles, and the B–1 bomber programs. The evidence is clear and strong that the Soviets are active in programs of their own in these same areas. One would think that it is not necessary to remind Americans that our intelligence information of the Soviet defense budget and future plans and programs often errs on the side of having too little information and being a little too conservative in our "guestimates." There is a real need for higher funding in the program I mentioned earlier. I would urge the committee to rethink its methods of analysis, and I would hope they adopt a more balanced and whole analytical posture when they consider future appropriations for defense.

There are three specific aspects of this bill that I wish to comment on. One of them, the F–18 program, I will address during the consideration of that specific section of the bill. The proposal to expose the total budgetary figure of the CIA. There is no doubt in my mind that the CIA is currently under a philosophically partisan attack. This attack is damaging the mission capability of the CIA at a time when America and the free world need its efforts most. We are at least verbally committed to chasing the elusive vision of détente. We need to know everything we can about our potential and real enemies, and even about some of our reputed allies.

The current attacks on the CIA, and particularly the sensationalism of some of those inquiries, are destroying the morale, credibility, and viability of the agency far in excess of the alleged sins and illegalities committed by it. Revelation of the total budget figure of the agency may not further damage the mission capability of the CIA in and of itself. But, we all know that this is intended to be the first step in ripping open the agency and destroying it. Seeking 100 percent public accountability of the activities of the CIA is as dangerous and muddleheaded as having no oversight and accountability at all. If the realities and necessities of defending American freedom and offering some hope and strength to a beleaguered world is too much for some of my colleagues and a few of our citizens. I urge them to stop trying to destroy our liberty and think about another line of work or another place to live. These are tough times. They call for men and women of vitality, thoughtfulness, and courage. If more accountability and oversight is needed, and I believe it may be in certain specific areas, let us make the necessary, reasonable adjustment and reject simplistic, unrealistic, self-destructive approaches.

I am concerned about the committee's decision to cut by 30 percent the recruiting force level of the U.S. Army. After encountering some initial difficulties, the Army has delivered the goods in fulfilling its obligations in support of the All-Volunteer Army concept. Their program is now working well. It is a mistake to cut their activities at this time. The cuts will do unnecessary damage to the all-volunteer effort and could result in the resurrection of the draft. Furthermore, while I *fully* understand the cost-effectiveness concern of the committee, I believe it to be incorrectly applied in this case. It is false economy. Consequently, I will support a restoration of these funds.

On balance, Mr. Speaker, the committee bill is acceptable.

Ms. ABZUG. Mr. Chairman, I regret that we have again before us a defense appropriations bill which continues the policy of hiding from the American people the amount of their tax moneys which are to be spent by the Central Intelligence Agency. The gentleman from Connecticut and those who spoke on behalf of his amendment yesterday must be admired for their efforts to have a matter of urgent public concern made known to the American people. Yet, a majority of the Members of this House apparently continues to feel that the people of this country are not entitled to know what their Government is doing, or how it is spending their money.

During the debate on this issue, we again heard the rhetoric which justifies withholding information, that every American must and ought to know, on the grounds of national security. After all the documented evidence of abuses by our intelligence community, and the paucity of any evidence justifying such secrecy, this body still insists upon adhering to reasoning that has long been discredited.

I am not suggesting that we weaken the effectiveness of our intelligence community. Revealing the CIA budget will not have a negative impact on its effec-

tiveness. As was pointed out yesterday by my colleague from New York (Mr. ADDABBO), the FBI has a line item budget which is a matter of public record, and that has not caused any decline in its intelligence-gathering operations. What I am suggesting is that we in the Congress adhere to the political theory which requires that the Government be responsible to the governed.

Article I, section 9, clause 9 of the Constitution requires that "a regular statement and account of the receipts and expenditures of all public money shall be published from time to time." This constitutional mandate reflects the realization by the Framers that only a public accounting of all public moneys will guarantee the maintenance of a truly open government. The bill we voted on prevents the publication of any such statement of the hundreds of millions of dollars of public money to be spent by the CIA. Each time we pass a measure which prevents this publication, we are legislating directly against the intent of the Framers.

I would urge my colleagues to consider the implications of this practice and to end the policy of accepting such secrecy in Government.

Mr. O'BRIEN. Mr. Chairman, reference was made earlier by the distinguished chairman of the Committee on Appropriations to section 753 of the bill. He should be proud of it. It forbids the spending of any of the money in this bill "for the design, procurement of plant equipment, or construction of new ammunition plant facilities except in areas in which ammunition facilities are being closed, placed in layaway, or at which production has been curtailed."

I was somewhat dismayed, to put it mildly, to learn the Army had budgeted $45 million in ammunition procurement funds for a planned new ammunition plant in Bay St. Louis, Miss. This at a time when decisions have been made to "mothball" the Joliet Army Ammunition Plant in my congressional district and other similar Government-owned, contractor-operated plants throughout the country. The taxpayers have a tremendous investment in these plants. The Army estimates the replacement cost of the Joliet plant alone at more than a billion dollars. It has spent $106.5 million there since 1970 in modernizing the production lines and installing air and water pollution controls.

The proposed new plant at Bay St. Louis would be used for the production, load, assembly, and packing of the new M–483 155-millimeter improved conventional munition round. The Army told the committee that production lines at existing plants would require considerable modification to produce the new round. But the Army recommended deferring the conversion of existing facilities until construction of the Mississippi plant is well underway. The Committee on Appropriations, to its everlasting credit, did not buy this notion. Pointing out that the Army is planning to terminate production at 5 ammunition plants and reduce production at 11 other plants, the committee's report said:

The Committee is not convinced that the foregoing action can be justified while at the same time initiating design of a new ammunition plant in Mississippi, which is estimated to cost approximately $228,500,000. The Committee recognizes the necessity for maintaining a production base for our current 155mm ammunition; however, the Army plans to drastically reduce or place in layaway certain plants that have the capability of producing munitions no longer in the Army inventory. The Committee has received no concrete justification from the Army as to why some of the ammunition plants falling in the latter category cannot be converted immediately to produce the new M483 155mm artillery projectile or parts thereof.

There should be no adverse effect on our defense posture as a result of this action by the committee and this House. The $45,200,000 budgeted for the new M–483 round remains in the bill. But the Army will not be able to use the money for construction of new plant facilities except in areas where existing plants are being closed, placed in layaway status, or at which production has been curtailed.

Mr. CONYERS. Mr. Chairman, I have voted against every military appropriation since coming to Congress for the simple reason that I was never persuaded that the Department of Defense needed or deserved the public funds it was given. I have watched military spending climb from the unreasonable to the unconscionable. Now, with neither a cold nor actual war in progress, there can be no justification for continued lavish military spending that surely goes beyond real national defense needs. I regret I was unable to be present this time to join my 61 colleagues in saying "no" to the Pentagon.

When will the people's representatives turn their attention to concrete, felt, long-deferred human needs at home if not now, when we are in the midst of the highest unemployment since the Great Depression, the worst inflation in recent times, the financial collapse of our great cities, and the short supply of investment capital that could reinvigorate our economy? It is an undisputed fact that for every $1 billion in military spending, 20,000 to 30,000 fewer jobs are generated than would have been created in civilian activity. This is merely one among many of the adverse fiscal repercussions that result from excessive military funding. I have really answered my own question. We continue to tolerate the drain of our resources through military waste, following the easy path of doing what so many other Congresses have done before us, unreflectively and uncritically.

The 94th Congress which raised hopes of finally turning the Government to consideration of long-neglected internal needs has, like its predecessors, been held up in broad daylight by the Military Establishment.

Mr. MAHON. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. ROSTENKOWSKI, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 9861) making appropriations for the Department of Defense for the fiscal year ending June 30, 1976, and the period beginning July 1, 1976, and ending September 30, 1976, and for other purposes, had directed him to report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. The question is on the amendment.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. BREAUX. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

PARLIAMENTARY INQUIRY

Mr. EDWARDS of Alabama. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER. The gentleman will state his parliamentary inquiry.

Mr. EDWARDS of Alabama. Mr. Speaker, in the confusion I was not sure, and I want to be sure of this. Are we voting on the Spellman amendment?

The SPEAKER. The gentleman is correct. A "yea" vote is for the Spellman amendment; a "nay" vote is against the Spellman amendment.

The vote was taken by electronic device, and there were—yeas 190, nays 220, not voting 23, as follows:

[Roll No. 574]

YEAS—190

Abzug	Duncan, Oreg.	Keys
Adams	Early	Koch
Addabbo	Eckhardt	Krebs
Ambro	Edgar	LaFalce
Anderson, Calif.	Edwards, Calif.	Leggett
	Eilberg	Litton
Annunzio	Emery	Long, Md.
Ashley	Esch	McDade
Aspin	Fascell	McEwen
Badillo	Fenwick	McHugh
Barrett	Fish	McKinney
Baucus	Fisher	Madden
Bauman	Fithian	Maguire
Beard, R.I.	Florio	Matsunaga
Bedell	Foley	Meeds
Bennett	Ford, Mich.	Metcalfe
Bergland	Forsythe	Meyner
Bingham	Giaimo	Mezvinsky
Blanchard	Gilman	Mikva
Blouin	Gonzalez	Miller, Calif.
Boland	Goodling	Mineta
Bonker	Grassley	Minish
Brademas	Green	Mink
Brodhead	Gude	Mitchell, Md.
Brown, Calif.	Guyer	Mitchell, N.Y.
Burke, Calif.	Hall	Moakley
Burton, John	Hanley	Moffett
Burton, Phillip	Hannaford	Mollohan
Byron	Harkin	Moorhead, Pa.
Carr	Harrington	Mosher
Chappell	Harris	Moss
Chisholm	Hawkins	Murphy, N.Y.
Clay	Hayes, Ind.	Neal
Cleveland	Hays, Ohio	Nix
Cohen	Hechler, W. Va.	Nolan
Collins, Ill.	Heckler, Mass.	Nowak
Conte	Hicks	Oberstar
Corman	Holt	Obey
Cornell	Holtzman	O'Hara
D'Amours	Howard	O'Neill
Daniels, N.J.	Howe	Ottinger
Danielson	Hubbard	Patterson, Calif.
Delaney	Hughes	
Diggs	Hungate	Pattison, N.Y.
Dodd	Jacobs	Pettis
Downey, N.Y.	Karth	Peyser
Downing, Va.	Kastenmeier	Pike
Drinan	Ketchum	Pritchard

Rangel	Santini	Thompson
Rees	Sarasin	Traxler
Reuss	Sarbanes	Tsongas
Richmond	Scheuer	Ullman
Riegle	Schroeder	Vander Veen
Rinaldo	Seiberling	Vanik
Rodino	Sharp	Walsh
Roe	Skubitz	Waxman
Roncalio	Snyder	Weaver
Rooney	Solarz	Wirth
Rosenthal	Spellman	Wolff
Rousselot	Stark	Yates
Roybal	Stokes	Yatron
Russo	Stratton	Young, Alaska
Ryan	Studds	Young, Ga.
St Germain	Sullivan	Zeferetti

NAYS—220

Abdnor	Goldwater	Natcher
Alexander	Gradison	Nedzi
Anderson, Ill.	Hagedorn	Nichols
Andrews, N.C.	Haley	O'Brien
Andrews, N. Dak.	Hamilton	Passman
	Hammer-schmidt	Patman, Tex.
Archer		Patten, N.J.
Armstrong	Hansen	Perkins
Ashbrook	Harsha	Pickle
Bafalis	Hastings	Poage
Baldus	Hefner	Pressler
Beard, Tenn.	Heinz	Preyer
Bell	Helstoski	Price
Bevill	Henderson	Quie
Biaggi	Hightower	Quillen
Biester	Hillis	Railsback
Boggs	Hinshaw	Randall
Bowen	Holland	Regula
Breaux	Horton	Rhodes
Breckinridge	Hutchinson	Risenhoover
Brinkley	Hyde	Roberts
Brooks	Ichord	Robinson
Broomfield	Jarman	Rostenkowski
Brown, Mich.	Jeffords	Roush
Brown, Ohio	Jenrette	Runnels
Broyhill	Johnson, Calif.	Satterfield
Buchanan	Johnson, Colo.	Schneebeli
Burgener	Johnson, Pa.	Schulze
Burke, Fla.	Jones, Ala.	Sebelius
Burke, Mass.	Jones, N.C.	Shipley
Burleson, Tex.	Jones, Okla.	Shriver
Burlison, Mo.	Jones, Tenn.	Shuster
Butler	Jordan	Sikes
Carney	Kasten	Simon
Carter	Kazen	Slack
Casey	Kelly	Smith, Iowa
Cederberg	Kemp	Smith, Nebr.
Clancy	Kindness	Spence
Clausen, Don H.	Krueger	Stanton, J. William
	Lagomarsino	
Clawson, Del	Landrum	Stanton, James V.
Cochran	Latta	
Collins, Tex.	Lehman	Steed
Conable	Lent	Steelman
Conlan	Levitas	Steiger, Ariz.
Cotter	Lloyd, Calif.	Steiger, Wis.
Coughlin	Lloyd, Tenn.	Stephens
Crane	Long, La.	Stuckey
Daniel, Dan	Lott	Symington
Daniel, R. W.	Lujan	Symms
Davis	McClory	Talcott
de la Garza	McCloskey	Taylor, Mo.
Dent	McCollister	Taylor, N.C.
Derrick	McDonald	Thone
Derwinski	McFall	Thornton
Devine	McKay	Treen
Dickinson	Madigan	Vander Jagt
Duncan, Tenn.	Mahon	Vigorito
du Pont	Mann	Waggonner
Edwards, Ala.	Martin	Wampler
English	Mathis	Whalen
Erlenborn	Mazzoli	White
Eshleman	Melcher	Whitehurst
Evans, Colo.	Michel	Whitten
Evans, Ind.	Miller, Ohio	Wiggins
Findley	Mills	Wilson, Bob
Flood	Montgomery	Wilson, C. H.
Flowers	Moore	Winn
Flynt	Moorhead, Calif.	Wright
Ford, Tenn.		Wydler
Fountain	Morgan	Wylie
Frenzel	Mottl	Young, Fla.
Frey	Murphy, Ill.	Young, Tex.
Gaydos	Murtha	Zablocki
Gibbons	Myers, Ind.	
Ginn	Myers, Pa.	

NOT VOTING—23

AuCoin	Fuqua	Ruppe
Bolling	Hébert	Sisk
Conyers	McCormack	Staggers
Dellums	Macdonald	Teague
Dingell	Milford	Udall
Evins, Tenn.	Pepper	Van Deerlin
Fary	Rogers	Wilson, Tex.
Fraser	Rose	

The Clerk announced the following pairs:

On this vote:

Mr. AuCoin for, with Mr. Hébert against.

Mr. Rogers for, with Mr. Teague against.

Mr. Dellums for, with Mr. Evins of Tennessee against.

Mr. Conyers for, with Mr. Charles Wilson of Texas against.

Mr. Fary for, with Mr. Sisk against.

Mr. Pepper for, with Mr. Rose against.

Until further notice:

Mr. Dingell with Mr. Van Deerlin.

Mr. Udall with Mr. Fuqua.

Mr. Fraser with Mr. McCormack.

Mr. Staggers with Mr. Macdonald of Massachusetts.

Messrs. ROBERTS and LLOYD of California, Mrs. LLOYD of Tennessee, and Mr. BELL changed their vote from "yea" to "nay."

Mr. SEIBERLING changed his vote from "nay" to "yea."

So the amendment was rejected.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the engrossment and third reading of the bill.

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

The SPEAKER. The question is on the passage of the bill.

Mr. MAHON. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken by electronic device, and there were—yeas 353, nays 61, not voting 19, as follows:

[Roll No. 575]

YEAS—353

Abdnor	Byron	Evans, Colo.
Adams	Carney	Evans, Ind.
Addabbo	Carter	Fascell
Alexander	Casey	Fenwick
Ambro	Cederberg	Findley
Anderson, Ill.	Chappell	Fish
Andrews, N.C.	Clancy	Fisher
Andrews, N. Dak.	Clausen, Don H.	Fithian
		Flood
Annunzio	Clawson, Del	Florio
Archer	Cleveland	Flowers
Armstrong	Cochran	Flynt
Ashbrook	Cohen	Foley
Ashley	Collins, Tex.	Ford, Mich.
Aspin	Conable	Ford, Tenn.
Bafalis	Conlan	Fountain
Barrett	Conte	Frenzel
Baucus	Corman	Frey
Bauman	Cotter	Gaydos
Beard, R.I.	Coughlin	Giaimo
Beard, Tenn.	Crane	Gibbons
Bell	D'Amours	Gilman
Bennett	Daniel, Dan	Ginn
Bergland	Daniel, R. W.	Goldwater
Bevill	Daniels, N.J.	Gonzalez
Biaggi	Danielson	Goodling
Biester	Davis	Gradison
Blanchard	de la Garza	Grassley
Boggs	Delaney	Green
Boland	Dent	Gude
Bonker	Derrick	Guyer
Bowen	Derwinski	Hagedorn
Brademas	Devine	Haley
Breaux	Dickinson	Hall
Breckinridge	Diggs	Hamilton
Brinkley	Dodd	Hammer-schmidt
Brooks	Downey, N.Y.	
Broomfield	Downing, Va.	Hanley
Brown, Calif.	Duncan, Oreg.	Hannaford
Brown, Mich.	Duncan, Tenn.	Hansen
Brown, Ohio	du Pont	Harris
Broyhill	Eckhardt	Harsha
Buchanan	Edwards, Ala.	Hastings
Burgener	Eilberg	Hayes, Ind.
Burke, Fla.	Emery	Hays, Ohio
Burke, Mass.	English	Hébert
Burleson, Tex.	Erlenborn	Heckler, Mass.
Burlison, Mo.	Esch	Hefner
Butler	Eshleman	Heinz
Henderson	Meeds	Santini
Hicks	Melcher	Sarasin
Hightower	Michel	Sarbanes
Hillis	Milford	Satterfield
Hinshaw	Miller, Ohio	Scheuer
Holland	Mills	Schneebeli
Holt	Mineta	Schulze
Horton	Minish	Sebelius
Howard	Mink	Sharp
Howe	Mitchell, N.Y.	Shipley
Hubbard	Moakley	Shriver
Hughes	Mollohan	Shuster
Hungate	Montgomery	Sikes
Hutchinson	Moore	Simon
Hyde	Moorhead, Calif.	Skubitz
Ichord		Slack
Jacobs	Moorhead, Pa.	Smith, Iowa
Jarman	Morgan	Smith, Nebr.
Jeffords	Moss	Snyder
Jenrette	Mottl	Spellman
Johnson, Calif.	Murphy, Ill.	Spence
Johnson, Colo.	Murphy, N.Y.	Stanton, J. William
Johnson, Pa.	Murtha	
Jones, Ala.	Myers, Ind.	Stanton, James V.
Jones, N.C.	Myers, Pa.	
Jones, Okla.	Natcher	Steed
Jones, Tenn.	Neal	Steelman
Jordan	Nichols	Steiger, Ariz.
Karth	Nix	Steiger, Wis.
Kasten	Nowak	Stephens
Kazen	O'Brien	Stratton
Kelly	O'Hara	Stuckey
Kemp	O'Neill	Sullivan
Ketchum	Passman	Symington
Keys	Patman, Tex.	Symms
Kindness	Patten, N.J.	Talcott
Koch	Patterson, Calif.	Taylor, Mo.
Krebs		Taylor, N.C.
Krueger	Perkins	Teague
LaFalce	Pettis	Thone
Lagomarsino	Peyser	Thornton
Landrum	Pickle	Traxler
Latta	Pike	Treen
Leggett	Poage	Ullman
Lehman	Pressler	Vander Jagt
Lent	Preyer	Vander Veen
Levitas	Price	Vigorito
Litton	Pritchard	Waggonner
Lloyd, Calif.	Quie	Walsh
Lloyd, Tenn.	Quillen	Wampler
Long, La.	Railsback	Waxman
Long, Md.	Randall	Whalen
Lott	Regula	White
Lujan	Reuss	Whitehurst
McClory	Rhodes	Whitten
McCloskey	Riegle	Wiggins
McCollister	Rinaldo	Wilson, Bob
McDade	Risenhoover	Wilson, C. H.
McDonald	Roberts	Winn
McEwen	Robinson	Wirth
McFall	Rodino	Wolff
McKay	Roe	Wright
McKinney	Rogers	Wydler
Madden	Roncalio	Wylie
Madigan	Rooney	Yates
Mahon	Rostenkowski	Yatron
Mann	Roush	Young, Alaska
Martin	Rousselot	Young, Fla.
Mathis	Runnels	Young, Tex.
Matsunaga	Russo	Zablocki
Mazzoli	St Germain	Zeferetti

NAYS—61

Abzug	Forsythe	Obey
Anderson, Calif.	Harkin	Ottinger
	Harrington	Pattison, N.Y.
Badillo	Hawkins	Rangel
Baldus	Hechler, W. Va.	Rees
Bedell	Helstoski	Richmond
Bingham	Holtzman	Rosenthal
Blouin	Kastenmeier	Roybal
Brodhead	McHugh	Ryan
Burke, Calif.	Maguire	Schroeder
Burton, John	Metcalfe	Seiberling
Burton, Phillip	Meyner	Solarz
Carr	Mezvinsky	Stark
Chisholm	Mikva	Stokes
Clay	Miller, Calif.	Studds
Collins, Ill.	Mitchell, Md.	Thompson
Cornell	Moffett	Tsongas
Drinan	Mosher	Vanik
Early	Nedzi	Weaver
Edgar	Nolan	Young, Ga.
Edwards, Calif.	Oberstar	

NOT VOTING—19

AuCoin	Fraser	Sisk
Bolling	Fuqua	Staggers
Conyers	McCormack	Udall
Dellums	Macdonald	Van Deerlin
Dingell	Pepper	Wilson, Tex.
Evins, Tenn.	Rose	
Fary	Ruppe	

The Clerk announced the following pairs:

On this vote:

Mr. Sisk for, with Mr. AuCoin against.
Mr. Staggers for, with Mr. Dellums against.
Mr. Rose for, Mr. Conyers against.

Until further notice:

Mr. Pepper with Mr. Charles Wilson of Texas.
Mr. Dingell with Mr. Van Deerlin.
Mr. Evins of Tennessee with Mr. Fraser.
Mr. Fuqua with Mr. Macdonald of Massachusetts.
Mr. Fary with Mr. Ruppe.
Mr. McCormack with Mr. Udall.

Mr. CLANCY changed his vote from "nay" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MAHON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

AUTHORIZING CLERK TO MAKE CORRECTIONS IN H.R. 9861, DEPARTMENT OF DEFENSE APPROPRIATION BILL, 1976

Mr. MAHON. Mr. Speaker, I ask unanimous consent that in the engrossment of the bill just passed, that the Clerk be authorized to make corrections in section numbers and punctuation to reflect the actions taken in the Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

BEEF RESEARCH AND INFORMATION ACT

Mr. FOLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7656) to enable cattle producers to establish, finance, and carry out a coordinated program of research, producer and consumer information, and promotion to improve, maintain, and develop markets for cattle, beef, and beef products.

The SPEAKER. The question is on the motion offered by the gentleman from Washington.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 7656, with Mr. ECKHARDT in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Washington (Mr. FOLEY) will be recognized for 30 minutes, and the gentleman from Kansas (Mr. SEBELIUS) will be recognized for 30 minutes.

The Chair now recognizes the gentleman from Washington (Mr. FOLEY).

Mr. FOLEY. Mr. Chairman, I yield such time as he may consume to the distinguished chairman of the Subcommittee on Livestock and Grains, the gentleman from Texas (Mr. POAGE).

Mr. POAGE. Mr. Chairman, I hope I will not use all of the time that I might ordinarily consume. Of course, I know that the Members are anxious to move on either to other things or to an adjournment.

Mr. Chairman, I want to very briefly tell the Members what we have here. We have a bill which authorizes livestock producers to levy a fee upon themselves to carry out research, study, development, and advertising of their business.

This is not a compulsory checkoff. It does not require anybody to pay who does not want to. Of course, the money is collected at the final packinghouse, and it is collected on all animals because there is no other way of doing it. But any livestock owner who feels that this is not worth the cost has only to file a request and get all his money back. So there is no compulsion on anybody here to make a payment.

There is no money required to be put in by the Federal Government after the program is in operation. The costs of the program are carried on by the funds that are taken from the sale of animals. In other words, the livestock producers are the ones who pay the cost of the program. They are the ones who inaugurate the program, they pay for the program, they run the program, and I think that is as it should be.

The only connection that the Government will have with the program is the Government will conduct the original referendum in which two-thirds of the livestock producers must express their approval of the program or else it does not go into effect. There is no compulsion here. If more than one-third of the livsetock producers do not vote for this program, then there will not be any program.

Of course, the Government will have conducted the referendum, just as it conducts referendums for elections in labor disputes in industrial plants, and in those cases the Government pays all the expense. The only expense to the Government here will be for the printing of some literature and some ballots. The result of the operation will be conducted by the present employees of the Department of Agriculture, and there will be no additional expense except for a little bit of literature. But if the referendum carries, as we anticipate it will, then the livestock producers will out of this fund repay every bit of that cost to the Government. The only burden that there can be to the Government is the possibility of paying for a little literature and the ballots to send out to determine the referendum.

Mr. Chairman, once the referendum is had, this fund will be governed by a board of 68 members nominated by existing livestock organizations and finally selected by the Secretary of Agriculture.

We think that this is in keeping with the policy which has long been established for agricultural products and for other products. It gives the producers a chance to present their products to the consumers in the best light they can. It gives the producers an opportunity to study the markets and to determine just what the needs of their customers are. Of course, the whole purpose of the thing is then for the producers to put on the market the things that the public wants. To that extent it seems to me that this is one of those programs that helps both the producer and the consumer.

We think that this is one of the simplest approaches that can be adopted to try to bring a vital industry out of the doldrums. The livestock industry, the livestock segment of agriculture, is the largest segment of all agriculture, and agriculture is the largest industry in the United States.

We believe that by maintaining a sound and a solvent livestock industry we are rendering a service to every consumer in this country and to every person throughout the whole world who eats food.

Mr. Chairman, we believe that this is a good bill, that it is one that will help a great industry, that it is one that can hurt no one, and that it is one that will cost no one more than an infinitesimal amount on the sale of livestock. I hope the committee will approve the bill.

Mr. SEBELIUS. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I appreciate this opportunity to rise in support of H.R. 7656, the Beef Research and Information Act.

This proposal is a far-reaching plan to strengthen the economy of the cattle industry and to assure consumers of a wholesome and reliable supply of beef at prices they can afford. All funds will be provided by cattlemen. The program will cost the Federal Government and the taxpayer nothing. It should actually result in savings to the consumer.

Under this program, the cattlemen will spend their own money on research projects relating to nutrition, human health, new beef products, marketing and distribution. We need increased research at a time when the Federal Government has cut back on agricultural research. Progress in any of these areas will help consumers, create expanded markets for beef and help make cattlemen more efficient producers of beef. Research into health and nutrition is another area of vital interest to consumers and cattlemen. As it is now, we know more about animal nutrition than human nutrition.

Under this program, the cattlemen will spend their own money on consumer information and education programs and youth education in our schools as well as adult education. They propose education programs on the economics of buying, how to get more for your food dollar, how to select and prepare the most economical cuts, and so forth. Likewise, they will attempt to neutralize false information being published about beef and

human health and to publish the facts based on reliable research and to encourage truth in advertising.

Under this program, the cattlemen will spend their own money on market information programs aimed at leveling out the extreme fluctuations in supply. This will help producers regarding the prices they receive for cattle and consumers regarding the price they pay for beef. Improved methods of handling and preparation will also receive considerable attention. Distribution of beef is a major concern to cattlemen. Statistics show that 80 percent of the increase in food prices last year resulted from increased off-farm costs. Cattlemen say that unless beef distribution improves, farm-to-consumer margins will continue to mount. The cattlemen's share is squeezed along with the consumer's budget by these rising nonfarm costs.

Again, I emphasize that this program will not cost the Government anything. The act calls for cattlemen to reimburse the Government for the cost of conducting the referendum and for any administrative cost in auditing or other miscellaneous expense.

The cattlemen and the consumer have recently been victimized by misinformation. During the past 2 years, he has witnessed attacks on his product and has been the victim of discriminatory Government policy. I refer to the Government price controls in 1973 which under phase IV singled out beef and triggered unprecedented economic losses for cattle feeders and producers. I refer to expanding beef imports into the United States which have depressed prices and continue to threaten the markets for our domestic beef and future supplies of beef. I refer to the increasing number of regulations, by State and Federal regulatory agencies and to synthetics which could undermine and demoralize this largest sector of our agricultural economy. I refer to beef boycotts and "eat less meat" campaigns—by groups that admittedly used beef as a symbol of their protest against inflation, without realizing that beef cattle prices came down more than any other major consumer item. In fact, last year, consumers spent 2.5 percent of their income on beef, the same percentage as in 1950, but per capita consumption of beef increased from 56 pounds to 117 pounds. I think it is about time to give the producer a break and the freedom to chart his own destiny. The producer, the consumer, and our Nation's economy would all benefit.

Beef cattle is the largest segment of American agriculture and the leading industry in Kansas. Millions of people depend on this industry for jobs and their economic livelihood. It is most unfortunate that the industry has been singled out for this baised and discriminatory treatment. A good illustration of this bias is the claim that beef cattle production denies grain for people. The fact is that cattle can convert raw materials, which are not palatable to people into a palatable meat for human consumption. Without cattle and other ruminant animals, about 890 million acres of pasture, grass and grazing land—39 percent of the total land area of the United States—would not be utilized. This would be a terrible waste. But through cattle, each 10 to 20 pounds of inedible forage represents a potential pound of edible meat.

As I mentioned earlier, the cattleman and the beef cattle industry will finance this program. The "value-added" approach is an equitable and practicable collection system which will be largely self-policing. Since producers may obtain a refund from the Beef Board for any assessment that he has paid, the program is entirely voluntary.

The American consumer will ultimately determine the success or failure of this program. It would be unrealistic to suppose that the interest and satisfaction of the consumer will not be a primary concern in every undertaking of the Beef Board.

Mr. Chairman, self-help is best help and this is an opportunity to put this theory into practice. It appears to me that everyone—beef producers, consumers and the Government—would benefit from this program. This is one of the few proposals where consumers and the taxpayer do not end up footing the bill. This bill should receive prompt and favorable consideration.

Mr. POAGE. Mr. Chairman, I yield 10 minutes to the gentleman from New York (Mr. RICHMOND).

Mr. RICHMOND. Mr. Chairman, I rise in opposition to the bill. This is a terrible bill. The supporters of this bill assume advertising and promoting beef, our most expensive food, is in the public interest and should be encouraged. They claim consumers need to eat more beef, and they are prepared to convince us this is so. Yet, there is no consumer involvement in this entire program. Sixty million dollars will be collected to be spent on convincing Americans to eat more beef and not one consumer will have a say in setting research priorities or deciding promotion activities.

There is no provision in the bill for nutrition, education and there are real questions about the health value of grain-fattened beef. There is absolutely no assurance this money will be spent on what consumers need and want.

The cattlemen who support this bill claim they will pay the cost. This is not the case. The assessments required of producers will be passed along each step of the food chain, to the consumer. And, the price of the meat will rise. The consumer, with no voice in this program, will be forced to pay for the whole thing, and the price of meat is sky-high already.

The Beef Industry Council, a trade group for the cattle industry, already spends $5 million a year to promote beef. The Beef Industry Council has television advertisements 52 weeks a year in our largest cities, plus radio and magazine ads. They regularly issue press releases, brochures, recipes, factsheets, and other promotional materials. Why do they need to spend more money on advertising?

The supporters of this bill say they will spend part of the funds on beef cattle research. But, the Government is already spending $50 million a year on beef cattle research, through the USDA, land-grant colleges and experimental stations.

The supporters of this bill say there is no cost to the Government. Yet, under this bill, if the referendum fails, who foot's the bill? The Federal Government does.

According to the Internal Revenue Service, the assessment required of cattle producers under this bill is tax deductible as regular business expenses. Who pays? The American taxpayer.

This legislation requires every cattleman in the country to contribute to the program, once the referendum is passed. But the referendum could pass with as little as 37 percent of the cattlemen in the country voting for it. Only 50 percent of them have to vote, and only two-thirds of those have to vote favorably. Even Secretary Butz is in complete agreement that there is no need for a mandatory assessment on cattle producers.

The only reason for this legislation in the first place is to force cattlemen to contribute once the referendum is passed. There is no need for legislation when cattlemen want to voluntarily promote or do research on beef. But you do need the force of law to force people to contribute.

Supporters of the bill argue that the contributions are refundable. This is true, but experience shows only the large, agribusiness cattle barons will get the refunds. In Iowa, where they have a State egg checkoff program, 20 percent of all funds contributed on a mandatory basis have been reimbursed to egg producers. However, those producers requesting the refunds account for only 4 percent of total producers. The largest producers are the ones asking for refunds. Who pays? The small egg producer. The same is true under this bill—the small cattle producer, who can least afford to contribute to more advertising will be carrying the full weight of this expensive promotion gimmick.

The cattle producers who support this bill say only $30 million will be collected under this bill. At prevailing cattle prices, the amount is more likely to approach $40 to $50 million, and, in a couple of years, with inflation, that figure will reach $60 to $70 million, and the cattle industry already has $55 million worth of research and promotion going for it now.

This legislation is opposed by the National Farmers Organization, the National Farmers Union, the Consumer Federation of America, the AFL–CIO, the National Consumers Congress, National Association of American Meat Promoters, and by a number of cattlemen. The Secretary of Agriculture has grave reservations about this bill, and the Office of Management and Budget has this to say, and I quote:

> The Office of Management and Budget advises . . . enactment of H.R. [7656] would not be in the long-run interest of agriculture, the food industry, or consumers in general. The involvement of the Federal government in a promotion of a particular commodity at the expense of other commodities would compel other commodity groups to seek similar assistance in order to maintain their share of the food market. The net affect of such action would be to unnecessarily increase costs to both producers and consumers.

The Department of Justice Antitrust

Division also has serious reservations about this bill. Officials at the Antitrust Division have told me the Department of Justice opposed prior bills that were similar in nature because they believe if industry wants promotion campaigns, they can do so through their trade associations. Justice maintains there is no justification for Government involvement in this program, and says the Department of Agriculture should not be in the business of promoting beef. I agree.

Both the Department of Justice and the USDA General Counsel clearly indicated to me there is no need for legislation to authorize the kinds of activities that the beef board wants to engage in. You do not need Federal legislation to go into the advertising business. But you do need Federal legislation to require forced, mandatory participation in an advertising campaign.

The funds collected to promote and publicize beef will be used by public relations firms and advertising agencies on large advertising fees, and jet-setting and executive suites for the large cattle barons who run the program.

This tax on cattlemen is nothing more than a slush fund for the high living supporters of this bill, and for the public relations outfits who must get their fat contracts approved by the Secretary of Agriculture. If this bill passes, it will be taxing Americans, both producers and consumers, without insuring the funds will be used properly.

I will be offering an amendment to include 50 percent consumer representation on the Beef Board that administers the funds collected under this bill. Anything less than 50 percent will be an affront to consumers. Consumers need a voice equal to the voice of agribusiness.

However, should my amendment pass, I will continue to urge defeat of this ill-conceived and unnecessary bill. My amendment is an insurance policy. There are so many things wrong with this bill, it would be impossible to amend it to make it acceptable. Yet, we must show that the precedent of consumer representation will remain.

Therefore, I urge my colleagues to support my amendment to put 50 percent consumers on the Beef Board, and then to vote to defeat this terrible bill.

Mr. MATHIS. Mr. Chairman, will the gentleman yield?

Mr. RICHMOND. I yield to the gentleman from Georgia.

Mr. MATHIS. I thank the gentleman for yielding.

The gentleman says that none of the people who will be on this board are consumers. I would simply like to point out to the gentleman that the bill provides for a maximum of 68 members, all of whom are consumers.

Mr. RICHMOND. If the gentleman wants to call any American a consumer, certainly he can call a cattle baron a consumer because he, too, has a wife who goes to the supermarket. However, my amendment would allow for half of the board to be made up of people who represent active consumer organizations like the Consumer Federation of America and other types of consumer organizations.

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. RICHMOND. I yield to the gentleman from Idaho.

Mr. SYMMS. I thank the gentleman for yielding.

Is the gentleman aware of where and how cattle is sold?

Mr. RICHMOND. Absolutely.

Mr. SYMMS. In the sales ring?

Mr. RICHMOND. Surely.

Mr. SYMMS. And the cost of production has nothing to do with the price of grain? Is that correct?

Mr. RICHMOND. I do not believe that. I believe we, the American people, end up paying for everything.

Mr. SYMMS. This is a subject the gentleman has never had any experience or any dealing with. I have had the experience of having $400 a head expenditure in cattle and selling it for $300. This is a $100 a head loss. It did not seem to have anything to do with the cost of production. The cost of production has nothing to do with the sale of, or the price of cattle in the free market. This money is going to come out of the producers, because cattle are competing against hogs, fish, eggs, chicken, and all the other items that go on the consumer's table, and they are sold in the sales ring, too. They will bring what the market will bear, not what the cost of their production is.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. RICHMOND. I yield to the gentleman from Texas.

Mr. POAGE. I thank the gentleman for yielding.

I understood the gentleman to say that the Secretary of Agriculture opposed this bill.

Mr. RICHMOND. Absolutely.

Mr. POAGE. I hold in my hand a letter dated September 24, signed by Richard L. Feltner, the Assistant Secretary, saying, "Accordingly, we would not object to the enactment of H.R. 7656," the bill before us.

Mr. RICHMOND. My legislative aide for agriculture, Mr. Brad Michaelson, with whom I went to the Polish Embassy last Monday night is now in the gallery, and we discussed two items with Secretary Butz. As the gentleman will recall, there was a reception there for the Agricultural Minister for Poland. The Secretary of Agriculture, Mr. Butz, told me he was going to recommend that President Ford veto the tobacco bill. Mr. Butz also told us both that he saw no reason why the Government should get involved in the sales or operation of a beef promotion activity. He agreed with us that the industry itself was capable of financing and promoting a beef promotion project.

Mr. POAGE. If the gentleman will yield further, I think the gentleman's conversation came before the action of the committee which made certain changes in the bill, and the Department, after reading the bill after we reported it, now says, "We would not object to the enactment of H.R. 7656." I simply think the gentleman's information is old.

Mr. RICHMOND. It is not old, I will say to the chairman. We have not had a committee meeting since I saw Mr. Butz. Therefore I would say my meeting with Mr. Butz was after the committee completed proceedings.

Mr. MATHIS. Mr. Chairman, will the gentleman yield?

Mr. RICHMOND. I yield to the gentleman from Georgia.

Mr. MATHIS. I thank the gentleman for yielding.

If the gentleman has any doubt, I would like to have him go call the Secretary to see what his position is.

Mr. RICHMOND. I think Mr. Butz had his mind made up one way and now he seems to have changed it. The last time I talked to him, Mr. Butz said, quoting him:

> There is no need for the United States Government to get involved in a beef promotion operation.

Mr. ENGLISH. Mr. Chairman, will the gentleman yield?

Mr. RICHMOND. I yield to the gentleman from Oklahoma.

Mr. ENGLISH. I thank the gentleman for yielding.

I believe on September 12 the gentleman sent out a "Dear Colleague" letter informing our colleagues that the beef industry spends something like $11 million a year on beef promotion. Today he says we are spending somewhere in the neighborhood of $5 million for the promotion of beef. I would just like to know where the gentleman is getting his figures.

Mr. RICHMOND. I got my figures from the Beef Industry Council. Seventy percent of its $4 million budget is for beef promotion. Their State affiliates spend about $2 million more. It turns out last year the beef industry spent $5 million on promotion.

Mr. ENGLISH. If the gentleman will yield further, I have here a copy of their budget which shows they spent $600,000 last year, not $5 million and not $11 million.

Mr. RICHMOND. I said 10 years ago we ate 50 pounds and last year we ate 120 pounds of beef. I feel that we are eating enough beef. If anyone wants us to eat more beef, they can pay for their own commercial advertising like everyone else in the United States in business does. I do not feel the U.S. Government should support a bill for beef promotion, to the detriment of the consumer.

Mr. Chairman, I yield my remaining time to the gentleman from Massachusetts (Mr. CONTE).

Mr. CONTE. Mr. Chairman, I rise to assure my colleagues that I would not "steer" them wrong, but I must "raise a beef" about this bill.

This "choice" legislation is a "prime" example of what can make Congress "stew in its own juices."

It drips with excess "fat," while it "strips" the consumer.

This "beef-doggle" would raise retail meat prices by $60 million a year. No matter how you "slice" it, consumers are having their "flanks" attacked. They are being "slaughtered."

It was not my intent to "roast" the sponsors of this "bum steer." But I must remind them that consumers have a

"stake" here too. But if this bill is "herded" through the House, many consumers will no longer have "steak."

You have all heard of Britain's "Rump Parliament" under Lord Cromwell, I fear that if this private interest bill for the beef industry passes, history will hereafter refer to us as the "Rump-roast Congress."

I ask my colleagues to take this "bull by the horns," kill this bill, cut the fat off the bone, and "render" it back to the committee. It "butchers" lean consumer pocketbooks, and makes "mincemeat" of fiscal responsibility.

While I do not want to "rib" my friends from the cattle-raising States, I think that someone is trying to "pull the cowhide over our eyes."

I urge my colleagues to reject this "hunk of fat." It bleeds the American consumer. And I do not know a "knock wurst" than that.

Mr. SEBELIUS. Mr. Chairman, I yield 7 minutes to the distinguished gentleman from Virginia (Mr. WAMPLER), the ranking minority member of the Committee on Agriculture.

Mr. WAMPLER. Mr. Chairman, I rise in support of H.R. 7656, the Beef Research and Information Act.

Mr. Chairman, I was pleased to be a cosponsor of the original version of this legislation, H.R. 3718, and I can report to this body that the language in the final bill we now have before us represents a tremendous improvement over the earlier legislation introduced on this subject. I want to commend at this time Congressmen BOB POAGE and KEITH SEBELIUS, the chairman and ranking minority member, respectively, of the Livestock and Grains Subcommittee, for their excellent display of leadership in the development of this bill. It is largely due to their efforts that H.R. 7656 is, in my opinion, as fine a final product as it is.

In the early stages of subcommittee consideration, the farm groups interested in this legislation were divided on this bill. However, through the amending process, compromises have been reached that seem to have satisfied nearly all parties concerned, and the farm community is now in almost complete support of H.R. 7656.

Also, Mr. Chairman, it would be very negligent of me not to mention the cattle industry's role in the development of this legislation. By way of background, I should inform this body that the cattle business has seen what many feel has been the most difficult period of time, financially, that the industry has ever faced. During the course of the last 2 years many cattlemen have experienced unprecedented losses and a number have gone bankrupt. However, the cattle raisers of this Nation have not responded to the financial crisis in their industry by rushing into Washington seeking subsidy programs to bail them out. Instead, all segments of the cattle industry sat down together and formed the Beef Development Task Force.

This task force was the driving power behind the formulation of this legislation, and I know that the dedicated people who served on the task force worked very diligently on this project and came forth with a plan to allow the industry to help itself recover from its financial difficulties.,

I wish to stress the point that H.R. 7656 is a self-help measure. It is enabling legislation that will allow the cattle producers of this country in conjunction with the USDA to formulate and put to a vote a national plan through which individual producers might assess themselves a modest sum for the purpose of expanding the demand for beef products through market development programs. Funds raised would also be used for a coordinated program for research and for consumer and producer information programs, as well as to maintain and stengthen the beef industry's position in both domestic and foreign markets.

Furthermore, Mr. Chairman, I am delighted to report that not only is this bill a self-help fundraising program, it will likewise not require any Government funds to conduct the producer referendum or in conjunction with the administration of the act. This results from the fact that any costs incurred by the Government in conducting the referendum or in administering the order will be repaid by the funds raised pursuant to the act.

As those of us who served in the 93d Congress will remember, our former colleague, the Honorable George Goodling of Pennsylvania, established the precedent of requiring the egg research and promotion program Board to repay the Government for any costs the USDA may incur in the referendum process or in the administration of the order. His amendment was adopted during consideration of H.R. 12000, the Egg Research and Consumer Information Act, in the last Congress.

The committee has worked out a good bill and I hope that the House will accept it without any further substantive amendments. In its present form it is supported by the major farm organizations including the American Farm Bureau Federation, so I particularly urge that the amendment of the gentleman from Montana, Mr. MELCHER, offered in and accepted by the committee, will be retained today without change.

In summary, Mr. Chairman, I would urge my colleagues to vote for H.R. 7656 and to reject any amendments offered thereto. It is not often that we in the Congress have the opportunity to be of assistance to a major industry in this country without saddling the taxpayer with an extra burden, but we do have such an opportunity before us today and I urge all of my colleagues to take advantage of the opportunity and support this legislation.

Mr. THONE. Mr. Chairman, will the gentleman yield?

Mr. WAMPLER. I yield to the distinguished gentleman from Nebraska.

Mr. THONE. Mr. Chairman, I would like to associate myself with the remarks of the distinguished gentleman from the Commonwealth of Virginia. This is an excellent bill. We had thorough hearings. It is in the best interest of the industry and to the consumer.

Mr. Chairman, the legislation as set forth in H.R. 7656, the Beef Research and Information Act, is deserving of passage. I support this legislation here on the floor as I have in the House Agriculture Committee. It is a self-help program for the beef industry. I am also convinced that it will be good for the consumer through the education and research possibilities of the act in spite of comments I have heard to the contrary. This legislation does not involve Federal subsidies but merely enables cattlemen to use their own money to set up a beef market development plan. The concept of this legislation has enabled other product groups within agriculture to provide a uniform collection for research, consumer information, producer information, promotion and market development and should be extended to the beef industry. There is widespread support within the industry for this legislation and should keep the industry strong in the future, and I do not know of anyone who wants to see this vital industry face further problems, particularly when beef is so important to the housewife as she prepares nutritious meals for her family.

Mr. WAMPLER. Mr. Chairman, I thank the gentleman for his contribution. I think the record should note the gentleman performed a great part in the hearings in the subcommittee.

Mr. MCCOLLISTER. Mr. Chairman, will the gentleman yield?

Mr. WAMPLER. I yield to the gentleman from Nebraska.

Mr. MCCOLLISTER. Mr. Chairman, I wish to compliment the gentleman for his remarks. I intend to vote for the bill.

Mr. Chairman, cattle producers in this country should not be denied their chance for a "self-help" program that will aid their depressed industry. The Beef Research and Information Act allows cattlemen to conduct a referendum which, if successful, would establish such a program for the industry.

The cattle producers are not asking for a Government subsidy—a refreshing change from our usual legislative requests.

The fund that would be established by passage of the referendum would allow cattle producers to invest their money for programs of production research and market development. The livestock industry has had widespread losses for the last 3 years. Although the market has improved somewhat in the past few months, there are still problems. A recent USDA report indicated that the inventory values of all cattle during 1974 dropped from $40.9 to $20.9 billion. These losses coupled with beef boycotts and rising grain prices are only some of the problems facing this industry.

The proposed national program of research and development will have many positive results for the industry. It will help in increasing the general demand for beef by its consumer information program as well as do needed research.

The cattle producers themselves will nominate members of the beef board that will supervise, along with the Secretary of the Department of Agriculture, the program's operation. Producer rep-

resentation will reflect the proportion of cattle in each geographic area of the country.

The safeguards in the bill are more than adequate—the program's budget must be submitted not only to the Secretary of the Department of Agriculture but to Congress as well. The checkoff system that will be used to pay for the program has provisions to prevent any misuse of funds.

The Secretary of the U.S. Department of Agriculture will issue the guidelines permitting plans and projects for promotion, producer, and consumer information, research and development, and the act's other programs. The bill expressively forbids any reference to private brand or trade names unless the Secretary determines that this use is not discriminatory. Companies will not be able to use this program to further their own advertising campaigns.

The question of consumers as voting members on the board seems to be a question of representation without taxation. It is ridiculous to ask the cattle producers to give seats on their board to people who have not contributed to financing of the program. If the consumer is willing to pay for the program's operation through a similar checkoff system—then allowing voting positions on the board should be considered. Cattlemen are putting up the money for the program—they should be the ones to control it.

The program will strengthen the cattle industry. This will benefit consumers by stabilizing the industry, leading to lower beef prices and better quality beef.

I commend the cattle producers for their efforts to help themselves. I wish more people who initiate Federal programs had this attitude.

Mr. GRASSLEY. Mr. Chairman, will the gentleman yield?

Mr. WAMPLER. I yield to the gentleman from Iowa.

Mr. GRASSLEY. Mr. Chairman, we have heard much about the consumer paying for this and the increased costs to the consumer as a result of this bill.

The gentleman mentioned research in beef production. The research of the past decades which has brought greater efficiency in feeding, efficiency in gain, as related to consumer costs, has really made a cheaper food product than we would have otherwise had without that research, would the gentleman agree?

Mr. WAMPLER. Mr. Chairman, I agree with the gentleman. I think when this bill is fully implemented it will benefit the consumer with a better quality product and at less cost.

Mr. GRASSLEY. So we are discussing a bill, the end result of which will be making food cheaper in this country.

Mr. WAMPLER. And bearing in mind, we will get a better quality product at the same time.

Mr. GRASSLEY. If the gentleman will yield further, I think this is a good time to make this point: I would like to ask the gentleman whether or not food in this country is cheaper and of better quality than anywhere in the world?

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. SEBELIUS. Mr. Chairman, I yield the gentleman from Virginia 1 additional minute.

Mr. WAMPLER. Mr. Chairman, I yield to the gentleman from Iowa.

Mr. GRASSLEY. I would ask the gentleman from Virginia (Mr. WAMPLER), is this a fact, that already in this country as relates to what the consumers in America pay for their food as a percent of the consumers' dollar after taxes, there is less spent of that income for food by the American consumer than any other consumer anywhere in the world?

Mr. WAMPLER. That is correct.

Mr. GRASSLEY. The American consumer pays somewhere between 13 and 18 percent of his income for food. In most other countries, it is way above that. Even in the Western European democracies, it is still higher than that; so that means that food in America is already cheap.

The American farmer produces for 55 other people. If the American farmer was as inefficient as farmers elsewhere in the world, as in Russia, where one person produces for eight other people, where 31 percent of the people are involved in agriculture compared to 4 percent in agriculture as in America, food costs would be higher, would they not?

Mr. WAMPLER. The gentleman is absolutely correct and makes a very valid observation.

Mr. SEBELIUS. Mr. Chairman, I yield such time as he may consume to the gentleman from Illinois (Mr. RAILSBACK).

Mr. RAILSBACK. Mr. Chairman, I wish to associate myself with the remarks of the preceding speaker, and also with the remarks of the gentleman from Iowa, and to say that it is a myth if people think that cattlemen or beef producers are getting rich. It is just exactly the opposite. Many of them are leaving the farm because they cannot make a good living.

Their investments are high and their net returns are low. I submit that if we do not encourage and permit them to produce to get a fair return, eventually the prices of farm products, and particularly beef, are going to go higher and not lower.

Mr. Chairman, American farmers are very proud, self-reliant people. I think it is because of that very fact that they often do not speak with a collective voice. Unfortunately, this many times results in an inability of our farmers to receive a fair return on their very substantial investment and a fair price on their farm goods.

It is also true that we Americans have been blessed with being able to have the highest quality food produce at the least expensive price of any of the developed countries. The reason is, of course, that our farmers have accepted the challenge and produced to their fullest extent. Their determination has brought the one bright ray of hope in an otherwise dismal trade picture.

If American farmers are not permitted to receive a fair price for their produce, then we are going to see more and more of them leaving the farms for the cities where they will continue to swell the already swollen urban areas.

The farm industry, which was at one time the mainstay of rural economies, has already substantially dwindled. Production costs rising at a faster rate than farm prices have forced many small farmers to abandon their farms, their way of life, their heritage. In 1920, our farm population was nearly 32 million. It represented 30 percent of the total population. By 1970, less than 10 million people remained on farms; less than 5 percent of the total U.S. population.

And we are seeing the few numbers of people remaining on the farm still shrinking. In January 1973, there were 2,844,000 operators; in January 1974, there were 2,833,000 and by this past January, 1975, the number was only 2,819,000.

In addition, because young people have been reluctant to or financially unable to go into farming, the average age of the American farmer has risen. In the early 1950's, the average age for the American farmer was approximately 49 years. By late 1960's, that age had increased to approximately 51 years, and, unless we make it possible and desirable for young farmers to get started in farming, this trend will continue.

Cattle producers in particular have had serious problems. During the past year to year-and-a-half, they have suffered severe financial reverses as well as crises of confidence. Producers have faced soaring feed and production costs, plummeting market prices, consumer boycotts, truck strikes, and Government-imposed price freezes. In fact, a recent USDA report states that the value of all cattle dropped from $40.9 billion to $20.9 billion during 1974.

Particularly over the past 18 months, the cost-price squeeze has forced drastic cuts in feedlot operations. The U.S. Department of Agriculture reports that cattle and calve on feed August 1 for slaughter market in the seven leading States were down 15 percent from a year ago. July placements of cattle and calves in those same States were down 13 percent from a year ago, and fed cattle marketings during July 1975 were down 14 percent from a year earlier. This reduction in fed beef supplies has occasioned recent advances in beef prices, and helps explain the fluctuations in market prices. Unfortunately, when instability and market swings occur, no one—neither the producer nor the consumer—can come out ahead.

Many consumer-minded Congressmen and big city dwellers, however, do not understand that the end result of placing arbitrary ceilings or boycotts on agriculture produce will not drive the consumer price down. In fact, such actions discourage the farmer from producing and will result in our paying prices like they do in Japan—$20 for a steak.

In talking to representatives of the various feeders organizations, I learned they have no firm number as to how many producers have actually left the business or how many have had to cut back their operations, but it is clear the number is substantial. And, it is also clear that the mere fact that we do not have the ability to find out how the situation is running, points out the need

for better information—one of the purposes of the legislation before us this afternoon.

Briefly stated, H.R. 7656, the Beef Research and Information Act, will provide an excellent tool for improving conditions in the livestock industry. It will set up a fund and the mechanism to underwrite research and consumer education, and, I might add, with the expectation of no expense to the Federal Government.

Research could well mean improved feeding methods, a reduction in grain costs, and freeing up some additional grain for export. Research could mean a more nutritious beef product, higher in protein, lower in animal fat.

Research could mean lower production costs resulting in a possible decline in consumer prices. And research could also mean greater efficiency in marketing and transportation of beef products that could point to a reduction in consumer prices.

In addition, consumer education could very well provide a better understanding and appreciation of beef production cycles, of costs, and of cattlemen's problems.

I believe the Beef Research and Information Act could mean a more viable, more efficient, and more productive industry—something to benefit everyone—and I urge its immediate passage.

Mr. Chairman, some false charges have been made in recent days that funds collected under the Beef Research and Information Act would not be used properly and that these costs would be passed on to consumers. I would like to respond to these briefly.

I submit four reasons why I think these funds will be used properly:

First. Most cattlemen are good businessmen; otherwise, they would not have survived the natural adversities and the economic storms of the past 2 years.

Second. Members of the Beef Board will be nominated by established organizations, representing cattle producers, whom I am confident will nominate only outstanding and trustworthy individuals to handle their hard-earned money.

Third. The books and records of the Beef Board will be audited annually by certified public accountants and by the U.S. Department of Agriculture.

Fourth. The act specifies that budgets for the Beef Board must be submitted to the Secretary of Agriculture and to the agriculture committees of the House and Senate for their review. This is to assure that the funds are used in accordance with the act.

These are four good reasons why I believe the funds will be used properly.

The second charge—that the cost of this program would be passed on to consumers—is economically impossible. The cattle producers of Illinois would like to know how to do this, as would all 1,830,000 farm families in the United States that are dependent upon cattle for their livelihood, because all of them have lost money during the past 2 years.

The fact is that beef is not a margin-added industry. In the free market in which cattlemen operate, they take their animals to market and sell them to the highest bidder—the bids being determined by demand and demand being determined by consumers. Thus, there is no way for producers to pass on costs.

In short, there are many advantages to this bill and very few disadvantages. I enthusiastically support it and encourage my colleagues to do the same.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. RAILSBACK. I yield to the gentleman from Texas.

Mr. MAHON. Mr. Chairman, this is a day in the House which we have long sought. It is the day we finally secure action on H.R. 7656, the Beef Research and Information Act.

We have been working with farmers and ranchers over a period of many months in an effort to enact this legislation which authorizes the uniform collection of funds from beef producers for research, consumer information, and market development.

The program will be administered on a voluntary basis and will seek to better balance supply and demand for beef in an effort to prevent the recurrence of the unprecedented losses which cattlemen have sustained over the last 2 years.

The measure which we are considering today is not completely satisfactory, but it is the best that could be developed under the circumstances. I believe it is in the best interests of farmers, ranchers, and particularly the American consumer who will be able to avoid the large fluctuations in the price of beef which we have witnessed in recent years.

The real purpose of the legislation is to establish a mechanism whereby livestock producers can help themselves—help themselves by better research, better marketing, and better products that in the long run will best meet the needs of the American consumer.

I want to join with my colleagues in urging favorable action on this important measure which will mean so much to the American livestock producer and consumer.

Mr. SEBELIUS. Mr. Chairman, I yield such time as he may consume to the gentleman from South Dakota (Mr. ABDNOR).

Mr. ABDNOR. Mr. Chairman, I want to commend the members of the Agriculture Committee for bringing forth this very fine bill.

Mr. Chairman, I urge my colleagues to support the measure before us, H.R. 7656, the Beef Research and Information Act, for the sake of beef producers and consumers alike.

It has been argued that this bill should be defeated because producers, who will pay its full cost, will simply pass the cost on to the consumers. Nothing could be further from the truth.

High meat prices are not the fault of cattlemen. Meat prices have increased in spite of huge losses suffered by cattlemen.

If cattlemen could pass on their expenses, they certainly would not have taken the $20 billion loss the industry suffered during 1974. That's a fact. Producers were forced to absorb a drop in cattle inventory value from $40.9 billion to $20.9 billion in 1 year.

The industry had tooled up in response to exhortations that there was a shortage of meat. We were going to feed the world, and the demand was supposed to be unquenchable. Even as cattlemen began to turn out record production, the recession reduced demand from its potential levels, and in classic fashion prices fell out the bottom.

Many producers had made large investments to gear up and as a result have lost the major share of their equity under the depressed market conditions they have received in return for their productivity.

Cattlemen are a fiercely independent bunch. They represent the last vestige of the spirit of truly free and private enterprise which has made our Nation great and served our consuming public so well.

There is no price fixing among cattlemen. No tacit agreements to insure recovery of expenses, plus a fat or even a reasonable profit.

There have been haphazardly organized efforts to reduce production, but these have attracted only a few extremists. My colleagues will well recall the dairy calf shootings which occurred in Wisconsin and attracted nationwide news coverage.

These extreme actions are indicative of the severe financial straits gripping the industry, but even under dire conditions the basic competitive instincts of the majority prevail.

Competition will continue to prevail in the livestock industry so long as individual, family-farm producers are able to maintain their operations.

H.R. 7656 will give the cattleman a tool in his struggle to maintain his operation. To deny him this tool is to lessen his chances of economic survival and to deny the consumer the insurance that competition will be preserved in the industry.

Do not think the loss of competition is not a real threat. We have seen it in far too many instances in other sectors of the economy, and governmental regulation is a terrible substitute.

An article in the September 11 issue of the American Banker points out the probable loss of 9 percent of the cow-calf operators in the last half of 1975 alone. Further recounting the views of Dr. Hopkins, a farm credit expert, the article cites the potential loss of 18½ percent of cow-calf operators who will be forced out of business if prices stay low throughout 1976.

I want to strongly emphasize to my colleagues that, if the family farmer is eliminated from livestock production, those who will remain will be no different than the middlemen who currently stand between beef producers and consumers.

If that happens, increased operating costs really will be passed on to consumers. And, if you think meat prices are high now, I can only tell you, "You ain't seen nothin' yet."

A vote for H.R. 7656 is a vote for beef producers and consumers alike.

Mr. SEBELIUS. Mr. Chairman, I yield 4 minutes to the gentleman from New York (Mr. PEYSER), a member of the committee.

Mr. PEYSER. Mr. Chairman, at the outset I would like to say to the comparatively small number of Members who are here, most of whom are on the Agriculture Committee and most of whom have been through these arguments and struggles before, but at least for the record I would like to say that I am not in any way trying to strike at the cattle producers or to hold down profits.

I agree with my friend from Illinois (Mr. RAILSBACK) that steps have got to be taken to insure that the cattle producers can receive fair and adequate moneys and can have the sales that are necessary to make money. This particular bill I find to have very few rewarding features to it for anybody, including the cattle producer.

I think we have very plainly seen, in the last several years, a genuine resistance to buying beef because of the cost—nothing more or less than the price of beef. The American public is well indoctrinated in its desire and its overall wanting to consume beef. I do not think we have to promote beef in the sense of talking people, Americans, into using it. Most people that I know and most consumers that I relate to would like to buy beef and would like to buy more beef, and that is helpful to the cattle producer.

I would like to suggest some things that we could do that could be more helpful to the cattle producer than any bill of this nature would be—the regrading of beef. I have been calling for and trying to get legislation on this subject unsuccessfully, because regrading of beef would be a tremendous stimulus to the beef market, and be a great help to the beef producer, but up to now we have not been able to get that kind of legislation out.

This bill unconscienably—I do not think anybody really denies it—says that if it were to pass the referendum and if we go ahead with this legislation, that it would provide $40 to $50 million per year for cattle promotion. The $40 to $50 million per year that is provided here is obviously going to be passed through to the consumer.

I would not ask the cattle producer to assume this. I think that would be ridiculous. He is already getting such a low price that to ask him to pay the price without passing it through does not make sense. I would like to say to the Members that if they are truly interested in increasing the price of beef, increasing the price to the consumer is not the way to do it. I do not care how glamorous the ads or how slick the promotion may be; it is the dollars and cents in the marketplace that is going to have an impact on beef.

Mr. Chairman, I would like to make reference here to a comment of the Assistant Secretary of Agriculture, Mr. Feltner, where he says:

> We believe this whole program is administratively impossible to enforce. We would be bogged down in a complete morass of paperwork and confusion.

Mr. Chairman, that does not sound to me that it is something that is helpful to anybody. If we wanted to have a voluntary program, that would be one thing—and there is nothing to prevent a voluntary program—but this mandates and then after it mandates it says:

> If you do not want to do this after you have paid your money, then you can file a form and each month we will give you a refund.

Mr. SEBELIUS. Mr. Chairman, I yield 3 minutes to the gentlewoman from Nebraska (Mrs. SMITH).

Mrs. SMITH of Nebraska. Mr. Chairman, I rise in support of the adoption of the Beef Research and Information Act.

This bill sets in motion an excellent plan to benefit all segments of our society by implementing a research and information program concerning beef. The focus of this self-help plan is to lower beef production costs, improve beef products, bolster industry research, enhance merchandizing and market efficiency, and supply more consumer information and assistance.

A brief look at how this action will affect different segments of our population reveals remarkable benefits.

Consider this program first from the consumer's point of view: The research this bill may initiate would develop more efficient distribution systems, thus reducing the margin between production costs and meat counter prices. The USDA conducted a study on meat margins and concluded that 80 percent of the increase in food prices last year resulted from increases in costs and margins in the nonfarm sector. In this same report, USDA says improvements in processing and distribution of beef could narrow the price margin between producer and consumer by at least 5 cents per pound.

The consumer also could receive an even better product due to this research. Increasing the nutritional value of a basic and natural source of necessary human protein will benefit nearly all of America's 68 million households. Also, investigation into cattle diseases, feed rations, and genetics will make the meat we eat even more nutritional—a health benefit. It has been said that we probably know more about animal nutrition than we do about human nutrition.

This program will also identify clearly the consumer's needs and desires; so he will get exactly the type of meat product he wants as well as what will satisfy him most nutritionally.

Finally, research can lead to the discovery of new methods for canning, freezing, freeze-drying, or otherwise preparing or preserving fresh meat. So, from a consumer vantage point, he will be actually getting more of what he wants in a meat product.

A glance at this bill from the beef producer's angle shows only advantages. At present, there are about 1,830,000 farm families dependent upon beef production, but there are an estimated 5,490,000 more employees in the United States who depend upon beef for their livelihood in some way.

And yet, since 1973 the beef industry has been failing. Just in the last year and a half, cattle markets have declined an average of $75 per head with a decline of up to $200 per head in some areas. These unprecedented losses are threatening America's meat supply. But this program will inject new momentum into this slumping industry. It will increase profits for the producers while reducing the great markup between the cattle grower and the meat-eating family.

Perhaps most important, all of these benefits would be realized at no cost to the consumer or the Government. Instead, the funds are raised by voluntary contributions from within the cattle industry itself. The program is funded, implemented, and administered entirely by beef producers. This initiative should be welcomed by taxpayers, producers, and consumers alike.

My own State of Nebraska serves as a good example of the widespread aid this bill can supply. Beef production is the largest single source of farm income in Nebraska. Seventy-six percent of Nebraska income is generated by agriculture and 49 percent of that by the beef industry alone. Needless to say, the entire economy of Nebraska would gain by the adoption of this bill.

Mr. Chairman, let me emphasize that this is a self-help program designed to improve the quality of meat products, while decreasing unnecessary markups in consumer prices and instituting means for continuing research and promotion that will provide better nutrition at reasonable costs for every American family.

I respectfully urge the passage of this bill.

Mr. SEBELIUS. Mr. Chairman, I yield such time as he may consume to the gentleman from Arkansas (Mr. HAMMERSCHMIDT).

Mr. HAMMERSCHMIDT. Mr. Chairman, I rise in support of the Beef Research and Information Act (H.R. 7656) of which I am a sponsor. It is a practical and sound piece of self-help legislation of vital importance to the largest segment of American agriculture—the beef industry, which continues to experience severe economic difficulties.

The cattlemen and ranchers of the Third District of Arkansas could tell you all too well about these problems, as could any ranchers throughout the Nation. Unprecedented widespread losses have been sustained for the past 3 years and the inventory value of all cattle, according to an Agriculture Department report, dropped from $40.9 to $20.9 billion last year.

Of course, the reasons for these problems are varied and complex, but the resultant effect on the cattle industry is all too clear. What is needed is a workable research and development program to bolster the industry's position in both domestic and international markets.

H.R. 7656 is a self-help program designed to help stabilize beef supplies and beef prices, which will, in turn, redound to the benefit of producers and consumers alike.

In fact, a number of the research and information programs envisioned will be consumer-oriented. We could look forward to increased efficiencies in distribution and marketing, purchasing economics, nutrition, new products and health.

And, the legislation will not result in any cost to the Federal Government, because the Agriculture Department will be reimbursed by producers for all expenses involved, such as administrative, auditing, and others.

So, self-help is what H.R. 7656 is all about and I urge the full and active support of my colleagues for this responsible and innovative piece of legislation—without further amendments.

Mr. SEBELIUS. Mr. Chairman, I yield 4 minutes to the gentleman from Arizona (Mr. STEIGER).

Mr. STEIGER of Arizona. Mr. Chairman, I would like to congratulate the committee and the chairman of the subcommittee and the ranking member of the subcommittee and all of the other ritual people we are supposed to congratulate. I do so, not as a Member of this body, but as a cattle producer, one of the cattle barons that the gentleman—I use that in the editorial sense—from New York referred to in his discussion.

But I want to congratulate the gentleman for expressing his concern for an industry that we really ought to be concerned about. On the other hand, I want to advise this body that you folks have driven your ducks to the wrong market. I am absolutely convinced that this effort, as spelled out by the committee, will be counterproductive for the industry.

Let me explain why, Mr. Chairman, because I know of the Members' interest and their very genuine concern. We already have a Meat Promotion Board which has gone under voluntary contributions from some $40,000 a year to over $40.3 million a year. The reason this has been a successful program, in my view, is that since its performance is dependent upon voluntary contributions, it has to do a good job.

If we give any professional staff a guaranteed sinecure, in terms of the bureaucratic and economic climate we live with, we guarantee the mediocrity of their performance.

The statement that the bill defines this as a voluntary program is simply not so, and the reason I say that, Mr. Chairman, is that I am a cow man and I live with cow men and I know these guys. Even though they violently object to paying, they are not going to go through the paperwork necessary to get their money back. That is the nature of the beast, and maybe that is one of the things wrong with the industry.

The fact is, Mr. Chairman, that we have been sold a bill of goods, in my view, by the people who are going to make a living off this $50 million or $60 million a year. I know that the industry supports this, at least in a formalized fashion, but I would suggest that with mandatory payments in support of a program on which we do not have a single line written as to what we are going to do, we are buying a pig in a poke and we are buying it forever.

The referendum will probably pass, because the cow men are in terrible shape and they are going to be grasping at straws. They will vote for this because they have been told it is appropriate. So we are taking advantage of their hard times by offering this referendum at this time.

I will tell my friends—and I will tell them this very sincerely—that I do thank the members of the committee on behalf of the industry for their concern. But I will also tell them that in my view they are locking the cow man into an unnecessary cost from here on in, and they are guaranteeing that the real heart of the problem, which is the way our markets for cattle operate, will never be solved. They are making him believe his problems are going to be solved.

Mr. Chairman, I ask the Members of the House not to accept this for the spurious and false reason the gentleman from New York raised, because this is not an anticonsumer measure. I can guarantee my friends that.

I urge that this bill be defeated on its merits.

Mr. Chairman, by this bill we are forcing them to make mandatory contributions in the absence of specific knowledge of what they are getting. If the Members do not want their people to buy a pig in a poke, I hope they will reject this bill.

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. STEIGER of Arizona. I yield to the gentleman from Idaho.

Mr. SYMMS. Mr. Chairman, I thank the gentleman for yielding.

I am somewhat surprised to be on the opposite side of the fence from the gentleman in the well.

Part of the moneys that will be raised through this program will be raised for research. If there were a very careful research project done on more efficient ways to package beef, does the gentleman suppose they might possibly come to the point soon where they could be boxing this beef in the slaughterhouse instead of shipping it by the half carcass?

Mr. STEIGER of Arizona. Mr. Chairman, I will tell my friend, the gentleman from Idaho, that boxed beef is here to stay, and it does not take any $60-million-a-year program to find that out.

Mr. SEBELIUS. Mr. Chairman, I yield such time as he may consume to the gentleman from Kansas (Mr. SKUBITZ).

Mr. SKUBITZ. Mr. Chairman, I rise in support of this beef self-help legislation.

This bill which is strongly supported by livestock producers and farmers as well as by the Committee on Agriculture and the administration.

As everyone knows, beef is a basic and a natural source of protein. Here in America beef is enjoyed by nearly all of our 68 million households. Per capita consumption of beef has increased from some 56 pounds in 1957 to 117 pounds last year and this development has not only enriched the diets and standard of living for consumers, but has been the basis for a great portion of the farm economy.

This bill is not in any way calling for a subsidy from Uncle Sam.

I realize that some of the big labor unions and their satellite consumer groups oppose this bill, because of so-called "consumer ripoffs" and Government costs.

In fact it calls for the beef producers themselves to reimburse the Government for any costs incurred by the taxpayer in administering the program.

Thus, we have our choice between "doing nothing" or to help our livestock industry and consumers. I intend to cast my vote to do something and I hope the House will do likewise.

Mr. POAGE. Mr. Chairman, I yield 1 minute to the gentleman from Nevada (Mr. SANTINI).

Mr. SANTINI. Mr. Chairman, I rise in support of the proposed legislation.

Mr. Chairman, I would like to draw our discussion into perspective regarding the bill H.R. 7656. The cattle industry today certainly is important to the economic well-being of our country. Every dollar of cattle sales directly generates an additional $5 to $6 of business activity. Additionally, 1 out of every 5 jobs in private enterprise is in agriculture or agribusiness.

Most Nevada cattlemen remember the Great Depression of the early 1930's. They cringe when remembering the cattle market crash of the early 1950's. During those times, however, when cattle prices moved downward, their costs tended to move downward proportionately—or at least remained constant. The current downward cattle market has not followed that trend. When beef prices dropped, extreme inflationary factors accelerated the cattlemen's cost upward at an unprecedented rate.

Throughout its long history, the cattle industry has remained remarkably free of Government subsidies which use the taxpayer dollar. Prices received by cattlemen are strictly related to supply and demand. The cattle business is not a margin-added business where margins are added to the cost of materials like conventional manufacturing or merchandising businesses.

In keeping with their true free enterprise nature, cattlemen are asking only for enabling legislation to allow them to conduct a referendum to decide whether their industry wants a research and information program, financed solely by producer money.

Cattlemen propose to use their self-help money in several ways beneficial to the consumer; one of the most exciting proposals is to conduct new nutrition and health research.

Today's consumers are growing more aware of the importance of good nutrition. But, consumers are not necessarily better informed, since misinformation about nutrition is common. In fact, several experts have suggested that we now have more knowledge about animal nutrition than human nutrition. The beef industry is willing to make a serious and ongoing commitment to nutrition and health research.

These programs and several others proposed by cattlemen will give their industry many much-needed answers. But, equally important, the American public will gain information which simply does not exist today.

The benefits of such a program far outweigh any possible objectives. On behalf of the consuming public, as well as the beef production industry, I support the Beef Research and Information Act.

Mr. MATHIS. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum

is not present. The call will be taken by electronic device.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 576]

Andrews, N.C.	Fary	Moorhead, Pa.
AuCoin	Flynt	Murphy, N.Y.
Bolling	Fraser	O'Hara
Burke, Calif.	Hammer-	Patman, Tex.
Burton, John	schmidt	Pepper
Cederberg	Harsha	Rees
Chisholm	Hayes, Ind.	Rose
Conyers	Heckler, Mass.	Ruppe
Coughlin	Holland	Sisk
D'Amours	Horton	Staggers
Diggs	Howard	Stark
Dingell	Leggett	Teague
Ellberg	McCormack	Udall
Esch	Macdonald	Van Deerlin
Eshleman	Melcher	Wiggins
Evins, Tenn.	Michel	Wilson, C. H.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. ECKHARDT, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill H.R. 7656, and finding itself without a quorum, he had directed the Members to record their presence by electronic device, whereupon 386 Members recorded their presence, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

Mr. POAGE. Mr. Chairman, I yield 10 minutes to the distinguished Speaker of the House, the gentleman from Oklahoma (Mr. ALBERT).

Mr. ALBERT. Mr. Chairman, I hope that every Member will undertake to see the importance of this act.

The beef industry in this country is suffering from great losses. Did you know that cow-calf producers are losing almost $100 on every sale at this time? There has never been a period when there has been a wider spread between the farmer and the rancher, so far as beef is concerned, and the meat market.

Beef represents the most important, the largest, of all the agricultural industries of the United States. The producers of beef include a wide variety of people—from those who have high class, high-grade stock on large ranches to small farmers, who raise 10 or 12 head. It includes the entire dairy industry. All of the dairy cattle eventually land in the meat market, including 90 percent of the male population early in their lives.

When we give the beef industry an opportunity to help themselves, we are helping every segment of the cattle industry of the United States, both beef producers and dairy producers. There is no portion of the diet of the United States that is more important than that of meat. Beef is in greater demand than any other meat produced in the United States. Americans eat more beef and have done so for a long time—than almost any other people of the world.

Now, what have we got here? We have got an effort being made by beef producers themselves. The money involved in this is private money. It is money to be contributed by the producers of beef.

I know something about this industry, because I come from a beef producing area. I know these people and the nature of their existence. These are people who have been spearheading this program and have been trying to do something about it since cattle prices and meat prices at the counters started fluctuating so much a few years ago. By and large, these are men and women who make their sole livelihood out of the production of cattle. The leaders in this industry are not so-called cattle barons. They are beef producers on ranches and farms trying to make a good living for their families.

Unless we can begin to try to find out what is wrong in the process, it is estimated that at least 20 percent of the beef producers of this country will be out of business in a few years.

Now, listen to me, these people are raising their own money.

They are trying to find out just what occurs from the time they deliver that steer to the cattle ring until its products are delivered to the meat counter and the table. This is what this thing is all about. They are asking for the Government to have a referendum in order that all beef producers, and not just a handful, will get involved in the business of trying to find out how beef products can best be handled, how better meat can be put on the consumer's table at cheaper and more stabilized prices, and they are willing to pay for it. They have worked hard in their efforts to get the job done. I know beef producers in my congressional district, and my State. They are good citizens. They are hard workers, and they are good Americans.

The best friend that the beef producer of this Nation has is the consumer, the man who buys his beef. The best friend that the American consumer has in this world is the producer of food: meat, vegetables, corn, wheat, and those things which grow to give this country the greatest diet in the whole world.

Most Members know, and several of them have been with me, that I have flown over, and gone through, the communes of China, the collective farms of Russia and the great farms of Yugoslavia. They are amazing phenomena, but they are infinitesimal in comparison with what we see as we fly across the midcontinental States of Indiana, Illinois, Ohio, Iowa, Kansas, Texas, Oklahoma, up and down the great States of the Far West where the food basket of this world exists.

American agriculture can outproduce all the agriculture of the world. This, more than anything, guarantees that we will never be a completely bankrupt Nation. This, more than anything, strengthens our opportunity for a good balance of trade.

Those who feel that this will raise the price of food, I do not believe have studied the subject.

Mr. HAYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. ALBERT. I yield to the gentleman from Ohio.

Mr. HAYS of Ohio. Mr. Chairman, it will not raise the price of food. What is going to raise the price of food is what is happening now. I would just like to tell the Members what happened to my partner and myself last week.

We sent 12 purebred heifers to market, to the beef market. Eight of them were 15 months old and four of them were 2 years old. That meant that we had fed their mothers for two winters and summers, not counting the grass, which we might consider as free. We fed eight of the calves for one winter and four of them for two winters. They topped the market, the best market in Central Ohio, and they brought 32 cents per pound.

Mr. ALBERT. And how much did it cost to put that weight on?

Mr. HAYS of Ohio. We figure that we lost about $80 per head on each one of the 12 head we fed. What are we going to do? We are going to sell them and close up.

Mr. ALBERT. Everyone who is able to sell out is going to sell out, and everyone who cannot is going to go to town and try to get a job.

Mr. RHODES. Mr. Chairman, will the distinguished Speaker yield?

Mr. ALBERT. I yield to the distinguished minority leader.

Mr. RHODES. Mr. Chairman, I want to congratulate the Speaker for the fine statement he is making and associate myself with his remarks, particularly those parts in which he pointed out the undoubted fact that the cattle growers of America are independent people. They are people who believe in helping themselves, and this bill only allows them to do a better job of helping themselves.

I join the Speaker in hoping that the bill will pass.

Mr. ALBERT. That is right. This is not a Government sponsored program.

Let me add this: Can anybody remember any time I voted against a bill, because it helped the consumers of this Nation? Can anybody remember a time when I voted against a bill, because it helped the cities of this Nation?

I am for all of America, for a very healthy working population, for a very healthy agricultural population.

For the benefit of those who do the work, bringing these things to our table, and for those of us who consume these products, I urge the passage of this bill.

Mr. FOLEY. Mr. Chairman, will the gentleman yield?

Mr. ALBERT. I yield to the distinguished chairman of the committee, who is thoroughly knowledgable on this subject and whose record in the House of Representatives for helping all of the people of the Nation is well recognized.

Mr. FOLEY. Mr. Chairman, I want to congratulate the Speaker for his remarks, and I wish to commend the distinguished minority leader, the gentleman from Arizona (Mr. RHODES) for his remarks.

Mr. Chairman, I think the Members of the House realize—perhaps not everyone in the Chamber, but all of the Members realize—that it is not tradition for the Speaker of the House to take the floor with respect to legislation. It is a rare privilege that the House has to hear directly from the Speaker on a bill.

Mr. ALBERT. I thank the gentleman.

Mr. FOLEY. Mr. Chairman, the distinguished gentleman has taken the well on this occasion, because I know that throughout the progress of this legisla-

tion he has been the strongest of supporters for this opportunity for the producers of livestock to have an opportunity to do the research and information effort that they will undertake if this legislation is enacted, to do that at their own expense, and to do it for the purpose not only, perhaps, for increasing their own opportunity for a decent return, but to make possible, as the Speaker has said so well, a more efficient production of these products in this country and more reasonable and stable prices to the consumer.

Mr. Chairman, I hope the Members of the House will heed the eloquent statements made by the Speaker.

Mr. ALBERT. Mr. Chairman, I thank the gentleman from Washington (Mr. FOLEY) and I thank the distinguished minority leader, the gentleman from Arizona (Mr. RHODES).

Mr. FOLEY. Mr. Chairman, I yield 1 minute to the gentleman from Texas (Mr. WHITE).

Mr. WHITE. Mr. Chairman, I believe that in passing the Beef Research and Information Act, a proposal I have the privilege of cosponsoring with Chairman FOLEY, we in Congress will be zeroing in on a necessary futuristic policy. If we are to fully realize the economic stability essential to our prosperity, we must promote a planning capability applicable to our long-range needs. In the area of commodities, primary consideration must be afforded to the research of alternatives for both the producer and the consumer.

This bill calls for a referendum among cattle producers to develop a national plan in beef research and information. The program would be basically funded by producer assessments and is entirely voluntary. The $50 to $60 million raised will fund research projects designed to optimize the efficiency of beef production, marketing, and consumption—to produce beef more efficiently and economically, to improve beef products processing, transportation, storage, and handling, to facilitate beef marketing, to improve nutrition and health. Under this program, the consumer will get new information on how to get more for the food dollar, how to select and prepare the most economic beef cuts, and—in the end—how to attain a higher standard of economy in buying meats.

Allegations that this legislation would see the Agriculture Department as a promoter of the cattle industry are unfounded. Consumption of beef has doubled in the last 7 years without this program. Its role in the American diet needs no promotion. The efficient production and consumption of beef, however, is a mandatory economic consideration which should be encouraged and implemented with resolve and expediency.

Mr. JONES of Oklahoma. Mr. Chairman, during the last 2 years the cattle industry has gone through a deep depression. The cattlemen in my State have lost an average of one-third of their net worth during this period of time. There are people who have put everything they own into a business that they have run throughout their lives. Today we have a bill before us that will help to stabilize the cattle market, at least to the point that some people will be able to survive.

This bill promotes the consumption of beef, it will provide consumer information, and it will allow research that will help establish a more efficient industry. Two parties will win from this arrangement, the cattlemen and the consumer. There is no cost to the Government and this is no handout to the cattlemen. If there is anything that the recession has taught this country, it must be the fact that efficiency should be encouraged. But I feel safe in pointing out that the opponents of this bill are not concerned about that fact.

The opponents of this bill do not consider boxed beef to be in the consumer interest. The opponents of this bill would prefer to see stores forced to buy the entire carcass of beef when stores want to have a sale on ribs, or steaks. This action by the opponents forces small groceries out of competition because they cannot afford the overhead costs and storage space. This is but one example of efficiency that the opponents of this bill want to prevent.

This bill provides review by the Secretary of Agriculture and both House and Senate Agriculture Committees—section 8(f) and section 8(d). Such provisions are to insure that there are appropriate accounting and auditing of the proposed beef board.

The beef industry spends more money on nutrition research, education, information, food service and related services for the consumers than it spends on advertising and promotion. Advertising is a necessary implement of competition in today's economy. The cattlemen will survive only if the market can become stable. Beef is not a margin-added industry. Cattlemen operate in a free market, when they bring their cattle to market and sell them to the highest bidder. There are no pass, on costs, otherwise, cattlemen would not be losing money now.

This bill is of the utmost importance to a large number of citizens from my State and it is of importance to all consumers because it will bring some reasonableness to a market that presently is thwarting attempts to create a more efficient process.

Mr. JOHNSON of California. Mr. Chairman, I take this opportunity to express my support for H.R. 7656, the Beef Research and Information Act, and urge my colleagues to do likewise.

This legislation proposes to create a Federal Beef Board to carry out programs in the fields of beef research; information for beef producers and consumers; and improved markets for beef, cattle, and beef products. The Secretary of Agriculture is encouraged to establish such a Board, and his action would be subject to a national referendum of cattle and beef producers.

Beef is widely recognized as one of the major sources of protein and other food nutrients necessary to a balanced daily diet. Through consumer information programs, the American consumer would be encouraged to purchase American beef to improve his diet and help stabilize this important industry.

At the same time, the Beef Board would undertake an extensive program of research to determine new and better ways of preparing beef for market. Linked with this would be the development of new and better markets for beef produced in the United States.

As the representative of one of the cattle producing areas of the west coast, I know well the needs for increased discussion of the potential benefits of additional beef in our diets. I believe the approach presented in this bill will go a long way toward meeting these needs.

During this time of increasing criticism of Federal spending, one of the most attractive things about this bill is its price tag. Little or no Federal funding will be required to carry on this program. It will be financed through producer assessments voluntarily placed on each producer through a national referendum. Even the cost of the referendum will be reimbursed to the United States by the Federal Beef Board from the assessments once they start coming in.

I commend this legislation to the House of Representatives, Mr. Chairman, and hope that our cattle producers will have the opportunity to demonstrate their support for this concept by overwhelmingly approving the Secretary's referendum on the Beef Board's program.

Mr. BARRETT. Mr. Chairman, I rise in opposition to the bill H.R. 7656 which would provide for the establishment of a so-called beef board.

An accurate description of the primary purpose of this proposal, I believe, is to encourage the increased consumption of beef. While this may be a worthwhile undertaking in the minds of some, I question the need for specific legislation which would impose a value-added tax on each stage of the beef marketing process. This will result in increased cost to the consumer. For those who argue that there are many in this Nation who suffer from poor diets in that they lack a sufficient amount of red meat; namely, beef, I would strongly suggest that the reason is due to the high cost of beef.

This bill would only further serve to exacerbate the situation. It will not make more beef available at a lower price so that more people can afford to buy meat.

On the contrary, this bill if passed would amount to a rip-off of the American consumer.

Further, I seriously question that this bill would result in an increase in consumption and sale of beef; to the contrary, it would appear that the value-added tax would be counterproductive by raising the cost of beef.

I most strongly urge my colleagues to vote down the measure which, in my opinion, should never have come to the floor.

Mr. BAUCUS. Mr. Chairman, Montana's economic health depends to a great extent on the strength of its livestock industry and that industry has been badly hurt in recent years. Every aspect of cattle raising costs has risen, led by the astronomical increase in the cost of feed. At the same time, competition from imported beef and a decreasing share of

their beef's sales price due to an increasing middlemen's share has cut ranchers' income drastically. What has been at best a boom-and-bust livestock economy has turned into a stagnant-and-bust one. Without a steady, moderate demand for beef, the outlook for independent ranchers is grim.

And Montana's ranchers are not usually a part of some national corporation. Their very independence, which makes them unwilling to accept either Government handouts or interference, makes them vulnerable to slackening of consumer demand for beef. Practically every other agricultural commodity group has asked for, and received from the Federal Government, a series of price supports, subsidies, and promotional work, all at Government expense. What these independent ranchers want is a chance nationally to coordinate their promotional work at no expense to the Government.

They are asking for nothing new. Many other commodity groups have similar arrangements. What is new is that any rancher who wants his money back can get it back, so small producers will not have to share in the promotional costs of the group.

This small step toward marketing coordination has been carefully considered by the Agriculture Committee for 2 years. It may well be that even its economic benefits and noncoercive nature will not be enough to persuade independent ranchers to accept it. But there is a referendum for that purpose. Congress should at least give the beef industry a chance to hold its own in a tight consumer market.

Mr. MATHIS. Mr. Chairman, I hope that colleagues will support H.R. 7656, the Beef Research and Information Act.

This bill enables livestock producers to approve by a national referendum a cooperative beef research and consumer information order. The order provides for the establishment of a producer-funded beef board with the primary purpose of promoting beef and beef products, through research, producer information, and consumer education. Livestock producers will contribute to the beef board by assessments collected by buyers with the final buyer remitting the assessments to the Beef Board. Any producer who does not want to contribute can receive a refund. Mr. Chairman, this legislation will go a long way in promoting a better understanding of the industry and I recommend strongly that my colleagues support its passage.

Mr. EDWARDS of California. Mr. Chairman, I am voting "present" on H.R. 7656, Beef Research and Information Act, because a corporation in which I own common stock has an interest in a small herd of cattle.

Mr. VANIK. Mr. Chairman, I oppose this legislation because in effect, it imposes a beef tax on the American consumption of beef.

This legislation goes a long way to legitimize an organization of beef producers ostensibly to finance a program of research, production, and promotion. The legislation also sets in motion a value-added tax at the point of slaughter and each point of processing.

Taxation is not and should not be the subject of legislation before the Agriculture Committee. The tax proposed under this bill—although refundable, is nevertheless a tax which must be reflected in the ultimate price to the consumer. This tax is suggested to promote the consumption of beef. Beef needs no special promotion. The American consumer will buy all that he can afford. The sale and consumption of beef could be considerably enhanced by a reduction in price or by the rejection of any tax which must find its way to the price paid by the consumer.

It is incredible for the beef industry to seek funds raised through this tax for research in the beef industry. The taxpayers of America spent $49.9 million in fiscal year 1974 for beef research in existing agriculture programs. It has never been suggested that these research appropriations are to be reduced if this new tax-funding system is developed.

There are other consequences of this legislation that must be considered. It permits beef producers to organize for ostensibly legitimate purposes. However, the organization could develop into an instrumentality of market control, limiting production to stabilize or increase consumer prices.

Today, the price of oil throughout the free world is determined by the OPEC cartel which is able to fix prices by limiting production and maintain price levels completely unrelated to the cost of production. This beef bill threatens to establish a cartel system which will eventually operate to control production, to maintain or escalate consumer prices in the same way. It should be rejected.

Mr. ALEXANDER. Mr. Chairman, I rise in support of H.R. 7656, the Beef Research and Information Act. This bill will aid in returning vitality to a declining industry.

This legislation will allow cattle producers, with the cooperation of the Department of Agriculture, to draft and put to a referendum a national plan through which individual cattle producers might uniformly assess themselves a modest amount for the purpose of beef market development.

It will also provide for a program of research, producer and consumer information and promotion to improve production, marketing, and utilization of cattle, beef and beef products to be carried out by a Beef Board with funds derived from producer assessments. The Beef Board itself will consist of members of eligible producer organizations.

Cattle ranchers in the First Congressional District have advised me that the 1972–73 season was the last in which they made a profit from raising their cattle. One reported that he lost $150 on 200 head in the 1973–74 season for a $30,000 loss. His losses were not as heavy last season, but he feared that feed and other production costs were going to make him a loser again this season if relief did not come when the time came for him to sell his livestock.

It is difficult for consumers to rationalize the inconsistencies that exist at the butcher shop. While consumers are paying more for beef than ever before, ranchers are receiving less for their livestock sales. One of the purposes of this bill is to attempt to prove who is gouging the American public. It is certainly not the cattle farmer.

Mr. SEBELIUS. Mr. Chairman, I have no further requests for time and I yield back the balance of my time.

Mr. FOLEY. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

The CHAIRMAN. All time having expired, the Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act shall be known as the "Beef Research and Information Act".

LEGISLATIVE FINDINGS AND DECLARATION OF POLICY

SEC. 2. Beef constitutes one of the basic, natural foods in the diet. It is produced by many individual cattle producers throughout the United States. Cattle, beef, and beef products move in interstate and foreign commerce and those which do not move in such channels of commerce directly burden or affect interstate commerce of cattle, beef, and beef products. The maintenance and expansion of existing markets and the development of new or improved markets and uses are vital to the welfare of cattle producers and those concerned with marketing, using, and processing beef as well as the general economy of the Nation. The production and marketing of cattle, beef, and beef products by numerous individual persons in the cattle and beef industry have prevented the development and carrying out of adequate and coordinated programs of research, information, and promotion necessary for the maintenance of markets and the development of new products of, and markets for cattle, beef, or beef products. Without an effective and coordinated method for assuring cooperative and collective action in providing for and financing such programs, individual cattle producers are unable to provide, obtain, or carry out the research, consumer and producer information, and promotion necessary to maintain and improve markets for cattle, beef, and beef products.

It has long been recognized that it is in the public interest to provide an adequate, steady supply of high quality beef and beef products readily available to the consumers of the Nation. Maintenance of markets and the development of new markets, both domestic and foreign, are essential to the cattle industry if the consumers of beef and beef products are to be assured of an adequate, steady supply of such products at reasonable prices.

It is therefore declared to be the policy of the Congress and the purpose of this Act that it is essential and in the public interest, through the exercise of the powers provided herein, to authorize and enable the establishment of an orderly procedure for the development and the financing through an adequate assessment of an effective and continuous coordinated program of research, consumer information, producer information, and promotion designed to strengthen the cattle and beef industry's position in the marketplace, and maintain and expand domestic and foreign markets and uses for United States beef. Nothing in this Act shall be construed to mean, or provide for, control of production or otherwise limit the right of individual cattle producers to produce cattle or beef.

DEFINITIONS

SEC. 3. As used in this Act—

(a) The term "Secretary" means the Secretary of Agriculture or any other officer or employee of the Department of Agriculture

to whom there has heretofore been delegated, or to whom there may hereafter be delegated, the authority to act in his stead.

(b) The term "person" means any individual, group of individuals, partnership, corporation, association, cooperative, or any other entity.

(c) The term "cattle" means live domesticated bovine quadrupeds.

(d) The term "beef" means the flesh of cattle.

(e) The term "beef products" means products produced in whole or in part from cattle, exclusive of milk and products made therefrom.

(f) The term "producer" means any person who owns or acquires ownership of cattle: *Provided*, That a person shall not be considered to be a producer if his only share in the proceeds of a sale of cattle or beef is a sales commission, handling fee, or other service fee.

(g) The term "producer-buyer" means a producer who buys cattle.

(h) The term "producer-seller" means a producer who sells cattle.

(i) The term "United States" means the fifty States of the United States of America and the District of Columbia.

(j) The term "promotion" means any action to advance the image or desirability of beef and beef products.

(k) The term "research" means any type of research to advance the desirability, marketability, production, or quality of cattle, beef, and beef products.

(l) The term "consumer information" means facts, data, and other information that will assist consumers and other persons in making evaluations and decisions regarding the purchasing, preparation, and utilization of beef and beef products.

(m) The term "producer information" means facts, data, and other information that will assist producers in making decisions that lead to increased efficiency, lower cost of production, a stable supply of cattle, and the development of new markets.

(n) The term "marketing" means the sale or other disposition of cattle, beef, or beef products, in any channel of commerce.

(o) The term "commerce" means interstate, foreign, or intrastate commerce.

(p) The term "transaction" means the transfer of ownership of cattle or beef through a sale, trade, or other means of exchange.

(q) The term "slaughterer" means any person, specified in the order or the rules and regulations issued thereunder, who slaughters cattle, including cattle of his own production.

BEEF RESEARCH AND PROMOTION ORDER

SEC. 4. To effectuate the declared policy of this Act, the Secretary shall, subject to the provisions of this Act, issue and from time to time amend an order applicable to producers and slaughterers. Such an order shall be applicable to all areas in the United States.

NOTICE AND HEARING

SEC. 5. Whenever the Secretary has reason to believe that the issuance of an order will tend to effectuate the declared policy of this Act, he shall give due notice and opportunity for hearing upon a proposed order. Such hearing may be requested and proposal for an order submitted by an organization certified pursuant to section 15 of this Act, or by any interested person affected by the provision of this Act, including the Secretary.

FINDING AND ISSUANCE OF AN ORDER

SEC. 6. After notice and opportunity for hearing as provided in section 5, the Secretary shall issue an order if he finds, and sets forth in such order, upon the evidence introduced at such hearing, that the issuance of such order and all the terms and conditions thereof will tend to effectuate the declared policy of this Act.

PERMISSIVE TERMS IN ORDER

SEC. 7. Any order issued pursuant to this Act shall contain one or more of the following terms and conditions, and except as provided in section 8, no others:

(a) Providing for the establishment, issuance, effectuation, and administration of appropriate plans or projects for advertising, promotion, producer information, and consumer information with respect to the use of cattle, beef, or beef products and for the disbursement of necessary funds for such purposes: *Provided, however*, That any such plan or project shall be directed toward increasing the general demand for cattle, beef, or beef products. No reference to a private brand or trade name shall be made if the Secretary determines that such reference will result in undue discrimination against the cattle, beef, or beef products of other persons.

(b) Providing for, establishing, and carrying on research, market development projects, and studies with respect to sale, distribution, marketing, utilization, or production of cattle, beef, or beef products, and the creation of new products thereof, to the end that the production, marketing, and utilization of cattle, beef, or beef products may be encouraged, expanded, improved, or made more acceptable, and the data collected by such activities may be disseminated, and providing for the disbursement of necessary funds for such purposes.

(c) Providing that slaughterers shall maintain and make available for the inspection such books and records as may be required by any order or regulations issued pursuant to this Act and for the filing of reports by such persons at the time, in the manner, and having content prescribed by the order or regulations to the end that information and data shall be made available to the Beef Board and to the Secretary which is appropriate or necessary to the effectuation, administration, or enforcement of the Act, or of any order or regulation issued pursuant to this Act: *Provided however*, That all information so obtained shall be kept confidential by all officers and employees of the Department of Agriculture and of the Beef Board, and by all officers and employees of contracting agencies having access to such information, and only such information so furnished or acquired as the Secretary deems relevant shall be disclosed by them, and then only in a suit or administrative hearing brought at the direction, or upon the request, of the Secretary, or to which he or any officer of the United States is a party, and involving the order with reference to which the information so to be disclosed was furnished or acquired. Nothing in this section shall be deemed to prohibit (1) the issuance of general statements based upon the reports of the number of persons subject to an order or statistical data collected therefrom, which statements do not identify the information furnished by any person, (2) the publication of general statements relating to refunds made by the Beef Board during any specific period, which statements do not identify any person to whom refunds are made, or (3) the publication by direction of the Secretary of the name of any person violating any order, together with a statement of the particular provisions of the order violated by such person. Any such officer or employee violating the provision of the subsection shall, upon conviction, be subjected to a fine of not more than $1,000 or to imprisonment for not more than one year, or to both, and if an officer or employee of the Beef Board or the Department of Agriculture, he shall be removed from office.

(d) Terms and conditions incidental to and not inconsistent with the terms and conditions specified in this Act and necessary to effectuate the other provisions of such order.

REQUIRED TERMS IN ORDER

SEC. 8. Any order issued pursuant to this Act shall contain the following terms and conditions;

(a) Providing for the establishment and appointment, by the Secretary, of a Beef Board which shall consist of not more than sixty-eight members, and alternates therefor, and defining its powers and duties which shall include only the powers (1) to administer such order in accordance with its terms and provisions, (2) to make rules and regulations to effectuate the terms and provisions of such order, (3) to receive, investigate, and report to the Secretary complaints of violations of such order, (4) to recommend to the Secretary amendments to such order. The term of an appointment to the Beef Board shall be for three years with no member serving more than six consecutive years, except that initial appointment shall be proportionately for one, two, and three years: *Provided*, That the Beef Board may appoint from its members an executive committee, consisting of not less than seven nor more than eleven members, with authority to employ a staff and conduct routine business within the policies determined by the Beef Board.

(b) Providing that the Beef Board, and alternates therefor, shall be composed of cattle producers appointed by the Secretary from nominations submitted by eligible producer organizations, associations, or cooperative, within the geographic area, and certified pursuant to section 15, or, if the Secretary determines that substantial number of producers are not members of or their interests are not represented by any such eligible organizations, associations, or cooperatives, from nominations made by such producers in the manner authorized by the Secretary so that the representation of producers on the Board shall reflect, to the extent practicable, the proportion of cattle produced in each geographic area of the United States as defined by the Secretary: *Provided*, That the Beef Board shall from time to time, with the approval of the Secretary, redesignate representation on the Beef Board so as to reflect the proportion of cattle in each geographic area: *Provided, however*, That each such designated geographic area shall be entitled to at least one representative on the Beef Board.

(c) Providing that the Beef Board shall, subject to the provisions of subsection (g) of this section, develop and submit to the Secretary for his approval any advertising, sales promotion, consumer information, producer information, research, and development plans or projects, and that any such plan or project must be approved by the Secretary before becoming effective.

(d) Providing that the Beef Board shall, subject to the provisions of subsection (g) of this section, submit to the Secretary for his approval, budgets on a fiscal period basis of its anticipated expenses and disbursements in the administration of the order, including probable costs of advertising, promotion, producer information, consumer information, research, and development projects.

(e) Providing, that—

(1) In each transaction where a producer sells or otherwise transfers ownership of cattle to any other producer, each such producer-seller shall pay to the producer-buyer and each producer-buyer shall collect from the producer-seller an assessment based on the value of the cattle involved in the transaction. Each producer who sells to a slaughterer or otherwise arranges for the slaughter of his cattle shall pay to the slaughterer and the slaughterer shall collect from such producer an assessment based on the value of the cattle involved. The slaughterer shall remit assessment(s) collected to the Beef Board in the manner prescribed by the order or the regulations issued thereunder, in-

cluding any assessment(s) due at time of slaughter on cattle of his own production. In the event no sales transaction occurs at the point of slaughter, a fair value shall be attributed to the cattle at the time of slaughter for the purposes of determining the assessment: *Provided*, that the Beef Board may exempt from or vary the assessment on transactions of breeding animals or classes of breeding animals until time to slaughter: *Provided further*, That the Beef Board may collect directly from any producer any assessments that he collected under the provisions of this Act, which are not passed along in the usual manner due to the loss in value of the cattle.

(2) The rate of assessment shall be as prescribed by the order and shall provide for such expenses and expenditures, including provision for a reasonable reserve, and any referendum and administrative costs incurred by the Secretary under this Act, as the Secretary finds are reasonable and likely to be incurred by the Beef Board under the order during any period specified by him.

(3) To facilitate the collection of assessments, the Beef Board may specify different procedures for slaughterers, or classes of slaughterers, to recognize differences in marketing practices or procedures utilized in the industry.

(4) The Secretary may maintain a suit against any person subject to the order for the collection of such assessment and the several courts of the United States are hereby vested with jurisdiction to entertain such suits regardless of the amount in controversy.

(f) Providing that the Beef Board shall maintain such books and records and prepare and submit such reports from time to time the Secretary as he may prescribe, and for appropriate accounting by the Beef Board with respect to the receipt and disbursement of all funds entrusted to it.

(g) Providing that the Beef Board, with the approval of the Secretary, may enter into contracts or agreements for development and carrying out the activities authorized under the order pursuant to section 7 (a) and (b) and for the payment of the cost thereof with funds collected pursuant to the order. Any such contract or agreement shall provide that such contractors shall develop and submit to the Beef Board a plan or project together with a budget or budgets which shall show estimated costs to be incurred for such plan or project, and that any such plan or project shall become effective upon the approval of the Secretary, and further, shall provide that the contracting parties shall keep accurate records of all of their activities and make periodic reports to the Beef Board of activities carried out and an accounting for funds received and expended, and such other reports as the Secretary may require.

(h) Providing that no funds collected by the Beef Board under the order shall in any manner be used for the purpose of influencing governmental policy or action, except as provided by subsection (a)(4) of this section.

(i) Providing the Beef Board members, and alternates therefore, shall serve without compensation, but shall be reimbursed for their reasonable expenses incurred in performing their duties as members of the Beef Board.

REQUIREMENT OF REFERENDUM AND CATTLE PRODUCER APPROVAL

SEC. 9. The Secretary shall conduct a referendum as soon as practicable among producers who at any time, during a consecutive twelve-month representative period preceding the date of the referendum, as determined by the Secretary, have been engaged in the production of cattle for the purpose of ascertaining whether the issuance of an order is approved or favored by such producers. No order issued pursuant to this Act shall be effective unless the Secretary determines that the issuance of such order is approved or favored by not less than two thirds of the producers voting in such referendum, or by a majority of the producers voting in such referendum if such majority owned not less than two-thirds of the cattle owned by producers voting in the referendum. For purposes of determining the number of cattle owned by producers voting, each producer shall be credited with the largest number of cattle owned on any one day during the representative period. The Secretary shall be reimbursed from assessments collected by the Beef Board for any expenses incurred for the conduct of the referendum.

SUSPENSION AND TERMINATION OF ORDERS

SEC. 10. (a) The Secretary shall, whenever he finds that any order issued under this Act, or any provision (s) thereof, obstructs or does not tend to effectuate the declared policy of this Act, terminate or suspend the operation of such order of such provision(s) thereof.

(b) The Secretary may conduct a referendum at any time, and shall hold a referendum on request of 10 per centum or more of the number of producers voting in the referendum approving the order, to determine whether such producers favor the termination or suspension of the order, and he shall suspend or terminate such order six months after he determines that suspension or termination of the order is approved or favored by a majority of the producers voting in such referendum who, during a representative period determined by the Secretary, have been engaged in the production of cattle, and who produced more than 50 per centum of the volume of cattle produced by the producers voting in the referendum.

(c) The termination or suspension of any order, or any provision thereof, shall not be considered an order within the meaning of this Act.

PROVISIONS APPLICABLE TO AMENDMENTS

SEC. 11. The provisions of this Act applicable to orders shall be applicable to amendments to orders.

PRODUCER REFUND

SEC. 12. Notwithstanding any other provisions of this Act, any producer against whose cattle any assessment is made and collected from him under authority of this Act and who is not in favor of supporting the programs as provided for herein shall have the right to demand and receive from the Beef Board a refund of such assessment: *Provided*, That such demand shall be made in accordance with regulations on a form and within a time period prescribed by the Board and approved by the Secretary but in no event more than sixty days after the end of the month in which the sale or slaughter of said cattle occurred and upon submission of proof satisfactory to the Board that the producer paid the assessment for which refund is sought, and any such refund shall be made within sixty days after demand is received therefor: *Provided, however*, That no producer shall claim or receive a refund of any portion of an assessment which he collected from other producers.

PETITION AND REVIEW

SEC. 13. (a) Any person subject to any order may file a written petition with the Secretary, stating that any such order or any provision of such order or any obligation imposed in connection therewith is not in accordance with law and praying for a modification thereof or to be exempted therefrom. He shall thereupon be given an opportunity for a hearing upon such petition, in accordance with regulations made by the Secretary. After such hearing, the Secretary shall make a ruling upon the prayer of such petition which shall be final, if in accordance with law.

(d) The district courts of the United States in any district in which such person is an inhabitant, or has his principal place of business, are hereby vested with jurisdiction to review such ruling, provided a complaint for that purpose is filed within twenty days from the date of the entry of such ruling. Service of process in such proceedings may be had upon the Secretary by delivering to him a copy of the complaint. If the court determines that such ruling is not in accordance with law, it shall remand such proceedings to the Secretary with directions either (1) to make such ruling as the court shall determine to be in accordance with the law, or (2) to take such further proceedings as, in its opinion, the law requires. The pendency of proceedings instituted pursuant to subsection (a) of this section shall not impede, hinder, or delay the United States or the Secretary from obtaining relief pursuant to section 14(a) of this Act.

ENFORCEMENT

SEC. 14. (a) The several district courts of the United States are vested with jurisdiction specifically to enforce, and to prevent and restrain any person from violating any order or regulation made or issued pursuant to this Act. Any civil action authorized to be brought under this Act shall be referred to the Attorney General for appropriate action: *Provided*, That nothing in this Act shall be construed as requiring the Secretary to refer to the Attorney General minor violations of this Act whenever he believes that the administration and enforcement of the program would be adequately served by suitable written notice or warning to any person committing such violation.

(b) Any person who violates any provision of any order issued by the Secretary under this Act, or who fails or refuses to collect or remit any assessment duly required of him thereunder, shall be liable to a penalty of not less than $1,000 nor more than $10,000 for each such violation which shall accrue to the United States and may be recovered in a civil suit brought by the United States: *Provided*, That subsections (a) and (b) of this section shall be in addition to, and not exclusive of, the remedies provided now or hereafter existing at law or in equity.

CERTIFICATION OF ORGANIZATIONS

SEC. 15. The eligibility of any organization to represent producers of any designated geographic area of the United States to request the issuance of an order under section 5, and to participate in the making of nominations under section 8(b) shall be certified by the Secretary. Certification shall be based, in addition to other available information, upon a factual report submitted by the organization which shall contain information deemed relevant and specified by the Secretary for the making of such determination, including, but not limited to, the following:

(a) geographic territory covered by the organization's active membership,

(b) nature and size of the organization's active membership, proportion of total of such active membership accounted for by producers of cattle, and the volume of cattle produced by the organization's active membership in each such State.

(c) the extent to which the cattle producer membership of such organization is represented in setting the organization's policies,

(d) evidence of stability and permanency of the organization,

(e) sources from which the organization's operating funds are derived,

(f) functions of the organization, and

(g) the organization's ability and willingness to further the aims and objectives of this Act:

Provided, however, That the primary consideration in determining the eligibility of an organization shall be whether its producer membership consists of a substantial number of producers who produce a substantial

volume of cattle subject to the provisions of this Act. The Secretary shall certify any organization which he finds to be eligible under this section and his determination as to eligibility shall be final. Where more than one organization is certified in any geographic area, such organizations may caucus to determine the area's nominations under section 8(b).

STATE BEEF BOARDS

SEC. 16. Nothing in this Act shall be construed to preempt or interfere with the workings of any beef board, beef council, or other beef promotion entity organized and operating within and by authority of any of the several States.

REGULATIONS

SEC. 17. The Secretary is authorized to issue regulations with the force and effect of law as may be necessary to carry out the provisions of this Act and the powers vested in him by this Act.

INVESTIGATIONS: POWER TO SUBPENA AND TAKE OATHS AND AFFIRMATIONS: AID OF COURTS

SEC. 18. The Secretary may make such investigation as he deems necessary for the effective carrying out of his responsibilities under this Act or to determine whether a producer or slaughterer of cattle or any other person has engaged or is about to engage in any acts or practice which constitute or will constitute a violation of any provisions of this Act, or of any order, or rule or regulation issued under this Act. For the purpose of such investigation, the Secretary is empowered to administer oaths and affirmations, subpena witnesses, compel their attendance, take evidence, and require the production of any books, papers, and documents which are relevant to the inquiry. Such attendance of witnesses and the production of any such records may be required from any place in the United States. In case of contumacy by, or refusal to obey a subpena to, any person, including a producer, the Secretary may invoke the aid of any court of the United States within the jurisdiction of which such investigation or proceeding is carried on, or where such person resides or carries on business, in requiring the attendance and testimony of witnesses and the production of books, papers, and documents; and such court may issue an order requiring such person to appear before the Secretary, there to produce records, if so ordered, or to give testimony touching the matter under investigations. Any failure to obey such order of the court may be punished by such court as a contempt thereof. All process in any such case may be served in the judicial district whereof such person is an inhabitant or wherever he may be found.

SEPARABILITY

SEC. 19. If any provision of this Act or the application thereof to any person or circumstances is held invalid, the validity of the remainder of the Act and of the application of such provision to other persons and circumstances shall not be affected thereby.

AUTHORIZATION

SEC. 20. There is hereby authorized to be appropriated out of any money in the Treasury not otherwise appropriated such funds as are necessary to carry out the provisions of this Act. The funds so appropriated shall not be available for payment of the expenses or expenditures of the Beef Board in administering any provisions of any order issued pursuant to the terms of this Act.

EFFECTIVE DATE

SEC. 21. This Act shall take effect upon enactment.

Mr. FOLEY (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

COMMITTEE AMENDMENTS

The CHAIRMAN. The Clerk will report the first committee amendment.

The Clerk read as follows:

Committee amendment: Page 11, line 12, following the word "Secretary" delete the words "for his approval" and insert in lieu thereof "and to the House Committee on Agriculture and the Senate Committee on Agriculture and Forestry for their approval".

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the last committee amendment.

The Clerk read as follows:

Committee amendment: Page 14, line 20, delete section 9 in its entirety and insert in lieu thereof a new section 9 as follows:

SEC. 9. The Secretary shall conduct a referendum as soon as practicable among producers who at any time, during a consecutive twelve-month representative period preceding the date of the referendum, as determined by the Secretary, have been engaged in the production of cattle for the purpose of ascertaining whether the issuance of an order is approved or favored by such producers. The Secretary shall establish a procedure whereby all known cattle producers are notified of the referendum and the time and place of balloting and qualified producers may register with the Agriculture Stabilization and Conservation Service in person or by mail to vote in such a referendum during a period ending not less than ten days prior to the date of the referendum. No order issued pursuant to this Act shall be effective unless the Secretary determines (1) that votes were cast by at least 50 percent of the registered producers, and (2) that the issuance of such order is approved or favored by not less than two-thirds of the producers voting in such referendum. The Secretary shall be reimbursed from assessments collected by the Beef Board for any expenses incurred for the conduct of the referendum. Eligible voter lists and ballots cast in the referendum shall be retained by the Secretary for a period of not less than 12 months after they are cast for audit and recount in the event the results of the referendum are challenged and either the Secretary or the Courts determine a recount and retabulation of results is appropriate.

AMENDMENT OFFERED BY MR. KETCHUM TO THE COMMITTEE AMENDMENT

Mr. KETCHUM. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. KETCHUM to the committee amendment: Page 16, line 14, insert the following immediately after the period: "Prior to the holding of the referendum, sureties shall have posted a bond or security, acceptable to the Secretary, in an amount which the Secretary shall determine to be sufficient, to pay the costs such as printing ballots and preparation and mailing procedures of the referendum should the order fail to gain the approval of the producers."

Mr. SEBELIUS. Mr. Chairman, will the gentleman yield?

Mr. KETCHUM. I yield to the gentleman from Kansas.

Mr. SEBELIUS. Mr. Chairman, we on this side as members of the committee have examined the amendment the gentleman from California (Mr. KETCHUM) has offered. We think the amendment has basic merit, and we are willing to accept it.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. KETCHUM. I yield to the gentleman from Texas.

Mr. POAGE. Mr. Chairman, while I have no authority to speak for the committee, it seems that this is a reasonable proposal, and as far as I am concerned, I will accept the amendment.

Mr. KETCHUM. Mr. Chairman, I thank the gentleman.

Mr. Chairman, anyone at all familiar with the beef industry should want H.R. 7656, the Beef Research and Information Act, to pass. As a former farmer and as a Representative of a large beef-producing constituency, I have watched the recent decline in beef sales with dismay and alarm. The campaigns by health food advocates and beef boycotters have been all too successful. What is needed now is a responsible and accurate rebuttal by the beef industry—and that is what H.R. 7656 will provide. The research carried out by the proposed Beef Board will lead to improved beef products, better processing methods and the dissemination of valuable consumer information. The education programs will supply consumers with information on buying beef, on how to get the most for their supermarket dollar and on how to prepare economical cuts. If cattlemen know consumers will buy beef, production will increase—and everyone will benefit.

In my opinion, this bill is almost perfect. With one simple amendment, it will be a true legislative marvel for the 94th Congress: A bill requiring no Federal subsidy. I now offer that amendment. As H.R. 7656 now reads, the costs of a defeated referendum must be borne by the Federal Government. Instead, I propose the following language:

Prior to the holding of the referendum, sureties shall have posted a bond or security, acceptable to the Secretary, in an amount which the Secretary shall determine to be sufficient, to pay the costs of the referendum should the order fail to gain the approval of the producers.

These are not just words to please budget watchers. For example, this type of arrangement is currently successful in California, as provided by the enabling legislation of the California Table Grape Commission, which I authored. This commission, serving one of the major agriculture concerns in California, performs a twofold function similar to the one proposed for the Beef Board: The development of marketing techniques and consumer information services benefiting both the related industry and the consuming public. This amendment answers any objections which may be advanced by my colleagues who are concerned with running afoul of the President's moratorium on new Federal spending programs. Moreover, it responds to the conscience of any of us who balk at all legislation which leaves open even the slightest chance for increased tax burdens on our citizens.

It is likely that beef producers may not receive this amendment favorably. The table grape producers were equally reluctant to foot their own bill—but it has

worked in California and it can work nationwide. If anything. this measure should prompt the producers to propose referendums with strong likelihood of passage. Who among us sympathizes with those who complain about paying their own bills? The overall intent of this bill is the benefit of both the producer and the consumer—helping the depressed livestock industry while assuring consumers the continued availability of affordable and wholesome beef products. We cannot allow this intent to be besmirched by stinginess.

I feel this amendment deserves strong support, so that it may be incorporated into H.R. 7656 and assure its passage. I join the American Farm Bureau, the California Beef Council, the Department of Agriculture, and my California beef producers in wholehearted endorsement of this fine piece of legislation.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. KETCHUM) to the committee amendment.

The amendment to the committee amendment was agreed to.

The CHAIRMAN. The question is on the committee amendment, as amended.

The committee amendment, as amended, was agreed to.

Mr. PEYSER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I listened very carefully to the Speaker, and I, too, appreciated the opportunity of hearing his comments on the floor, as well as those made by the minority leader. With the "Big Guns" out like this, I suppose what I say may not have much impact, but I do think some points should be made that have not been pointed out as yet.

If we are truly interested in helping the cattle producer, the one thing that has to take place is the cattle producer must be able to sell more beef and the consuming public must be able to buy more beef.

I do not think that the American public needs a sales promotion to convince it that beef is a basic food item in our diet or that we would like it to be a basic food item. What we really need is beef at prices that: First, the producer can make a reasonable living and a reasonable profit, and second, the consumer can pay.

Now, if anyone thinks that the $40 million to $50 million that will be collected under this mandatory program is not going to be passed through to the consumer price, he is mistaken, because the cattle producer today cannot possibly assume any extra cost. So this is going to be a pass-through.

Mr. Chairman, it seems to me the real thing we ought to be talking about is the regrading of beef. We ought to be talking about how to make more beef available at better prices, both for the producer and the consumer, and do something that will really help the American people and help the cattle producer. This could be done if we would regrade beef, but the committee has not seen fit to do that at this time.

In his repartee I am afraid to hear what the gentleman might say in answer to this, but it is very seldom that the gentleman from Arizona, SAM "THE BEEF BARON" STEIGER, and I agree on an agricultural issue. But for those Members who were not on the floor before, I will tell them that if they had been here, they would have heard the gentleman from Arizona (Mr. STEIGER) say that he, as a beef producer, is opposed to this bill. I am not going to give his arguments in detail, but he offered very valid reasons as to why. I think that most beef producers are going to be opposed to this.

I understand there has to be a referendum, and, incidentally, if the referendum does not pass, it will cost the taxpayers three-quarters of a million dollars for that referendum.

Mr. SYMMS. Mr. Chairman, will the gentleman yield on that point?

Mr. PEYSER. I yield to the gentleman from Idaho.

Mr. SYMMS. Mr. Chairman, I am sure the gentleman would not want to leave the Members with the wrong impression. The amendment offered by the gentleman from California (Mr. KETCHUM) to the committee amendment which was just adopted takes care of that, so either way the cattle producer pays for the referendum.

Mr. PEYSER. Mr. Chairman, I would like to say to the gentleman that when he says "either way," that is going on the assumption that cattle producers are going to be willing to pay money over to have this.

I am convinced, from those from whom I have heard, like the National Association of American Meat Promoters, who are totally opposed to this legislation, that this is not going to be the case.

Also, I think it is important for the Members to know that Assistant Secretary Feltner has said very plainly in the report as follows:

Further, we believe it would be administratively impossible to enforce the provision which requires that assessments be made and collected for each sale.

Mr. Chairman, I think there is no question about that. We are opening up a whole new program of what I believe to be Government interference with the cattle producer, which is one thing that the cattle producers have convinced me they do not want.

They want to have a marketplace where the cattle producer can make his money legitimately, and the consumer can buy.

If this were a new commodity that we were trying to introduce to the American public, then I would say that there is justification, but do any Members know of any of their constituents who do not know of and are familiar with and desire cattle products on their table? They want to have them and to have more of them. Therefore, why take an action that is going to increase the price and make it less likely that this will happen?

Mr. VANIK. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. Yes, I yield to the gentleman from Ohio.

Mr. VANIK. Mr. Chairman, I would like to point out some of the concerns that I have.

I am glad that the distinguished gentleman from New York has taken the leadership in opposing this bill. This is a very serious piece of legislation.

Another thing that it does is inject a new taxation system into America, a value-added tax on the beef every consumer in America has to buy.

Mr. Chairman, I think it is a very dangerous thing. It is something we have not done in any form in the Committee on Ways and Means. This is really tax legislation.

The CHAIRMAN. The time of the gentleman from New York (Mr. PEYSER) has expired.

(By unanimous consent, Mr. PEYSER was allowed to proceed for 3 additional minutes.)

Mr. VANIK. Mr. Chairman, will the gentleman yield further?

Mr. PEYSER. Yes, I yield to the gentleman from Ohio.

Mr. VANIK. With respect to the matter of raising money, it is really invading the tax jurisdiction for the benefit of a special industry.

Although, the Secretary of Agriculture, and this board, have some supervision over expenditures, but this bill develops a tax on the consumption of beef. I think we can sell more beef in America if we reduce the price rather than by going this route.

There is something else involved in this legislation. In a sense it establishes an OPEC in beef because it might result in a marketing system whereby the marketers can get together, control production, and fix the price.

The consumers of America as bound to lose.

Mr. KETCHUM. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. Yes, I yield to the gentleman from California.

Mr. KETCHUM. Mr. Chairman, I thank the gentleman for yielding.

I would like to correct one of the statements that the gentleman just made. He says that the cattle people are not going to pay for this election.

That is not true. We just passed an amendment which says, win or lose, they are going to pay. What that means is this: If the money is not up, there is not going to be a referendum. Therefore, we cannot have an election or a referendum without getting the money up, as required under my amendment, so please do not tell these people that the cattle producers are not going to pay for it.

Furthermore, calling it a tax program is the silliest thing I ever heard.

Mr. PEYSER. Mr. Chairman, I thank the gentleman for his comment.

However, I think a grave mistake is being made here if any Members are seriously thinking that this helps cattle producers. I think it is the intent to try to help them, but the cattle producers have a different view.

Last night, in fact, I had an opportunity offered to me by my friend, the gentleman from Kansas (Mr. SEBELIUS), to go down to the American Council on Agriculture or the Council of American Agriculture, and talking on the telephone, on a hotline, to farmers all over the country.

I only had three cattle producers to call. The three cattle producers called said to me, knowing that this legislation was coming up, "Let us alone. Get the grain prices down."

Incidentally, this was counter to what the grain people were telling me.

The cattle producers added: "We can sell our beef, but we have to have a market and the ability of the people to pay for it."

I agree with that. Therefore, we do not need beef promotion.

I ask the Members really to think on that issue. Do the Members really think we have to promote beef to the American consuming public? They want beef. Most of my constituents who are not vegetarians want it. We all want it. But let us not do something to move the price up and create a tax situation.

Mr. SHUSTER. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. I yield to the gentleman from Pennsylvania.

Mr. SHUSTER. Mr. Chairman, the gentleman from New York has said that the consumers would pay the supposed increased cost. That is not so. Is it not the truth that cattle are sold in the sales ring at auction?

Mr. PEYSER. I am very familiar with that point. But what I am saying is that any time you add to the price it is added on afterwards.

Mr. SHUSTER. What the gentleman has said is not accurate.

Mr. PEYSER. Mr. Chairman, I am saying that any time we add to the price we just add it after the sale. That is added on after the sale.

Mr. SHUSTER. Is it not true that cattle are sold at auction?

Mr. PEYSER. Let me ask the gentleman from Pennsylvania this, we understand the cattle are sold, I am asking at what point is this added on to the price? At what point is the contribution made?

Mr. SHUSTER. That cattle are sold at auction.

Mr. PEYSER. That is right.

Mr. SHUSTER. Depending on supply and demand. They are sold at auction.

Mr. PEYSER. It is added to the price of the cattle.

Mr. SHUSTER. That is not so.

Mr. PEYSER. I will not yield further because what happens here is accurate, actually this is a cost that is added to the sale price of that product.

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. HAYS of Ohio and by unanimous consent, Mr. PEYSER was allowed to proceed for 1 additional minute.)

Mr. HAYS of Ohio. Mr. Chairman, if the gentleman will yield, we have a similar thing on some of the products in Ohio and the price is not added on after the sale, it is deducted from the amount.

For instance, if I send 12 head of cattle to market and the check is for $2,500, whatever the percentage is that the sale barn charges, it deducts this percentage from the sale price. Then when the percent of this tax is deducted, nothing is passed on to the consumer because the fellow who bought the cattle paid $2,500 for them.

Mr. PEYSER. Is the gentleman from Ohio suggesting—and I do remember the gentleman speaking of the low prices he was getting for his cattle, and I think he is perfectly right in what he said, but the gentleman realizes this will give him a lower price for his cattle.

Mr. HAYS of Ohio. I understand that.

Mr. PEYSER. The gentleman will take a lower price.

Mr. HAYS of Ohio. I am willing to take that lower price in order to try and find out why I am getting 30 cents a pound while some guy is selling it at the supermarket for $1.89 a pound.

Mr. PEYSER. I think that is something the Committee on Agriculture and other committees ought to be investigating now, because I agree with the gentleman from Ohio. But I do not think we ought to be socking either the gentleman from Ohio or the American public, that is the consuming public, with an additional charge. I do not think we ought to be socking them because they are already.

The CHAIRMAN. The time of the gentleman has again expired.

AMENDMENTS OFFERED BY MR. RICHMOND

Mr. RICHMOND. Mr. Chairman, I offer amendments.

The Clerk read as follows:

Amendment offered by Mr. RICHMOND: Page 5, after line 25, add the following new subsection (r):

"(r) The term "consumer" means any person not engaged in the commercial production of cattle or the sale promotion, or distribution of cattle, beef, or beef products, but excluding any activities which a person may be engaged in as a member of the beef board."

Page 10, strike line 10 and substitute in lieu thereof the following: "for, shall be composed as follows: (1) fifty percent shall be persons who are appointed by the Secretary from nominations submitted by the membership of bona fide consumer organizations, who shall be knowledgeable and experienced in issues relating to food and nutrition policy, who are specially qualified to represent the interests of consumers, and who shall have no interests directly or indirectly in any food industry corporation, association, partnership, or other organization, and (2) fifty percent shall be cattle producers appointed by the";

Line 12, after the word "associations," insert the words "general farm organizations,".

Line 23, after the word "redesignate" insert the word "producer".

The CHAIRMAN. The Chair will say to the gentleman from New York that the gentleman has had two amendments read. Does the gentleman ask unanimous consent that the amendments be considered en bloc?

Mr. RICHMOND. I do, Mr. Chairman.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. RICHMOND. Mr. Chairman, this amendment will add 50 percent consumers to the Board which spends the money collected by this checkoff bill.

I believe consumers are the one who ultimately will pay for this beef promotion bill because the producer assessments—the tax on cattlemen—will be passed on to consumers. Under this bill, because producers are required to contribute, they will be forced either to get a smaller return on their cattle, or raise their price. Cattlemen simply are not going to accept less for their beef, and the price of meat will rise.

Price rises will be passed along the food chain to the supermarkets, and the supermarkers will raise their prices to consumers so that the consumer, who has no voice at all in this entire program, will be forced to pay for the whole thing.

Consumers must have a voice in setting the policies that determine the design of this Consumer Promotion Act.

The Beef Board also needs the input of general farm organizations such as the Farmers Union, NFO, Grange, and Farm Bureau, who represent many cattle producers. These groups are now excluded from having representatives on the Beef Board that spends this money.

The Secretary of Agriculture is the one who chooses members of the Board—under my amendment he must choose legitimate representatives of recognized consumer groups, and responsible consumer advocates and spokespersons.

Under my amendment the consumers on the Board must be selected from nominations by the members of bona fide consumer organizations, such as the Consumer Federation of America, public interest research groups, or National Consumers Congress. They cannot be from industry-supported groups. Furthermore, these consumer representatives must have knowledge and experience in issues related to food and nutrition policy, and must have no ties either directly or indirectly to any food industry organization. This means no professional or financial relationships, and no family relationship where an interest could be shown.

Consumers must have a voice equal to agribusiness—anything less is an affront to real consumer representation. With 50 percent consumers, this Board will have to be responsive to consumer needs and preferences; 10 or 30 percent consumers, simply does not guarantee an equal voice.

Without equal consumer representation, there is no assurance this Beef Board will not misuse the money. There will be no one to tell them how to spend their $60 million—no one to tell them we need nutrition research, no one to tell them that we need research on the relationship between eating meat and heart disease, and no one to tell them we need research on meat pricing and monopoly practices.

Consumers will pay for this bill—they must have a say how this money is spent.

The price of meat is sky-high already. What we do not need is another increase. I urge you to vote to put 50 percent consumers in this bill, so that even if it does pass, we have some assurance that consumer interests are represented.

This amendment is an insurance policy. I will continue to urge defeat of this bill whether my amendment passes or not. There are a dozen things wrong with this bill. Let us at least try to get some insurance for consumers.

Mr. STEIGER of Arizona. Mr. Chairman, I rise in subdued, hysterical opposition to the amendment offered by the gentleman.

Mr. Chairman, I hope some of the Members heard what the gentleman had to say and understand what his amendment is. I will try to speak a little slower so every Member will understand. What

the Members have just had offered to them is probably the finest laboratory sample of what is wrong with this entire organization, this sort of Alice-in-Wonderland approach, that we are going to reach out in this vast population of 210 million people here and identify 34 legitimate professional consumers. I want to know what a legitimate professional consumer is. In fact, I would like to know what an illegitimate professional consumer is.

I think we have to realize there is simply no way that we are going to identify people who are qualified to speak for consumers en masse, No. 1. No. 2, I am, as the Members may be aware, opposed to this bill but not because it is an anticonsumer bill as that is a myth. It is a straw man, and it was not raised out of genuine concern; it was raised for a political horse to ride, and that is very unfortunate. Why in the world divide the consumer from his source of supply any more than he already is, or divide him arbitrarily? The truth of the matter is the reason I am opposed to this bill. I hope the Members will see through this amendment and will vote it down overwhelmingly. If they want to kill the bill, support the amendment. The amendment is meaningless, cosmetic, and impossible to implement. I am opposed to this bill because, No. 1, we are going to have a mandatory checkoff.

The staff people employed by this bill to produce a qualitative, imaginative program are going to have no incentive to produce. They are going to have a sinecure.

No. 2, once the cattlemen eat this referendum and eat this bill, they are going to be stuck with this bill from now on.

Mr. Chairman, do the Members know what an Arizona cattle baron is? That is a streaker leaving the State with everything he owns.

I want the Members to understand the cattle business is in trouble; make no mistake about it. I am afraid the cattlemen are going to accept this as a sinecure because they are in trouble, and they are going to be stuck with it from now on.

There is a Beef Promotion Board. It is based on voluntary contributions. Its budget has gone from some $40,000 just a few years ago to just over $4½ million now. They have an incentive to do a good job, because if they do not do a good job, they do not get contributions. That is the best kind of a program.

That is the best kind of program. I urge the Members to defeat this amendment because it is nonsense. I also urge the Members to defeat this bill because we are not going to be doing the cattlemen any favor if we force upon them a program that they will be stuck with from now on and can only provide employment for so many out-of-work cattlemen on this new Beef Board. There will not be enough jobs on this Board to go around. Beyond that nobody will benefit from it except the Beef Board and the advertising agencies who will be working on the promotion.

Mr. SHUSTER. Mr. Chairman, will the gentleman yield?

Mr. STEIGER of Arizona. I yield to the gentleman from Pennsylvania.

Mr. SHUSTER. Mr. Chairman, would the gentleman agree that following the logic of the gentleman from New York 50 percent of every board of directors of every business should be made up of consumers and 50 percent of the directors of every labor union should be made up of consumers?

Mr. STEIGER of Arizona. The gentleman has just gone too far.

I like the point raised by my friend, but I still do not know how we can identify a legitimate professional consumer. He is the guy I want to meet.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. STEIGER of Arizona. I yield to the gentleman from California.

Mr. HINSHAW. Mr. Chairman, one of the things that concerns me is the precedent we would set by passage of this bill. If we follow through on this, would we, in future years, likely have before us similar legislation for the fishermen, for the turkey farmers and for the various types of other food producing interests? I think a similar bill would be brought in on each of these other elements of our food industry. Would the gentleman have a comment on that possibility?

Mr. STEIGER of Arizona. Mr. Chairman, obviously if a few professional staffers who sold this one make it, maybe the others will be able to sell their bill of goods too.

Mr. Chairman, I urge the defeat of this amendment.

Mr. POAGE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I think we ought to bear in mind just what this bill does and where this money comes from. All this money will be coming from the cattlemen. The amendment would say that money is going to be spent in a way designated by somebody who will not contribute any of it at all. I do not know how we can maintain a free economy and I do not believe we can keep our system of private property running if we are going to let somebody else come in, who did not contribute a dime, and spend the money that somebody else has made and contributed.

These cattlemen have to pay these bills, all of them. We have just adopted an amendment that goes so far as to say that we require the cattlemen to pay for the referendum. There is not a labor union in the United States that I know of that pays for the referendum in an industrial plant. Yet the Government holds their elections and pays all the costs, whether they win or lose. But in this the cattlemen will pay all the costs whether they win or lose. The cattlemen are going to pay all the money that is required under this bill.

The gentleman from New York said that is going to be a right nice kitty and he wants to put his paws on it, so he says he wants half the people who sit on the board of directors to come from places where they would have paid none of this money.

That is just not our system of private property. It is not our system of doing business. There are nations in the world which use this system which has people who contribute nothing but who do the spending. I think it is a bad system. It is a wicked system. It is an inefficient system. It is one which will break our whole American system.

I hope the House will recognize this and recognize that this amendment is intended merely to destroy the bill which is a good bill. I hope we will vote this amendment down as it deserves to be voted down.

Mr. MOORE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I would only point out I do not see a conflict and I never have between consumers and people who are involved in agriculture. I do not see it in this case. To me everybody on that Board, whether he is a producer of cattle or in some other form of the cattle industry is a consumer. All of us are consumers. We have already got consumers, 100 percent of them on the board, without the necessity for this amendment.

The amendment seems to bring into focus some sort of conflict between consumer and producer. The best thing for a producer is a healthy economy and a healthy consumer to buy his product. The best thing for a consumer is a healthy producer *to produce* a healthy quantity and good quality product at a cheap price. We are not going to have more beef or better quality beef at better prices if we do not have healthy producers.

This bill is trying to find a way to keep the producers in business and help them help themselves. That is in the best interests of consumers as well as producer; so I submit there is no conflict between consumers and producers so there is no necessity for the amendment.

Mr. BEDELL. Mr. Chairman, will the gentleman yield?

Mr. MOORE. I yield to the gentleman from Iowa.

Mr. BEDELL. Mr. Chairman, I would like to associate myself with the gentleman's remarks.

Mrs. SULLIVAN. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I rise in support of the amendment to require consumer representation—legitimate consumer representation—on the proposed Beef Board which, under this bill, would oversee the spending of millions of dollars a year, of consumers' money, to convince and persuade the American consumers to eat more beef.

We had the very same issue before the House 3 years ago this month—on September 6, 1972—when the House debated a bill, to set up a similar promotion program for wheat and wheat products. At that time, I offered a series of amendments, which were all agreed to, to provide that a bona fide consumer organization have the power to recommend to the Secretary of Agriculture, nominees for five consumer places on the proposed Wheat Industry Council, to have the same powers as the five members the Secretary would appoint from each of three different industry groups—producers of wheat, processers of wheat, and end-product manufacturers. We had a very extensive debate on the need for

consumer representation on that Council in 1972, and the House agreed to the amendments without any serious objection.

So there is ample precedent for the amendment now by the gentleman from New York (Mr. RICHMOND), to provide amendment will carry overwhelmingly. this proposed Beef Board. I hope that the amendment will carry overwhelmingly. It is only fair and just.

As I told the House 3 years ago on the wheat promotion bill, the consumer ultimately pays for any such program, whether it be to promote wheat or beef or anything else, when it involves a check-off or, in effect, a special tax on producers to establish the fund to promote a particular agricultural product. If the beef industry wants to spend its own money for a promotion program, that is one thing—they can spend their profits as they see fit. But, to tack the cost of this program onto the wholesale price of beef at each stage of processing means the consumer would pay the full cost in the food store in the prices of meat products.

The so-called bread tax bill of 3 years ago was defeated in the House, and it is undoubtedly a good thing it was, because we were then heading into a grain shortage, the scope of which none of us then anticipated, and it would have been the height of folly to force the consumers to pay even more for bread and wheat products, in order to mount a publicity and advertising campaign to urge them to buy more wheat products. It should have been directed to the Russian housewife.

It would have been like adding an assessment on everyone in the oil industry in the United States right now, a special gasoline tax and heating oil tax, to be used to mount a big campaign to urge Americans to buy and use more petroleum products.

Many of the reports we have been receiving this year indicate that cattle prices are going to be going up even more because of supply and demand imbalance. If that occurs, it is going to take all of the magic and imagination of Madison Avenue, to convince the consumers that they should increase their purchases of beef.

The problem is not to convince consumers to eat more beef—they eat about as much now as they can afford, and perhaps more than they should. What they need to learn from the meat industry, or anyone else who can provide the information, is how the consumer can pay for additional purchases of beef.

At least, if we have adequate and effective consumer representation on this proposed Beef Board, the work of that Board can be kept in the realm of consumer honesty and economic reality. Otherwise, we would have a national dues check-off on beef production, mandated by the Federal Government, with the money to be used for anything the beef industry itself wants to use it for in the promotion field. I am sure that such a Board, if it did not have adequate consumer representation—legitimate consumer representation—would give little attention to the nutrition and health problems arising from unwise consumption of too much high-fat, high-cholesterol prime beef.

If the cattle raisers and meat packers want us to eat more beef, I think they should pay more attention to ways of bringing down the price by marketing leaner grades of beef. And then, help to teach consumers how to prepare this beef to make it tastier.

So if we are going to insist on forcing the public to pay a "beef tax" for advertising and promotion of beef in the media and in other ways, as H.R. 7656 proposes, then, as an absolute minimum we must require that the Beef Board, set up by the Government to run the beef advertising program, have full consumer participation by recognized consumer experts, who can speak for the consumer in all of the councils of the Beef Board.

I see no difference in that respect, between what the House insisted on in 1972 in the bill we debated on a wheat promotion program, and this bill dealing with the promotion of beef. We must insist that the Beef Board be a representative body which gives consumers an equal voice in all decisions.

Mrs. FENWICK. Mr. Chairman, I move to strike the last word, and I rise in support of the amendment.

Mr. Chairman, there are two points I would like to make. One is on the question of consumer representatives, and the other is on price.

As a consumer representative for only 1 year, it became entirely clear to me that there was no battle between the farmer and the consumer. Why is it true that a veal calf sells for 32 cents per pound at a loss, and we are paying $3.59 per pound in the market as consumers? It only took me 1 year as a consumer advocate to find out what some of the problems are.

Why did six trucks leave Iowa the other day with quartered beef instead of having it butchered in Iowa? Because it had to be butchered in Chicago. We could have had three or four trucks at most instead of six, saving a half or a third of the cost of transportation between Iowa and Chicago.

These are some of the things we all know about but will not mention on this floor. We know why there is such a great cost spread between the farmer and the consumer, and it is because everybody is taking a deeper and deeper cut all the way down the line and raising the cost, and the farmer gets no more.

As to the problem of consumer advocates, that is no mystery either. We have in almost every State of this Nation a State consumer director, people who have done this job, and they find out how the consumer is being taken. We know what is going on in this country. These are legitimate consumer representatives, and I can name a dozen right now. In the State of Wisconsin, for example, the Department of Agriculture has a splendid consumer advocate.

So, Mr. Chairman, I support this amendment, although I will not support the bill.

Mr. CONTE. Mr. Chairman, will the gentlewoman yield?

Mrs. FENWICK. I yield to the gentleman from Massachusetts.

Mr. CONTE. Mr. Chairman, I want to commend the gentlewoman, and I too rise in support of this amendment offered by the gentleman from New York (Mr. RICHMOND).

I sent out a dear colleague letter along with the gentlewoman from Missouri (Mrs. SULLIVAN) and the gentleman from Connecticut (Mr. MOFFETT) in support of this amendment. However, I think that the entire bill "butchers" the "bleeding" consumers' pocketbooks and really makes "mincemeat" out of fiscal responsibility.

I do not want to "rib" my friends from the cattle-raising States, but I think someone is trying to pull the "cowhide" over their eyes. I urge my colleagues to support this amendment and reject the entire "hunk of fat." It bleeds the American consumer, and I do not know a "knock wurst" than that.

Mrs. SMITH of Nebraska. Mr. Chairman, will the gentlewoman yield?

Mrs. FENWICK. I yield to the gentlewoman from Nebraska (Mrs. SMITH).

Mrs. SMITH of Nebraska. Mr. Chairman, I thank the gentlewoman for yielding. I would like to make these points:

First. I am a consumer. I am also a farmer. I have been working with agricultural people all of my adult life. Farmers and ranchers are smart people, well informed people. I do not agree that "the wool has been pulled over the cattlemen's eyes." A great deal of study has been given to this legislation, and agriculture wants it.

Second. If it is right that so-called legalized consumer organizations should have half of the representation, on the Board of Directors then I submit that those organizations should pay half the bill, and put up the $30 milion to give them the so-called "right" to equal representation of the Board.

Mr. HARKIN. Mr. Chairman, will the gentlewoman yield?

Mrs. FENWICK. I yield to the gentleman from Iowa (Mr. HARKIN).

Mr. HARKIN. I thank the gentlewoman for yielding. I did not catch the statement of the gentlewoman a little while ago, but as I understand the gentlewoman's remark, there were six truck loads of beef that left.

Mrs. FENWICK. Quartered beef.

Mr. HARKIN. Six truck loads of quartered beef left Iowa for Chicago, and the question was why did not they cut them up in Iowa and ship it out already cut up.

I would answer that the reason they do not do that is because of consumer preference.

The thing is, when you ship this thing out by quarter, when it gets to the cities the people can go into the store and say, "I want a little bit thinner cut." Or maybe they want a nice big charcoal steak for Saturday night, and they say, "I want a thicker cut."

If the gentlewoman wants all cuts of beef to be the same size, she is going to penalize the same consumers whom she is trying to protect.

Mrs. FENWICK. I am not saying that every single piece of steak should be cut up that small. I am saying we do not have to ship big quarters of beef, with feet on

them, all the way into the cities. They can be cut so that all of the steaks are in one block, all of the rounds are in one block. Space is being wasted between the carcasses. There would be three or four trucks, no more, instead of six.

Mr. HARKIN. If the gentlewoman will yield further, I would respond to the gentlewoman that she should go to the market, the beef market, and ask the consumers who buy beef if they want the opportunity of picking and choosing the beef they want to buy at the market, or if they want it all prepackaged and presized. I think the gentlewoman will find what the consumers want.

Mrs. FENWICK. What the consumers want from the supermarkets of this Nation, where they are buying the beef, is beef at a price they can pay.

Mr. VIGORITO. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

I am opposed to this amendment, and I am also opposed to the bill. I shall vote against the bill whether this amendment is carried or not, and I shall expand on why I am opposed to the bill at the proper time.

I am opposed to this amendment because if the bill succeeds in going through, it is a farmer bill, the farmers are going to put up the funds to promote beef, if it can be promoted, and I do not believe that they should pay for the bill and someone else should sit on the board. That is why I am against the position of the gentleman from New York, even though my voting for the consumer speaks for itself. I have had about a 100 percent record for the consumer. But, in equity, we cannot ask Mr. A to pay a bill and then have Mr. A and Mr. B sit down and make the decision.

Ms. HOLTZMAN. Mr. Chairman, will the gentleman yield?

Mr. VIGORITO. I yield to the gentlewoman.

Ms. HOLTZMAN. Mr. Chairman, I would like to answer the gentleman as follows: I strongly support this amendment. I think there is no question that the consumers of this country have paid a very high price for beef, and they are going to be paying the price for this bill. Although the supporters of the bill say its cost will be met by "contributions" from the beef producers, in reality those "contributions" will come from consumers who have to pay the inflated beef prices that enrich the cattle raiser. The money will come out of the pockets of my constituents and the constituents of everybody else in this room. American consumers will be paying higher prices to advertise beef to themselves.

I want to commend my colleague, the gentleman from New York (Mr. RICHMOND), for his fine initiative in offering this amendment.

Mr. Chairman, I urge my colleagues to support this amendment.

Mrs. HECKLER of Massachusetts. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I rise in support of the amendment by the gentleman from New York (Mr. RICHMOND), because it is an effort to improve what is otherwise a completely objectionable bill. Even if this amendment passes, the bill should, in my judgment, be defeated.

There is quite simply no need for Government approval, or Government enforcement, of a private industry advertising program. Beef producers are, of course, perfectly within their rights in promoting the consumption of beef with their own funds as a voluntary effort. However, there is no justification for the expenditure of public funds for this purpose.

Indeed, the creation of a Beef Board, as envisioned in this legislation, would only lead to more special interest programs for other commodities, to preserve their competitive position.

Supporters of this legislation contend that the Beef Board will disseminate information to the consumer, yet in drafting the bill, they have not provided for any consumer representation. This amendment seeks to rectify that particular deficiency in the bill.

Yet the entire bill is deficient. The authors of this bill cite the drop in beef prices and sales as need for promotion of beef consumption. I can tell you that it the cattle rancher is suffering from low prices, then the consumer is suffering also—from high prices. The ultimate cost of the beef promotion program will be borne by the consumer and the taxpayer, and I can assure my colleagues that higher beef prices will not put any more beef on the dinner tables of families which are straining to live within already tight budgets in these hard times.

The clear message to the Congress from the plight of the cattleman, the farmer, and the consumer is that the middleman must be investigated, to see where the real profit is being made. Until the Congress addresses that question, we have not come to grips with the real problem. While the cattleman goes bankrupt, the housewife looks for another source of protein. Americans love steak. It is a pity for all concerned that they cannot afford to eat it.

Mr. SEBELIUS. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, H.R. 7656 enables cattle producers to conduct a coordinated beef research program for improving production methods as well as the nutritional quality and palatability of beef products offered to the consumer. This self-help effort by the beef industry would be financed solely by producers at no cost to the taxpayer. It is reasonable to assume that a beef research and market development program would maximize incentive and efficiency if directed by the producers.

The Richmond amendment provides for 50 percent of the Beef Board to be staffed by consumers. I view this as unnecessary and direct interference to the right of beef producers to finance the improvement and promotion of their industry.

Consumers will continue to retain the option of free choice when selecting meat products in the marketplace. Livestock producers are faced with a buyer's market; in fact, past meat boycotts have demonstrated the power of consumer influence in the market. This is proof that beef products must meet consumer approval in both quality and price. As it stands, H.R. 7656 will enable beef producers to strive for these objectives.

The funds for the beef research program are derived entirely from participating beef producers on a voluntary basis.

With this in mind, I am hopeful that my fellow Members of Congress will recognize and consider the merits and high desirability of this bill as it now stands and reject the amendment offered by the gentleman from New York.

The CHAIRMAN. The question is on the amendments offered by the gentleman from New York (Mr. RICHMOND).

The amendments were rejected.

Mr. CONTE. Mr. Chairman, I move to stroke the last word.

Mr. Chairman, I would like to ask the gentleman from New York (Mr. RICHMOND) this question, if I may have his attention: What is the difference between this Beef Board and another well known boondoggle, Cotton, Inc.? Are they woven from the same thread? As far as I can see, they are.

The only difference I can see is that Cotton, Inc., is getting $3 million a Federal subsidy and the Beef Board does not as yet.

Is the consumer not subjected to the same type of abuses and wasted spending with this Beef Board as it is with Cotton, Inc.?

Mr. RICHMOND. Mr. Chairman, if the gentleman will yield, I agree with the gentleman from Massachusetts, and I would like to associate myself with his remarks.

Mr. CONTE. Mr. Chairman, does the gentleman feel that if this goes through, we will be back in here conducting debates such as we had last July on Cotton, Inc., when we were talking about a $121,000 salary for its President?

Mr. RICHMOND. Mr. Chairman, unfortunately, this is just another Madison Avenue boondoggle. It is not proper to spend $60 million of the people's money on an advertising program that we do not need. There will be absolutely no research done under this bill; the research is to be done by the Department of Agriculture, for which we are paying $50 million.

This is a straight promotional bill to promote a product which we are already overusing. I do not think this is a function of Government to support such a program. If this were a private program, neither the gentleman nor I would have any argument about it, but I do not see why we in this body should support such a public operation.

Mr. CONTE. Mr. Chairman, I might mention to my friends in the House here in regard to Cotton, Inc., that one of the big arguments they used against me when we tried to knock that thing out was that they had set a lid of $60,000 on the salary of the head of Cotton, Inc., and then when the bill went over to the Senate, they knocked that lid right out.

Therefore, I hope that this "beef-doggle," which is as bad as that cotton boondoggle, is defeated here today.

Mr. WAMPLER. Mr. Chairman, will the gentleman yield?

Mr. CONTE. Yes, I am glad to yield to the gentleman from Virginia.

Mr. WAMPLER. Let me assure the distinguished gentleman from Massachusetts (Mr. CONTE) that the gentleman from Virginia will never be on this floor supporting any legislation that will put taxpayers' money into this program.

This is a self-help program brought to us by the beef producers to help themselves. I think it will benefit the consumer and producer alike.

Mr. CONTE. I feel that it is going to raise the price of beef by $60 million in this country.

I think that if the Members are concerned for the people back home who are paying through the nose right now for beef, they will defeat the entire bill.

Mr. VIGORITO. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman and Members, as I stated a few minutes ago, I am against this bill.

First, I would like to give some background information about consumption of meat. In 1950 the per capita consumption of beef was about 70 pounds. It is currently about 150 pounds per person.

The big drawback here in per capita consumption is not the average per capita consumption, but the fact that the bottom 30 percent of the population has an average per capita consumption of beef of only about 40 percent of this 150 pounds. Therefore, if they had the funds to buy beef or other meat products, we would not need any beef-promotion legislation.

The question has arisen: Who pays for this? In any way one looks at it, it is the ultimate consumer who pays.

Surely, it will not be added to the price by the farmer or it will not be added to the price by the meat packer, the feed lot operators or the cow-calf man, but it will be deducted as an expense of operations. It will mean less taxes for the Federal Treasury, so, directly or indirectly, we all pay for the $60 million or $70 million that this program will cost. It has to come out of the economy somewhere. That cannot be disputed. It has to come out of the economy somewhere.

Mr. Chairman, I am sorry that the gentlewoman is not here. I have told her personally, and I will repeat it in the Chamber, about meeting margins. The farmer gets 32 cents a pound. When one goes to buy a steak, it is $2.29 a pound, depending upon what cut one wants.

In any event, I can provide any member in this committee with 2,000 pages of testimony from several Government agencies and from my subcommittee on why we have this spread from the time the meat leaves the farmer until it gets onto the consumer's table.

Does anyone realize what has happened in the last 40 years in distribution? I can remember as a boy of 10 years old that every Thursday morning a farmer used to come around and rap on the door. He had his little black wagon, and in that wagon he had meat which he butchered early that morning, probably at 3 or 4 o'clock in the morning. We used to buy right off of the back of that wagon for our weekend supply of meat.

Today it leaves the farm. It goes to the feed lot operator. It goes to the meat packer. It goes to distributors. It goes to the wholesalers and then to the retailers. All along the line we pay higher fuel costs, higher product costs, higher packaging costs, higher wages, higher profits, and so forth and so on.

Do not think for a minute that the farmer gets 32 cents and someone else is putting in his pocket the difference of $1.50. There are many factors that go into getting the meat from the farmer to the table, and we have not solved any problem there that can cut that in half.

I am against this bill as I was against the Cotton Promotion Act. That act did nothing for cotton and this act will not do nothing for increasing the consumption of beef for the ultimate citizen at his dinner table and for the beef producer.

Mr. WEAVER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the fundamental fact facing the cattle producers of this country is that we are at the end of a 10-year cattle cycle. We have almost 140 million head of cattle in this country. Ten years ago we had around 80 million head of cattle.

The cattlemen exist in a free market. They do not exist as do the manufacturers of automobiles in Detroit wherein if the demand for automobiles falls they can immediately issue an order from the board of directors cutting back production.

But on the free market it is an agonizing process to decrease their herds to fit demand. Many cattlemen will be bankrupt in the process.

If you couple the fact that we have far too many cattle in this Nation with the fact that we have had disruptions in our grain supplies because of weather and sharply increased demands by foreign buyers such as the Soviet Union thus increasing the cost of feed then we see the cattlemen facing lower prices and higher production costs.

Couple that with a deep recession in the United States of America where consumer demand has fallen sharply and you have the basic situation that the cattle raisers face today on the free market, overproduction, increased costs, and falling demand for beef.

We have as the Secretary of Agriculture a man who has presided over this debacle in the cattle industry, the Earl of Butz who is today out in friendly country championing his policies. His policy of selling our grain to the Soviet Union and selling our grain reserves, reserves that if we have a drought in 1976 will be badly needed in this Nation, this policy is designed to drive the price of grain up for the cattlemen. And I am not talking about grain prices today, they are not high, but they were high in the last couple of years after the great grain robbery when the cattle raiser was going broke because of the rising costs of grain and lost $100 to $200 a head each time he sold one of his animals.

I say it is time that we remove these grain policies and get in a new agricultural program in this country, beginning with a Government agency to handle our exports of grain so that we can bring order back into the economy to help the beef producers.

I say this bill we have before us is not the way to do this and I will oppose the bill, but I will go on to bring to the floor of this Congress legislation that will go to the fundamental problem of the cattle producer.

Mr. FORD of Michigan. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I asked for this time so that I could ask the gentleman from Texas (Mr. POAGE) a couple of questions to clear up a problem that has occurred to me only since I have been listening to the debate today. That is my concern with the fact that as has already been pointed out from the viewpoint of at least some people in this Chamber, we are talking about a value added tax to be paid by the American consumer. If that be the case, then I am concerned about the use of my money for not just the support of a particular industry, to wit, the American cattle industry, but I am given to understand that there is a very substantial amount of beef imported into this country from foreign nations. I wonder if the gentleman from Texas (Mr. POAGE) could tell me how much beef we imported last year into the United States.

Mr. POAGE. If the gentleman will yield, in the first place, if I understand the gentleman's question, there is no substantial amount of feed imported into the United States.

Mr. FORD of Michigan. No, not feed but beef. This bill is to promote the sale of beef. Presumably, that is to get people to eat beef wherever they can get it in the marketplace.

Mr. POAGE. That is correct.

Mr. FORD of Michigan. What percentage of beef sold in this country last year was imported?

Mr. POAGE. If the gentleman will yield, there was a substantial amount of beef imported into the United States. I think that the figure was about 10 percent. It is probable that the amount coming in in recent months has been somewhat less because of the low price of beef in the United States, which does not make it profitable to ship it in. When the price goes up in the United States, we will see increased importation.

Mr. FORD of Michigan. I have another question. Starting on page 11 of the bill it says:

> Each producer who sells to a slaughterer or otherwise arranges for the slaughter of his cattle shall pay to the slaughterer—

Which indicates to me that the point of collection for amassing this fund, which I have heard described as $50 to $60 million a year, is going to be at the slaughterhouse. From my limited knowledge of the kind of beef that comes in imported, it is that it does not come in to be slaughtered in the United States; it is slaughtered and processed before it comes here. Does that mean that the foreign producer of beef selling in the

United States gets a free ride out of this promotion campaign?

Mr. POAGE. If the gentleman will yield, I think that is exactly what it does mean, except that the promotion campaign will not be directed to assist that foreign promoter. On the contrary we hope it will be directed to show the great advantage of American beef over the kind of beef that does come in. We hope we will be able to distinguish and help the consumer distinguish between a good beefsteak from Kansas or Iowa and some thing that came in here from Melbourne.

Mr. FORD of Michigan. Do I understand the gentleman to be saying that he would contemplate that this promotion campaign would identify foreign beef and American beef, and encourage the purchase of American beef and not the foreign beef?

Mr. POAGE. I certainly would. I think that the people who pay the bill are the ones who should conduct the program, and the American producer is going to be paying the bill, and the American producer is the one who ought to be conducting the program. He ought to be in a position to show where his beef is better—and in my judgment it is. I think there is no question about it, except that we have not been able to show the public the advantage of American beef, and that is one of the very things we will be able to do.

Mr. FORD of Michigan. Let me give the gentleman an example and get his reaction to it. I have been told here on the floor by a member of the committee that the McDonald hamburger chain, as an example, uses almost exclusively imported beef. Would that mean that we would expect this promotion campaign to advertise throughout the country that when one buys a McDonald hamburger, one buys imported beef?

Mr. POAGE. I do not know where the beef in a McDonald hamburger is grown and I doubt very much that anybody else can tell the gentleman.

Mr. FORD of Michigan. I am not asserting that they do. But assume for the moment that they did import their beef, that that was the source of the beef that they used for their hamburger chain, would the gentleman contemplate that the money collected from the consumer in question would be used to warn that consumer that when he bought a McDonald's hamburger, he would be sending his money to a foreign producer, not to our hard-pressed friends in Kansas and Iowa?

Mr. POAGE. I would not expect to be a member of the Board that is proposed here, and they will be the ones who will make this determination. I cannot tell the gentleman what they will determine. But I would not expect them to get out and criticize a large consumer of beef, a possible large market. If I were on the Board, I would expect to try to show McDonald's that they could do a better job selling American beef than they could selling somebody else's beef. I would try real hard to get that market, because I think it is a very desirable market and one that we can fill. And if we can help McDonald's sell American beef, that is good. Since there is no contribution on the part of the foreign producers, they will have no voice on the Board. The Board will represent the interests of the American producers and not those of foreign producers. I think this is as it should be.

Mr. HARKIN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, first of all I would like to say I supported this bill both in the subcommittee and in the full committee. I have given the bill very long and very serious thought and consideration.

I have listened to the debate here today. It seems to me the debate is centered around the old battle of the consumer versus the farmer. I do not think that is where the debate ought to be centered on this bill. People who were talking on behalf of the consumer and talking about putting consumers on the Board were saying that eventually the consumer will pay and therefore he ought to be represented on the Board. But it can be said that eventually a consumer will pay for everything. If that is the basis for this amendment, that it is going to have some impact on what the consumers pay, perhaps we could turn it around and say: What is the impact on farmers, because it will have an impact on them, of higher wage demands made by organized labor in this country, when it is the farmers who will have to pay the higher cost for machinery? Perhaps we ought to have some farmers sitting on the board of directors of the AFL–CIO. Or what is the cost to the farmers of the dock workers not loading the grain to be shipped to the Soviet Union? Perhaps we should have farmers on the board of the dockworker's union.

So I do not think that is where the debate ought to be centered.

I do have some problems and some questions I would like to have cleared up for my own information and perhaps for the members. I would like to direct these questions to the chairman of the subcommittee, the distinguished vice chairman of our committee.

I have some questions about the referendum procedures and the voting. As I understand the bill, there is a 12-month period during which the producers can register, or may register. They do not have to register but they may register. Then after the registration period is finished, 50 percent of those registered must vote, and then two-thirds of this 50 percent who vote have to approve it. Is that correct?

Mr. POAGE. If the gentleman will yield, I understand, that is correct.

Mr. HARKIN. Then, for example, over the next year 10 percent of all the producers could register. Then the registration closes and then 5 percent could vote, and then two-thirds of that or 3.5 percent could then pass it and the thing would then be in operation. So we could wind up with only 3.5 percent of all producers approving this and putting it into operation. Is that correct?

Mr. POAGE. I am at a loss to understand what the gentleman is talking about in the next year. They make the determination in one election.

Mr. HARKIN. But understand this. They do not have to register.

Mr. POAGE. No. They do not have to register. If a producer has no interest in the matter he does not have to do anything, but if he objects to the plan he is free to register and to vote against it.

Mr. HARKIN. OK. Then let us say the producers register, the bill says that only 50 percent of those who register have to vote. Let us say only 10 percent of all the producers even bother to register. If only 10 percent bother to register, then it takes only 5 percent, half of those who register, to vote, and then it takes only two-thirds of those to even get the thing going, so we could theoretically wind up with 3½ percent of all cattle producers enacting this, getting it going.

Mr. POAGE. I do not follow the mathematics of the gentleman but nevertheless if we were going to assume that sort of thing we must assume then that the cattle people are well satisfied with the proposal because everybody who is opposed to it will be going to vote against. If I know cattlemen they will speak out if they do not like the plan. I would say that only 3½ percent constitute two-thirds of all the producers who have enough interest to vote, it would indicate that there was very little objection.

Mr. HARKIN. But let us suppose only 10 percent register. I am thinking of my own State of Iowa where we have the soybean checkoff which only about 5 percent of the soybean producers of the State of Iowa even bothered to go out and vote for.

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. HARKIN. I yield to the gentleman from Idaho.

Mr. SYMMS. I thank the gentleman for yielding.

I see the gentleman's point, which I think is a legitimate point, but I think the gentleman must remember that is how most of us got to Congress. Last fall only 30 percent of the people eligible registered to vote and only about 6 percent of them voted for the gentleman or for me, so we got to come to Congress that way. So I would not let that bother me too much because that is how most of us got to be on the House floor.

Mr. HARKIN. The gentleman is correct; however, in this bill with 3.5 percent voting and enacting this, it is going to cost the rest of the producers money. However, in my case and in the gentleman's case, no matter how many people elected us, we are saving the people money, because we are both fiscal conservatives.

The second problem I have with this bill is the rebate provision which is on page 17 of the bill.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

(By unanimous consent, Mr. HARKIN was allowed to proceed for an additional 3 minutes.)

Mr. HARKIN. Mr. Chairman, on the rebate provision, as I understand it, the producer anywhere along the way can file for a rebate, but there is also a 120-day waiting period to get it back. Sixty days from the end of the month plus another 60 days after the rebate demand is received, which is 120 days. Also, they must provide proof to the board

they paid the assessment and they have to do it on forms provided by the board.

Now, God knows the one thing we do not want for small farmers is more forms to be filled out. Because of this, and the small amount to be rebated to the small producer, the small cattle producer will not fill out those forms, but the big boy, the big producer, it will be to his economic advantage to fill out the forms and get the money back. So what we wind up with is the small cattle producer footing the bill for the whole thing and the big boys getting their money back. That is what appears to me to happen under the rebate provision.

Mr. POAGE. Mr. Chairman, will the gentleman yield further?

Mr. HARKIN. I yield to the gentleman from Texas.

Mr. POAGE. Mr. Chairman, the only answer we can give the gentleman is the experience we have had with other similar programs in this Congress. We have had similar programs for cotton and for a number of fruits in which there is the same opportunity to demand a refund. We found by experience that those demands normally do not exceed 3 percent. They generally run between 2 and 3 percent.

Mr. HARKIN. Mr. Chairman, these are rebate demands?

Mr. POAGE. I beg the gentleman's pardon?

Mr. HARKIN. These are rebate demands?

Mr. POAGE. Yes.

Mr. HARKIN. But under this system would not that 3 percent be the big boys, the big cattle producers, that get their money back?

Mr. POAGE. If 3 percent of the largest cattle producers do not want this program, they will wreck the program and it will not succeed.

Mr. HARKIN. But from periodic rebates they can whittle down how much they put into this whole program.

Mr. POAGE. I did not understand the gentleman.

Mr. HARKIN. I am just saying the great big producers, the big feeder, is the one that can get the money back and it would be to his advantage to fill out the forms and wait the 120 days to get the money back.

Mr. POAGE. The largest operator in the United States or the smallest operator in the United States could get his money back. Any of them can get their money back.

We have found by our experience with similar programs, and that is the only experience we have, our experience with other commodities, we have found most of the rebates go to the smaller operators and not to the larger operators. I do not know of a single one of the programs now in operation where there has been a substantial repayment to the larger operators. Of course, the program helps them, too.

Mr. HARKIN. I do not know how this fact was determined. I would be surprised if any records are kept to indicate the size of the producer and the amount of money that has been rebated under these other programs. Under this bill, there is nothing I can see that would require any kind of recordkeeping to determine if the big boys, the big producers, were pulling their fair share.

I have other problems with the bill. Sure, I can see that if a good job is done on promotion that this will eventually help the cattle producer. However, because of the large sums of money that we are talking about here, which has been estimated to be between $40 and $60 million a year that would come into this beef bill, then it seems that the large chainstores are reaping a tremendous benefit from this checkoff bill. However, there is nothing in the bill that would require the large chainstores to be assessed a certain amount of money for the beef that they sell. And we all know from experience that it is the middle man, including the large chainstores, that are making the huge increases in profits at the expense of the cattle producer and, I might add, at the expense of the consumer.

Also, if we are talking about $40 to $60 million a year for promotion, this means that some great big advertising agency with offices in New York City are going to also reap a big harvest from this bill. This New York ad agency will be taking out nice slick ads in some national magazine like Time magazine, showing a picture of a nice big juicy steak and telling everyone to buy beef. I really question whether this is going to get people to eat more beef. I rather doubt it. But, these big New York ad agencies will make a lot of money.

Also, as the gentleman from Michigan pointed out, we are now importing a lot of beef into this country. If my memory serves me right, I believe we are importing about 5 percent of our total beef consumption from foreign countries.

It only seems right to me that they, that is, the cattle producers in those foreign countries, ought to pay their fair share. Now if we are talking about a $50 million checkoff fund per year, and if we import 5 percent, then the foreign producers ought to pick up 5 percent of this bill, which would be 5 percent of $50 million, or $2.5 million. In other words, $2.5 million ought to be charged to the importers of this foreign beef. That only seems fair to me, and yet there is nothing in this bill that would do that. However, they too will benefit from this beef checkoff bill.

I am also concerned about who this Board is going to hire to run this operation and how high the salaries will be. Someone earlier mentioned Cotton, Inc., which is the board that takes care of the cotton checkoff fund. Again, if my memory serves me right, Cotton, Inc., pays their executive director a salary in the range of $100,000 per year. I also understand there are other officials paid equally as high or nearly so. Yet there is nothing in this bill to control the salaries, and what is sometimes more important, the expense accounts of the staff that will be running this operation. That could be just another ripoff of the cattle producer's hard earned dollars.

As I stated earlier, it is not the argument concerning the consumers that bothers me. After all, the consumers would benefit in their diets and eating habits if they would eat more beef. What concerns me is just who is going to pay for it and who is going to be ripping off this $50 million a year?

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. HARKIN. Mr. Chairman, I ask unanimous consent that I may be allowed to proceed for 1 additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

Mr. SEBELIUS. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. RONCALIO. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I recognize by all the shouting in the Chamber that this is a very popular time to speak.

This bill is not going to satisfy nor help solve the problems of cattlemen in America, thousands of whom are going bankrupt every month. Nor will it probably help reduce the price of beef for the millions of consumers of America who are also concerned. This Congress—and oh, how I wish it had the guts I thought it had when I came here 10 years ago—ought to have a joint investigating committee with the power of subpena and start an investigation today of beef prices, the like of which would uncover collusion, fraud and price-fixing along the entire line from the sale of the cow until the time it hits the housewife's table.

There, we would uncover the practices that counsel Joseph Alioto discovered in a treble damages antitrust lawsuit 3 years ago in San Francisco in which plaintiffs obtained judgments against Safeway and others who were found guilty of illegal practices in the livestock industry of America.

But, we must begin someplace, and so I remind Members that we do have precious few beef growers in the West today who can make a living unless he has oil and gas on his property, or unless he has got a vein of coal, or unless his ranch adjoins a town that is growing so that he can sell off a few acres every year for real estate appreciation to make ends meet. If he must amortize his debt for purchasing his land within the last 10 years, there is no way he can make a living in growing livestock any more. Something must be done for the livestock operator, and I believe this is a step—however inadequate—in the right direction.

I would encourage every Member who has doubts, such as my good friend from New York, to vote for it. Three months ago, I called for special orders and asked all of my fellow Members to meet with me and discuss livestock prices. Who showed up? The gentleman from Colorado (Mr. JOHNSON) was virtually the only Member from the Republican side here. He was the only Member, and there were not two Members from the great cities of America here on the Democratic side of the aisle.

Mr. RICHMOND. Mr. Chairman, will the gentleman yield?

Mr. RONCALIO. I yield to the gentleman from New York.

Mr. RICHMOND. Could the gentleman please tell us how a $60 million advertising fund, paid for by the beef producers, is going to help the poor cattle farmer? I would like to hear him tell us.

Mr. RONCALIO. I would be happy to let the gentleman know. This may be the beginning, the fact that perhaps $10 million of it can be spent for investigation of price fixing crimes; it can be used for other purposes acceptable to the gentleman if we take an interest in it.

Mr. RICHMOND. It is not for investigation; it is not for research. It is for advertising. What is the gentleman advertising? The American people cannot afford beef prices as they are today. They are already eating 120 pounds of beef per year.

Mr. RONCALIO. I say to my good friend that perhaps we can afford the fact that consumer spokesmen in the beef industry can be heard. If it does that, it could resolve a worthy need of the American consumer. I urge a "yea" vote on the bill.

Mr. SYMMS. Mr. Chairman, I move to strike the last word, and I wish to state that I support this legislation. I will not take the 5 minutes, but I would like to emphasize that the intent of this bill is to enable cattle producers to establish, finance, and carry out a coordinated program of research, producer and consumer information, and promotion to improve, maintain, and develop markets for cattle, beef, and beef products.

Secretary Butz testified before the House Agriculture Committee a little over a week ago where he pointed out that 80 percent of the budget of the U.S. Department of Agriculture in the coming years is going to be used for international and national welfare programs. The funds will not be used for basic research such as the Department of Agriculture has done in the past. This money, much of it in this legislation, will be for beef research and animal health research, which is sorely needed to help stop the impending crisis that will hit the cattle men of this country.

Mr. Chairman, Richard Nichols, chairman, Oregon Beef Council, said:

> For most of the past year and a half, cattle feeders have sustained losses of $100 or more per head, while cow/calf and stocker operators who produce feeder cattle and non-fed beef are losing as much as $50 to $100 on every animal marketed.

Estimates by the Oregon Beef Council, and Oregon Cattlemen's Association show that during this past year alone the Nation's cattle industry has declined $20 billion, or 48 percent, in value. As of January 1, 1974, the cattle inventory—as reported by USDA—was valued at $41 billion. Yet as of January 1975, with even more cattle on hand, the value was only $21 billion.

Again quoting Nichols:

> With a $20 billion inventory loss, plus approximately $5 billion operating loss, America's beef cattle industry in a 12-month period has sustained a $25 billion setback.

Causes: While the cattle industry, as a result of expansion decisions by individual producers, has been moving in a cyclical oversupply situation, the problem has been accelerated by an unprecedented cost doubling of feed, fertilizer and other production inputs.

Current problems are also a direct result of government policies which interfered with normal operation of the system:

Government deficits, fiscal policies and price controls are responsible for input shortages and extreme inflation.

The beef price freeze of 1973 crippled the entire beef marketing system, causing abnormal supply and price problems for both cattlemen and the consuming public.

Legislative and administrative actions based on political rather than scientific considerations have restricted or removed safety-proven, cost-reducing technological tools and adversely affected production systems.

Government interference in labor and shipping has impaired the efficiency of beef transportation and distribution.

Subsidized, cheap grain encouraged livestock production expansion. Then, suddenly, changed world demand and short crops created a devastating increase in feed costs.

Effects. When 1.9 million full- and part-time cattle operators are hurt, the entire economy is affected. At least 2 million persons work in supplying livestock and crop producers. Farmers and ranchers buy 5 percent of the Nation's steel output. They purchase 25 percent of its trucks. Each $1 spent in cattle production directly generates an additional $5 to $8 in business activity in the supply and processing industries.

Still another major frustration of the cattle industry is the misinformation being disseminated by advocates of various causes. One of these is the grossly overstated amount and proportion of grain used in actually producing this country's beef.

Mr. Chairman, consider:

Approximately 70 percent of all U.S. cattle feed is forage. Cutting back on meat consumption would have no appreciable effect on food grain availability.

Foods of ruminant origin—including beef and milk—provide more than half of our total balanced protein, and that protein is of much greater value in human nutrition than plant protein.

Feed for beef cattle consists entirely of rough, fibrous materials, which man cannot eat; and of coarse feed grains which most people will not eat.

To produce 3,000 calories of edible material from cultivated crops, it takes nearly 10,000 calories of energy from fossil fuels, but grazing cattle harvest the energy and other nutrients from grass with virtually no use of fossil fuel.

The crisis in beef is another example of Government interference facing the American agriculturalist today, and affecting our commitment to the world of tomorrow.

Yet if that commitment is not met, what then?

I urge a "yes" vote—give the cowboys a chance to help themselves.

Mr. GOODLING. Mr. Chairman, will the gentleman yield?

Mr. SYMMS. I yield to the gentleman from Pennsylvania.

Mr. GOODLING. Mr. Chairman, I would just like to respond to the gentleman from Oregon and say that I think history is going to prove that the only thing that brought us through the economic crisis we are just coming through since the oil embargo was the fact that farmers were willing to take the risk of overproduction, because the only item we had to recover the money that left this country that the world needed happened to be food.

The farmers took the risk, and it is history, of course, that will prove that it was the farmer who brought us through these economic trials after the oil embargo.

Mr. WEAVER. Mr. Chairman, will the gentleman yield?

Mr. SYMMS. I yield to the gentleman from Oregon.

Mr. WEAVER. Mr. Chairman, I want to get twice as much from the Russians as Secretary Butz is willing to get.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the Chair, Mr. ECKHARDT, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 7656) to enable cattle producers to establish, finance, and carry out a coordinated program of research, producer and consumer information, and promotion to improve, maintain, and develop markets for cattle, beef, and beef products, pursuant to House Resolution 714, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

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

MOTION TO RECOMMIT OFFERED BY MR. PEYSER

Mr. PEYSER. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. PEYSER. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

> Mr. PEYSER moves to recommit the bill H.R. 7656 to the Committee on Agriculture.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. PEYSER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic de-

vice, and there were—yeas 229, nays 189, answered "present" 1, not voting 14, as follows:

[Roll No. 577]

YEAS—229

Abdnor	Gonzalez	Morgan
Alexander	Goodling	Murtha
Andrews, N. Dak.	Grassley	Myers, Ind.
	Guyer	Natcher
Archer	Hagedorn	Neal
Armstrong	Haley	Nichols
Ashbrook	Hall	O'Brien
Aspin	Hamilton	O'Neill
Baucus	Hammer-schmidt	Passman
Bauman		Perkins
Beard, Tenn.	Hanley	Pettis
Bedell	Hansen	Pickle
Bell	Harsha	Poage
Bergland	Hastings	Pressler
Bevill	Hays, Ohio	Preyer
Blouin	Hébert	Quie
Boggs	Hefner	Quillen
Bowen	Henderson	Railsback
Breaux	Hightower	Randall
Breckinridge	Hillis	Rees
Brinkley	Holland	Regula
Brodhead	Holt	Rhodes
Brooks	Howe	Risenhoover
Brown, Calif.	Hubbard	Roberts
Brown, Mich.	Hungate	Robinson
Brown, Ohio	Hutchinson	Rogers
Broyhill	Ichord	Roncalio
Buchanan	Jacobs	Rose
Burgener	Jarman	Rousselot
Burleson, Tex.	Jeffords	Runnels
Burlison, Mo.	Jenrette	Santini
Butler	Johnson, Calif.	Satterfield
Byron	Johnson, Colo.	Schneebeli
Carter	Johnson, Pa.	Sebelius
Casey	Jones, Ala.	Sharp
Cederberg	Jones, N.C.	Shipley
Chappell	Jones, Okla.	Shriver
Clausen, Don H.	Jones, Tenn.	Shuster
	Jordan	Sikes
Cochran	Kasten	Skubitz
Collins, Tex.	Kastenmeier	Slack
Conable	Kazen	Smith, Nebr.
Conlan	Kelly	Snyder
Corman	Ketchum	Spence
Crane	Keys	Stanton, J. William
Daniel, Dan	Krebs	
Daniel, R. W.	Krueger	Stanton, James V.
Davis	Lagomarsino	
de la Garza	Landrum	Steed
Dent	Latta	Steelman
Derrick	Leggett	Steiger, Wis.
Devine	Litton	Stephens
Dickinson	Lloyd, Tenn.	Stratton
Downing, Va.	Long, La.	Stuckey
Duncan, Oreg.	Lott	Symington
Duncan, Tenn.	Lujan	Symms
Edwards, Ala.	McClory	Talcott
English	McCollister	Taylor, Mo.
Esch	McCormack	Taylor, N.C.
Evans, Colo.	McFall	Teague
Evans, Ind.	McKay	Thone
Fascell	Madigan	Thornton
Findley	Mahon	Traxler
Fisher	Mann	Treen
Fithian	Mathis	Ullman
Flood	Meeds	Vander Jagt
Flowers	Melcher	Waggonner
Flynt	Michel	Wampler
Foley	Milford	White
Ford, Tenn.	Miller, Ohio	Whitten
Forsythe	Mills	Wilson, Bob
Fountain	Mineta	Wilson, Tex.
Frey	Mink	Winn
Fuqua	Mitchell, N.Y.	Wright
Gaydos	Mollohan	Wylie
Gibbons	Montgomery	Yatron
Ginn	Moore	Young, Alaska
Goldwater	Moorhead, Pa.	Young, Tex.

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Abzug	Bonker	Coughlin
Adams	Brademas	D'Amours
Addabbo	Broomfield	Daniels, N.J.
Ambro	Burke, Calif.	Danielson
Anderson, Calif.	Burke, Fla.	Delaney
	Burke, Mass.	Dellums
Anderson, Ill.	Burton, John	Derwinski
Andrews, N.C.	Burton, Phillip	Diggs
Annunzio	Carney	Dodd
Ashley	Carr	Downey, N.Y.
Badillo	Chisholm	Drinan
Bafalis	Clancy	du Pont
Baldus	Clawson, Del	Early
Barrett	Clay	Eckhardt
Beard, R.I.	Cleveland	Edgar
Bennett	Cohen	Eilberg
Biaggi	Collins, Ill.	Emery
Biester	Conte	Erlenborn
Bingham	Conyers	Eshleman
Blanchard	Cornell	Fenwick
Boland	Cotter	Fish
Florio	Martin	Rooney
Ford, Mich.	Mazzoli	Rosenthal
Frenzel	Metcalfe	Rostenkowski
Giaimo	Meyner	Roush
Gilman	Mezvinsky	Roybal
Gradison	Mikva	Russo
Green	Miller, Calif.	Ryan
Gude	Minish	St Germain
Hannaford	Mitchell, Md.	Sarasin
Harkin	Moakley	Sarbanes
Harrington	Moffett	Scheuer
Harris	Moorhead, Calif.	Schroeder
Hawkins		Schulze
Hayes, Ind.	Mosher	Seiberling
Hechler, W. Va.	Moss	Simon
Heckler, Mass.	Mottl	Smith, Iowa
Heinz	Murphy, Ill.	Solarz
Helstoski	Murphy, N.Y.	Spellman
Hicks	Myers, Pa.	Stark
Hinshaw	Nedzi	Steiger, Ariz.
Holtzman	Nix	Stokes
Horton	Nolan	Studds
Howard	Nowak	Sullivan
Hughes	Oberstar	Thompson
Hyde	Obey	Tsongas
Karth	O'Hara	Vander Veen
Kemp	Ottinger	Vanik
Kindness	Patten, N.J.	Vigorito
Koch	Patterson, Calif.	Walsh
LaFalce		Waxman
Lehman	Pattison, N.Y.	Weaver
Lent	Pepper	Whalen
Levitas	Peyser	Whitehurst
Lloyd, Calif.	Pike	Wiggins
Long, Md.	Price	Wilson, C. H.
McCloskey	Pritchard	Wirth
McDade	Rangel	Wolff
McDonald	Reuss	Wydler
McEwen	Richmond	Yates
McHugh	Riegle	Young, Fla.
McKinney	Rinaldo	Young, Ga.
Madden	Rodino	Zablocki
Maguire	Roe	Zeferetti

ANSWERED "PRESENT"—1

Edwards, Calif.

NOT VOTING—14

AuCoin	Fraser	Sisk
Bolling	Macdonald	Staggers
Dingell	Matsunaga	Udall
Evins, Tenn.	Patman, Tex.	Van Deerlin
Fary	Ruppe	

The Clerk announced the following pairs:

Mr. Matsunaga with Mr. Macdonald of Massachusetts.

Mr. Patman with Mr. Udall.

Mr. Sisk with Mr. Van Deerlin.

Mr. Staggers with Mr. Dingell.

Mr. AuCoin with Mr. Evins of Tennessee.

Mr. Fraser with Mr. Fary.

Messrs. NIX, KARTH, DODD, MURPHY of New York, and LENT changed their vote from "yea" to "nay."

Messrs. ASPIN, JAMES V. STANTON, ICHORD, and GOLDWATER changed their vote from "nay" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. POAGE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

CONFERENCE REPORT ON S. 824, TO PROMOTE SCHOLARLY, CULTURAL, AND ARTISTIC ACTIVITIES BETWEEN JAPAN AND THE UNITED STATES

Mr. HAYS of Ohio submitted the following conference report and statement on the Senate bill (S. 824) to provide for the use of certain funds to promote scholarly, cultural, and artistic activities between Japan and the United States, and for other purposes:

CONFERENCE REPORT (H. REPT. No. 94–526)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 824) to provide for the use of certain funds to promote scholarly, cultural, and artistic activities between Japan and the United States, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

That this Act may be cited as the "Japan-United States Friendship Act".

STATEMENT OF FINDINGS AND PURPOSE

SEC. 2. (a) The Congress hereby finds that—

(1) the post-World War II evolution of the relationship between Japan and the United States to peacetime friendship and partnership is one of the most significant developments of the postwar period;

(2) the Agreement Between Japan and the United States of America Concerning the Ryukyu Islands and the Daito Islands, signed at Washington and Tokyo on June 17, 1971, is a major achievement and symbol of the new relationship between the United States and Japan; and

(3) the continuation of close United States-Japan friendship and cooperation will make a vital contribution to the prospects for peace, prosperity, and security in Asia and the world.

(b) It is therefore the purpose of this Act to provide for the use of an amount equal to a part of the totals by Japan to the United States in connection with the reversion of Okinawa to Japanese administration and the remaining funds of the amount set aside in 1962 for educational and cultural exchange with Japan (known as the G.A.R.I.O.A. Account) to aid education and culture at the highest level in order to enhance reciprocal people-to-people understanding and to support the close friendship and mutuality of interests between the United States and Japan.

ESTABLISHMENT OF THE FUND; EXPENDITURES

SEC. 3. (a) There is established in the Treasury of the United States a trust fund to be known as the Japan-United States Friendship Trust Fund (hereafter referred to as the "Fund").

(b) Amounts in the Fund shall be used for the promotion of scholarly, cultural, and artistic activities between Japan and the United States, including—

(1) support for studies, including language studies, in institutions of higher education or scholarly research in Japan and the United States, designed to foster mutual understanding between Japan and the United States;

(2) support for major collections of Japanese books and publications in appropriate libraries located throughout the United States and similar support for collections of American books and publications in appropriate libraries located throughout Japan;

(3) support for programs in the arts in association with appropriate institutions in Japan and the United States;

(4) support for fellowships and scholarships at the graduate and faculty levels in Japan and the United States in accord with the purposes of this Act;

(5) support for visiting professors and lecturers at colleges and universities in Japan and the United States; and

(6) support for other Japan-United States cultural and educational activities, consistent with the purposes of this Act.

(c) Amounts in the Fund may also be used to pay administrative expenses of the Japan-United States Friendship Commission, established by section 4 of this Act, as directed by that Commission.

(d) There is authorized to be appropriated to the Fund, for fiscal year 1976, an amount equal to 7.5 per centum of the total funds payable to the United States pursuant to the Agreement Between Japan and the United States of America Concerning the Ryukyu Islands and the Daito Islands, signed at Washington and Tokyo, June 17, 1971.

(e) (1) There is authorized to be appropriated to the Fund, for fiscal year 1976, in addition to the amount authorized to be appropriated by subsection (d) of this section, those funds available in United States accounts in Japan and transferred by the Government of Japan to the United States pursuant to the United States request made under article V of the agreement between the United States of America and Japan regarding the settlement of Postwar Economic Assistance to Japan, signed in Tokyo, January 9, 1962, and the exchange of notes of the same date (13 U.S.T. 1957; T.I.A.S. 5154) (the G.A.R.I.O.A. Account), including interest accruing to the G.A.R.I.O.A. Account.

(2) The amount authorized to be appropriated by paragraph (1) of this subsection shall not include any amount required by law to be applied to United States participation in the International Ocean Exposition to be held in Okinawa, Japan.

(3) Any unappropriated portion of the amount authorized to be appropriated by subsection (d) of this section and paragraph (1) of this subsection for fiscal year 1976 may be appropriated in any subsequent fiscal year.

THE JAPAN-UNITED STATES FRIENDSHIP COMMISSION

SEC. 4. (a) There is established a commission to be known as the Japan-United States Friendship Commission (hereafter referred to as the "Commission"). The Commission shall be composed of—

(1) the members of the United States Panel of the Joint Committee on United States-Japan Cultural and Educational Cooperation;

(2) two Members of the House of Representatives, to be appointed at the beginning of each Congress or upon the occurrence of a vacancy during a Congress by the Speaker of the House of Representatives;

(3) two Members of the Senate, to be appointed at the beginning of each Congress or upon the occurrence of a vacancy during a Congress by the President pro tempore of the Senate;

(4) the Chairman of the National Endowment for the Arts; and

(5) the Chairman of the National Endowment for the Humanities.

(b) Members of the Commission who are not full-time officers or employees of the United States and who are not Members of Congress shall, while serving on business of the Commission, be entitled to receive compensation at rates fixed by the President, but not exceeding the rate specified at the time of such service for grade GS–18 in section 5332 of title 5, United States Code, including traveltime, and while so serving away from their homes or regular places of business, all members of the Commission may be allowed travel expenses including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in Government service employed intermittently.

(c) The Chairman of the United States Panel of the Joint Committee on United States-Japan Cultural and Educational Cooperation shall be the Chairman of the Commission. A majority of the members of the Commission shall constitute a quorum. The Commission shall meet at least twice in each year.

FUNCTIONS OF THE COMMISSION

SEC. 5. (a) The Commission is authorized to—

(1) develop and carry out programs at public or private institutions for the promotion of scholarly, cultural, and artistic activities in Japan and the United States consistent with the provisions of section 3(b) of this Act; and

(2) make grants to carry out such programs.

(b) The Commission shall submit to the President and to the Congress an annual report of its activities under this Act together with such recommendations as the Commission determines appropriate.

ADMINISTRATIVE PROVISIONS

SEC. 6. In order to carry out its functions under this Act, the Commission is authorized to—

(1) prescribe such regulations as it deems necessary governing the manner in which its functions shall be carried out;

(2) receive money and property donated, bequeathed, or devised, without condition or restriction other than that it be used for the purposes of this Act; and to use, sell, or otherwise dispose of such property (including transfer to the Fund) for the purpose of carrying out the purposes of this Act, and any such donation shall be exempt from any Federal income, State, or gift tax;

(3) in the discretion of the Commission, receive (and use, sell, or otherwise dispose of, in accordance with paragraph (2)) money and other property donated, bequeathed, or devised to the Commission with a condition or restriction, including a condition that the Commission use other funds of the Commission for the purposes of the gift, and any such donation shall be exempt from any Federal income, State, or gift tax;

(4) direct the Secretary of the Treasury to make expenditure of the income of the Fund and not to exceed 5 per centum annually of the principal of the Fund to carry out the purposes of this Act, including the payment of Commission expenses if needed, except that any amounts expended from amounts appropriated to the Fund under section 3(e)(1) of this Act shall be expended in Japan;

(5) appoint an Executive Director without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, who shall be compensated at the rate provided for a GS–18 of the General Schedule of such title;

(6) obtain the services of experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code, at rates for individuals not to exceed the rate specified at the time of such service for grade GS–18 in section 5332 of title 5, United States Code;

(7) accept and utilize the services of voluntary and noncompensated personnel and reimburse them for travel expenses, including per diem, as authorized by section 5703 of title 5, United States Code;

(8) enter into contracts, grants, or other arrangements, or modifications thereof;

(9) make advances, progress, and other payments which the Commission deems necessary under this Act; and

(10) obtain from the Secretary of State, on a reimbursable basis, such administrative support services and personnel as the Commission deems necessary and appropriate to its needs.

MANAGEMENT OF THE FUND

SEC. 7. (a) The Fund shall consist of—

(1) amounts appropriated under sections 3(d) and (e)(1) of this Act;

(2) any other amounts received by the Fund by way of gifts and donations; and

(3) interest and proceeds credited to it under subsection (b) of this section.

(b) It shall be the duty of the Secretary of the Treasury (hereafter referred to as the "Secretary") to invest such portion of the Fund as is not, in the judgment of the Commission, required to meet current withdrawals. Such investment may be made only in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States. For such purposes, the obligations may be acquired (1) on original issue at the issue price, or (2) by purchase of outstanding obligations at the market price. The purposes for which obligations of the United States may be issued under the Second Liberty Bond Act, as amended, are hereby extended to authorize the issuance at par of special obligations exclusively to the Fund. Such special obligations shall bear interest at a rate equal to the average rate of interest, computed as to the end of the calendar month next preceding the date of such issue, borne by all marketable interest-bearing obligations of the United States issued during the preceding two years then forming part of the public debt; except that where such average rate is not a multiple of one-eighth of 1 per centum, the rate of interest of such special obligations shall be the multiple of one-eighth of 1 per centum next lower than such average rate. Such special obligations shall be issued only if the Secretary determines that the purchase of other interest-bearing obligations of the United States, or of obligations guaranteed as to both principal and interest by the United States on original issue or at the market price, is not in the public interest.

(c) Any obligation acquired by the Fund (except special obligations issued exclusively to the Fund) may be sold by the Secretary at the market price, and such special obligations may be redeemed at par plus accrued interest.

(d) The interest on, and the proceeds from the sale or redemption of, any obligations held in the Fund shall be credited to and form a part of the Fund.

(e) In accordance with section 6(4) of this Act, the Secretary shall pay out of the Fund such amounts, including expenses of the Commission, as the Commission considers necessary to carry out the provisions of this Act; except that amounts in the Fund, other than amounts which have been appropriated and amounts received by the Commission pursuant to sections 6(2) and 6(3), shall be subject to the appropriation process.

And the House agree to the same.

THOMAS E. MORGAN,
CLEMENT J. ZABLOCKI,
WAYNE L. HAYS,
CHARLES C. DIGGS, Jr.,
WM. BROOMFIELD,
JOHN BUCHANAN,
Managers on the Part of the House.

JOHN SPARKMAN,
MIKE MANSFIELD,
FRANK CHURCH,
CLIFFORD P. CASE,
JACOB K. JAVITS,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 824) to provide for the use of certain funds to promote scholarly, cultural, and artistic activities between Japan and the United States, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The House amendment struck out all of the

Senate bill after the enacting clause and inserted a substitute text.

The Senate recedes from its disagreement to the amendment of the House with an amendment which is a substitute for the Senate bill and the House amendment. The differences between the Senate bill, the House amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

SECTION 2—STATEMENT OF FINDINGS AND PURPOSE

The House amendment included references to the special fund for educational and cultural exchange (known as the G.A.R.I.O.A. Account). This special fund is evidence of the importance the United States places on strengthening inter-cultural communication between Japan and the United States.

The Senate bill did not contain comparable provisions.

The conference substitute contains a revised reference to the special fund.

SECTION 3—ESTABLISHMENT OF THE FUND; EXPENDITURES

Section 3(b)(2).

The Senate bill authorized support for major collections of Japanese books and libraries at United States colleges and universities located throughout the United States.

The House amendment provided support for major collections of Japanese books and publications in appropriate libraries located throughout the United States and similar support for collections of American books and publications in appropriate libraries located throughout Japan.

The conference substitute adopted the House language.

Section 3(b)(3).

The Senate bill authorized support for programs in the arts in association with institutions of higher education in Japan and the United States.

The House amendment authorized such support in association with appropriate institutions in both countries.

The conference substitute adopted the House language.

Section 3(b)(4).

The Senate bill authorized support for fellowships and scholarships at the undergraduate, graduate, and faculty levels in Japan and the United States.

The House amendment limited such fellowships and scholarships to the graduate and faculty level in Japan and the United States.

The conference substitute adopted the House language.

Section 3(b)(6).

The Senate bill authorized support for other Japan-United States exchanges consistent with the purposes of this act.

The House amendment authorized support for cultural and educational activities consistent with the purposes of this act.

The conference substitute adopted the House language.

Section 3(d).

The Senate bill authorized an appropriation to the fund of 10 percent of the funds paid to the United States pursuant to the agreement between Japan and the United States for the reversion of Okinawa to Japan.

The House amendment authorized an appropriation of 5 percent of such funds.

The conferees agreed to 7.5 percent of the total funds payable to the United States pursuant to the Okinawa reversion agreement.

SECTION 4—THE JAPAN-UNITED STATES FRIENDSHIP COMMISSION

The Senate bill established a Japan-United States Friendship Commission composed of the Secretary of State; the Secretary of Health, Education, and Welfare; 6 members appointed by the President who are (a) conversant with Japan-United States relations; (b) expert in the field of education, the arts, or the humanities; or (c) representative of the general public; and the Chairmen of the National Endowment for the Arts and for the Humanities.

The House amendment provided for a Commission consisting of the members of the United States Panel of the Joint Committee on United States-Japan Cultural and Educational Cooperation; members of Congress; and the Chairmen of the National Endowment for the Arts and for the humanities.

The conference substitute incorporated a modified version of the House amendment.

The Senate bill (section 4(b)) provided for a 3-year term for each of the commissioners appointed by the President.

The House amendment did not contain a comparable provision.

The conference substitute does not contain the Senate provision. It is the understanding of the conferees that the composition of the United States Panel of the Joint Committee on United States-Japan Cultural and Educational Cooperation shall continue to reflect the diverse composition of the present membership of the Panel as set forth in the November 8, 1968 exchange of notes between the United States and Japan.

The members of the United States Panel will continue to be appointed by the Secretary of State in accordance with the provisions for such appointments set forth in the exchange of notes referred to above.

Section 4(c).

The Senate bill provided that the President shall appoint the Chairman of the Commission.

The House amendment provided that the Chairman of the United States Panel of the Joint Committee on United States-Japan Cultural and Educational Cooperation shall be the Chairman of the Commission.

The conference substitute adopted the House language.

SECTION 6—ADMINISTRATIVE PROVISIONS

Section 6(4).

The conferees agreed that the reference to 5 percent annually refers to the total capital authorized to be appropriated to the Fund by this act.

Section 6(5).

The Senate bill contained a provision for the appointment of an Executive Director and additional personnel to carry out the provisions of this act.

The House amendment authorized the Commission to obtain administrative support services and personnel from the Secretary of State on a reimbursable basis.

The conference substitute retains the position of Executive Director and authorizes the Commission to obtain from the Secretary of State on a reimbursable basis such services and personnel as the Commission deems necessary and appropriate to its needs. In the event that the Commission is unable to have its appropriate administrative needs met on a reimbursable basis from the Secretary of State, the Commission would then be in a position to seek alternative arrangements.

SECTION 7—MANAGEMENT OF THE FUND

Section 7(e).

The Senate bill authorized the Secretary of the Treasury to pay out of the Trust Fund established by this act such amounts, including expenses of the Commission, as the Commission considers necessary to carry out the provisions of this act.

The House amendment provided that amounts in the Fund that have not been appropriated shall be subject to the appropriation process.

The conference substitute incorporates the House language with a clarifying amendment.

THOMAS E. MORGAN,
CLEMENT J. ZABLOCKI,
WAYNE L. HAYS,
CHARLES C. DIGGS, JR.,
WM. BROOMFIELD,
JOHN BUCHANAN,
Managers on the Part of the House.
JOHN SPARKMAN,
MIKE MANSFIELD,
FRANK CHURCH,
CLIFFORD P. CASE,
JACOB K. JAVITS,
Managers on the Part of the Senate.

PERSONAL EXPLANATION

Mr. PEPPER. Mr. Speaker, because I was detained on official business, I missed three votes this morning on the floor. I ask that the permanent RECORD reflect that on Rollcall No. 573, had I been present, I would have voted "no"; on Rollcall 574, had I been present, I would have voted "aye"; on rollcall 575, had I been present, I would have voted "aye."

AUTHORIZING APPROPRIATIONS FOR BOARD FOR INTERNATIONAL BROADCASTING FOR FISCAL YEAR 1976; AND TO PROMOTE IMPROVED RELATIONS BETWEEN THE UNITED STATES, GREECE, AND TURKEY, TO ASSIST IN SOLUTION OF REFUGEE PROBLEM ON CYPRUS, AND TO OTHERWISE STRENGTHEN THE NORTH ATLANTIC ALLIANCE

Mr. LONG of Louisiana. Mr. Speaker, by direction of the Committee on Rules I call up House Resolution 737 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 737

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 2230) to authorize appropriations for the Board of International Broadcasting for fiscal year 1976; and to promote improved relations between the United States, Greece, and Turkey, to assist in the solution of the refugee problem on Cyprus, and to otherwise strengthen the North Atlantic Alliance. After general debate, which shall be confined to the bill and shall continue not to exceed three hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on International Relations and Representative Dante Fascell and Representative Edward Derwinski, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from Louisiana (Mr. LONG) is recognized for 1 hour.

Mr. LONG of Louisiana. Mr. Speaker, I yield the usual 30 minutes for the minority to the distinguished gentleman from Illinois (Mr. ANDERSON), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 737

provides for an open rule with 3 hours of general debate on S. 2230, a bill to authorize appropriations for the Board of International Broadcasting for fiscal year 1976; and to promote improved relations between the United States, Greece, and Turkey; to assist in the solution of the refugee problem on Cyprus; and to otherwise strengthen the North Atlantic Treaty Alliance. S. 2230 authorizes the delivery of defense articles and services to Turkey under contracts of sale which were signed prior to February 5, 1975.

House Resolution 737 provides that the 3 hours of general debate on S. 2230 shall be equally divided and controlled by the chairman and ranking minority member of the Committee on International Relations and Representative DANTE FASCELL and Representative EDWARD DERWINSKI with each controlling 45 minutes of the debate time. The rule was fashioned in this manner to insure that the proponents and the opponents will have an equal amount of time. While this method of allocating time deviates from the usual procedure, there are ample precedents for it.

The contents of S. 2230 are well known to all the Members of the House. On July 24 of this year we considered and narrowly defeated S. 846, a bill which would have accomplished the same thing that the bill now seeks to do.

Ordinarily, I would be hesitant to seek a rule authorizing the consideration of a bill that was rejected so recently by the House. Ordinarily, the House Rules Committee would be reluctant to grant a rule on a bill that was so recently defeated. But the Rules Committee did grant the rule and I am before you urging that the rule be adopted. The reason is simply that this is not an ordinary situation. The issue, whether to continue or remove the current arms embargo to Turkey, is one of supreme importance.

Likewise, I am sure that you recall the attempts made to bring this very bill up for immediate consideration on the night of July 31, the eve of our adjournment before the August recess. The tenor of that debate and the resistance to adjourn prior to repeated efforts to resolve the issue are clear indications that the House is indeed ready to again consider and debate the merits and demerits of the present embargo.

During the Rules Committee hearing on this legislation, many opponents of the rule argued that the Rules Committee should not do anything prior to the Turkish elections on October 24. They argued that our actions would be construed as an attempt to interfere in those elections. To this argument I would say—the die has been cast—we can no more avoid having some influence on those elections by inaction than we can by action. Sometimes the failure to act has far more effect than any action ever could have. Perhaps even before this bill and its predecessors were first filed what we did or did not do had an effect on Turkey and Greece. We cannot ignore this matter. It will not go away.

We must address the issue and proceed with the legislative process. Now is the time to hear the pros and cons. Now is the time to vote the matter up or down.

Some would say that there have been no material changes in circumstances to justify a reconsideration. Others would say that the changes have been drastic.

Some would say that the embargo has not worked because of a failure on the part of our State Department to support it. Others would say that it has not worked because it can never have the intended effect.

Some would say that the issue is clear cut because a U.S. law was violated. Others would say that here violation is defined by degree of violation and that the law cannot and should not be enforced on a selective basis.

Some would say that our national security is endangered by a continuation of the embargo. Others would say a more lasting danger to democracy is a failure to obey the rule of law.

The very fact that there are so many opposing and adamantly held views is sufficent reason to debate and vote on this matter.

Mr. Speaker, I urge the adoption of House Resolution 737 in order that we may discuss and debate S. 2230.

Mr. ANDERSON of Illinios. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 737 is a 3-hour, open rule, making in order the consideration of S. 2230 which authorizes appropriations for the Board of International Broadcasting, promotes improved relations between the United States, Turkey, and Greece, assists in the solution of the refugee problem on Cyprus, and strengthens NATO. This rule is identical to a previous rule on the Turkey aid matter in that it divides the 3 hours of debate equally between the chairman and ranking minority Member of the International Relations Committee, and Congressmen FASCELL and DERWINSKI.

Mr. Speaker, I think by now most Members are familiar with the history of the Cyprus situation as well as our legislative attempts to deal with it. We have been over this ground a number of times before. In fact, the opponents of this legislation argue that it would be inappropriate to consider this matter again because we have already voted nine times on the issue in the last year, most recently on July 24 of this year. It seems to me this argument completely ignores the fact that our consistent position on this issue to date has been counterproductive to our intentions.

Since the reimposition of the arms embargo last February, negotiations have not moved 1 inch toward a settlement of the Cyprus problem. And, since our most recent vote in July, we have lost our vital military installations and the southern flank of NATO has been rapidly deteriorating. Consistency may be a virtue, but mud is a fairly consistent substance; and right now we seem to be stuck in our own mud. An upright posture may be an admirable trait; but the consistently upright person, who refuses ever to bend, runs a real risk of losing his head.

Yes, there are principles involved; yes, there are legal and moral issues involved; yes, there are vital interests involved. But I would submit that neither side involved in this controversy has a monopoly on any of these qualities. We are engaged in a political arena in which none of the actors has a corner on truth and virtue and all are expected to interact to effect a workable solution—a denouement. We learn from our trials and errors, and we try something else. We are the masters of compromise in the great gray areas in which most issues are thrashed out.

The bill which this rule would make in order is a genuine and honest compromise which recognizes that what has been tried has not worked, and indeed has worked against our interests, and the interests of a Cyprus solution as well. S. 2230 does not provide for a complete lifting of the arms embargo against Turkey, but rather for a very selective and limited lifting of that embargo. The bill would simply permit the shipment to Turkey of those arms contracted for prior to the imposition of the embargo, in the amount of $185 million. The bill does not authorize the delivery of the $86.9 million in grant military assistance for Turkey programed prior to the embargo. Nor does it authorize any future military assistance to Turkey. Future arms aid and sales to Turkey would be contingent on congressional enactment of the fiscal 1976 Foreign Military Sales Act. Such future aid would be authorized only to the extent necessary for Turkey to fulfill its NATO responsibilities, and would be conditioned on a continued cease fire and no increases in Turkish troops on Cyprus or transfer of U.S. arms to that island.

This bill reflects a very evenhanded approach to our troubled relationships in the eastern Mediterranean. Section 2 of the bill calls on the President to initiate discussions with Greece to determine its urgent economic and military needs and to submit a report to the Congress within 60 days of enactment on the progress of these discussions along with any recommendation for economic and military assistance to Greece in fiscal 1976. The bill also addresses itself to the tragic plight of the 180,000 refugees displaced by the Cyprus conflict by calling on the President to cooperate in the implementation of multilateral refugee relief and assistance programs.

Mr. Speaker, the argument will be made today by those who think we have voted enough times on this issue, that we should at least delay consideration until after the Turkish elections on October 12. It will be contended that a vote now would influence those elections and constitute an intervention in the internal political affairs of Turkey. Mr. Speaker, I would only ask, where were these poll watchers when we attempted to bring this matter to the floor last July 31? As I recall it, a majority of the Members of this body rejected attempts to adjourn and did want to consider this matter then. But unanimous consent requests to take up the bill were objected to, and the Rules Committee chairman refused to convene a meeting on the bill.

Even after the August recess, when we were promised it would have first priority, the matter was further delayed by minority insistence that the whole package be rerouted through committee—even though we had considered the identical matters previously. And so, the

Rules Committee did not get around to considering the bill until September 24, and the House today, October 2. One can only conclude that to those who think the bill is wrong, the timing will never be right.

What about the argument that our vote on this matter today will somehow influence the outcome of the Turkish Senate elections on October 12? I frankly do not see this bill having any significant impact one way or another on those elections, according to what I have read about the campaigns. But to the extent it does not have some influence, it seems to me a failure to act on the limited lifting of the embargo would be just as significant as the enactment of this bill. The major decisions on future arms aid to Turkey are actually postponed by this bill until well after the October 12 elections since those decisions are wrapped up in the foreign military assistance bill.

In a campaign speech made by a member of the Turkish Opposition Party leader Ecevit, the Republican People's Party in a place called Amasya Mr. Ecevit said the following:

A new decision by the American Congress in regard to the Arms Embargo is expected momentarily. The fact that the timing of the debate on this subject in Congress coincides with the elections in Turkey bears no special importance from our point of view. No party in Turkey would make the timing of a decision connected with our country's security a subject of debate with domestic political concerns in mind.

I would therefore caution against ascribing to S. 2230 more significance than its limited provisions merit. This is not going to solve the Cyprus situation overnight; this is not going to instantly patch up our tattered relationship with Turkey; this is not going to miraculously restore U.S. intelligence gathering activities in Turkey; this is not going to have a major impact on Turkish elections one way or another; this is not going to cause other allies to use American arms for aggressive purposes. I think it is best we disabuse ourselves of some of those earth-shaking notions now and put this bill in proper perspective.

It is indeed a very limited bill and we should not expect more than limited results. There are no more guarantees that this will work than there were that the total embargo would work. But hopefully, this will signal a first step in a new direction—of turning away from stalemate and confrontation and toward more amicable relationship and progress towards a Cyprus settlement and a regirding of our weakened NATO flank. It seems to me we owe it to ourselves and our national security interests to chart this new course, to try this new tack and hope that it meets with the favorable winds of reciprocity. It gets us nowhere to think we were dead right so long as we were dead in the water. I urge adoption of this rule and passage of S. 2230 as reported from committee.

I would suggest, therefore, that we ought to promptly adopt House Resolution 737, move to the general debate and, hopefully, pass this legislation.

Mr. LONG of Louisiana. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. MORGAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the Senate bill (S. 2230) to authorize appropriations for the Board of International Broadcasting for fiscal year 1976; and to promote improved relations between the United States, Greece, and Turkey, to assist in the solution of the refugee problem on Cyprus, and to otherwise strengthen the North Atlantic Alliance.

The SPEAKER. The question is on the motion offered by the gentleman from Pennsylvania (Mr. MORGAN).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the Senate bill S. 2230, with Mr. NATCHER in the Chair.

The Clerk read the title of the Senate bill.

By unanimous consent, the first reading of the Senate bill was dispensed with.

The CHAIRMAN. Under the rule, general debate will continue not to exceed 3 hours, 1½ hours to be equally divided and controlled by the chairman and ranking minority member of the Committee on International Relations; 45 minutes to be controlled by the gentleman from Florida (Mr. FASCELL); and 45 minutes to be controlled by the gentleman from Illinois (Mr. DERWINSKI).

Under the rule, the gentleman from Pennsylvania (Mr. MORGAN) will be recognized for 45 minutes; the gentleman from Michigan (Mr. BROOMFIELD) will be recognized for 45 minutes; the gentleman from Florida (Mr. FASCELL) will be recognized for 45 minutes, and the gentleman from Illinois (Mr. DERWINSKI) will be recognized for 45 minutes.

The Chair now recognizes the gentleman from Pennsylvania (Mr. MORGAN).

Mr. MORGAN. Mr. Chairman, I yield myself as much time as I may consume.

Mr. Chairman, the bill before us today contains two parts:

The first part would authorize appropriations for the Board for International Broadcasting, Radio Free Europe, and Radio Liberty for fiscal year 1976.

A similar authorization, contained in H.R. 4699, was approved unanimously by the Committee on International Relations on June 17.

A rule on that bill had been granted on July 22. However, because of pressure of other legislative business, that bill had not been scheduled for floor action.

Both the House bill and S. 2230 would authorize the full executive request of $65,640,000.

Our committee held hearings on that request and found it justified.

In addition, however, our committee recommended that a special $5 million fund be provided for the two radios to offset foreign currency exchange losses. This had been recommended by the Comptroller General of the United States.

The Senate bill does not include this special authorization. It is, therefore, $5 million smaller than the House bill.

In spite of this, we urge the approval of the Senate proposal—with the hope that the currency exchange loss provision can be considered in connection with next year's authorization.

The second part of the Senate bill contains the same partial lifting of the arms embargo on Turkey which the House debated—and rejected by a vote of 206 to 233 on July 24 of this year.

Mr. Chairman, the House is given an opportunity to reconsider that vote today.

There are very serious reasons why we should do this.

In the 8 weeks that have passed since we last considered this matter, events have taken place which seriously affect our national security.

In response to the action of the House in refusing to lift even a small part of the embargo, Turkey has closed down very important U.S. intelligence operations on 27 bases in Turkey.

According to the Secretary of Defense, there is every possibility that we will lose those bases permanently.

What we have here—in his words—is the makings of an American tragedy.

In addition, Mr. Chairman, no progress has been made in the negotiations between the Greek and the Turkish factions on Cyprus.

Those negotiations were moving ahead in Vienna. Progress was being made. They resulted in agreement on moving several thousand Turks and Greeks on different parts of the island. But then, progress stopped. And the talks broke up 2 weeks ago in New York.

So, right now, everything is on dead center. Neither side is willing to move. There is a complete deadlock. And the Turks on Cyprus—the Turkish Cypriots—are now threatening independence.

Also, Mr. Chairman, the relations between Greece and Turkey have not improved. If anything, they have gotten worse.

And our relations with both of those countries are suffering.

And NATO is suffering.

The alliance which kept the free world safe for the past 30 years is beginning to crack.

The embargo which the Congress put on arms shipments to Turkey plays an important part in these developments.

That is the opinion of the President and the National Security Council.

That is also the opinion of the American Legion, the Veterans of Foreign Wars, and many newspapers throughout the country.

This is also the opinion of the Committee on International Relations which directed, by a 20-to-9 vote, that we bring this issue before the House once again.

Now, Mr. Chairman, I know that the developments of the past 2 months do not impress some Members of this body.

They argue—as they have argued before—that the House of Representatives must stick with the principle and uphold the law—no matter what happens.

I am strongly in favor of upholding the law. I voted for the embargo on Turkey several times. But when I saw what it

was doing to our national security, I changed.

So did many other Members.

There is one more reason why I changed.

The reason is very simple—but the people who talk about principle and upholding the law keep on forgetting about it.

The reason is this.

The embargo which the Congress put on Turkey goes way beyond the requirements of our law as it existed prior to the placing of the ban on arms to Turkey.

The embargo not only upheld the existing law but went beyond it and put new and additional penalties on Turkey.

This is the crucial point.

Our law required that we stop grant military assistance and Government credit sales of military goods to countries which misuse the weapons which they bought or obtained from us.

Those provisions were not intended to apply to the pipeline—to goods which a country had already purchased from us or which we gave to it but which had not been delivered.

Neither was the law intended to apply to commercial sales—only to government-to-government sales.

So, the Congress, in putting a total embargo on Turkey, was not reaffirming the law as it existed in July 1974.

Instead, Turkey was singled out for additional sanctions.

Mr. Chairman, this bill is designed to eliminate those additional sanctions.

To do this, the bill would only partially lift the embargo by allowing the delivery to Turkey of about $185 million in defense articles which Turkey contracted to purchase prior to the start of the embargo on February 5, 1975. It would also permit the issuance of licenses in connection with commercial sales.

This bill does not authorize any grant military assistance.

Neither does it permit additional government-to-government sale under the foreign military sales program until the Congress acts on legislation authorizing such sales, credits, and guarantees later this year.

Mr. Chairman, those who oppose this legislation also argue that now is not the time for the House to consider the bill.

They argue that House action now—less than 2 weeks before the Senatorial elections in Turkey—will be interpreted as an effort to influence the outcome of those elections, and as interference in Turkey's internal affairs.

This argument has no merit. The embargo has been a political issue in Turkey since the Congress first acted on it last September. It is a significant political issue—but one which cuts across the whole political spectrum in Turkey. Both government and opposition parties condemn the embargo. Neither side is likely to gain any advantage from a change in U.S. policy.

On the other hand, it is certain that if the embargo is not lifted or at least modified, U.S. and NATO interests will continue to suffer. The solution of the Cyprus problem will become even more difficult. U.S. intelligence-gathering losses may become permanent. There is every reason. Therefore, for the House to act now, without further delay.

That is why, Mr. Chairman, I am here again in the well of the House, asking for the approval of this legislation.

I believe that it is important for everyone concerned—for Greece, and Turkey, and Cyprus, and NATO, and our own security—that the United States take this first step.

Mr. Chairman, let me add a word to those Members who voted against this legislation last July.

Some of you, I know, voted the way you did because you believed that the pressure applied by the embargo would help to move the negotiations ahead.

You knew that there were quiet negotiations going on between the two factions on Cyprus.

The Greek Cypriots—and the Turkish Cypriots—were trying to work out their problems.

Many interested governments—and the Secretary General of the United Nations—were lending their encouragement to those efforts.

And some people believed that if the Congress of the United States kept the pressure on—some progress would result.

The events of the past few weeks have crushed those hopes.

The negotiations between the two factions on Cyprus broke down 2 weeks ago—and there is no hope under present conditions to get them started again.

So here we are—faced with a different set of facts than those which existed 2 months ago.

There are no more negotiations.

And the deadlock between the Greeks and the Turks on the island of Cyprus is throwing all of our relations in the eastern Mediterranean into a cocked hat.

It has damaged our relations with Turkey and Greece.

It has hurt our national security interests.

And it has damaged NATO.

Now I believe that no matter how you voted 2 months ago, you should look at the situation as it stands today—and vote on the basis of today's facts.

Let me repeat: The issues today are different than they were 2 months ago.

They require all of us to reexamine our position so that we may vote in our national interest.

To my mind, the last reason for keeping the embargo went out the window 2 weeks ago when the negotiations broke down.

I hope, therefore, that this legislation will pass today so that we may begin writing a new page—and a more hopeful page—in our relations with all of the countries involved with the Cyprus problem.

Mr. Chairman, nobody in this country of ours has greater admiration for my Greek-American friends than do I.

As I said here in July, they include some of the most patriotic and dedicated Americans that I know of.

I met with some of them, and they were among them those who were hostile to me because I have taken this stand. But I took this stand because I believe it was right for my country. After I sat down in my local coffeehouse and talked to some of my friends and constituents of Greek ancestry, some of them agreed with me and said, "Mr. Congressman, do what you think is good for America."

Mr. Chairman, that is what I am doing here today. I am standing here and making this speech and making this plea to the Members of the House because I think that what I am doing is good for America.

Mr. BROOMFIELD. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, 2 months ago, in its most significant foreign policy action of this session, the House of Representatives narrowly turned back a proposal to relax the embargo on arms to Turkey. Proponents of the embargo maintain that nothing has transpired in the interim to justify another House vote on this important issue. I maintain that a great deal has happened, and that continued congressional refusal to ease this embargo can only be interpreted as willful irresponsibility contrary to the best interests of the United States.

Mr. Chairman, the fact that the consequences of our July 24 vote were largely predictable does not detract from their seriousness. For some 8 weeks now important intelligence-gathering installations on Turkish territory have lain dormant; I have addressed, in a supplemental statement to the committee report, the extent of our losses and the potential impact on our national security. I have here on the table copies of a recent letter from Dr. Ikla, the Director of ACDA, in which he details the importance of our Turkish bases in regard to arms control agreements, present and future. I hope interested Members will take the opportunity to read Dr. Ikle's letter before casting their vote today.

But the bases in Turkey are not the only issue. The southern flank of NATO is in serious disarray and our allies, with the obvious exception of Greece, are unanimous in counseling that the embargo is detrimental to the alliance and ineffective as a prod to settling the Cyprus dispute. Scores of thousands of Cypriot refugees remain penned up in temporary shelters, frustrated in their desire to return home. The Cyprus communal talks held in New York have ended in failure. Relations betwen the United States and Turkey, a staunch friend and ally for almost three decades, have deteriorated dramatically. With the embargo in effect, relations between Greece and Turkey hold little promise for improvement.

On October 12, the people of Turkey will hold parliamentary elections. It does not constitute interference in the Turkish electoral process to state the obvious: that, in the absence of favorable House action on S. 2230, Turkish politicians running for office will be sorely tempted to call for additional pressure against our installations. There is an excellent chance that a defeat of the legislation before us today will constitute the death rattle of joint security bases in Turkey critical to our security. Approval of

S. 2230, on the other hand, should help to remove the bases as an election issue and insure that Turkish-American relations, already severely impaired, are not irrevocably damaged.

The deteriorating security situation in the eastern Mediterranean, the continued vitality of the NATO alliance, the status of our bases, and our bilateral relations with traditional allies are critical issues, but they are basically problems of our own making. They are, in a large measure, the result of an embargo originally intended to punish the Turks for abusing our military assistance relationship. We have it in our power today to take responsible action in the national interest, action that will dissipate the effects of the embargo and—hopefully—mark the beginning of a process leading to peace on Cyprus. Let us not lose sight of the fact, Mr. Chairman, that it is the tragedy of Cyprus and the plight of the refugees on that island that are central to our concerns.

The failure of the embargo as a spur to compromise and negotiation on Cyprus has been so apparent over the past 8 months that those who demand we continue to use pressure as an instrument of peace are reduced to two arguments. They maintain, in the first instance, that the embargo has not worked because the administration has not permitted it to work; that, by holding out the prospect of relieving the embargo in the absence of prior Turkish concessions, the administration has frustrated the will of Congress.

I take another view; I think the embargo has not worked because the Government of Turkey will not permit it to work. The Turks are a proud people who react to pressure—and some of them might even see it as blackmail—in much the same manner as we would. They get their backs up, they refuse to cave in to pressure from another nation, secure in the realization that they have important cards to play in this test of wills.

The Turks have repeatedly made it clear to us that there will be no concessions on Cyprus until the embargo is eased; I can see no reason to doubt their sincerity on this point, or to suppose that an indefinite continuation of the embargo will eventually bring them to their knees. In fact, there is strong evidence to suggest that the Government of Turkey, in light of the embargo experience, is beginning to look for alternative sources of support and military procurement such as Western Europe, Iran, the Arab world in general, and radical Arab States such as Libya and Iraq, in particular.

The other point made by those in favor of the embargo is that it should not, it cannot, be lifted until the Turks have made a prior concession on the Cyprus issue—private or public, minor or major. There is a certain internal logic in this argument; the embargo, after all, was intended to punish, to force a peace. To relax it in the absence of a prior concession is to admit the failure of our initiative. What we have here is a test of wills between two determined forces: the United States establishing preconditions for lifting the embargo, the Turks insisting that lifting the embargo is a precondition to movement on Cyprus. I have grave reservations about whether it is in the best interests of this country to insist on this point of honor indefinitely, particularly when it diminishes the chances of accomplishing our policy objectives.

We have enforced our legislation. We have punished the Turks with an arms embargo for 8 months, and we have failed to work our will. The United States, the most powerful and compassionate nation in the world, can now afford to make a symbolic concession to the Government of Turkey in the interest of peace on Cyprus. We can say to them, in effect, our embargo has not worked. We will relax it conditionally and see how you react. But be on notice that we shall be watching carefully, that we are determined to see real progress on the Cyprus issue. Your future access to major military supplies will be contingent on progress toward peace on Cyprus. Mr. Chairman, the United States of America can afford to make the first gesture and break this impasse. We can afford to take a chance for peace.

I wish I could stand up here today and say to you: "Ease the embargo and you will open the door to a settlement of the Cyprus issue." I cannot make that statement; but I can state categorically that a refusal to take favorable action on S. 2230 will not move the Cyrus tragedy 1 inch closer to resolution. It will not lead to the return of a single refugee to his home. It will not cause a single Turkish soldier to leave the island. Rather, it will lock the parties deeper in confrontation and set in motion a series of related issues jeopardizing our national security and the stability of the eastern Mediterranean area.

While I cannot guarantee a direct correlation between easing the embargo and progress toward peace, it is my strong personal belief, and one I believe is shared by those familiar with the situation on the island, that a relaxation of the embargo will serve as an inducement for the Government of Turkey to negotiate in good faith on Cyprus. If my prediction is wrong, if the Turks continue to be adamant on Cyprus after S. 2230 is passed, Congress retains—under provisions of the legislation—the opportunity to reexamine our relationship with Turkey when we consider our foreign assistance legislation later this year. Finally, I believe many Members will vote today to ease the embargo out of a desire to remove an obstacle to negotiation and would, in the absence of tangible progress toward peace, be prepared to consider reimposing the embargo. The point I am making is that there is nothing irrevocable about favorable consideration of the legislation before us. Continued intransigence on the embargo may, however, irrevocably damage our interests in the area and the prospects for peace on Cyprus.

I have not dwelt at length on the so-called moral issue inherent in the embargo: the Turks have violated our law and must be punished until they repent: relaxation of the embargo is an open invitation to others to violate our laws. We have debated extensively the question of when continued punishment becomes counterproductive and whether it is in our interest to insist on a penalty that retards the prospect of peace on Cyprus and damages our national interests.

There is room for honest disagreement on this question, but I cannot escape the observation that the overriding moral imperative before us is the requirement for peace on Cyprus and a better life for the refugees. I honestly fail to see how prolonging the embargo can possibly serve this objective.

After our last vote on this issue, I suggested that Congress, destined to play an increasingly important role in the conduct of our diplomacy, has an awesome responsibility to do what is right and not what is politic. We have an opportunity this morning to exercise this responsibility, to take a fresh look at a complex problem, to determine how we shall best serve the national interests of the people we represent. This is an opportunity we can ill afford to neglect.

Mr. Chairman, I yield such time as he may consume to the gentleman from Massachusetts (Mr. CONTE).

Mr. CONTE. Mr. Chairman, we deal again this afternoon with an issue that has been repeatedly before this House over the past year. As my colleagues well know, on the last occasion it was before us, at the end of July, the House voted by a very narrow margin to maintain the ban on military assistance to Turkey and an embargo on all military sales for cash as well.

Unfortunately, there have been a number of developments in the wake of this vote which appear to have worsened the situation rather than improved it. We are now being told, and with some apparent logic, that if we again decide to maintain all of these restrictions against our Turkish ally that this will further exacerbate these disturbing developments.

Certainly in the period since last July we have seen no real progress toward a just solution of the Cyprus dispute. On the contrary, in the weeks that have intervened, we have seen a greater gulf developing between the Turks and the Greeks on that beleaguered and tragic island. With respect to our vitally important security arrangements in the eastern Mediterranean, here we have clearly seen a dangerous deterioration. Key U.S. defense activities have had to be suspended in Turkey, and all the Turkish political parties have made it clear that a prolongation of the current legislative situation—regarded by every Turk regardless of party as unjust and punitive—will inevitably result in the dismantling of the United States-Turkish relationship.

On the other hand, the Turkish Government has given our Government assurances that removing the embargo would enhance its negotiating flexibility on Cyprus. Similarly, it has said that while it cannot conceive of a worthwhile United States-Turkish relationship so long as the current embargo is in place, its lifting would create an atmosphere which could lead to the reestablishment of beneficial security ties. Under these circumstances, it seems to me that both our security relationships and the cause of a just settlement in Cyprus may possi-

bly be helped by enactment of the legislation before us today.

The legislation does not, of course, remove the bulk of the restrictions that Congress has placed upon Turkish military assistance. In fact, it continues to prohibit any new military assistance as such, whether in the form of new grants or new credit sales, to flow again to Turkey. It does, however, lift the embargo against sales for hard cash, and in the effort to get a deteriorating situation off dead center, I am prepared to vote for this. I do so with the hope that it will lead to an improvement in this important and dangerous situation, but with the knowledge at the same time that if that should not be the case, I and all my colleagues in the House will, before many more weeks have passed, have another opportunity to vote on exactly the same issue that we are considering today. The absence of progress in the intervening period would undoubtedly have a major impact on my thinking, as I am sure it would on the thinking of many of my colleagues, when we face this issue again.

Mr. FASCELL. Mr. Chairman, I yield such time as he may consume to the gentleman from Indiana (Mr. BRADEMAS).

Mr. BRADEMAS. Mr. Chairman, I rise in strong opposition to the bill, S. 2230.

This bill contains the same provision for resumption of arms to the Government of Turkey which the House rejected over 2 months ago.

It was a bad bill then; it is still a bad bill, and, Mr. Chairman, it is bad for America.

And, Mr. Chairman, I want to explain why I think S. 2230 is unsound, unwise, and against the interests of the United States.

Mr. Chairman, I think it is time that we recall the fundamental reason that Congress cutoff arms to Turkey.

The reason is simple. Congress was insisting that the laws of our land be enforced.

I would remind Members of the House that provisions of two laws, the Foreign Assistance Act and the Foreign Military Sales Act, contain language specifically halting further U.S. arms to any country receiving arms from this country whether by grant or sale, if those arms are used for aggressive purposes.

When, on August 14, 1974, 40,000 Turkish troops, equipped with tanks and bombs, guns and planes, ships and bullets supplied by the people of the United States, invaded and occupied the small, friendly island republic of Cyprus, Turkey acted not only in violation of the specific condition of these laws but also in violation of bilateral agreements which Turkey had entered into with the United States.

Yet the executive branch of our Government steadfastly and willfully refused to enforce the law.

It was only last month, Mr. Chairman, that President Ford, addressing the California State Legislature, declared:

> The American Revolution was unique in its devotion to the rule of law. We overthrew our rulers but cherished their rules.

And as late as Tuesday of this week, in dedicating the new FBI headquarters here in Washington, the President called for "renewed commitment to the rule of law in America and to the legal system that perpetuates freedom and justice."

"Without law," the President said, "we have neither freedom nor justice."

Yet, Mr. Chairman, it was precisely this refusal to enforce the clear mandate of our laws that constrained Congress to take the action it has taken with respect to arms to Turkey.

The executive branch of the government continues to urge contempt for the law; Congress has been insisting that the law be respected.

The second reason S. 2230 is a bad bill in the it would discard a fundamental principle of U.S. foreign policy, one written into our laws, namely, that American arms are not to be used for aggressive purposes.

For the United States to resume arms to Turkey without any action by Turkey to redress the consequences of its action of August 14, 1974 on Cyprus would represent a fundamental, indeed, radical, change in American foreign policy.

We would be saying to the world that United States no longer insists that arms supplied to this country be used solely for defensive purposes.

This, Mr. Chairman, brings me to the next reason that S. 2230 is bad legislation.

For it sets a very bad precedent.

For if we resume arms to Turkey, without any action by Turkey on Cyprus to remedy its acts of August 1974, we will be giving the green light to the other countries in the world now buying an estimated $9 billion in arms from the United States annually to use those arms without restraint and without any regard for the restrictions that have been written into the laws of our own country and into our bilateral agreements with the countries buying arms from us.

This, clearly, would be a most dangerous step and all the more so at a time when we are being asked to channel billions more in arms into the tinderbox that is the Middle East.

Mr. Chairman, there is another reason that this is a bad bill, and it is that for us to resume arms to Turkey would under the present circumstances be simply to yield to Turkish blackmail.

It was Secretary Kissinger himself who said in June in Atlanta that the United States should not be yielding to the threat of retaliation by those countries where we have bases where we do not do what they want us to do.

Yet it is precisely such capitulation to blackmail that the executive branch is now pressing on Congress, again a most dangerous precedent.

For there are other U.S. bases throughout the world in countries that will watch what we do in Turkey and will take a lesson therefrom for their own future relationships with the United States.

Another reason, Mr. Chairman, that this is bad legislation is that it requires no action whatsoever on the part of the Government of Turkey in exchange for arms.

The bill has been called a compromise, but of course it is no compromise at all.

I say this because under the bill Turkey gets the arms that it has already contracted for before February 5, 1975, whether paid for or not; immediate unlimited commercial sales; and military sales, credits, and guarantees immediately on passage by Congress of the military assistance authorization bill.

The only category of arms which Turkey does not get under the bill is grant assistance, but such authorization is of course not necessary because under the existing waiver authority, the President can grant Turkey $50 million in arms, more than he granted last year.

So this bill, like the one we rejected in July, is a totally unilateral proposition.

There is no quid pro quo whatsoever.

Turkey gets arms but Turkey is required to do nothing at all about the tragic situation of nearly 200,000 refugees on Cyprus or about the continuing occupation of the richest part of the island by Turkish military forces.

Nor, to cite another reason to oppose this legislation, Mr. Chairman, has the administration indicated any sensitivity to the adverse effect a unilateral resumption of arms to Turkey would have on the new democracy in Greece.

In my judgment, it is important that we have both Greece and Turkey playing a vigorous role within NATO, but the policy of the administration has been to weaken the situation of both countries within the Western alliance while at the same time undermining the integrity of American law and a fundamental principle of our foreign policy.

It has been said, Mr. Chairman, that the embargo has been tried but has not worked.

But, of course, this allegation is simply not true.

For the fact of the matter is that the Department of State, both publicly and privately, has exercised every possible effort to undermine the effectiveness of the embargo.

Repeatedly, administration spokesmen have attacked Congress for insisting upon the enforcement of the laws of our own country instead of turning their energies to Turkey, which is violating the conditions of our laws.

It should be no surprise to anyone that Turkish officials have remained adamant in their refusal to negotiate on Cyprus because they have been encouraged by the administration to believe that the administration would reverse the action of Congress and thereby give Turkey arms while maintaining its position on Cyprus.

What has been the missing ingredient all along, Mr. Chairman, is any willingness on the part of the executive branch of the Government of the United States to join Congress in insisting that the laws of our land be enforced, and, therefore, to urge the Government of Turkey to take such steps on Cyprus as would justify an action by Congress to reverse the arms embargo.

And this brings me to my final point, Mr. Chairman, and it is this.

All along the supporters of the arms embargo have made very clear our willingness to resume arms to Turkey provided that the Government of Turkey take such steps on the island of Cyprus as would be necessary to redress the results of their violation of their bilateral agreements with us and of the conditions

under which they received arms from the United States.

In particular, Mr. Chairman, we have continued to point to the humanitarian problem of the nearly 200,000 refugees who were driven from their homes by the actions of Turkish military forces equipped with American arms.

It is for these reasons then, Mr. Chairman, that I strongly oppose S. 2230 and that I will equally strongly support the amendment to be offered subsequently by the gentleman from Florida (Mr. FASCELL).

Approval of the amendment will represent a victory for the best interests of the United States.

Mr. RONCALIO. Mr. Chairman, will the gentleman yield?

Mr. BRADEMAS. I am glad to yield to the gentleman from Wyoming.

Mr. RONCALIO. Mr. Chairman, I have always agreed with, I now agree with, and I will continue to agree with the gentleman from Indiana in the well.

Mr. BRADEMAS. I thank my colleague, the gentleman from Wyoming.

Mr. BIAGGI. Mr. Chairman, will the gentleman yield?

Mr. BRADEMAS. I yield to my colleague, the gentleman from New York.

Mr. BIAGGI. I thank the gentleman for yielding.

I would also like to commend him for his leadership on this side. His dedication is even more manifest when we realize that not too long ago, in just recent past days, he lost his beloved father.

But his concern for the morality of this cause was so impelling that he simply had to return to the House this week once again to participate in the leadership in this fight for justice.

Mr. Chairman, I too join with the gentleman from New York in opposition to this bill and I rise to give my views on S. 2230, legislation which seeks to lift the ban on military aid to Turkey, imposed by Congress this past February 5. As one of the earliest and most ardent supporters of the embargo, I remain firmly opposed to the resumption of aid as provided in S. 2230. I am firm in my views that this Nation must adhere to basic principles of integrity in our foreign policy. A lifting of the embargo as proposed in S. 2230, at a time when Turkey still has illegal control of 40 percent of Cyprus, would be an unforgivable betrayal of this position, as well as betraying the Greek American community.

There are others in this House who have fought the long battle against aid to Turkey. They too, have remained committed to the principles of the embargo. Yet we do realize that absolute intransigence in this issue will not and has not, aided the cause of peace in Cyprus. Collectively, we have taken the initiative of compromise with Turkey in the form of an amendment to this bill. Our amendment will allow only those military materials purchased prior to February 5 to be sent to Turkey, this to be done only after the President certifies to Congress that substantial progress is being made to relieve the plight of the refugees on Cyprus. The amendment itself is simple enough, but its passage will have a profound effect on terminating the stalemate on the question of Turkish aid and may ultimately provide the impetus for a lasting peace on Cyprus.

It is critically important that we finally make prominent the tragic situation facing the refugees on Cyprus. They are the real victims of the 14 months of war and occupation of the island. Their needs and security must be provided if we are to expect peace on Cyprus. Let us examine the current facts in the refugee situation. There are between 180,000 and 200,000 Greek Cypriot refugees. This comprises one-third of the island's total population. They include men, women, and children who have been displaced from their homes, businesses, and even from their own families. All face lives of poverty and suffering. An estimated 14,000 people still remain in squalid tent camps, a situation which the Washington Post described as "the most acute human and political problem on Cyprus."

These facts are not stated here merely for their statistical effect. These numbers represent real human tragedies in the day-to-day lives of the refugees in Cyprus under the control of their Turkish invaders.

Last year I authored an amendment to the Foreign Assistance Act which provided $25 million in emergency relief aid to Cyprus. These funds have been extremely beneficial in assisting the Cypriot government to meet the most urgent needs of the refugees, namely food, shelter, and medical care. These funds have also been used to help rebuild the economy of Cyprus which has been devastated over the past 14 months. These funds have been exhausted. I will seek additional funds for the next 2 years in later legislation. However, I see the passage of this amendment today as an important demonstration to the Cypriot people that we remain committed to aiding them in their hour of need.

This is the 10th time Congress has considered legislation dealing with arms aid to Turkey. Responding to Turkey's illegal use of American military aid, we effected a total cutoff of arms aid to Turkey on February 5. This amendment today can in no way be interpreted as an abandonment of our basic philosophy regarding aid to Turkey. We are not providing for any new shipments of aid to Turkey, only those which they had purchased prior to February. It is an effort toward compromise, a desire by the Congress to open any new door which may lead us down the path to peace for Cyprus.

Mr. Chairman, I, and others in support of this amendment, have stood at this podium on a number of occasions to criticize Turkey. Today we speak in a somewhat different vein. We are extending the opportunity for compromise with Turkey designed to achieve the greater good, peace, and security for the people of Cyprus. It is my fervent hope that passage of this amendment will provide the catalyst for the commencement of meaningful peace negotiations.

As in the past on this issue, the vote on this amendment is a vote of conscience. It is a vote which will affirm the fundamental commitment of Congress to assist the people of the world in times of dire need. Consider the plight of the Cypriot refugees. Consider the jarring effects which 14 months of war and occupation have had on their everyday lives. This Nation has both the means, and the moral obligation, to assist the refugees on Cyprus. Let us recognize this and let us implore the administration to take the lead in this issue. I urge support for this amendment today. Its passage may mean the difference between a future of peace or one of continued misery and suffering for the people of Cyprus. The choice should be obvious.

I wish to add that this amendment does enjoy the support of the Greek American community. They see the refugee problem as one which deserves the immediate assistance of this Nation. This morning I received a telegram in support of the amendment from the Hellenic Council of America.

But I would like, Mr. Chairman, in the event we fail to prevail today, to indicate for the record that the amendment to be offered by the gentleman from Florida is a conciliatory amendment. It removes us from the intractable position we find ourselves in and should put at rest all the arguments that have been offered by the administration with relation to the delicate situation that exists in Turkey, and will bring us past the election on the 12th of October and focus attention on the most sensitive area, those 200,000 refugees in Cyprus.

If they are in fact sincere and genuine in their commitment to restoring peace to Cyprus, the very least that can be done is to have the administration and the gentlemen on the other side support this amendment. The worst is they can remain at their present position. But I would like to congratulate the gentleman from Florida (Mr. FASCELL) for his expertise and his commitment and his intellect in devising this type of amendment.

I thank the gentleman for yielding.

Mr. BRADEMAS. I thank the gentleman from New York for his very gracious remarks and I commend him for his fine statement. The gentleman has been a vigorous champion of justice for the people of Cyprus.

Mr. WHALEN. Mr. Chairman, will the gentleman yield?

Mr. BRADEMAS. I yield to the gentleman from Ohio.

Mr. WHALEN. Mr. Chairman, I know all the Members of this body share the gentleman's concern that American arms be not used illegally. Indeed it was for this reason that I supported the gentleman's position on many occasions, at least until the last vote in July. At that time and since then I have become aware of other facts which were not known to me at the time of the earlier votes. I would like just to question the gentleman about two actions on the part of the Greek Government.

The first is with respect to the Suda base in Crete. I became aware of the fact when I was traveling in Europe this summer with my family that without the knowledge or consent of the American Government the Greek army withdrew arms. This became known only after an inventory. I wonder how the gentleman would view this.

Mr. BRADEMAS. I would view that

with the same concern as my friend, the gentleman from Ohio, but I would point out to him that of which he has not yet advised the committee, which is that the officials of the Government of Greece responsible for those actions have been indicted and sentenced to life imprisonment.

Mr. WHALEN. There are two points on that. The information I have had in following this up indicates that the successor government was also involved in this. This of course was still the Government of Greece, whatever the leadership was. I suppose the same argument could be made with respect to Turkey, that is that the Turkish invasion took place under a former government.

Mr. BRADEMAS. If the gentleman will allow me to say so, I am really astonished, really astonished that the gentleman from Ohio, who knows the great regard I have for him, should so facilely suggest an analog between the change from one Government in Turkey, not a change of regime, to the change in Greece, which was not simply a change of government but a change of regime, from a military dictatorship, which was strongly supported by the administration of Mr. Nixon, to a regime of constitutional democracy.

I think, as my friend, the gentleman from Ohio, would agree, because the gentleman sits on that committee, the gentleman knows that the gentleman in the well was strongly, vigorously, and openly opposed to the policy of the Nixon administration of shipping arms to the military dictatorship.

I should have thought that the gentleman from Ohio, who knows and shares this point of view, would have somewhat stronger arguments than the rather thin, frail reed of suggesting that there is no distinction between a constitutional democracy and a dictatorship.

I know the gentleman wants to use his own time and so I will not pursue the point further.

Mr. WHALEN. Mr. Chairman, if the gentleman will yield further, I may state that the gentleman did not answer my second point, that similar action was taken by the present Government.

Mr. BRADEMAS. I am aware that that allegation has been made. I find it passing strange that it has only been within recent days and weeks that we have begun to hear that argument and I have the most profound skepticism about the assertion. Indeed, administration officials have never offered any of the details of that assertion, and I cannot imagine they would not have done so had any such information of that kind been available to them.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. BRADEMAS. I yield to the gentleman from Ohio (Mr. SEIBERLING).

Mr. SEIBERLING. Mr. Chairman, the truth is that there have been five Security Council mandates for the parties on Cyprus to observe the ceasefire line and only the last of them was observed by the Turkish Government, after they had violated four of those, whereas the Greeks complied. That was not the original action.

Mr. BRADEMAS. I am not aware that the Government of Greece, either the past military dictatorship or the present democracy in Greece, has sent to the island of Cyprus 40,000 troops armed and equipped with American bombs, American ships, American guns, American tanks. The distinction is quite clear.

The CHAIRMAN. The Chair now recognizes the gentleman from Illinois (Mr. DERWINSKI).

Mr. DERWINSKI. Mr. Chairman, I yield myself such time as I may consume.

Mr. WHALEN. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. Yes, of course, I will yield.

Mr. WHALEN. Mr. Chairman, I will take just 30 seconds to respond to the gentleman from Indiana. I would just like to point out to the gentleman and to the Members of this body that there were 700 Greek troops illegally stationed in Cyprus at the time hostilities broke out and these troops were equiped with American armament.

It seems to me there were two wars, the first war was started by the Greeks and the second war, which would have never occurred if the first had not broken out, was the Turkish invasion.

Mr. BRADEMAS. Mr. Chairman, I might say, my friend, the gentleman from Ohio, is a member of the International Relations Committee. Had the gentleman been so exercised about this alleged violation, I think the gentleman should have been in here offering some appropriate amendment.

Mr. WHALEN. Mr. Chairman, if the gentleman will yield, I would like to respond to that and then we will turn it over to the ambassador from Illinois (Mr. DERWINSKI).

Mr. DERWINSKI. Mr. Chairman, I am pleased to cooperate with all my colleagues and I yield to the gentleman.

Mr. WHALEN. Mr. Chairman, I think I covered that point earlier with the gentleman from Indiana. As I mentioned a few moments ago, I showed the gentleman's position all through 1974. It was after I became aware of certain fads after further study that I switched my position. Really, the issue before us is not who violated which provisions—violations have been made by both sides and indeed, there have been violators innumerable times by other nations.

The issue is, first of all, how long will we punish Turkey,

Second, will we have even-handed justice?

Mr. DERWINSKI. I thank the gentleman for his comments. I would point out that to get into this debate as to who really started what, when, how and why, we must recognize that this all becomes obscure, because there is reasonable justification for almost every act if you start with a certain premise, and this debate goes on without termination.

Mr. Chairman, later on there will be an amendment offered which will basically reach the heart of this issue and on which we will vote this afternoon. At that time I will be prepared, as I am sure many others will, to discuss the specific issue of refugees on the island and the question of whether or not there has or has not been progress on Cyprus.

However, I take a few minutes of my time to discuss a subject which has been emphasized in the press in great detail.

That is the issue of ethnic politics and ethnic pressure.

Specifically, there have been charges made that the Greek lobby has been improperly influencing judgment in the House, and earlier in the Senate, on this issue. By implication, the effectiveness of this so-called Greek lobby is challenged. I would like to point out something that I think all the Members recognize, that ethnic politics is as American as apple pie. It is a political fact of life. I do not think there is anything fundamentally wrong in the activities, the organized activities, and the spirit that Greek Americans have shown in approaching this subject.

As we all look back at either our own personal backgrounds or look back at the areas of the country, the neighborhoods from whence we came, we recognize that there is an ethnic consciousness that most Americans have toward the land of their forebears. This is good; this is normal. When it comes to an issue in this country involving Greece and Turkey in which we have over 500 years of complications between the two countries, it is only natural that the Greek Americans would rise to what they consider the necessary defense of Greek interests. Since the United States is intimately involved in the problems between the two NATO allies and the problems of Cyprus, it is only natural that the Greek lobby—to use that term—would try to influence the votes of Members.

My personal opinion is that the contributions of the Greek Americans to this debate over the last year have been positive, predictable and, in my judgment, they do not deserve criticism. One could criticize their logic, if one wishes; one could criticize their point of view, as do those who support this proposal, but those Members who understand politics—and I am sure that most Members of the House do—recognize the validity of ethnic feelings.

The Greek American community has acted with a proper motivation. They have been effective; they have been as predictable as anyone could expect them to be, understanding their emotional ties to the land of their forefathers. They have been subject to undeserved criticism.

The CHAIRMAN. The Chair now recognizes the gentleman from Pennsylvania (Mr. MORGAN).

Mr. MORGAN. Mr. Chairman, I yield such time as he may consume to the gentleman from Virginia (Mr. DOWNING).

Mr. DOWNING of Virginia. Mr. Chairman, despite serious misgivings, I am going to change my position and vote for this legislation this afternoon.

Mr. Chairman, no one among us has deplored more than I the tragic situation in Cyprus in 1974–75. I *do not* condone the activities of either of the outside powers which in my mind have worked to destroy the independence of Cyprus and literally enslave thousands of its citizens.

I voted with the majority on February

5 to cut off military aid to Turkey even though I had grave reservations about the consequences of such a step to our national defense.

Since that time my concern has grown over the potential loss of 27 U.S. bases in Turkey. The ban has not worked. It has had a negative effect and has been counterproductive. It has not helped Cyprus, not helped Greek-Turkish relations. It is hurting American-Turkish relations and is threatening the loss of 27 military bases in Turkey which are considered essential to our security.

Furthermore, I am concerned about the forthcoming elections in Turkey on October 12. By continuing the ban we make it difficult for candidates friendly to the United States to be elected or reelected and this could result in the election of a government in Turkey hostile to the United States.

Consequently, I feel that I must do what I believe to be in the best interest of our country. I shall vote to allow the shipment of arms to Turkey which were purchased prior to the February 5 cutoff date.

Mr. MORGAN. Mr. Chairman, I yield 3 minutes to the gentleman from New York (Mr. SOLARZ).

Mr. SOLARZ. Mr. Chairman, I rise for the purpose of establishing some legislative history with respect to both components of the bill which we have before us this afternoon.

The first has to do with the Board for International Broadcasting which, as the Members may know, authorizes appropriations for Radio Free Europe and for Radio Liberty.

The Communist regimes in Eastern Europe have no monopoly on repression. The sad fact is that the suppression of free speech and freedom of the press is not just a Communist phenomenon. It seems to me, therefore, that to the extent the justification for Radio Free Europe and Radio Liberty is that they make information available to the people of the Communist countries of Eastern Europe that they would not otherwise be able to obtain, it would make equal sense to beam similar kinds of broadcasts to other closed societies as well.

Mr. Chairman, I had originally intended to offer an amendment to the bill—which I am going to refrain from doing this afternoon—to authorize the Board for International Broadcasting to study this possibility.

The chairman of the Committee on International Relations, the gentleman from Pennsylvania (Mr. MORGAN), has informed me—and I would appreciate it if he could confirm it—that our own committee will conduct such hearings in order to explore the need for, and the feasibility of, having the Board for International Broadcasting arrange for broadcasts similar to those provided by Radio Free Europe and Radio Liberty to other closed societies around the world.

Mr. MORGAN. Mr. Chairman, if the gentleman will yield, later this year, the committee will be studying this.

Mr. SOLARZ. I very much appreciate the gentleman's comment.

Mr. Chairman, the other point I want to make relates to that part of the bill dealing with Turkey. The Members may be aware of the fact that the Senate tacked on an amendment giving the Congress 20 calendar days in which to disapprove any foreign military sale to Turkey in excess of $25 million. The experience we have had indicates that with the sale of Hawk missiles to Jordan this is a very tight timetable under which to work.

I am, therefore, happy to insert in the RECORD at this point a letter I received the other day from Under Secretary of State Joseph J. Sisco, together with a background memorandum, in which he indicates that the administration will not proceed, assuming this legislation is passed, with any arms sale in excess of $25 million to Turkey, at the end of the 20-day period, if Congress is still considering the resolution of disapproval. In effect, this means that if at the end of 20 days Congress has not yet been able, because of procedural problems, to work its will, the administration will resubmit the letter of offer to give us more time to make a determination.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MORGAN. I yield the gentleman fom New York, Mr. SOLARZ, 1 additional minute.

Mr. SOLARZ. Mr. Chairman, I think this was a conciliatory gesture on the part of the administration. I think it means the Congress now has an additional mechanism by which to keep a careful control over additional sales of weapons to Turkey, and I thought it appropriate to insert these materials in the RECORD at this point so it would be clear to one and all concerned.

The material referred to follows:

UNDER SECRETARY OF STATE,
FOR POLITICAL AFFAIRS,
Washington, October 1, 1975.

HON. STEPHEN J. SOLARZ,
House of Representatives,
Washington, D.C.

DEAR MR. SOLARZ: In our recent discussion of S. 2230, which modifies the existing statutory ban on arms shipments to Turkey, you inquired as to the Administration's intended implementation of section 2(c)(4) of the bill. This section, like section 36(b) of the Foreign Military Sales Act, requires that any proposed letter of offer for a sale to Turkey of $25 million or more under the Foreign Military Sales Act be reported to the Congress, and prohibits the issuance of such a letter of offer if the Congress within twenty calendar days adopts a concurrent resolution objecting to the proposed sale.

I am pleased to assure you that the Administration will regard the twenty calendar day period set out in S. 2230 as no more than a period for Congress to indicate whether it may wish to object to any given proposed sale. We will not proceed with any sale to Turkey at the end of the twenty-day period if Congress is then considering a resolution of disapproval and will not submit reports of proposed sales at times when, because of scheduled recesses, Congress would not have adequate time to examine the proposed sale within twenty calendar days.

Because your question about the twenty calendar day period in S. 2230 is also relevant to section 36(b) of the Foreign Military Sales Act, I am enclosing a brief memorandum on the background and implementation of that provision of law.

I hope you will find this explanation of the Administration's position on section 2(c)(4) of S. 2230 responsive to your concern and that you will be able to support early favorable action by the House of Representatives on this important legislation.

Sincerely,

JOSEPH J. SISCO.

BACKGROUND AND IMPLEMENTATION OF SECTION 36(B) OF FOREIGN MILITARY SALES ACT

During last year's deliberations by Congress on the Foreign Assistance Act of 1974 (Public Law 93-559) several amendments were considered which provided for disapproval of Executive Branch actions by concurrent resolution. Among these were the House and Senate amendment which were finally adopted as section 36(b) of the Foreign Military Sales Act. At that time, the Executive Branch expressed its concern that a rigid statutory requirement for a review period of twenty legislative days might cause unnecessary and harmful delays in situations involving noncontroversial sales, particularly when substantial price increase would result if contracts were not placed by a certain date. Accordingly, we asked that any such review period be expressed in the law in terms of calendar days. We accompanied this request with an explicit assurance that the Executive Branch would cooperate in carrying out the intent that Congress be given a genuine opportunity to express its will. In particular, we undertook not to take unfair advantage of Congressional recesses in submitting our reports of proposed sales. In this light, the bill as finally adopted provided for a review period of twenty calendar days.

Since the enactment of section 36(b), we have been diligent in our efforts to carry out the spirit of the law. When the proposed sale of Hawk missiles to Jordan became the subject of a concurrent resolution of disapproval shortly before the August recess, we deferred action on the sale until conditions that were satisfactory to the Congress could be developed. In addition, we deferred submission of reports on nine other proposed sales until after the August recess so that they could be fully reviewed by Congress. On the other hand, after consultation with the staffs of the International Relations and Foreign Relations Committees in August, we proceeded during the recess with a report on a sale of radar equipment to the Federal Republic of Germany.

This sale was noncontroversial, was needed by Germany to fulfill its NATO responsibilities, and had to be concluded promptly.

Since the enactment of section 36(b), the Executive Branch has reported approximately fifty proposed sales to Congress under this law. We believe the experience gained has been mutually satisfactory and has demonstrated that workable procedures can be devised and implemented based upon mutual trust and cooperation between the two branches. We recognize the importance of maintaining that cooperative relationship and appreciate the potential sensitivity in Congress of major sales to Turkey. Therefore, we will ensure that our reports on proposed sales to Turkey under section 36(b) and under section 2(c)(4) of S. 2230 will be handled in a manner that will give Congress ample time to consider and, if it believes appropriate, act on them.

The foregoing should not be regarded as a general endorsement by the Administration of statutes providing for Congressional veto of Executive Branch proposals. In this case, we recognize the interest of Congress in maintaining oversight of major arms sales and are prepared to cooperate fully in implementing the procedures set out in section 36(b) of the Foreign Military Sales Act and section 2(c)(4) of S. 2230. However, we have serious doubts whether Congress can, by

statute, cause a legislative procedure of less formality than that prescribed by Article I, section 7, clause 3, of the Constitution to acquire the force and effect of law. Accordingly, we may well object to other legislative proposals containing such features.

Mr. BUCHANAN. Mr. Chairman, we have no further requests for time.

Mr. FASCELL. Mr. Chairman, I yield 7 minutes to the gentleman from New York (Mr. ROSENTHAL).

Mr. ROSENTHAL. Mr. Chairman, I think it is fair to say that no one is happy with the dilemma we find ourselves in. We do want to maintain good relations with countries that want to maintain good relations with us.

I think every Member in this Chamber is aware of the value of support for the sake of constancy in being a member of NATO. But I do think that certain fundamental principles apply to the conduct that the Congress engaged in on the past nine votes, and those principles, I expect, will appropriately apply to the debate here today.

One of the intriguing things I found in talking about this matter with our colleagues in Europe, including members of the NATO Assembly, which I am sure the gentleman from Ohio (Mr. HAYS) will allude to later, and with members of the European Parliament associated with the European Community, is the fact that very few of them understand what the United States Congress has done in imposing the embargo on Turkey.

It is oddly intriguing, because what they suggest we should do is to take a pragmatic approach to the Turkish situation because the bases are important and Turkey is an important element in the NATO infrastructure; and yet on the other side, the Europeans want to apply principle to Spain when the United States urges that Spain be admitted to NATO. They fail to understand the inconsistencies of that position.

More importantly, only an American legislator can understand what happened in 1974. It was in 1974, at the 198th celebration of the founding of this Republic, that the Congress affirmed our adherence to the rule of law and our adherence to the fundamental principle of obedience to the rule of law. It was this desire for observance to the rule of law, whether we liked it or not, but believing in the appropriate execution of the laws, consistent with our constitutional oaths, that caused us to take the legislative action that we did.

I think that it is unnecessary to repeat the debate we have heard nine times, but it bears repeating, that when weapons are used for aggressive purpose, the law is quite clear that military shipments must be cut off. And the word in the law is "immediately." We had no choice. When the executive failed to uphold the law the Congress chose to uphold its responsibility because it had no other choice.

Mr. Chairman, I want to respond to a few comments that some of my colleagues have made here today. The gentleman from Massachusetts (Mr. CONTE), when he suggested he is going to change his vote, said "Let us give it another try, and if it does not work, we can come back in," and he said then he will be one of the first to impose the embargo all over again. The gentleman from Massachusetts (Mr. CONTE) does not realize that if that effort were to be made again, the President would have a veto opportunity, which he has assured Members of this House he may use, and then it would require a two-thirds vote of this body to overturn that veto rather than a majority vote, which is what we need here today.

Many of our colleagues have, I think sincerely and legitimately, suggested there has been no progress in this situation. We abide by adherence to the law, but we face the pragmatic situation as it exists. We all want to see some progress on Cyprus, and it has not happened. I respectfully suggest that the reason it has not happened is that the Government of Turkey has repeatedly anticipated our doing what they expect us to do today, and that is to remove the embargo. They have been encouraged by many people to believe this. And, of course, the embargo has not worked because they have anticipated that Congress would reverse its action.

The gentleman from Ohio (Mr. WHALEN) has in his remarks raised two questions: How long should Turkey be punished for their violation of the law that he voted for? And then should we not apply equally the stringent provisions of the law?

The law is clear that so long as the violation continues no one can restore embargoed military equipment. This embargo can be ended in 24 hours any time the Government of Turkey makes a concession toward the solution of the problems on Cyprus. It is not a punishment mechanism; it is a mechanism that suggests a violation of law can be cured by an affirmative action of the violator of the law. That has not happened.

The gentleman from Ohio (Mr. WHALEN) raised the question with the gentleman from Indiana (Mr. BRADEMAS): Should this not be applied to the Greek Government that was involved in the overthrow of Makarios and when they apparently abducted Americans?

Of course, it should. The Greek Government itself has brought to trial the very people who did that. They have been condemned to death by the present regime, and the present regime has taken absolute cognizance of that event.

The gentleman from Ohio (Mr. WHALEN), who opposed the junta for 7 years, as the gentleman from Indiana (Mr. BRADEMAS), the gentleman from Maryland (Mr. SARBANES), and this Member have, certainly ought to understand that. To say that the law has not been fairly applied is really misstating the case.

We are going to offer an amendment later on today that I think is a constructive initiative, an initiative to get us off center, an initiative which the Government of Turkey may be in a position to respond to, an initiative that will not foul up the elections in Turkey on October 12, as an up or down vote will on this bill.

Mr. Chairman, I would hope that a significant majority of this committee will find it appropriate to vote for that alternative.

Mr. CARTER. Mr. Chairman, will the gentleman yield?

Mr. ROSENTHAL. Yes; I yield to the gentleman from Kentucky.

Mr. CARTER. Mr. Chairman, I thank the distinguished gentleman in the well for yielding.

I would like to ask the gentleman this question: Were these men the gentleman referred to executed because of their invasion of Cyprus or, rather, was it because they had really committed other acts for which they were tried?

Mr. ROSENTHAL. The point I was trying to make is that there was a clear change in the government in Greece and that the perpetrators of the things the gentleman from Kentucky (Mr. CARTER) is talking about, which we all condemn, have been held accountable for all of their acts while in the surrogacy of their position in Greece.

There is an enormous distinction in the case, one that defies any kind of comparison or any kind of discussion, such as the gentleman from Ohio (Mr. WHALEN) engaged in.

Mr. MORGAN. Mr. Chairman, I yield such time as he may consume to the gentleman from Alabama (Mr. BEVILL).

Mr. BEVILL. Mr. Chairman, I rise to urge my colleagues to support the legislation currently before the House which would partially lift the arms embargo this Congress placed on Turkey last February.

Since this senseless embargo was imposed, the Turkish Government has responded by taking over 27 U.S. military bases in Turkey which are vital in our attempts to monitor military and space activities of the Soviet Union. The continuing involvement of the Soviet Union in the Mediterranean, the Middle East and the Indian Ocean area has only increased the importance of these bases as far as the security of the United States is concerned.

The fact that the major route from the Black Sea to the Mediterranean is under Turkish control should also be considered as we debate lifting this arms embargo. It is no secret the Russians have, for many years now, been trying to get a foothold in the Mediterranean.

While I am not suggesting that our refusal to sell arms to Turkey will result in immediate and long-lasting ties between the Turks and the Soviet Union, we must be aware of the possibilities of such action.

If the Government of Turkey is not allowed to purchase arms from the United States for defense purposes and for their various NATO responsibilities, it is foolish to believe they will not go elsewhere for such materials.

Where then, would the Turks turn for defense contracts?

The logical answer would seem to be the Soviet Union since the two countries lie so close to each other. This possibility seems even more likely considering the Russians' eagerness to obtain a foothold in the Mediterranean area.

Another possible outlet for arms for the Turks could be the Arab nations. The

fact the Arab nations and Turkey have a common religion could have strong bearing on this possibility, too.

But one thing is certain. Turkey will purchase arms from somebody if the U.S. embargo is not lifted. And where the Turks decide to go for those arms could greatly damage the influence of the United States in that increasingly important area of the world.

It is my belief the domestic policies of Turkey are of such a nature that a move toward reconciliation on our part could substantially improve our position with the Turkish Government.

Our interests in this vital area of the world should be in preserving the Eastern Mediterranean flank of NATO.

Our position should be one of trying to help settle differences between Greece and Turkey rather than taking sides, which is, in effect, what we are doing by refusing to sell arms to Turkey while continuing to do military business with Greece.

I am of the strong opinion that a continued embargo of arms to Turkey could seriously weaken the effectiveness of the NATO pact.

Greece has already pulled out of NATO military operations and a continued embargo on the sale of U.S. arms to Turkey could lead to similar actions on the part of the Turks. Such a move could prove disastrous to the NATO accord.

If legislative action is not taken to lift the embargo, the government of Turkey may well deny the United States any access to the military bases in Turkey and request that all American military personnel leave the country.

If that should happen, the damage to U.S. security interests could become permanent.

With the best interests of America in mind, I urge you to lift the present arms embargo on Turkey which threatens our defense program in that part of the world.

Mr. MORGAN. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio (Mr. SEIBERLING).

Mr. SEIBERLING. Mr. Chairman, the difficulty that I have with this bill is that nothing has changed since the House voted not to pass a similar bill in July except that the Turks have made good on their threat to close our bases.

It seems to me that if we now pass a bill that is substantially the same as the one we turned down in July, without some change in the situation, either internally, between ourselves and the executive branch, or externally between the parties to the Cyprus dispute, then we will be creating a very dangerous precedent. Other countries will say, in effect: "We see how to get the Congress of the United States to go along with what we want. We will just close American bases in our country."

Mr. Chairman, I do not think that is a result which anybody intends, least of all the administration and the supporters of this bill.

Therefore, I have been seeking some way in which to get a concession that will give the Congress the ability to say that we have obtained some additional assurance, beyond what we were offered in July, that will give us a valid reason for changing our position individually and as a Congress. To that end, Mr. Chairman, I drafted an amendment to this resolution—and those who are interested will find it at page 31118 of the CONGRESSIONAL RECORD—which would, in effect, extend to private commercial transactions between American suppliers of military equipment and Turkey the same rule, the so-called Nelson-Bingham amendment, that already is in our law with respect to government-to-government sales of military equipment. That rule is that the Congress has 20 days, after any such transaction has been noticed, to veto that transaction.

Now the reason for my amendment, is that, as the committee report makes absolutely clear, and I am now reading from page 5 of the committee report, the bill "authorizes the President to issue licenses for the transportation to that country"—that is Turkey—"of commercially purchased arms, ammunition, and implements of war." Then, going over to page 6 it says:

> As indicated above, the bill would make it possible for Turkey to purchase arms in the United States through private commercial channels.

One of the features of this bill is that, while it would release weapons that had already been contracted for by Turkey as of February 5, it would provide for continued control by the Congress over any future sales by the U.S. Government to Turkey, because none could take effect until the passage of the foreign military sales program for fiscal year 1976.

After announcing my proposed amendment, I was visited by representatives of the State Department and the Department of Defense who expressed great concern that, among other things, if my amendment became law and if commercial sales of over $25 million of military equipment were made to Turkey, we would have resolutions of prohibition introduced and we would have the same sort of emotional arguments as have already taken place on this issue.

I said to them, "Are you telling me that there will be commercial sales if my amendment is not adopted?" And they said, "Well, Turkey may have to." I said I thought the resolution was supposed to encourage Turkey to move toward a settlement of the Cyprus matter. And, of course, they said they could not predict that that would actually happen.

So they confirmed my fears that the administration does have the intention of permitting private commercial military sales to Turkey if this bill passes in its present form.

They responded that they could understand my concern, but that they feared that people in Turkey might consider my amendment as aimed only at Turkey.

I assured the gentleman from the State Department and Defense Department that I was concerned about the whole question of military sales, that the Congress ought to have some greater measure of control over them, both Government and commercial sales. I pointed out, however, that, because of the rules of the House, I could not include in an amendment to this bill, a general restriction on commercial military sales to all countries.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MORGAN. I yield 1 additional minute to the gentleman from Ohio.

Mr. Chairman, if the gentleman will yield, the gentleman so very kindly furnished me a copy of his amendment and a copy of the letter which he received from the Under Secretary of State for Security Assistance. I read them both very thoroughly and the last paragraph of the letter is particularly significant. I agree with the gentleman and I can assure the gentleman from Ohio that when we mark up the military sales bill we will of course consider what the gentleman is trying to do, as to all countries affected by commercial sales.

Mr. SEIBERLING. The letter the distinguished chairman of the committee is referring to was a result of my conversation with representatives of the administration. I received the letter today from Carlyle E. Maw, Under Secretary of State for Security Assistance. I intend to offer it for printing in the RECORD following these remarks.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MORGAN. I yield 1 additional minute to the gentleman from Ohio.

Mr. SEIBERLING. The Under Secretary says this in the letter:

> Accordingly, I can assure you that we shall work with the Congress in examining U.S. arms transfer decision making, including commercial sales, with a view to developing appropriate procedures which will insure a meaningful opportunity for congressional oversight and review of major arms transfers.

I would like to ask the chairman whether the gentleman tends to support in his committee legislation which would give Congress a say in all transactions of any significance involving either commercial or government military sales?

Mr. MORGAN. I can assure the gentleman from Ohio that I will go a little bit further than the State Department suggests when we mark up the bill.

Mr. SEIBERLING. I thank the gentleman.

Mr. Chairman, I include the following letter for the information of the Members:

> UNDER SECRETARY OF STATE
> FOR SECURITY ASSISTANCE,
> *Washington, October 2, 1975.*
>
> HON. JOHN F. SEIBERLING,
> *House of Representatives,*
> *Washington, D.C.*
>
> DEAR MR. SEIBERLING: I am writing to confirm our telephone conversation of this morning regarding your proposed amendment to S. 2230, the bill providing partial relief from the existing statutory arms embargo against Turkey.
>
> We appreciate your deep concern that arms sales should not escape Congressional scrutiny because they are made through commercial rather than governmental channels. At the same time, we know that you recognize the difficulties inherent in Congressional approval or disapproval of individual export licenses in a manner that would place Congress in the position of being, in effect, the administrator of a regulatory system. We know you also recognize the serious problems we perceive in singling out Turkey in this bill for unique review procedures. For

these reasons, we urge that you not offer your proposed amendment to S. 2230.

As I mentioned to you during our telephone conversation, the Administration has examined the relationship between governmental and commercial arms sales, not only with respect to this problem, but many other facets as well. We realize that procedures for governmental and commercial sales generally must be compatible, although not necessarily identical, in order to insure that all major transfers of U.S. arms serve our national interests.

We accept and share your views that U.S. arms transfer policies must be discussed with Congress, that Congress has an important role to play in their formulation, and that Congress should have a meaningful opportunity to review the implementation of those policies. Accordingly, I can assure you that we shall work with the Congress in examining U.S. arms transfer decision making, including commercial sales, with a view to developing appropriate procedures which will insure a meaningful opportunity for Congressional oversight and review of major arms transfers.

Sincerely yours,

CARLYLE E. MAW.

The CHAIRMAN. The Chair now recognizes the gentleman from Michigan (Mr. BROOMFIELD).

Mr. BROOMFIELD. Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. The Chair now recognizes the gentleman from Pennsylvania (Mr. MORGAN).

Mr. MORGAN. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio (Mr. HAYS).

Mr. HAYS of Ohio. Mr. Chairman, I take this time—and I hope I will not use 5 minutes—to clarify a question that was asked by the gentleman from Kentucky (Mr. CARTER) because I do not think he ever really got an answer to it. The question was were the leaders of the junta in Greece condemned to death for what they did in Cyprus. The answer is clearly no. They were tried on grounds of treason, of overthrowing the legitimate Government of Greece, and that was the charge. The fact that they ordered the invasion of Cyprus which was at least theoretically, if not actually, supposedly an independent country as far as I am able to ascertain from the press reports, did not figure in their trial one way or the other.

Mr. CARTER. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Ohio. I will be glad to yield to the gentleman from Kentucky.

Mr. CARTER. I thank the gentleman for yielding.

The invasion was made with American arms, I take it?

Mr. HAYS of Ohio. There is no question about it. They infiltrated, as near as we can find out now, about one division totally equipped with American arms.

Mr. CARTER. If the gentleman will yield further, what percentage of the population of Cyprus is Turkish?

Mr. HAYS of Ohio. I do not know. I cannot tell the gentleman exactly. The Greeks say 18 percent, and the Turks say 21 percent, so I will settle for somewhere in that range. I do not think 3 percent one way or another we are going to argue about.

Mr. CARTER. If the distinguished gentleman will yield further, then what was the purpose of the Turkish invasion? After the Greeks came in, why did the Turks come in?

Mr. HAYS of Ohio. There were three signatories guaranteeing the independence of Cyprus, and the Turks were one, the British were one, and the Greeks were one. The Greeks had invaded Cyprus and overthrown the government and put in a gangster of the stripe of Al Capone—and I am not exaggerating a bit, and I defy anybody to argue with me that that fellow Sampson whom they installed as a dictator of Cyprus was not as bad as Al Capone ever thought about being. They put him in, and he instituted a regime of terror.

The British should have intervened, but they did not have the power and they were not able to and they did not. The Turks did.

I want to be very fair about it. The Turks intervened in the first place to protect their nationals. I think they overreacted. I said so publicly at the NATO meeting in Copenhagen with the Turkish delegation sitting there, but I think they had a legitimate right to intervene in the first place. I am just sorry that they went as far as they did, because I think it makes it harder in the long run to iron it out.

But I will say to the gentleman that I intend to take some time under the 5-minute rule and explain the resolution which was passed almost unanimously in the North Atlantic Assembly, which is the NATO Parliament. The debate there was extremely restrained, and there was not as much heat generated by the Greek delegation there, who are elected to the Greek Parliament, as there has been generated here in any given hour of two or three debates. They understand the realities of the situation. One of them said—maybe his choice of language was not the best, but the Turks did not get aroused about it—"The Greeks and the Turks are condemned by geography to live together side-by-side, and we have got to find a way to get along. I think that is the kind of enlightened viewpoint to take."

Mr. CARTER. Mr. Chairman, if the distinguished gentleman will yield further, I want to thank him for giving the train of events and recounting them as they occurred, as I have seen it, and for the further information he has given. I must say that I am in complete agreement.

Again I thank the gentleman.

Mr. HAYS of Ohio. I thank the gentleman from Kentucky.

Mr. YATES. Mr. Chairman, will the gentleman yield for a question?

Mr. HAYS of Ohio. I will be glad to yield to the gentleman from Illinois.

Mr. YATES. I thank the gentleman for yielding.

I notice on page 3 of the bill there is the proviso:

> That such authorization shall be effective only while Turkey shall observe the cease-fire and shall neither increase its forces on Cyprus nor transfer to Cyprus any United States supplied implements of war. . . .

Would it not be better if we sought to move the Turks and the Greeks toward a settlement and said that the Turks ought to observe a cease-fire and move to decrease significantly its forces on Cyprus and U.S. supplies into Cyprus?

Mr. HAYS of Ohio. I would like to see the bill passed because I would like to see it signed, and I would like to see negotiations get under way.

Mr. HAYS of Ohio. I think we could quibble about the language but I do not believe the Turks are going to introduce any more forces. There was a stage when the Turks took out 5,000 troops. They were very bitterly disappointed. They did it to try to make the United States look good. They did it on the eve of Kissinger's visit and they were going to let him announce it, and then he was not able to go there.

Mr. HAMILTON. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Ohio. I yield to the gentleman from Indiana (Mr. HAMILTON).

Mr. HAMILTON. Mr. Chairman, is it not true the Turks have already reduced their troops from a top of 40,000 down to substantially less now, less than 30,000?

Mr. HAYS of Ohio. I am told the figure is under 30,000. I do not know the exact figure.

Mr. MORGAN. Mr. Chairman, I yield 2 minutes to the gentleman from North Carolina (Mr. TAYLOR).

Mr. TAYLOR of North Carolina. Mr. Chairman, last July I voted against removing the ban on the sale of military equipment to Turkey. I did so partly on a basis of principle because Turkey had violated an agreement not to use the American equipment aggressively against a nation friendly to the United States. Also I was hopeful that continuing the ban would prompt Turkey to soften its Cyprus position.

But the ban has not worked. It has had a negative effect and has been counterproductive. It has not helped Cyprus, not helped Greek-Turkish relations, is hurting American-Turkish relations, and is threatening the loss of 27 American military bases in Turkey which are considered essential to our security.

Also I am concerned about the Turkish elections on October 12. By continuing the ban, we make it difficult for candidates friendly to the United States to get elected or reelected and this could result in the election of a government in Turkey hostile to America and friendly to Russia. Only last week I read a headline in the Washington Star, "Turkey, Kremlin Friendlier Since U.S. Arms Embargo." It pointed out that there had been a noticeable softening of the Turkish attitude toward the Soviet Union since the congressional ban had been imposed.

The bill before us does not provide economic aid or military aid to Turkey. It applies only to itcms already contracted for and about one-half paid for and to future sales through commercial channels. It offers no Government-backed credits or grant aid. So this bill is a significant compromise from a complete lifting of the ban.

I know that we would all agree that it is our duty to study the facts, receive all possible information and then do what we think is best for our country. The

passage of S. 2230, in my opinion, is in the best interest of America.

Mr. MORGAN. Mr. Chairman, I yield such time as he may consume to the gentleman from Indiana (Mr. HAMILTON).

Mr. HAMILTON. Mr. Chairman, again the House is faced with an important foreign policy vote on the future of United States-Turkish relations. The House last considered the partial lifting of the arms embargo against our ally, Turkey, in last July when S. 846 was narrowly defeated.

Today, we vote on S. 2230. This bill:

Lifts partially the arms embargo against Turkey;

Encourages the United States to develop economic and military assistance programs for Greece;

Urges humanitarian and economic assistance for the people of Cyprus.

I urge you to support this legislation. Time is running out for us in the Eastern Mediterranean. A lifting of the embargo is essential for several reasons:

To maintain the southeast flank of NATO,

To preserve a 30-year relationship with Turkey,

To help achieve an equitable Cyprus settlement,

To assure our access to the Middle East in any potential crisis.

Turkey has been punished for 8 months for its violation of a law prohibiting use of American supplied arms for aggressive purposes. The law has been upheld by imposing an unprecedented total arms embargo on a key ally.

The question today is not one of undermining the law, but of the duration and efficiency of the penalty.

It is now time for Congress to relax this penalty in an effort to try to stimulate Turkish flexibility in Cyprus negotiations. The Congress has proved its point that American law cannot be violated with impunity.

But we should not continue to apply that law when it is against American interests to do so. Besides, to those who remain skeptical of Turkish flexibility, Congress still retains the leverage of the fiscal year 1976 Foreign Military Sales Act in which it can reimpose the embargo if Turkey's response to this relaxation is unsatisfactory.

A review of what has happened in the last 2 months since Congress last voted on this foreign policy matter makes clear that this ban ought to be lifted partially.

First. United States-Turkish relations: Since July, our relations with Turkey have continued to deteriorate:

Where there was once warmth and frankness, there is now more of an air of formality and coolness.

Where we could once gain Turkey's cooperation and support on a number of regional issues, there is now an attitude among many Turks that they should keep their distance from us and strengthen ties with other neighbors, including some of the more radical Arab States.

Libya has supplied planes to Turkey, and it is not in our interest to see Turkey's ties to Libya strengthened in the days ahead.

Second. U.S. intelligence: Since July the four most important U.S. intelligence sites in Turkey have been closed and the impact on our intelligence on the Soviet Union has been direct, immediate, and far larger than we expected at the time of the July legislative defeat.

We have suffered a significant and unique loss of electronic intelligence on Soviet activities:

A net loss of 15 percent of the total information available to us on Soviet weapons.

More than 50 percent of our surveillance capability on Soviet military forces in the southwest U.S.S.R.

To replace these facilities elsewhere will take at least 2 years and cost nearly $100 million in addition to any rental fees or other payments for use of land elsewhere. It is unquestionably in our national interest to try to reopen these facilities as soon as possible.

Third. NATO: NATO preparedness and readiness on its southern flank has probably never been worse in the 27-year history of NATO.

Except for Greece, all NATO members unanimously agree that the best interests of the organization are served by the lifting of the embargo against Turkey. It is felt that Turkey's ability to fulfill its NATO force goals is weakening with each successive month of the embargo as Turkey has had to reduce operations due to lack of spare parts and access to new equipment.

If the deterioration continues, a permanent dismantling of one sector of NATO could result. The continued vitality of NATO's Mediterranean flank is a foreign policy objective of high priority to this country.

NATO's vitality is also crucial for friendly states in the Middle East, including Israel.

Fourth. United States-Greek relations.—For some time the Greek Government has wanted to resolve the festering Cyprus crisis so that it can turn to pressing domestic economic problems. The United States would like to help in the process, but the embargo against Turkey has blocked progress on Cyprus and thus forced the new democratic government in Greece to spend inordinate time and money on costly Cyprus ventures.

The vicious circle continued:

Greek-American relations will remain unimproved until the Cyprus stalemate is broken. The Cyprus stalemate will continue until Turkey becomes more flexible.

Turkey will not be flexible and negotiate until the embargo is lifted.

Fifth. Cyprus.—The embargo has blocked progress toward a Cyprus settlement.

On Cyprus, the situation has only worsened since July. The economy of the island remains in shambles and the refugee plight of nearly 200,000 Greek Cypriots persists as another summer passes and another winter approaches.

The intercommunal talks between Greek and Turkish Cypriot leaders have been postponed indefinitely. Progress toward peace hinges on Turkey's flexibility. The Government of Turkey has made it very clear that it will not move on Cyprus while the arms embargo remains in effect. The last several months show clearly that Turkey will not buckle to pressure and we have no leverage on Turkey until the embargo is lifted.

In short, as the parties move toward a bizonal arrangement on Cyprus, we see what is possible if only the parties are free to negotiate. With the arms embargo, successful negotiations simply do not appear possible.

Sixth. Turkish-Greek relations.—And behind the Cyprus impasse stand several bilateral issues of potential conflict between Greece and Turkey.

As the embargo has continued and the Turkish position on Cyprus has remained unchanged, a willingness of Greece and Turkey to solve other problems, especially problems involving the search for oil in the Aegean Sea, is dissipating. Positions on many issues will harden if the present stalemate continues. In the process Greece and Turkey lose, and so does the United States.

Seventh. Turkish poppy growing.—About the only positive development in recent weeks from the Eastern Mediterranean is that evidence is accumulating that Turkey's efforts to curb the illicit opium market in that country are succeeding.

It will take months to prove exactly how effective Turkey's law enforcement efforts are, but the leverage we have with Turkey on this important issue will be lost if the embargo remains. Turkey might lose interest in helping us on this opium issue if we refuse to help her on other issues, including her defense needs.

WHAT A "NO" VOTE MEANS

Mr. Chairman, if Congress does not partially lift the embargo against Turkey immediately, the consequences are predictable:

We will likely see a permanent closing of some U.S. facilities in Turkey prior to the Turkish senatorial elections on October 12.

United States-Turkish relations will suffer further deterioration. Moderates in Turkey—many politicians who are our friends—will have to take more extreme and more anti-American positions in the current campaigning.

In such a highly charged environment, we will once again be further away from a start of serious Cyprus negotiations. Starting meaningful negotiations will be more difficult as people get locked into rigid positions.

And, Greek-American relations and Turkish-Greek relations will continue to sour.

WHAT NO VOTE AT ALL MEANS

Some of our colleagues argue that we should not be voting now because we are interfering in the upcoming Turkish elections. Apart from the fact that no time would be appropriate for those colleagues who oppose this bill, we are already "interfering" in those elections with our arms embargo of Turkey and with the continuing Cyprus crisis, which are major political issues in Turkey. It is precisely because of these elections that we want to remove the U.S.-imposed embargo as an issue in the election. If the embargo continues until election day, our experts believe that the Turkish Gov-

ernment would have to take further action against us and adopt irrevocable positions against us.

WHAT A "YES" VOTE MEANS

If the embargo is partially lifted, we can expect certain events to occur:

Although the long embargo will leave a permanent scar on United States-Turkish relations, that relationship can be preserved. We can negotiate immediately with Turkey to reestablish some presence at U.S. facilities in Turkey.

A lifting of the embargo offers a good hope that, after the Turkish senatorial elections, Turkey will show some flexibility on Cyprus. President Ford has made it clear to Turkish leaders at Helsinki that Turkey has a moral obligation to show some flexibility on Cyprus.

Turkey has already shown a willingness to scale down its military presence on Cyprus by the withdrawal of over 10,000 troops from the more than 35,000 that were on the island in late 1974. After the embargo is lifted, Turkey can be expected to make further withdrawals to troops and substantial withdrawals from occupied territory, especially near Famagusta.

CONCLUSION

Mr. Chairman, we have a unique opportunity today.

We can prepare the way for an eventual accommodation on Cyprus.

We can restore our important security relationship with Turkey, and we can begin to reestablish important intelligence facilities in Turkey.

We can remove a major impediment to good Turkish-Greek relations, and begin to improve American-Greek relations.

Those who have counseled that pressure through an arms embargo will force Turkey to make concessions on Cyprus have been wrong. The embargo simply is not working in any way to promote American interests. I urge your support of S. 2230.

Mr. MORGAN. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois (Mr. SIMON).

Mr. SIMON. When we last voted, I supported the move to cut off aid to Turkey. I did it after careful evaluation, but I cast the vote with great uncertainty as to which alternative presented the right course.

I am confronted with that same dilemma today.

The two basic arguments used in debate on this question are these:

Turkey is essential for the U.S. defense.

I have attended the briefing session with Secretary Schlesinger and have heard the discussion by others who are knowledgeable. My conclusion is that while there are defense pluses in a continuing close alliance with Turkey on the Soviet frontier, that should not be a dominant consideration.

We would be abandoning principle if we provided assistance or tolerated military sales.

There is some truth to this argument. At the very least—acknowledging guilt on both sides—it is nevertheless true that we are modifying our standards if we approve the sales. Whether this will convince others they can use our weapons for military aggression is one of the calculated risks we take if we accept the President's position.

If those two considerations were the only ones, my vote would be the same as it was a few weeks ago. There are other considerations, however, before Congress today:

First, we must somehow get the Cyprus issue off dead center, so that refugees can go home and so that peace can return to that troubled land. It now seems clear that a continuation of the present policy will not cause or permit movement by Turkey. By casting an affirmative vote, I am taking the risk that Turkey will understand this gesture of good faith and move toward a peaceful and humanitarian solution of that difficult situation. If my vote is followed by no movement on their part and a hardening of the existing lines, then my vote will have been a mistake. Turkey and Greece must follow the example of Israel and Egypt in reaching a workable accommodation.

A second consideration is that, since we last voted, a tenuous peace has been established in the Middle East between Egypt and Israel. It is the most hopeful sign for stability in that war-prone area that we have had in decades. If by rejecting assistance to Turkey we push that country into the arms of the forces of instability in the Middle East, we will have created trouble beyond the problems which exist between Greece and Turkey. The delicate balance of power in the Middle East should not shift, and Turkey has the capability of shifting it.

A third factor is the growing belief on my part that this is not an issue with which Congress can deal effectively. We must act on overall policy, but Congress does not have the flexibility to deal with rapidly changing events effectively. In part, my vote is a vote to place this matter in the executive branch with the belief that Congress can have appreciable influence on broad policy considerations. I do it with the plea that every effort be expended by the President and Secretary of State to bring justice and stability to Cyprus as rapidly as possible.

Whether my affirmative vote today is a proper one, history must judge. And the judgment of history rests to a great extent with the leaders of Turkey, who I hope will respond affirmatively to this gesture by the Congress of thhe United States.

Mr. HENDERSON. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I am happy to yield to the gentleman from North Carolina.

Mr. HENDERSON. Mr. Chairman, the gentleman in the well is a distinguished member of the committee that I have the honor to chair, the Post Office and Civil Service Committee. I am aware of the actions that the gentleman from Illinois and the gentleman from North Carolina (Mr. TAYLOR), who was the last speaker, have taken in regards to this resolution.

I want to join both gentlemen in their positions. Even though I voted for the Turkish position earlier, I think both gentlemen have demonstrated to me their conscientious effort in the decision they have arrived at.

Mr. FASCELL. Mr. Chairman, I yield such time as he may consume to the gentleman from Maryland (Mr. SARBANES).

Mr. SARBANES. Mr. Chairman, I think it is very important at the outset to try and get some factual matters straight, because, whether through inadvertence or what, there have been some misconceptions concerning factual matters and exactly how this restriction on arms to Turkey arose.

Mr. Chairman, on the 15th of July, 1974, a Monday, there was a coup in Cyprus that overthrew the constitutional leader of that island, Archbishop Makarios. The coup was engineered by the junta in Athens in conjunction with certain elements on Cyprus. Those of us involved, the gentleman from Indiana (Mr. BRADEMAS), the gentleman from New York (Mr. ROSENTHAL), and myself, deplored that coup and went to the Secretary of State and asked him to condemn it. At that point in time the coup was attacked by Britain, the Soviet Union, and by Turkey itself. The only interested parties in this area that refused to condemn the coup which had taken place on Cyprus were the colonels' junta in Athens and the United States of America, as reflected by the action of our Secretary of State.

Now, as a consequence of that coup, Turkey intervened on Saturday, the 20th of July. Those of us in the Congress concerned about this matter made no effort to impose any restrictions with respect to arms to Turkey on the basis of that Turkish intervention. It was an intervention which responded to a provocation and it was a response which Turkey regarded as necessary under the circumstances.

Mr. ANDERSON of Illinois. Mr. Chairman, will the gentleman yield?

Mr. SARBANES. I yield to the distinguished gentleman from Illinois.

Mr. ANDERSON of Illinois. Mr. Chairman. I listened with interst to the gentleman in the well attack the President and the Secretary of State for what the gentleman described as a passive attitude following the coup.

Mr. Chairman, as I understand, we were not a signatory to the so-called Zurich agreement of 1959 which made four powers responsible as guarantors.

Mr. SARBANES. Mr. Chairman, three powers.

Mr. ANDERSON of Illinois. Or three powers responsible as guarantors for the independence of Cyprus. Does not the gentleman, therefore, distinguish between what Britain did or did not do and Turkey did do and the position of our own Government?

We did not have, it seems to me, the responsibility that the powers did who were signatories to that Zurich agreement.

Mr. SARBANES. Well, I want to be very careful and responsible in replying to the gentleman. As the gentleman knows, the select committee looking into intelligence matters is now proceeding with an investigation of U.S. policy in the Cyprus matter. I only say to the gentleman, given the longstanding position of the United States in the eastern Mediterranean with regard to both Greece and Turkey, given our prior in-

volvement in the Cyprus matter, even though not a guarantor power, and given the fact that the Soviet Union took a position with respect to the coup that the wise and prudent thing at that time would have been for the U.S. Government to have taken a position with respect to the Sampson coup and to have denounced it and moved in conjunction with the other governments to restore legitimate rule to Cyprus, such action might well have corrected the situation and averted the Turkish intervention on July 20.

But, let me continue on this factual recitation, because I think it is very important.

With the Turkish intervention, the coup collapsed and in time the junta in Athens was replaced and constitutional government was restored to Greece. At that point in time, the following week, a cease-fire was negotiated on Cyprus, and the parties went to Geneva for peace talks.

Now, I want it clearly understood that those of us who have moved to place restrictions on arms shipments to Turkey had taken no such action at that point in time, recognizing a response to a provocation. It is important to understand that with the coup eliminated on Cyprus, Mr. Clerides was installed as the appropriate constitutional replacement to Archbishop Makarios who was out of the island. Constitutional government was restored to Greece. And the parties were at Geneva engaged in peace talks under the chairmanship of the British Foreign Minister James Callahan. On the 14th of August, Turkey broke off its peace talks and simultaneously launched a major military assault on the island of Cyprus without any reason or provocation for engaging in that military action.

It was only subsequent to that action, a military action in which Turkey occupied 40 percent of the island, a military action which resulted in thousands killed and wounded and which produced the almost 200,000 refugees on the island, that we moved to apply American law which precludes the use of our weapons for aggressive purposes.

It is important that this factual situation be clearly understood, because it was only in response to the clear act of aggression in mid-August that we sought to invoke American law in order to cut off American arms shipments to Turkey. I believe that the Turkish action in August required a response on the part of our Government. We went to the Secretary of State and called on him to make such a response. It was not forthcoming. In the end, it became necessary for the Congress to implement the law, which in my judgment should have been implemented by the Secretary of State and the President at the outset.

Now, important principles are at stake here with respect to the use of American weapons and what we will do if a nation uses them in a blatantly aggressive way. Not in a way about which there may be argument, a matter which we have conceded with respect to the intervention of July 20, and a point which I think can be made with respect to other examples elsewhere in the world which Members now try to cite. What Members must focus on is a situation in which a cease-fire existed, in which the parties were actually engaged in peace talks, in which Turkey held the dominant military position on the island, and in which Turkey without any further provocation moved with a major military offensive to take over 40 percent of the island and cause nearly 200,000 refugees.

That was a blatantly aggressive act.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. SARBANES. I yield to the gentleman from Ohio (Mr. SEIBERLING).

Mr. SEIBERLING. I thank the gentleman for yielding.

Was not that cease-fire also ordered by unanimous declaration by the United Nations Security Council?

Mr. SARBANES. The gentleman is absolutely correct.

The Turkish aggression raised fundamental questions about principle with reference to our foreign policy. I think the Congress asserted a principle of fundamental importance—that weapons are supplied to other countries—for defensive and not for aggressive purposes. This is a principle that has been in our law for many years. It was not put in the law after the fact. It was in the law before this situation occurred. To come to the Congress, as S. 2230 seeks to do, to reverse the prior decisions of this body made nine times over with respect to whether arms should be sent to Turkey and this without any action taking place on Cyprus to remedy the consequences of the aggressive actions of mid-August is, in my judgment, to abandon the principle that is contained in our law, a principle which I believe to be salutory and fundamental to our foreign policy.

Mr. SOLARZ. Mr. Chairman, will the gentleman yield?

Mr. SARBANES. I will yield to the gentleman from New York (Mr. SOLARZ).

Mr. SOLARZ. I thank the gentleman for yielding. The gentleman talks about the principles contained in American law which require, in his judgment, the termination of any additional shipments of American arms to Turkey as a consequence of the August movement.

But is it not true that the American laws involved require a termination when the restrictions on the use of American weapons which have been sold to other countries are violated only on additional foreign military sales, credits, guarantees and grants? The restrictions and the consequent termination does not apply, as I understand it, to weapons which have been contracted for prior to the time the violation took place and does not apply to purchase made in the private market.

Mr. SARBANES. I do not agree with the gentleman with respect to the first point. I think there is an argument with respect to the second.

Where are we if the Congress reverses itself and starts the arms without any basis on which to do it? In my view, that is to abandon a principle that I think is essential to our foreign policy. The Secretary of State asks the Congress to be the ultimate pragmatists to such an extent that the principled basis for support for our foreign policy will be undercut.

I intend to join later with other Members in proposing an amendment which we feel is a constructive initiative to move forward in this situation. It is an initiative which seeks to respond to the pressing humanitarian problem of the refugees on Cyprus, while at the same time adhering to the fundamental principle of American law.

We have consistently made clear our willingness to respond with respect to arms flow if Turkey proceeds to respond with respect to the question of remedying the consequences of its aggression, the most serious aspect of which, in humanitarian terms, is the plight of almost 200,000 refugees on the Island of Cyprus.

Therefore, an amendment will be offered by the gentleman from Florida (Mr. FASCELL), which I support, which would allow a limited amount of shipments of arms to Turkey, namely those contracted before February 5, provided the President can certify to Congress that significant progress has been made on the refugee problem on Cyprus. Such an amendment would both hold fast to the fundamental principles of our foreign policy and it would also seek to do something about the pressing humanitarian problem of the refugees.

It gives the President an opportunity to resume the arms shipments after something significant in terms of progress has been achieved with respect to the refugees. It is an approach which holds fast to the principle and the rule of law while at the same time providing an opportunity for positive movement on the Cyprus issue.

There have been a number of arguments advanced today and in response I only want to suggest to the Members one concluding point. I have always believed that a major objective of our foreign policy and indeed of our national security policy was to maintain a principled America. In other words, our foreign policy relates to the perception and vision we have for our country in terms of what kind of Nation we ought to be and what kind of principles we should be seeking to implement both at home and abroad.

Mr. Chairman, I ask the Members to think very carefully of an approach which is so pragmatic that in the end it drains America of any principle so that we end up being asked to take positions in defense of a nation whose moral and idealistic content has been drained from its very soul. I suggest to the Members that if that is the ultimate course down which we proceed, we will have given away the most important asset we have as a Nation.

Mr. MORGAN. Mr. Chairman, I yield 2 minutes to the gentleman from Virginia (Mr. DAN DANIEL).

Mr. DAN DANIEL. Mr. Chairman, like the gentleman from North Carolina, I voted to impose the embargo. I thought it was the right vote at the time. Today I am going to vote with the committee, because I think the committee is right in this instance.

My purpose in rising, Mr. Chairman, is to read a letter which is contrary to one position expressed by a recently retired admiral, and this indicates that not all retired admirals take the same position.

The following statement expresses the views of the undersigned individuals on the matter of military assistance to Turkey:

Recent developments in the eastern Mediterranean are of serious concern.

As Americans whose experience has made us keenly aware of the vital U.S. security interests at stake in the area, we view with alarm any weakening in Turkey's ability to meet its NATO military commitments.

Turkey's role in protecting Western security in the region is an essential one. We are deeply concerned also about the situation on Cyprus and the plight of its refugees. However, we believe both a settlement of the Cyprus problem and the vital task of maintaining the military situation in NATO's southern flank can be most effectively accomplished by the speedy resumption of military aid to Turkey. The situation is an extremely urgent and dangerous one. We urge the Congress to act promptly on legislation restoring military assistance to Turkey.

We urge both Greece and Turkey, and the parties in Cyprus, to take full and prompt advantage of the present favorable opportunity for negotiating a new and just constitutional basis for Cyprus.

Hon. Theodore C. Achilles, Hon. W. Randolph Burgess, Gen. Andrew J. Goodpaster, Hon. Parker Hart, Gen. Lyman L. Lemnitzer, Adm. Thomas H. Moorer, Gen. Lauris Norstad, Adm. Horacio Rivero, and Hon. Eugene V. Rostow.

Mr. MORGAN. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin (Mr. ZABLOCKI).

Mr. ZABLOCKI. Mr. Chairman, I rise in support of the bill S. 2230—in its entirety. As the distinguished chairman of the Committee on International Relations has noted, however, the bill we are considering today contains two separate and distinct sections. Both sections are in our country's national security interest.

As the chairman has pointed out, the original Board for International Broadcasting authorization bill, H.R. 4699, was reported favorably by our committee with amendment—which I will discuss in a few moments—by unanimous voice vote. To the best of my knowledge, no other major authorization bill before our committee in recent years has enjoyed such overwhelming bipartisan support.

Mr. Chairman, I believe that Radio Free Europe and Radio Liberty serve the foreign policy interests of the United States. I believe they make a positive rather than a negative contribution toward the lessening of East-West tension; and I think all of the evidence at our disposal, including several major studies of the Radios' operations and the testimony of a broad spectrum of expert witnesses who have appeared before our committee in recent years, clearly supports this conclusion.

Indeed, much can be said—and much has been said—about the positive value of RFE and RL during this critical stage of changing and evolving relationships between East and West. At this time, however, I should like to focus primary attention on two specific questions which have arisen with regard to this authorization request.

The first question has to do with devaluation of the dollar. Is this a problem, Members have asked, which is peculiar to the radios?

To a very considerable degree, the answer is yes. The radios are, in fact, especially vulnerable to the effects of devaluation because about 80 percent of their expenditures are made in foreign currencies, particularly the deutsche mark. The Comptroller General of the United States had this to say:

> We think this situation is rather unique in the case of the radios from the standpoint of the large percent of their funds being spent in foreign currencies. Offhand, I cannot think of a single U.S. Government Department or agency that spends near that percent of funds in foreign currencies . . .

The value of the U.S. dollar to the German mark has slipped from a rate of $1 equals 2.60 deutsche marks last September to a low of $1 equals 2.25 deutsche marks earlier this year. The rate has since leveled off at $1 equals 2.35 duetsche marks, and shows recent signs of further improvement, but the total loss from dollar devaluation since last September already amounts to $4.7 million.

Mr. Chairman, dollar devaluation is related to, but quite distinct from, "inflation." I believe it is important to keep this distinction in mind. Inflation is, of course, a serious problem, but at least some provision for inflation can be made in the budgeting-planning process. Dollar devaluations, on the other hand, can—and do—occur quite suddenly and unexpectedly in the middle of a fiscal year—producing crisis after crisis in maintaining essential operations.

During this year's hearings, the committee's attention was called to one possible long-term solution to this problem. It was suggested by the GAO in a letter from Comptroller General Staats to Hon. JOHN SLACK, chairman of the Appropriations Subcommittee on State, Justice, Commerce, and the Judiciary. Essentially, the GAO proposed the establishment of a $5 million contingency fund to be used only in the event of future devaluation losses.

Mr. Chairman, the amendment I offered in committee follows the general outlines of the GAO proposal. It was adopted unanimously by voice vote.

The main features of the committee amendment are as follows:

First, it authorizes an additional appropriation of $5 million to be available until expended. Let me emphasize, Mr. Chairman, that no funds are authorized under this bill outside of the regular authorization and appropriation process.

Second, this additional funding—or any part of it—would only be made available to the Radios to maintain the budgeted level of operation. The Director of the Office of Management and Budget would have to make the necessary determination and so certify to the Congress. Moreover, only future devaluation losses would be affected. This means that during fiscal year 1976 funds made available under this amendment could only be used to offset devaluation losses which exceed the $4.750 million already accounted for in the fiscal year 1976 budget.

Finally, our committee report specifies that in the event of an upward revision in the value of the dollar, the Board for International Broadcasting would be required to make its grants "in such a way that the amounts furnished to the Radios would not exceed those required by them to maintain their budgeted levels of operation." In other words, the Radios could not receive a "windfall" in excess funds if the dollar's value continues to improve.

Mr. Chairman, the above provisions were not adopted by the Senate and are, therefore, not included in the bill S. 2230, which we are considering today. It is my understanding that some Members of the other body were of the opinion that sufficient authority already existed to cover devaluation losses under a section of the bill relating to nondiscretionary costs.

While it is my feeling that the language of our committee amendment is preferable—inasmuch as it specifically earmarks and limits the use of the additional funding provided for very specific purposes—I have agreed, in the interest of expediting this legislation, not to reintroduce my amendment at this time. I hope, however, that it may serve as a model for possible future action by the Congress as circumstances may dictate.

Let me turn now, Mr. Chairman, to another question which arises from year to year; that is: "How do we know that anyone really listens to the broadcasts of Radio Free Europe and Radio Liberty"? Is there any real evidence, some Members have asked—as distinct from self-serving estimates—that the Radios are actually reaching a significant, representative listening audience?

The answer is that a considerable body of evidence exists on this subject—based on independent, modern audience research and public opinion sampling methods. RFE, for example, has been conducting research on East European listening habits for the past 15 years. In recent years, RFE's opinion-sampling methods have been independently examined and endorsed by:

First, the Oliver Quayle Co.—October 1970.

Second, the Congressional Research Service of the Library of Congress—March 1972.

Third, the Presidential Study Commission on International Radio Broadcasting—the so-called Eisenhower Commission.

During the period 1970–72, a major behavioral study was conducted on Soviet listening habits. The study was based on information collated by an independent—London-based—social research bureau. Researchers who worked on this project did not know for whom the material was being sought. Interviews were conducted with 1,680 Soviet citizens—primarily tourists—all of whom, and I want to emphasize this point, subsequently returned to the Soviet Union. None were defectors, emigres, or those classifiable as "dissidents." The results of this survey have subsequently been reinforced by data collected on the basis of interviews of more than 1,300 Soviet visitors to the West during the period

between April 1, 1973, and March 31, 1974.

This research indicates that on an average day, Radio Liberty reaches about 5 million adult Soviet citizens—aged 16 years and over—and in the course of a month, reaches between 35 and 40 million different Soviet citizens.

Mr. Chairman, I believe it is particularly significant to note that the results of the European surveys I have referred to parallel, to a remarkable extent, the results of mass polling conducted inside the Soviet Union by the official Soviet broadcast organization itself. The most current and original research along this line has been conducted by Dr. Maury Lisann, a graduate of John Hopkins University and former consultant to the Board for International Broadcasting and the Voice of America. His book: "Broadcasting to the Soviet Union: Radio in International Politics," was published last month by Praeger & Co. Dr. Lisann has compared the listening interests of certain subgroups among the European interviews with the results of official Soviet polls and reports that:

For listening to Western radio the Soviet and European polls gave almost identical results.

Apparently, Mr. Chairman, the Soviet authorities are convinced of the accuracy of these statistics, even if some Members of this body remain skeptical of them. Estimates provided to our committee in the past indicate that the Soviets spend between $200 and $300 million per year in attempts to "jam" Radio Liberty broadcasts. This is an exceedingly costly operation to undertake—three times as costly as transmitting the broadcasts—if "nobody listens to the Radios"—as is sometimes alleged.

Finally, Mr. Chairman, let me say that the questions I have discussed today are really tangential to the main issue. The real question we must ask ourselves is whether the annual operating cost of these broadcast operations—which is less than the cost of four F–14 or F–15 planes—is worthwhile. We must ask ourselves whether the continued functioning of Radio Free Europe and Radio Liberty which impart information, not propaganda, to peoples otherwise deprived of it is of value to the United States and furthers the national interest.

Likewise, Mr. Chairman, section 2 of S. 2230, which would lift the embargo from Turkey, is in our Nation's vital security interests.

The embargo proved counterproductive.

The plight of the refugees remains unchanged.

With the passage of time, the effects of the Turkish reaction to the embargo have developed as many of us predicted.

My view has been confirmed, again and again, Mr. Chairman.

Our Nation has more than 20 defense installations in Turkey. Their importance to U.S. interests is hard to overstate.

Of particular importance is the advance radar system at Diyarbakir. It functions as a vital, integral part of our strategic defense activities and early warning net.

Should a war come—in Europe or the Middle East—the geographical position of these defense facilities would have particular importance.

There is no alternative available to our Nation which could provide the same advantages for naval and air operations in the Eastern Mediterranean, should we decide to aid our NATO or Middle East allies.

Because of the ability of these facilities to check on the activities of a possible enemy, they also have an important arms control function.

Another common defense installation in which the United States has a key role is the air base at Incirlik, in southern Turkey. It is used by both Turkish and American Air Forces.

The U.S. air squadron stationed at Incirlik has an important NATO-assigned attack role in case of war with the Soviet Union.

Other installations in Turkey serve equally important functions: Among them are:

Valuable monitoring of Soviet military activities:

Support to NATO forces committed to the defense of the Black Sea area;

Data on the Soviet space and missile program, thereby making arms control more practical;

Early warning radar against Soviet missile attack.

Important data on how the Soviets are living up to the SALT I and other arms control agreements.

Useful information on Soviet and Chinese activities involving atomic energy.

In addition to these uses for our facilities in Turkey must be added the various small sites whose mission relate to communications, monitoring or the stockpiling of arms which might be used in case of a major conflict in Europe.

To those who see such a war as a far-fetched creation of far right spokesmen, I urge consideration of a recent report from Dr. Jeffey Record of the Brookings Institution—hardly a "far right" think tank. An article on his report was featured this week in the New York Times.

Dr. Record believes that the Soviet Army in Europe is being trained for a short, intense war of large-scale, high-speed operations designed to overwhelm NATO forces in a lightning strike. The word used is "blitzkrieg"—a word Hitler used in World War II and made good on because Western powers were unprepared.

In the face of this resurgence of Soviet power aimed at Western Europe, it would be the highest folly for our Nation to turn our backs on a staunch European ally and risk of the loss of important bases.

Unfortunately, we are in an era of "ethnic politics" in which—too often—the interests of our own Nation are put secondary to the interests of some other country.

We have had a similar situation in our history once before. That was in the mid- and late 1930's when anti-British and pro-German political pressures kept the United States neutral and unprepared while Hitler was embarking on world conquest.

We must not let ethnic politics render our Nation weak once again—at a time when many strains beset the Western Alliance and NATO.

This bill is neither pro-Cyprus nor anti-Cyprus.

This bill is neither pro-Greece nor anti-Greece.

This bill is neither pro-Turkey nor anti-Turkey.

Rather, it is pro-American. It is in our own Nation's interest that the Turkish bases be kept open. Our alliance with Turkey must be kept firm.

To accomplish that goal this bill would not give Turkey special favors. It would not give a cent of new military aid. It would not try to return relations to the way they were before the Cyprus invasion.

No. The sole aim of this legislation is to give the Turks the military equipment they already have bought and paid for.

It would permit the Turks to buy more arms from us, if they choose. That is all.

This is a small price to pay for an important segment of our national security.

Mr. Chairman, approval of S. 2230 would get the problem of Cyprus off dead center. I urge the passage of this bill as passed by the Senate and urge the rejection of all amendments.

Mr. COHEN. Mr. Chairman, I intend to vote to lift the present arms embargo on Turkey. I do so for two reasons.

First, I believe the preservation of NATO and the security of the United States and its citizens cannot be served by continuation of the present diplomatic stalemate in the eastern Mediterranean.

Second, I believe that there can be no progress toward a settlement of the Cyprus situation until Turkey can be brought to the bargaining table. I believe such a development is impossible unless there is a partial lifting of the arms embargo. If the House agrees to such action today, it may provide the necessary incentive for the negotiations without which there can be no peace in the eastern Mediterranean.

My vote today in no way minimizes my concern over the fact that U.S. arms—sold to Turkey for NATO defense purposes only—were used in the Turkish invasion of Cyprus. As my colleagues will recall, I was among those Members of Congress who responded to this action by supporting the successful October 1974, measure which banned further military assistance to Turkey until the President could certify that Turkey was in compliance with all U.S. foreign assistance statutes and that substantial progress had been made toward a Cyprus agreement.

Unfortunately, nearly 12 months have passed since the Congress approved that initial measure and little progress has been made. No positive response has been forthcoming from the government of Turkey, and the stalemate on Cyprus continues. At present, Turkey occupies over 40 percent of the island and more than 200,000 Cypriot refugees cry out for urgently needed food and medical attention.

New action is needed to break the deadlock. In my judgment, the tempo-

rary lifting of the prohibition on weapons sales for all contracts signed prior to the date the embargo was imposed will provide the administration with the diplomatic leverage necessary to accomplish this objective.

I believe that without action by the United States, Turkey will close down the various American installations on its soil—installations vitally important to the continued strength of NATO. Turkish actions subsequent to the July 24 House vote on this issue have demonstrated the House rejection of the measure has jeopardized U.S. defense bases and intelligence facilities in the region.

Furthermore, I believe that a failure to release American arms purchased legally under contract by Turkey prior to the embargo eventually will result in Turkey seeking substantial arms from other nations—most probably the Soviet Union or the Arab block In my judgment, such an action by Turkey would be likely to upset the delicate power balance which currently exists in the eastern Mediterranean and therefore would not be in the best interests of the various nations of the region or of the United States.

Let me stress, however, that I do not believe the United States should permit itself to become a hostage to Turkish pressures on its military bases. If lifting the embargo in this way does not result in a noticeable change in Turkey's willingness to negotiate a settlement to the Cyprus problem, then I feel the Congress would be justified, when the Foreign Assistance Act comes before it for consideration in December, to rethink the entire situation in light of that fact. If a partial lifting of the embargo fails to improve the situation, I will urge the House to reconsider its position once again and take whatever steps are necessary to insure the continued security of the United States and its allies—both Greek and Turkish—in the eastern Mediterranean.

Mr. BIESTER. Mr. Chairman, once again my colleagues in this House must reflect, and then decide upon an urgent question of American foreign policy. Our responsibilities require each of us to deliberate on both the short- and long-range interests of the entire American people which must direct this foreign policy. And while our varying interpretations of these interests may be defended with passion, they must be determined by probing, critical analysis.

We know that centuries of bloody conflict have preceded the current Cyprus tragedy. Relations between Greece and Turkey, which still labor under a heavy burden of traditional suspicion, cannot be improved if their common ally—the United States—seeks to impose unacceptable conditions upon either, or both of these justifiably proud peoples.

We know, as well, that the present embargo on arms shipments to Turkey has already cost us dearly. American military installations in Turkey—and particularly those with electronic intelligence-gathering functions—are of unquestioned importance to the common defense of NATO. Future agreements at SALT will depend upon the American capability to verify Soviet compliance; certain of the Turkish installations are necessary, at this time, for such verification. There is no question that Turkish-American relations have seriously deteriorated since the embargo was improved on February 5. And since the House voted, on July 24, to maintain the arms embargo, the operations of our military facilities in Turkey have been severely curtailed.

According to one report of the National Security Agency, the loss of American intelligence on Soviet military activities resulting from the Turkish restrictions has been greater than anticipated.

And what has the United States accomplished? The arms embargo has not encouraged movement toward a negotiated settlement of the Cyprus question. Resettlement of the 200,000 refugees on Cyprus hangs in abeyance. American relations with the Greek Government continue to suffer from the lack of movement on Cyprus negotiations. The military position of the Soviet Union, on the other hand, has been enhanced. NATO's posture in the vital Eastern Mediterranean is weakened.

We must therefore dispassionately reconsider a policy which has failed to accomplish its desired goals, and which holds no promise to realize them in the future. By permitting Turkey to receive the shipment of $185 million in military equipment ordered prior to February 5, the United States will not be approving Turkish intervention on Cyprus. We will not be significantly altering the military balance between Greece and Turkey. We will not be "capitulating" to Turkish demands since, as Secretary Kissinger has correctly pointed out, the proper functioning of the American installations are necessary for the "common defense." Nor will this legislation in any sense signify that the United States will turn its back on the suffering of the Cyprus refugees.

Ending the arms embargo as specified by S. 2230 will, however, remove a major impediment to movement on negotiations over Cyprus. For if the United States would never appear to bow to threats from a longtime ally, neither can the Government of Turkey be expected to do so.

If, as some Members fear, Turkey will not adopt a positive approach toward negotiations on Cyprus if this legislation is enacted, the Congress is not without a remedy. For though we would authorize the delivery of military supplies already in the pipeline, S. 2230 will not restore grant military assistance to Turkey nor permit any sales other than commercial ones until Congress acts on the 1976 authorization of the Foreign Military Sales Act. The United States must continue its efforts to seek a just and durable settlement of the tragic and complicated Cyprus tragedy. But we must not further complicate the problem by a policy which works against our national security interests.

For these reasons, Mr. Chairman, I urge support of this legislation.

Mr. RONCALIO. Mr. Chairman, one of the great academic questions in the study of international relations is the concept of national interest. Scholars have long argued whether a given nation acts in the international arena solely on the basis of its national self-interest, or whether other factors play a significant role as well: such concepts as ideology—principles—geography, the personality of foreign policymakers, and so forth.

One of the most difficult problems in this regard, however, is the lack of a definition of national interest. I have always found it difficult to divorce principles from national interest in this sense in that a country's self-interest in the world must also be founded in a large part upon certain principles of government which are the underlying foundation of its domestic political system. In the case of the United States this means to me, constitutionalism and the rule of law.

It is an indication in the first place of the lack of any application of principles or moral convictions by the United States in the making of foreign policy that this country has given arms to two countries that eventually use them against each other—with the hope by the United States that we can in some designed manner control both. We have seen this practice fail in the case of Greece and Turkey and with India and Pakistan. It is time that we recognize that we cannot continue to strong-arm our way through the world. We cannot do so with the Soviet Union, China, or other major powers, and we should not attempt to do so with the small nations either. In doing so we being by violating principles we have emphasized as our own.

Ultimately we find ourselves in the present position of attempting to uphold a certain principle—no arms shall be supplied to nations which use them for aggressive purposes—which is commendable, but that ironically is founded upon a self-interest type of foreign policy which is without any principles itself.

In light of congressional action with regard to the Panama Canal and Rhodesian questions I would not be surprised to see the House back down on the Turkey issue should it come up for another vote. However, should the Congress sustain on this principle it would go a long way in forcing a change in the manner in which U.S. foreign policy is made—a long-needed change. This is why I shall again vote to sustain the principle that one of our two NATO friends, Turkey, must adjust its position vis-a-vis Cyprus if we are to continue to be its arsenal.

Mr. Chairman, the following article by Tom Braden states the case for the Greek position today:

ARMS FOR TURKEY: PHILOSOPHICAL PROBLEM

(By Tom Braden)

The question of arms to Turkey, which Secretary of State Henry Kissinger will put once more before the House of Representatives this month, is a textbook case in the problem of principle vs. pragmatism in the making of foreign policy.

There is no dispute about fact. The Turkish army grabbed nearly half of Cyprus in violation of the cease-fire agreement and used arms supplied by the United States in order to do so.

Those being the facts, Congress applied the principle. No arms shall be supplied to nations which use them for aggressive purposes. That was the principle. Congress cut off arms to Turkey. Turkey protested. Kissinger protested. So far the principle holds.

Is the principle sound? Is it a valid exer-

cise of congressional judgment? Should we rather say that the United States shall send arms to whatever nations the Secretary of State may designate? Or, in the making of foreign policy, shall we never state any principles at all? These are the questions congressmen are asking and they have to be balanced against the questions that the Secretary of State is asking.

Kissinger represents pragmatism. What, he asks, are the interests of the United States? Turkey is on the border of Russia. Turkey plays host to U.S. intelligence installations aimed at Russia. Turkey has 40 million people and Greece has only 8 million; Turkey has a string of NATO bases, and Greece? Well, we could get along without Greek bases. Now, which country matters more?

Impressed, congressmen have repaired to the Secretary's office and questioned him about principle. He is not only adamant; he is angry. To one recent visitor, he raised the problem of U.S. relations with China. The Chinese, he said, would lose confidence in the United States if they were to believe that we could act against our own interests by giving up a bastion on the Russian border.

To another, he explained Turkish "aggression." The Turks, he pointed out, were acting in their own interests after extreme provocation. (The attempt of the former Greek government to establish a union of Cyprus with Greece.) The Turks were closer to Cyprus, he explained, and had more power.

To still a third visitor, he asked, "Who's running foreign policy?" That question obviously matters to him. Some congressmen think it matters most of all.

So the issue has been drawn and maybe the only question that isn't being asked is whether it is sound pragmatism to surrender principle, or even the pretext of principle.

Congress could hold on to the pretext of principle if the Turks would make a mild concession or make public promises that they would make concessions later on.

But they haven't done so, and the Secretary of State defended them for not doing so. How can they make concessions, he asks, with a gun at their heads? And he adds that Congress withheld from Turkey even those arms Turkey had already paid for.

These are some of the questions congressmen are worrying about as another vote nears. Some of them think that Secretary Kissinger made a lot of mistakes on Cyprus, partly because he had more important problems on his mind, and partly because he thought this was a problem that could wait.

But the problem has waited now for a little more than a year and presents itself in philosophical guise: Granted the United States stands for its own self-interest. Does it stand for anything more?

Mr. McCOLLISTER. Mr. Chairman, I am hopeful that the House will today carefully reconsider its last vote on the embargo controversy and support this compromise proposal, S. 2230, to allow a partial lifting on U.S. military assistance to Turkey. None of us can deny the fact that since we last voted on this issue, activities on 27 American military bases have been suspended. This action is now seriously threatening the security of the Eastern Mediterranean and our own interests as well.

The impact on our intelligence-gathering operations alone will result in a net loss of 15 percent and over 50 percent in the amount of intelligence available on Soviet troop movements and tactical forces deployment in southwest Russia. Should we fail to approve this proposal, then we can expect further deterioration of relations with Turkey and, consequently, delay any positive steps in resolving the Cyprus issue.

I have received hundreds of letters from constituents, and various spokesmen from each side of the controversy have visited my office. I am sure most of you have too. I am grateful that these people have taken the time to express their concerns. What we should be concerned with now is getting both parties to the negotiating table to settle this dispute. The embargo has not, nor will it ever serve that purpose. Neither does it serve any purpose to continue punitive steps toward Turkey in light of Greece's own use of American weaponry on Cyprus. The status quo is totally unacceptable.

The Turkish Government has said it will be impossible for them to negotiate a settlement on Cyprus until the embargo is lifted. To reject S. 2230 is nothing more than shirking our responsibility in finding a way to solve this dispute and putting off what inevitably will be an enduring obstacle to peace on Cyprus.

Mr. FASCELL. Mr. Chairman, although I remain in opposition to section 2 of the billl, S. 2230, which provides for the partial suspension of the arms embargo against Turkey, I want the RECORD to show that I am strongly in favor of the authorization for the Board for International Broadcasting which is included in section 1 of the bill. Because the bill we are considering today contains these two separate and diverse elements, I believe it is important to keep this distinction in mind.

My reasons for opposing the Turkish aid provisions of this bill are well known and will be restated during the forthcoming debate. At this time, Mr. Chairman, I wish to limit my remarks to the proposed authorization of $65,640,000 for fiscal year 1976 to support the operations of Radio Free Europe, Radio Liberty, and the Board for International Broadcasting.

I believe that Radio Free Europe and Radio Liberty continue to serve the foreign policy interests of the United States. Article 19 of the Universal Declaration of Human Rights—to which both the United States and the Soviet Union are signatories—states that "everyone has the right of freedom of opinion and expression; this right includes freedom to hold opinions without interference, to seek, receive and impart information and ideas through media, regardless of frontiers."

The United States consistently supported that principle in the Conference on Security and Cooperation in Europe. The Helsinki agreement of last August, which followed over 2 years of painstaking negotiations, contained the following declaration of purpose with regard to international broadcasting:

> The participating States note the expansion in the dissemination of information broadcast by radio, and express the hope for the continuation of this process, so as to meet the interest of mutual understanding among peoples and the aims set forth by this Conference.

Although the language is notably vague—undoubtedly by design—the phrase "expansion in dissemination of information" implies a reduction in Soviet jamming activities.

Whether that implication turns out to be another false hope or a reality remains to be seen. In any case, I believe it is essential to maintain the U.S. commitment to a freer flow of ideas and information between East and West. A unilateral curtailment of RFE or RL broadcasts at this stage would serve only to undermine that commitment and the long-standing U.S. position on this vital issue.

I have never, in fact, subscribed to the notion that these broadcast operations are inconsistent with the official U.S. policy of seeking "détente" with the Soviet Union. On the contrary, I feel that in long-range terms, the Radios contribute toward, rather than inhibit, the realization of this ultimate goal.

But if détente is to become a reality instead of a slogan, free communication and exchange of ideas ought to be a two-way street. Unfortunately, it is not.

We all know what can happen if a closed, totalitarian society—especially one armed with nuclear weapons—keeps such information from reaching the people of that society. The events of the 1930's and 1940's—leading up to World War II—are examples of the possible results. That is why the Eisenhower Commission pointed out that "a people uninformed or misinformed is a danger to itself and a potential danger to its neighbors. . . ."

Mr. Chairman, there has always been some confusion within this body about the role of Radio Free Europe and Radio Liberty—as distinct from other broadcast operations maintained by our Government. Although world news is one feature of their normal operations, RFE and RL focus attention on developments taking place within the Soviet Union and Eastern Europe. They provide detailed coverage of events which is denied to the people of these target areas by their own strictly controlled media. And it is important to recognize that this type of information we are talking about is not provided by any other facility—not by the Voice of America, nor by the BBC, nor Deutsche Welle, nor any other radio. This is one of the reasons why the continuance of RFE and RL has received the overwhelming endorsement of our Committee on International Relations.

Mr. Chairman, although section 1 of this bill is concerned exclusively with the activities of these two distinctive radio stations, I would like to make a few comments about the broader implications of U.S. international broadcasting.

For many years now, I have been calling attention to the need for a comprehensive review of all U.S. overseas broadcasting facilities and operations—not only in terms of their respective missions, but also in relationship with one another.

To date, as our committee report points out, there has been a notable lack of cooperation and coordination among U.S. overseas broadcasters. In addition to RFE and RL, these include the Voice of America—VOA; the Armed Forces Network—AFN; and Radio in the American Sector of Berlin—RIAS. Following the conclusion of World War II, each of

these various operations has developed independently of the others—leading to duplication of facilities and efforts and at times even to bureaucratic in-fighting. Each has operated on the general principle: Every agency for itself.

Apart from the urgent need to correct this situation for budgetary reasons alone, there are other considerations which make an across-the-board review of U.S. international broadcasting facilities a matter of high priority. Let me summarize a few of them:

First, there is the pending question of international frequency reallocations which is being taken up in Geneva this month at the second session of the regional administrative conference for low- and medium-frequency broadcasting. This conference, which is being sponsored by the International Telecommunication Union—ITU—has already reached general agreement on criteria for assigning radio frequencies to various government and commercial interests throughout Europe, Africa, and the Middle East.

The United States is not a participant in the ITU conference, and much will depend on the effectiveness of the West German—FRG—authorities in representing U.S. interests at the conference. In the meantime, pressures have been building up among European commercial broadcasters to have U.S. broadcasters—including the operations I have mentioned—move from LF/MF wave bands to shortwave.

In other words, it is too early to tell what frequencies will remain available to U.S. broadcasters as a consequence of the pending reallocation agreement—if such an agreement is concluded at all. What is clear, however, is that some important decisions may have to be made in the event that certain frequencies now assigned to the United States have to be relinquished. A set of priorities needs to be developed which will represent the overall interest of the United States as opposed to the parochial interests of the individual U.S. broadcasters. To date there has been an absence of policy direction in this regard.

Second, there are important unresolved organizational issues raised by the panel on international information, education, and cultural relations—known as the "Stanton Panel." As Members are aware, the report recently submitted by this panel recommends, in effect, the dismemberment of the U.S. Information Agency and the establishment of a separate Voice of America to be supervised by semi-independent board of overseers. Moreover, the general outlines of this proposal have subsequently been endorsed—with some minor modifications—by the so-called Murphy Commission on the organization of the government for the conduct of foreign policy.

In this connection, the Stanton Panel took note of the differing missions of VOA and RFE/RL and concluded that "successful programing of VOA requires total editorial separation from RFE/RL." For this reason, a decision was ultimately reached to recommend placing VOA under a separate board of overseers rather than under the presently existing Board for International Broadcasting. At the same time, it left open the possibility of an eventual merger of the two boards.

Admittedly, the Stanton Panel's recommendations remain highly controversial and to date the administration has given no indication that it is prepared to implement them.

They will, however, be subjected to an intensive review by the Congress in the months ahead. It is my hope, Mr. Chairman, that a major part of that review will focus upon the coordination and rationalization of all U.S. overseas broadcasting activities.

Finally, Mr. Chairman, there is the question which was raised by several members of our committee during this year's authorization hearings as to the possible expansion of U.S. broadcast operations to include other parts of the world—particularly in Asia. Under legislation currently in effect—the Board for International Broadcasting Act of 1973—the Board has no authority to move into this area. However, the Board's mandate could be extended by Congress to include such authority. In fact, suggestions were offered in committee that the BIB be authorized to conduct a technical feasibility study of possible U.S. broadcasting in Asia.

It was, however, the committee's consensus that such a move would be premature at this time. Instead, it was felt that certain basic policy decisions should be made to establish the terms of reference within which such a study might be carried out. I personally am very hopeful that our committee will take the lead in investigating this aspect of international broadcasting in which so much interest has already been generated.

Mr. Chairman, let me conclude these remarks by making some observations about the role and progress of the Board for International Broadcasting: The Board has only been in operation for about 1 year and spent a few months last year getting itself organized. There have been some important developments over the past year: The consolidation of the radios' headquarters in the United States and operating facilities in Munich is expected to be completed this fall; and there have been some significant staff reductions. As a result of this retrenchment program, certain long-range economies are anticipated.

On the other hand, it is apparent that the Board has a long way to go in fulfilling its oversight responsibilities. The committee's findings and recommendations in this regard are included in the committee's report, so I will not repeat them at this time. On balance, I feel the Board has made a good start and is on the right track. It merits our support, as well as our continuing attention and scrutiny.

Mr. Chairman, I have attempted to set forth the overall context in which I believe this legislation should be considered. Although this particular bill is limited in scope and jurisdiction—the implications are broad indeed. I think the time is at hand for a serious and comprehensive review of all U.S. broadcasting operations. It is a matter of the highest priority for our Government, our Nation, and our future influence in the international community.

Mr. GUDE. Mr. Chairman, once again I must oppose this bill, as I have done previously. In speaking against this proposal last July I stated that what was needed was an indication on the part of Turkey that it was willing to move on the Cyprus question. That indication did not exist then and it does not exist now, and in the continuing absence of it, I see no reasons to change my vote.

One reason there has been no movement on Turkey's part, I fear, has been the attitude of our own administration, which has continually been holding out straws for the Turks to grasp. Had the Secretary of State and the President last February—or even last November—told Turkey that Congress had made itself clear and that nothing further was to be done, I firmly believe we would have seen some flexibility on the part of the Turkish government. Instead the administration has taken the position of being the Turkish lobbyist on Capitol Hill, which has had the effect of regularly reassuring Turkey that the next vote will change the situation and if they will only hold out a little longer, they will win. Thus inspired, Turkey has held out, and the administration is blaming Congress for their intransigence. That the entire situation has been badly handled by the administration from the beginning is something that I doubt even proponents of this bill would deny. Unfortunately, this mishandling is going to leave a residue of bitterness in the Congress that may well spill over into other foreign policy issues.

Talk about who is at fault, however, does not help to solve the problem, as I pointed out in July. The important question to be answered is what action will lead to some movement on the Cyprus question. Parenthetically I would note that it is interesting that Cyprus has almost gotten lost in the debate over Turkey, our bases there and their significance, despite the fact that it is the central problem.

Despite anything the administration has said, there is not a shred of hard evidence to indicate lifting the embargo will produce any progress on Cyprus. Of course, one might argue logically that repeal of the embargo will produce a conciliatory act of reciprocation on the part of the Turks. One could also argue with equal logic, however, that a firm stand now might at least convince the Turkish Government of the depth of congressional commitment on this issue and persuade them to review their policy. In all honesty I have real doubts whether either action—or any action—will produce a short-term change in the situation at this point. The currently unpredictable state of Turkish politics itself militates against any major changes.

Rather than concern ourselves with this kind of negative assessment, however, we should instead be discussing what positive action can be taken to change the situation. Of particular interest in that regard is the amendment proposed by Mr. FASCELL, Mr. BRADEMAS, Mr. ROSENTHAL, Mr. SARBANES, and a number of other Members which would permit the shipment of the $185 million in arms contracted before February 5 if the President certified that significant

ress has been made on the Cyprus gee problem.

his amendment helps to refocus our ntion on what should be our primary cern—the situation in Cyprus, the t notable aspect of which is the ht of the refugees.

n addition, the amendment represents positive shift in the congressional posi- n which can help to unfreeze the sit- tion. No longer will the embargo be d strictly to Cyprus negotiations and e political situation; rather the em- asis will be shifted to refugee relief d, therefore, strictly humanitarian nsiderations. This injects an element flexibility into our position which ould make it much easier for the urkish Government to reciprocate ap- propriately. I believe this position con- titutes a sufficient degree of movement on our part and that it is appropriate once again to put the question to the Turkish Government as to whether it is really willing to enter into meaningful negotiations over Cyprus and the Cypriot refugees. I urge my colleagues to support this amendment.

Mr. WIRTH. Mr. Chairman, this issue has been the most difficult and complex issue for me since I have been in the Congress. I have talked to all parties to the issue, listened carefully to the debate, and tried to understand the merits of both sides. And clearly both sides do have merits.

Having gone through this, and wrestled with the issue for some time, and having spoken with many colleagues who have been through the same processes, I thought some of you might find my approach and analysis helpful. Thus my statement on the floor tonight.

When the issue of continuing the embargo on arms shipments to Turkey came before the Congress last July, I voted to maintain the embargo, but only after a long inner struggle in which I saw both sides of the argument with discomforting clarity. On the one hand, it seemed important to insist on the terms of the arms agreement, which specified that no American military aid may be used to invade an American ally. It also seemed important to put the administration on notice that Congress intended to stay in the business of setting foreign policy goals. And, while negotiations concerning the Cyprus situation were going on, it appeared that we might have leverage for pushing those to faster resolution.

But on the other hand, there were persuasive arguments brought forth concerning America's national security requirements. Turkey threatened to close down our intelligence-gathering outposts on her soil. Furthermore, it was argued that continuation of the embargo would embitter the Turks, strengthen the political hand of the radical left there, and perhaps weaken the NATO alliance.

In July, I determined that the Congress should make a point of insistence on both the treaty obligation and its own role in foreign policy. I believe that the points were made with sufficient force. Now we find ourselves in a slightly different situation. The Turks have made it clear that they will carry out their threat to close our installations, and indeed have already taken steps in that direction. Moreover, the Turkish elections are coming up soon and it seems desirable for us to foster a climate in which the forces of moderation can flourish.

Finally, negotiations concerning Cyprus broke down less than 1 month ago, suggesting that it is now necessary to separate the Cyprus situation completely from our strategic security interests in the eastern Mediterranean.

Therefore, on October 2, I cast my vote in favor of ending the embargo on arms shipments to Turkey.

Mrs. SCHROEDER. Mr. Chairman, the following column by Art Buchwald, titled "Roll, Jordan, Roll," discusses the absurd situation which now surrounds the Jordan Hawk missile sale. However, there are a number of comments included in this piece which are also very relevant to the question of whether arms sales should be resumed to Turkey at this time:

ROLL, JORDAN, ROLL

(By Art Buchwald)

WASHINGTON.—Washington went into a tailspin last week when King Hussein of Jordan refused to accept 532 Hawk surface-to-air missiles that the United States urged him to buy.

Hussein was angry because he said the United States had attached conditions to the sale. And Henry Kissinger was worried because Jordan could upset his Missiles for Peace game plan.

This is what was going on at the State Department during last week's crisis.

"Mr. Secretary, this cable just arrived from Jordan. Hussein is very upset because someone told him he could only use the Hawk missiles we're selling him for defensive purposes. He said he's never been so insulted in his life."

"Who told him he could only have them for defensive purposes?"

"I don't know, sir. Some damn fool who wasn't clued in on the big picture."

"Well, fire him. We can't have our State Department people telling foreign leaders when they can shoot our missiles in the air."

"Yes, sir."

"This is very serious. Do you realize if King Hussein refuses our missiles, then Israel could refuse them and then Egypt could become suspicious and would not buy any, followed by Saudi Arabia, Yemen and Abu Dhabi? My whole Middle East peace plan is based on everyone buying American missiles.

"Not to mention planes, tanks and spare parts. If we allow Hussein to get away without buying the Hawk missiles, it will upset the military balance in the area. How can we justify selling Israel so many missiles if Hussein doesn't take any?"

"You better get me King Hussein on the phone . . . Your Highness, Henry here . . . What do you mean he doesn't want to speak to me? . . . Tell him I'm sorry he feels insulted and that's what I'm calling about . . . Thank you . . . Ah, Your Highness, it's good to hear your voice . . . Now please, Your Highness, there's been a misunderstanding. . . . That's right, I told you you could have the Hawk missiles with no strings attached. . . . There aren't any strings attached . . . We have this stupid law passed by Congress that U.S. weapons can only be sold to countries who need them for defense . . . You know how they are. They don't want someone to start a war for no reason at all . . . Of course, I know you wouldn't start a war . . . Sure I trust you . . . We trust everyone in that area . . . Do you think we'd sell weapons to people we didn't trust? . . .

"Wait, wait . . . listen to me. All you have to do is promise us you won't use any of the Hawks offensively or transfer them to another country . . . it's just a formality. Do you think we're going to come into your country and say, 'Hussein, what did you do with the missiles?'

"Your Highness, have I ever lied to you? Once you buy them they're yours to do with as you like. You can shoot them all off on New Year's Eve for all we care . . . I know the Russians have offered to sell you SAM missiles, but they're no match to the Hawk. Our Hawks will give you twice the bang for the buck . . . It's in this month's Consumer Report . . .

"I'll tell you what. If you take the Hawks, we'll throw in $3 million worth of Red Eye shoulder-fired rockets and a brand-new $90 million Vulcan antiaircraft gun system . . . No, you don't have to accept any bribes from Lockheed or Northrop . . . We'll make this one a straight sale . . .

"I don't want to beg, Your Highness, but your acceptance of a multimillion-dollar arms deal from the United States means a lot to me . . . As a friend I'm asking you, please take them . . . You'll think it over? Thank you, thank you from the bottom of my heart . . . I don't know how I can ever repay you . . . Goodby."

The Secretary ends his conversation, and is asked by an aide: "Do you think he'll take them, sir?"

Secretary Kissinger answers, "He better—or we'll never have peace in our time."

Mr. Chairman, if Congress allows American weapons to be sold abroad and does not demand to know how they are used afterward—we will never have peace in our time. This Buchwald article may be a satire, but it is too close to reality to make me feel comfortable.

Mr. LAGOMARSINO. Mr. Chairman, we seem to have reached an impasse on this matter. The Turkish Government refuses to negotiate a settlement until we resume arms sale. We refuse to do so until there is progress in negotiations. In the meantime, as our colleagues have reminded us, many of the 200,000 refugees face another winter in tents.

What is the best way to resolve this dilemma? In the comfort of this Chamber, far from the arena on Cyprus, it is perhaps easy to say, "the law is the law, we won't budge." But there is more involved here than national pride or narrow legalities. We made the law, and we can change it. When Turkey broke our law, we invoked the appropriate sanction by stopping arms sales. Unfortunately, the ones who are bearing the punishment or the refugees.

Not our problem, you say? Perhaps not, if there is really nothing we can do about it. But as long as there is a chance to do something, even a slight chance, we should take the extra step, go the extra mile.

What do we risk by accepting this bill? Very little. If the Turks remain adamant, we can reimpose the embargo at any time, and in good conscience. But if this bill is the price of gaining the Turks' cooperation in saving 200,000 people, then we should pass it. It costs us nothing, but to the 200,000 refugees now huddled on Cyprus, it could be the key to freedom.

Mr. PRITCHARD. Mr. Chairman, the Turkish arms question has brought to the surface a variety of issues, dramatizing both the complexity of this specific problem as well as the pressures involved within the decisionmaking process of the Federal Government. On display have been the powerful leverage of ethnic pol-

itics in America; the internal struggle for congressional leadership; the vital question as to the proper role of Congress in foreign affairs; the relationship between Congress and the Executive; and the impact of the public in communicating with and influencing their elected officials.

As is frequently the case, the actual details of the Cyprus tragedy and the events surrounding the embargo decision have all but been obscured by political rhetoric and maneuvering on Capitol Hill, and the emotional excesses of involved interest groups.

In brief, all military aid to Turkey was suspended effective February 5, 1975, as a result of action taken by the Congress on December 18, 1974. It was the view of the Congress at that time that the Turkish occupation of Cyprus in July 1974, violated sections of the Foreign Assistance Act and Foreign Military Sales Act; namely, that Turkey had used U.S. supplied military aid for aggressive—rather than defensive—purposes.

Turkey justified its invasion on the basis that the Greek-inspired coup against the legitimate government of Cyprus on July 15, 1974, required Turkish intervention under article 3 of the 1959 Treaty of Guarantee, designed to uphold the independence of Cyprus.

The embargo decision by Congress aroused passionate responses from the administration, which opposed the action, and from the Greek-American community which not only supported the arms ban, but wanted to make certain that Congress did not reverse itself under pressure from the President. When it became known a few months ago that both the Senate and House would reconsider the embargo, thousands of letters, telegrams, and petitions poured into Capitol Hill, urging Congress to hold firm.

In May of this year, the Senate voted 41 to 40 to lift the embargo. On July 24, the House rejected the same measure 206 to 223.

Because of the high level of emotional intensity revolving around this issue, rational debate has been difficult. Proponents of lifting the arms ban have muddied the waters as effectively as their opponents, with both sides often using the same arguments to advance their positions.

I am voting to lift the embargo not as a vote of confidence in Secretary Kissinger or our previous policies and efforts in this area; not to rally behind the President on a controversial issue; not as a vote against Greece; nor because I have reversed my position on reasons for the original embargo resolution.

I am voting to lift the embargo, because the 8-month ban has clearly established to the world that the United States is willing and able to enforce its own laws—and nations are now put on notice. The time has come to move on. An end to the embargo would be a positive step toward encouraging Turkey to begin substantive negotiations on a Cyprus settlement; it would keep Turkey militarily prepared and thus shore up NATO's eastern flank; it would keep our bases in Turkey available in case of another Middle East conflict; and it would keep our intelligence facilities open and operating, facilities which are vital to our overall national security interests.

With the Communist election in Italy, political chaos in Portugal, unrest in Spain, and Greece and Turkey now at each other's throats, NATO's strength and influence in the Mediterranean has been severely limited.

Although an agreement between Egypt and Israel on the Sinai now looks promising, should another war break out, the United States, deprived of landing facilities through the Mediterranean, would be hard pressed to supply Israel.

On the brighter side, negotiations are underway to reach a settlement on Cyprus, though the issues are many and highly complex. Turkey has moved slowly in taking retaliatory action against the United States. The Turkish Government has suspended operations at four U.S. intelligence installations and at one navigational site, but U.S. military personnel remain in the country and relations are generally better than would be anticipated. There is, however, severe political pressure on the Turkish Government for the removal of all American bases and for prohibition of nuclear weapons and facilities.

It would serve us all well if this debate could be devoted to the real issues and to what is best for our national interests. Both Greece and Turkey are important allies, and we should be actively encouraging closer cooperation and mutual harmony—not seeking to add additional strain to an already potentially perilous situation.

Mr. BENNETT. Mr. Chairman, I opposed this bill last time it was here on the grounds that it approved the sale of U.S. arms to Turkey, even if they be used in wars of aggression. The State Department officials who have talked to me on this matter have tried to reassure me that the legislation would not allow U.S. arms to go in aggressive warfare uses. I am still not convinced that this measure would not allow such use of U.S. furnished arms, particularly those purchased through commercial channels. It is for this reason that I will vote against this bill again on final passage.

Mrs. HECKLER of Massachusetts. Mr. Chairman, I have voted in favor of maintaining the arms embargo on Turkey eight or nine times in this Congress. My great feeling of moral indignation that Turkey would use arms shipped from the United States to invade Cyprus and violate the Foreign Military Sales Act combined with my warm feeling of sympathy toward the Greek position on this issue prompted my earlier votes. I felt that it was our obligation as leader of the free world to bring all possible pressure to bear on Turkey to resolve the suffering of the Greek Cypriot refugees. I so voted despite the very serious implications for our intelligence capabilities—which affect not only our own security, but that of Greece and other NATO allies as well.

Since the Congress took that position, we have seen, sadly, that the arms embargo has had no effect on Turkey's treatment of the refugees. At the same time, the United States has been deprived of its best intelligence sources, because of the shortsighted, stubborn reaction of the Turkish Government.

So at this point, our policy on arms sales to Turkey has failed to help the refugees at all. I suspect that the Turks' ill-considered pride prevents them from being reasonable. Nevertheless, the embargo has not achieved its purpose.

The time has come then for us to change our strategy, but not our hearts. Much as it displeases me to permit the arms shipment to be made, I must also recognize that there is now no point in stopping them. We are hamstringing the security of the NATO alliance without any hope of changing the Turkish position.

Therefore, in a series of votes today on this important question, I am voting to try another approach—the path of Presidential persuasion. I am voting to give this strategy a full opportunity to be effective for a limited period of time and for a limited number of sales. Therefore, I will not support any weakening amendments; during this trial period, I will not vote to tie the President's hands but rather mandate that he should use his influence to win a settlement just as our Secretary of State has won a settlement of the dispute between Israel and Egypt. And just as we have friendly relations with Israel and Egypt, ultimately we can have friendship with Greece and Turkey. But this friendship cannot be built on the broken hearts and broken lives of Greek Cypriots. I am giving the Turkish Government the chance to change its dilatory and regressive policies and hope they will see the justice of settling the desperate human problems of the Cypriot refugees, thereby regaining the respect and friendship of the world community.

Mr. GOLDWATER. Mr. Chairman, I rise in support of the bill, S. 2230, authorizing appropriations for the Board for International Broadcasting which contains provisions enabling a partial lifting of the embargo on arms shipments to Turkey. The Turkey aid provisions will restore some balance and sense to our military aid policy toward Turkey without undermining our support for Greece or our efforts to obtain a peaceful and fair resolution of the situation on Cyprus.

In September of last year, I voted to stop all military aid to Turkey. I did so because of their military invasion of Cyprus. I felt that the assurances of the Committee on International Relations, to the effect that such an American move would result in serious negotiations and a speedy resolution of the problem, were accurate.

One year later, we know that the exact opposite result was achieved. The embargo was immediately followed by a termination of all negotiations. Yes, there have been discussions between the parties but there have been no substantive gains or results. Further, U.S. congressional action has seriously impaired the NATO alliance. Turkey has relaxed its surveillance of the Soviet naval passages through the Bohphorous Straits and the Sea of Marmara. They have allowed Soviet use of Turkish airspace, to the harm of our peace efforts in the Middle East. And, they have begun the ter-

mination of our military base agreements inside the country. NATO has been and should continue to be a major stabilizing influence in the area but it certainly will not be if the situation continues to deteriorate. And, it should not be forgotten that Greece is now surrounded by less than friendly neighbors. Simply put, America cannot help Greece much if our only friendly reception and influence is in Athens. Greece could become as isolated and beleaguered as free Berlin if the current situation is not corrected.

As has been pointed out, in a letter to all Members from Congressmen BROOMFIELD and MORGAN, there is no substance to the allegations that action by the Congress at this time will influence the upcoming Turkish senatorial elections and that this proposed lifting of the embargo violates a basic rule of law. Turkish sentiment over the American embargo is not a partisan issue in Turkey. All political sides agree in their condemnation of it. Further, the embargo affected all forms of military aid to Turkey. It applied to forms of aid not connected to the NATO support we provide and it affected direct cash military sales already completed but for which delivery had not yet been accomplished.

This bill lifts the embargo on those transactions already concluded but for which there has been no delivery. And, it would permit the resumption of direct commercial sales. Period. It does no more. The use of NATO equipment against a NATO ally cannot be tolerated. This bill does not affect the embargo on NATO aid.

In voicing my support for this bill, I think it should be clearly understood that my vote in no way represents a change in my continuing support for the nation of Greece or her citizens' rights on Cyprus. My concern for them is not in conflict with my impending vote. America must set an example of balance, responsibility and fairness. We must, if a positive resolution of the Cyprus question is to be achieved, have the courage to set that example. This bill is the opportunity. Let us get on with it and stop fooling ourselves and hurting our friends.

Mr. FASCELL. Mr. Chairman, we have no further requests for time.

Mr. MORGAN. Mr. Chairman, we have no further requests for time.

Mr. BROOMFIELD. Mr. Chairman, I have no further requests for time.

Mr. SHARP. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present. The call will be taken by electronic device.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 578]

AuCoin	Esch	Mitchell, Md.
Badillo	Eshleman	Murphy, N.Y.
Biaggi	Evins, Tenn.	O'Neill
Bolling	Fary	Pike
Brown, Ohio	Foley	Ruppe
Burke, Calif.	Giaimo	St Germain
Clay	Hébert	Sisk
Cochran	Jarman	Staggers
Conyers	McKinney	Teague
Diggs	Macdonald	Udall
Dingell	Mathis	Van Deerlin
Drinan	Metcalfe	Wilson, C. H.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. NATCHER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the Senate bill S. 2230, and finding itself without a quorum, he had directed the Members to record their presence by electronic device, whereupon 397 Members recorded their presence, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 8(a) of the Board for International Broadcasting Act of 1973 (22 U.S.C. 2877(a)) is amended—

(1) by striking out $49,990,000 for fiscal year 1975, of which not less than $75,000 shall be available solely to initiate broadcasts in the Estonian language and not less than $75,000 shall be available solely to initiate broadcasts in the Latvian language" in the first sentence and inserting in lieu thereof "$65,640,000 for fiscal year 1976"; and

(2) by striking out "fiscal year 1975" in the second sentence and inserting in lieu thereof "fiscal year 1976".

Mr. SIKES. Mr. Chairman, I move to strike the last word.

Mr. Chairman, this bill should be passed without amendment.

Today, one paramount fact stands out. The Turkish arms embargo has prevented any effective steps to provide a solution to the Cyprus problems. That problem is not going to be resolved in any way as long as the embargo is in effect. We are not going to engage in a war over Cyprus, and everyone knows it. The only solution is negotiation. By refusing to lift the embargo we have, in fact, hardened the Turkish attitude. All the sound and fury from Congress has not taken a single Turkish soldier out of Cyprus.

Greece is not going to recover a substantial presence in Cyprus by engaging in war. Cyprus is 40 miles from Turkey and 400 miles from Greece. The Turks outnumber the Greeks 3 to 1 in population. War does not offer a solution with hope for success for Greece. America has to regain a measure of confidence by the Turks, if we are to be in position to help resolve the Cyprus problem. Failure to pass this resolution can seal the doom of Greek hopes for Cyprus.

I do not know when, if ever, we can restore the warm and cordial relations that formerly existed between our countries. Our relations with Turkey have reached a very low level as a result of the embargo. They will not be improved until the embargo is lifted. The Turkish Government wants to work with our Government and a lifting of the embargo will open doors for discussions and negotiations which are not now possible.

Cyprus is important, but there is much more to be considered. The United States-Turkey strategic relationship is highly important. Turkish geopolitical consideration, the control of the straits, the fact that Turkey holds critical territory immediately on the Russian southern flank cannot be overlooked. The intelligence which we receive from U.S. bases in Turkey is the most valuable that is available to us. We no longer receive that intelligence. We have not been able to substitute any effective and reliable sources despite very diligent efforts.

Turkey has the second largest army in NATO with historic proven fighting capacity. Turkey offers direct access to the Arab world and to the Mediterranean. They can make a deal with Turkey tomorrow if they choose—and plenty of weapons assured. The United States-Turkish military partnership and Turkish commitment to NATO are essential to the southern flank of NATO. It helps to offset adverse developments in Portugal, Italy and Greece.

The attitude of Greece toward NATO and toward U.S. military installations has already damaged our position and NATO's position there, but we continue to send supplies to Greece.

Now, let me state again, that the interest of Greece will be disserved by the continuing deterioration of United States-Turkish relations. Greece and Turkey both are important friends to the United States. The interest of Greece and their position in Cyprus will be advanced if the United States-Turkish relationship remains intact.

There has been talk today about the "Terrible Turks." I recall that the Turks were among the few nations with an effective fighting force on our side in Korea. I recall, too, that American history is not without its examples of atrocity. Wounded Knee is only one story of wholesale massacre of helpless Indians by American forces. Let us not try to becloud the issue.

Following World War I, the Turks developed a new concept under the strong leadership of Ataturk—Mustafa Kemal—of national responsibility and progress. They have accepted an important and leading role on the part of the free world. This has been demonstrated more and more in recent years. Their national pride has been deeply offended by the attitude of the Congress. I recognize the warm and close friendship of the American people for the Greeks. Greek Americans have played a progressive and constructive part in many American communities. They are good citizens and their interests have been a particular concern to Congress. This has been the reason for the votes against Turkey. To me, it is obvious that aggravating our relations with Turkey, as this embargo does, simply makes it more difficult to help Greece, to help Cyprus, to help our friends at home.

Mr. JOHN L. BURTON. Mr. Chairman, I move to strike the last word.

Mr. Chairman, since the last vote on this issue, certain things have happened which the distinguished gentleman from Florida mentioned, and lo and behold, the world has not come to an end. I do not see this great, strong Nation of ours imperiled as a result of Congress adhering to the laws of this Nation.

We were told by the Undersecretary of State that there is a very important election coming up in Turkey, and if Congress does not act to ignore our own laws and lift the arms embargo, that this will become an issue in the Turkish election and that the incumbent government will take steps to guarantee that it remains in power. Just 2 weeks ago, they took steps

that would guarantee that they would remain in power by authorizing the doubling of opium production in the opium-producing sections of that nation, where there is a large voting bloc, and the main issue is the production of opium.

I would say that they have taken what would seem to me to be one of the gravest political steps in order to substantiate domestic support for their incumbent regime.

What the gentleman from Florida neglected to talk about are people, we talk about Turkey, we talk about NATO, we talk about Russia and we talk about military power, but we have lost sight of what the issue is. The issue is the refugees, these homeless people on the Island of Cyprus. The initial arms embargo merely stated that if the President of these United States certified to the Congress that there were good faith efforts made to resolve the problems of these human beings, that the arms embargo would be lifted. That is what the issue still remains today, at least in the mind of this Member of Congress, the laws of this country and the plight of these human beings. To let these human beings suffer because of geopolitical or realpolitick type of a situation does not make any sense.

Again, the gentleman from Florida said that the Turks, if they wanted to, could get all the arms they wanted from the Soviet Union. If they are so inclined to start getting arms from the Soviet Union, why are we so concerned that they are going to be our last bastion of defense? I asked Secretary Schlesinger, "Is this Nation really so incapable of defending itself on the bottom line or the whole card or the five-card stud held by the Government of Turkey, that we are dependent upon their whim and caprice as to whether or not we will be able to maintain a sound defense?"

He could not answer that, so I do not think it is fair to say that the defense of this Nation lies in the hands of Turkey. It lies in the will and determination of the people of this country to have faith in our institutions, in the Congress of the United States as an institution. If we do not obey our own laws, how can the people have faith in us? That is the strength of this country.

So, I would submit that the amendment that will be offered, which is an initiative to help resolve this impasse, which will move us forward, takes into consideration the political considerations of Turkey.

It also keeps in focus the human considerations of thousands upon thousands of people who have been made homeless, and the whole thrust of this legislation is to try to resolve the problems of those refugees.

Mr. Chairman, I would urge very strongly, in the interest of moving forward, that we adopt the amendment that will provide for the release of the arms already contracted for by the Turkish Government merely upon the certification of our President that they have made substantial progress in solving the problems of the refugees.

Again, so far as the Turkish Government reaching out for issues to stay in office, they have already allowed the doubling of opium production that is going to find its way back into this country, that is going to find its way into our ports, into the States of our land, and I think they have made their appeal to their people to stay in office.

Mr. Chairman, I would definitely urge the adoption of the amendment that will be offered.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 2. (a)(1) The Congress reaffirms the policy of the United States to seek to improve and harmonize relations among the allies of the United States and between the United States and its allies, in the interest of mutual defense and national security. In particular, the Congress recognizes the special contribution to the North Atlantic Alliance of Greece and Turkey by virtue of their geographic position on the southeastern flank of Europe and is prepared to assist in the modernization and strengthening of their respective armed forces.

(2) The Congress further reaffirms the policy of the United States to alleviate the suffering of refugees and other victims of armed conflict and to foster and promote international efforts to ameliorate the conditions which prevent such persons from resuming normal and productive lives. The Congress, therefore, calls upon the President to encourage and to cooperate in the implementation of multilateral programs, under the auspices of the Secretary General of the United Nations, the United Nations High Commissioner for Refugees, or other appropriate international agencies, for the relief of and assistance to refugees and other persons disadvantaged by the hostilities on Cyprus pending a final settlement of the Cyprus refugee situation in the spirit of Security Council Resolution 361.

(b)(1) In order that the purposes of this Act may be carried out without awaiting the enactment of foreign assistance legislation for fiscal year 1976 programs—

(A) the President is authorized, notwithstanding section 620 of the Foreign Assistance Act of 1961, to furnish to the Government of Turkey those defense articles and defense services with respect to which contracts of sale were signed under section 21 or section 22 of the Foreign Military Sales Act on or before February 5, 1975, and to issue licenses for the transportation to the Government of Turkey of arms, ammunition, and implements of war (including technical data relating thereto): *Provided*, That such authorization shall be effective only while Turkey shall observe the cease-fire and shall neither increase its forces on Cyprus nor transfer to Cyprus any United States supplied implements of war: *Provided further*, That the authorities contained in this section shall not become effective unless and until the President determines and certifies to the Congress that the furnishing of defense articles and defense services, and the issuance of licenses for the transportation of implements of war, arms and ammunition under this section are important to the national security interests of the United States; and

(B) the President is requested to initiate discussions with the Government of Greece to determine the most urgent needs of Greece for economic and military assistance.

(2) The President is directed to submit to the Speaker of the House of Representatives and to the Foreign Relations and Appropriations Committees of the Senate within sixty days after the enactment of this Act a report on discussions conducted under subsection (b)(1)(B), together with his recommendations for economic and military assistance to Greece for the fiscal year 1976.

(c)(1) Section 620(x) of the Foreign Assistance Act of 1961 is amended by striking out all after the word *"Provided,"* and inserting in lieu thereof the following: "That the President is authorized to suspend the provisions of this section and of section 3(c) of the Foreign Military Sales Act only with respect to sales, credits, and guaranties under the Foreign Military Sales Act, as amended, for the procurement of such defense articles and defense services as the President determines and certifies to the Congress are necessary in order to enable Turkey to fulfill her defense responsibilities as a member of the North Atlantic Treaty Organization. Any such suspension shall be effective only while Turkey shall observe the cease-fire and shall neither increase its forces on Cyprus nor transfer to Cyprus any United States supplied arms, ammunition, and implements of war.".

(2) Section 620(x) of the Foreign Assistance Act of 1961 is further amended by designating the present subsection as paragraph (1) and by adding at the end thereof the following new paragraph:

"(2) The President shall submit to the Congress within sixty days after the enactment of this paragraph, and at the end of each succeeding sixty-day period, a report on progress made during such period toward the conclusion of a negotiated solution of the Cyprus conflict.".

(3) Nothing in this section shall be construed as authorizing (A) military assistance to Turkey under chapter 2 of part II of the Foreign Assistance Act of 1961, or (B) sales, credits, or guaranties to or on behalf of Turkey under the Foreign Military Sales Act for the procurement of defense articles or defense services not determined by the President to be needed for the fulfillment of Turkey's North Atlantic Treaty Organization responsibilities.

(4) Pursuant to the provisions of this section, in the case of any letter of offer to sell any defense article or defense service pursuant to the Foreign Military Sales Act for $25,000,000 or more, the President shall submit to the Speaker of the House of Representatives and to the chairman of the Committee on Foreign Relations of the Senate a statement containing (A) a brief description of the defense article or defense service to be offered, (B) the dollar amount of the proposed sale, (C) the United States armed force which is making the sale, and (D) the date on which any letter of offer to sell is to be issued. The letter of offer shall not be issued if the Congress, within twenty calendar days after receiving any such statement, adopts a concurrent resolution stating in effect that it objects to such proposed sale.

(5) This subsection shall become effective only upon enactment of foreign assistance legislation authorizing sales, credits, and guaranties under the Foreign Military Sales Act for fiscal year 1976.

Mr. MORGAN (during the reading). Mr. Chairman, I ask unanimous consent that the Senate bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

AMENDMENT OFFERED BY MR. FASCELL

Mr. FASCELL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FASCELL: Page 3, line 6, strike out "(1)"; in line 15, strike out "and to issue licenses" and all that follows thereafter through "thereto)" in line 18 and insert in lieu thereof "if the President determines and certifies to the Congress that significant progress has been made with respect to the refugee problem on Cyprus"; on page 4, line 1, strike out ", and the issuance of licenses" and all that follows there-

after through "ammunition" in line 2; and on page 4, strike out line 9 and all that follows thereafter through line 16 on page 6.

Mr. FASCELL. Mr. Chairman, I have introduced this amendment on behalf of the gentleman from New York (Mr. ROSENTHAL), the gentleman from Indiana (Mr. BRADEMAS), the gentleman from Maryland (Mr. SARBANES), myself, and several others.

Mr. BRADEMAS. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I yield to the gentleman from Indiana.

Mr. BRADEMAS. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from Florida (Mr. FASCELL), on behalf of himself, Mr. ROSENTHAL, Mr. SARBANES, and me.

I believe the amendment represents a constructive initiative that has merit on several crucial counts:

First. By providing that no arms can go to Turkey until the President can certify to Congress that significant progress has been made on the refugee problem on Cyprus, the amendment adhere to a fundamental principle of our foreign policy, contained in two of our laws, that arms supplied by the United States must not be used for aggressive purposes.

Second. By making clear that no arms will in any event be provided unless there has been significant progress; that is to say, action, on the refugee problem on Cyprus, the amendment represents, unlike the bill, a genuine quid pro quo.

The bill, S. 2230, does not meet this test. It simply provides a resumption of arms to Turkey—the arms contracted for prior to February 5, 1975; commercial sales of arms; and government-to-government sales of arms without any action required of Turkey whatsoever to act on Cyprus to remedy the consequences of its actions of August 14, 1974, which caused the refugee problem.

Another reason that I think the amendment offered by Mr. FASCELL, Mr. ROSENTHAL, Mr. SARBANES, and me merits the support of this committee is that it focuses on the tragic humanitarian problem of the refugees.

And this, Mr. Chairman, is a problem to which those of us who have been deeply concerned with the problem of Cyprus have been calling attention for many months now.

I am confident that there should be no dispute that the Government of the United States should do everything possible to encourage relief for the nearly one-third of the population of Cyprus made homeless as a consequence of the wrongful use of American arms.

By requiring as a condition of a restoration of a limited amount of American aid to Turkey that the President determine and certify to Congress that significant progress has been made on the refugee problem on Cyprus, Congress would express what I am sure would be the will of the American people on this problem.

I would also point out that the amount of arms authorized to be provided under the amendment would be limited and, therefore, I would hope and expect that there would be substantial inducement on the part of the Government of Turkey to make the significant progress on refugees essential to the release of even these limited arms.

Finally, Mr. Chairman, I would note that the amendment proposed by Mr. FASCELL and us maintains the fundamental principle of our foreign policy, a sound principle at a time when the United States is selling an estimated $9 billion annually in arms, that arms supplied by the United States must not be used for aggressive purposes.

Fidelity to the law, resumption of limited arms to Turkey, emphasis on the humanitarian problem of the refugees, a genuine quid pro quo, a hope for a beginning of the effort needed to resolve the impasse on Cyprus and in the Eastern Mediterranean—all these, Mr. Chairman, are the advantages of the amendment being offered by Mr. FASCELL.

And I hope that members of the committee, on both sides of the aisle, will give it their overwhelming support.

Ms. ABZUG. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I yield to the gentlewoman from New York.

Ms. ABZUG. Mr. Chairman, I would like to reiterate the view that I, of course, share with most of the Members, if not all the Members of this House, and that is our desire to see something done about the deplorable plight of the refugees on Cyprus. Clearly, of all the terrible things involved in this dispute, the plight of the refugees is the most terrible.

The question I want to ask the Members who offer the amendment is this: Is there any indication since our last vote that should we support this amendment there will be some movement with respect to the refugees?

The CHAIRMAN. The time of the gentleman from Florida (Mr. FASCELL) has expired.

Mr. HAYS of Ohio. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

(By unanimous consent, Mr. HAYS of Ohio was allowed to proceed for 3 additional minutes.)

The CHAIRMAN. The Chair recognizes the gentleman from Ohio (Mr. HAYS) for 8 minutes.

Mr. HAYS of Ohio. Mr. Chairman, when you can defeat something you are against, you meet it head on; when you realize you cannot, then you try some other tactic.

In my judgment, this amendment is a "sleeper" which is intended to gut the bill without too much visible blood. Let me tell the Members what this amendment does.

I have heard a lot of speeches about turning our foreign policy over to this, that, and the other one. This amendment turns the whole question of whether there is progress on the problem of the refugees—and we all want to see that problem resolved—over to one man, Archbishop Makarios.

Now, if you have ever seen Archbishop Makarios—and I have—and if you have ever talked to him—and I have—you would not turn over 50 cents in your bank account to him, let alone the decision about whether or not we are going to have good relations with Turkey.

We had negotiations going with Mr. Clerides, who was Acting President of Cyprus, and Mr. Denktash was negotiating for Turkey. The minute the Archbishop was put on the island, the whole thing stopped dead-still, and that is where it has been ever since.

If we want to get things back on track and to get some negotiations started, then we should defeat this amendment, because if this amendment goes into the bill, we might as well not have any bill.

I just came back from Copenhagen where I had the honor to preside over the North Atlantic Assembly, which is a meeting of the NATO parliamentarians. There were members there from every NATO country, all 15 of them. There were Greeks, there were Turks, there were Dutch, there were Germans, everybody in NATO.

The following resolution was passed by that Assembly. It was presented by a Dutch socialist, a man on the left of the Socialist Party.

It reads as follows:

Concerned at the present situation in the Eastern Mediterranean and the continuing friction between Greece and Turkey;

Recognising that as both Greece and Turkey are closely involved with, and committed to, events in Cyprus any lasting reconciliation between the two countries must be preceded by a mutually acceptable solution on the island;

Appreciating the genuine concern of many United States Congressional figures that United States arms should not be used in an offensive fashion by one NATO ally against another;

Believing, nevertheless, that the United States embargo has introduced an external factor into Greek-Turkish relations that has served to distract and complicate existing differences, and represents a very real constraint on progress towards a settlement;

Urges the United States Congress to immediately lift the present arms embargo on Turkey.

What happened when that resolution was presented? There were 176 Members there. There was a little bit of debate. There was no animosity. There were no fiery speeches.

If I remember correctly, one Greek mildly said that he would like to see it changed a little bit. Another one got up and said, "We are not going to vote for it because we cannot go home and explain to our constituents, as Greeks, why we advocate giving arms or selling arms to Turkey, but we are not going to fight it."

Mr. Chairman, the resolution passed, I think unanimously, aside from that. One or two members of our delegation were not present and they might have voted against it. I had nothing to do with their not being present. They were not kidnapped or anything, but this resolution is what everybody there thinks we ought to do.

Mr. Chairman, the Europeans are concerned. I want to tell the Members that there was every spectrum of the political horizon involved, from extreme left to extreme right. There were Socialists. There were people to the left of the Socialists. There were Center Party people

there. There were Christian Democrats there. You name it; they were there. They just think that until we lift the embargo, no progress is going to be made.

What are the facts? I talked very plainly. I made one of the opening speeches of the Assembly, and I talked very plainly to the delegates. I pointed out that as president of the Assembly and as a Member of Congress, I was going to try to get the embargo lifted.

I also pointed out that the relations between Greece and the United States are not as good as I would like, but I said: "Let me counsel the Greek people to remember that in 1971 I sponsored a measure, which the Congress passed by a wide margin, to prohibit military sales to the junta in Greece, and it was against the will of the Congress that former President Nixon used the escape clause to continue military sales to that Greek Government."

Some of the Greeks said that there is anti-American sentiment in Greece because of U.S. support of the junta, but the Congress did not do that, and the Congress did not want it done. The repressive junta caused its own downfall by its very invasion of Cyprus with American arms.

I realize the Turks went too far, and I said so. I said further, in my speech, and I do not find it right here, but I will paraphrase it, I said if this embargo is lifted by the United States of America I expect and believe that the Turkish Government will enter into substantial negotiations toward settling the Cyprus problem.

That is putting it about as badly as you can. And I was not dealing with any ethnic groups, I was dealing with the real people from the real countries. And I might add that I was nominated for reelection as president of that body and I got every vote there, all the Greeks, all the Turks and all the rest.

So I do not think we are going to make anybody too upset in Europe if we do this. In fact I think this is what they want because they are realistic enough to know that the Turks, being a proud people, are not going to negotiate as long as they feel they have been humiliated.

Let me tell the Members a little bit about the political facts of Turkey. There is an election going on there. I do not understand how some of my friends can oppose this because what we are doing if we succeed in defeating this bill is helping the return to power of Mr. Ecevit. He is the one who caused the invasion in the first place and then caused it to go further. We will be playing right into his hands.

I have met him. I have talked to him. I do not dislike him but I will tell you one thing, if he goes back into power in Turkey then you can kiss it goodby, they will take 40 percent of the island of Cyprus and the ball game is going to be over. I do not know what Mr. Demirel will do. He has not made any commitment to me but I have found him to be a reasonable man and I know him to be pro-American. I know that if he had followed Turkish public opinion he would have thrown the American troops on those bases into the Black Sea and said you can swim home, because they were hurt by this action of ours, but he did not do so.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent Mr. HAYS of Ohio was allowed to proceed for 2 additional minutes.)

Mr. HAYS of Ohio. He closed the bases there but our people are still there. One of my close friends has a son who is a major who is at one of those bases. I talked to him on the telephone. He said, "Well, things around here aren't quite as good for us as they were, but we are still here. We aren't being mistreated. Nobody has thrown any rocks at us." And he said, "I hope to God you and the Congress can get it settled because we need to get this base reactivated. We need to get the radar running again. We need to know what is going on at the Russian military sites."

Finally, what is the bottom line? This is really a temporary thing. If progress is not made then the Congress can be the judge. This may be some time in December when we bring out the military sales bill. If there has been no progress made I will be the first to say so.

I have already told the Turks that I expect progress from them. I told them so publicly and I told them so privately and I will, if necessary, go to Ankara and tell Mr. Demirel again. I do not want to make that trip because it is a long way to go. But I say to you unless we pass this legislation and unless we reject this amendment that the situation is not going to get better, it is going to get worse.

Mr. MADDEN. Mr. Chairman, I move to strike the requisite number of words.

(By unanimous consent, Mr. MADDEN was allowed to proceed for 3 additional minutes.)

The CHAIRMAN. The gentleman from Indiana is recognized for 8 minutes.)

Mr. MADDEN. Mr. Chairman, today is certainly an eventful day on the floor of the House of Representatives. The House is again pressured into debating a bill ostensibly reading from its title and I quote:

An act to promote improved relations between the United States, Greece, and Turkey, to assist in the solution of the refugee problem on Cyprus, and to otherwise strengthen the North Atlantic Alliance.

Also included in the bill described as a companion piece of legislation is a bill to authorize appropriations for the Board for International Broadcasting for fiscal year 1976.

The Turkey relief part of the bill is highly familiar to the Members because on July 24 of this year the House rejected a similar bill by a vote of 223 to 206. This rejected bill was sent over to the Senate where it remained dormant until the late afternoon of July 31 when word came to the House floor about 6 p.m. that the Senate had hurriedly passed by a vote of 47 to 46 the almost identical Turkey relief bill with an attached bill as an appendage or amendment to the above mentioned appropriation for the Board of International Broadcasting for the fiscal year 1975. The Turkish bill and the broadcasting bill are completely unrelated, unconnected, and totally nongermane to each other.

Evidently the only reason for the joining of these two pieces of legislation was the thought that the broadcasting bill would be enacted without serious opposition and it would carry along on its rear end the already House rejected bill for Turkish aid and relief on armaments and so forth.

Unfortunately, the House was in an adjournment turmoil when the bill arrived to the Speaker's desk and the Turkish legislative proponents immediately insisted on ignoring the Committee on International Affairs and demanded that the Rules Committee meet and grant a rule so that this legislation could be taken up immediately for debate and passed in the remaining hours of the session.

At that particular time approximately one-fourth of the Members of the House had already left the city for the month's recess. The unfortunate activity and arm twisting that took place by the proponents of the Turkish bill to rush this legislation through regardless of the recognized parliamentary procedure and rules was astounding. I, as chairman of the Rules Committee, refused to call the Rules Committees together at that late hour and participate in an unparliamentary slight of hand trick procedure. I did promise to call the Rules Committee together after we reconvened in early September when the International Affairs Committee could properly take testimony and report the bill out the proponents of the bill relented.

Today, we have on the floor of the House a repetition of what the Congress has gone through pertaining to the so-called Turkish armament contract agreement, the embargo legislation and other Turkish-United States relations including the unfortunate violation by Turkey of the opium poppy contract agreement. The pending bill with its dual request to consider legislation appropriating millions for International Broadcasting and lifting the Presidential embargo on Turkish military aid violates all the regular rules and policies of legislative procedure in the House of Representatives.

Eliminating all the other controversial aspects on the Turkish embargo legislation H.R. 2230 should be defeated on the floor of the House for the illicit and undercover efforts being made to pass the Turkish embargo legislation under the pretense and the desire of many Members to support appropriation for the Board for International Broadcasting for fiscal year 1976.

Late in the evening of July 31 several hours were taken up where Members were interested in other legislation on the agenda and I asked the House—but no answer was forthcoming—why the Senate delayed in sending the Turkish embargo bill back to the House after it remained dormant for approximately 1 week. Its passage by a 1-vote margin revealed that there must have been terrific arm twisting to get the bill back to

the House before the people back home had an opportunity to give expression on our policy of aiding and extending relief to a nation which over the years has had an unbroken record of aggression, broken treaties, disregard of contracts and so forth.

As chairman of the Rules Committee I received much publicity by rejecting the unparliamentary trick of the leaders of the Turkish legislation and as a result have received an avalanche of mail from all sections of the Nation on this so-called Turkish embargo legislation. Easily, 80 percent of the mail which I received was highly critical and positively opposed to any further shipping of arms to Turkey or dealing with a country which possesses such a record of aggression and international unreliability, not only in recent years but over the centuries.

The Turkish nation has not been reciprocal or appreciative to the United States for the economic help it has been extending over the years. On July 3, 1974, a year and 3 months ago the following paragraph appeared in a Baltimore Sun news article dealing with the breaking of the opium agreement by Turkey plus the armament agreement not to use American armament for war aggression on neighboring nations. The article ended with this comment:

The U.S. has given substantial amount of aid to Turkey under regular military and economic assistance programs, and some American congressmen have suggested this aid might be withdrawn should Ankara defy American feelings on the opium issue.

The U.S. has given Turkey $3 billion in military aid and another $3 billion in economic aid since 1948. The administration has requested from Congress $23 million for economic assistance for fiscal 1975, $90 million in military grants and another $90 million in credits for military sales.

Regardless of the approximately $6 billion of the American taxpayers' money, we now find that Turkey has not forgotten its age old self-centered attitude even to friendly nations in being honest and loyal to its benefactors.

The Turkish leaders issued a blackmail threat to our Government that if we did not lift the so-called embargo they would close U.S. bases in Turkey which they said were essential to monitor violations of any accord, further limiting nuclear weapons.

In the Chicago Daily News of August 10, 1975, the headline: "Ex-Defense Chief Splits With Ford: Laird Chills 'Turks Bases' Value." I hereby quote verbatim from the Chicago Daily News article which reads:

With table-pounding emphasis, Laird told newsmen here Tuesday that American national interests cannot be protected if this nation has to depend upon third countries in order to verify Soviet adherence to an arms agreement.

"We have adequate national means" to determine violations, Laird said, adding that he had made that plain when he testified before congresisonal committees on the problems involved in arms negotiations with the Russians.

We have heard both President Ford and Secretary Kissinger in their speeches and statements deplore the action of Congress in not lifting this embargo on further military armament after the Turkish Government with brazen audacity used American armament in an aggressive manner on the small neighboring island of Cyprus.

Most Members of Congress have undoubtedly have had some sort of correspondence or discussions with people who have visited Cyprus and witnessed the barbarous attacks the Turkish soldiers made on innocent families and citizens during their takeover of almost 40 percent of the island. This malicious attack on a defenseless people resulted in the death of approximately 5,000 civilians, 15,000 casualties, and 200,000 families made homeless. Since this aggressive act by the Turkish nation, Greek families have been living in tents up in the mountains. They have already suffered through one winter and are about to endure the hardships of another winter under Turkish enslavement.

The astounding fact about the whole matter is that we at no time discovered any effort on the part of Secretary Kissinger at the time of this atrocity to use the power of the Federal Government to curb or terminate this international program which equals the horror of the Stalin-Hitler atrocities of 30 years ago on Poland, Slovacia, Hungary, Estonia, Latvia, and the other Baltic neighbors who are now under Communist rule.

When the Congress defeated this pending legislation on July 24 we heard statements coming from the President, Secretary Kissinger and others about Turkey being a peaceful freedom-loving ally of the United States. I do hope that our freshmen Members of Congress who have not experienced the trying days back in World War I and World War II are aware of the sacrificing our Nation has made with American lives, casualties and multibillion dollars worth of endeavoring to preserve liberty and freedom for other nations throughout the globe.

During these battles, the Turkish nation has never been at any time participating in wartime or financial sacrifice for its neighboring nations. The Turks have assumed an aggressive attitude on neighboring nations whenever the opportunity presented itself.

I am now quoting from an article which appeared in the New York Times of July 22, 1975, which reveals some astounding information for the newer Members of this legislative body. I am incorporating a few paragraphs from this article which should be of interest and also contradicts the past record of the nation to which Secretary Kissinger is so careful not to offend or in any way use the power of his office to curb their aggressive moves on Cyprus while using American armaments.

The following are paragraphs from July 22, 1975, news items in the New York Times:

Turkish massacres and mistreatment of minorities did not end in 1915 with the extermination of 1,500,000 Armenians, on the 50th anniversary of which President Gerald R. Ford, then a Congressman, told the House on April 29, 1965:

"Mr. Speaker, with mixed emotion we mark the 50th anniversary of the Turkish genocide of the Armenian people. In taking special notice of the shocking events in 1915, we observe this anniversary with sorrow in recalling the massacres of Armenians and with pride in saluting those brave patriots who survived the attacks to fight on the side of freedom during World War I. The stouthearted Armenian people who escaped the terror, murder, and carnage set an example for the free world by their devotion to the cause of freedom and by their tremendous personal sacrifices." (Congressional Record, vol. 111, p. 8890)

After WW II, in 1955, government-incited Turkish mobs vandalized Greek homes, businesses, hospitals, burned churches, desecrated cemeteries and terrorized the Greek minority in Istanbul. And the "five or six million" Kurds in Turkey (see New York Times, Sept. 22, 1974) are denied basic minority rights and are not recognized as an ethnic group.

And at the Teheran Conference, a few days earlier, Churchill said: ". . . I observed that when we asked the Turks to strain their neutrality by giving us their air bases, they replied, 'Oh, no, we cannot play a passive role,' but if we asked them to start war in earnest, they answered, 'Oh, no, we are not sufficiently armed, . . ." (Churchill, The Closing Ring, p. 392)

On Feb. 6, 1943, Stalin cabled to Churchill: ". . . On the one hand Turkey has the treaty of neutrality and friendship with the U.S.S.R. and the treaty of mutual assistance against aggression with Great Britain; on the other hand she has the treaty of friendship with Germany, signed three days before the German attack against the U.S.S.R. . . ." (Churchill, The Hinge of Fate, p. 715, emphasis added)

Does Turkey respect human and minority rights? Is Turkey a loyal ally? Does Turkey respect the international law regarding the supply of deadly heroin?

Mr. President and Mr. Kissinger, today, one year after the invasion of Cyprus by Turkey, 200,000 Greek Cypriot refugees are still homeless, are not allowed to return to their homes and they are denied the most basic human rights by the Turkish occupation forces.

This legislation has received publicity all over the country and from the surveys being made regarding the public endorsements of the Turkish embargo my opinion is that the American public is by a tremendous majority in favor of curtailing the shipment of mammoth armament supplies to Turkey and particularly critical of the power that the industrial armament lobby has over the Pentagon and our military forces. This legislation will certainly be one of the issues which will be carried into the next campaign because our Nation is now of the great majority opinion that we should concentrate on our domestic difficulties, restore employment and utilize the legislation on the books in behalf of housing, education expansion, and many other programs which have been neglected during the past years.

We as a Congress must have our national economy from further inflation, high prices and free our Nation from 9 million unemployed and 3 or 4 million part-time workers.

A depression similar to the 1930 period is barking at our heels.

Mr. FRASER. Mr. Chairman, I rise in opposition to the amendment and I move to strike the requisite number of words.

Mr. Chairman, this amendment introduces a wholly new element into the law that had been passed earlier by the Congress. When we first conditioned the Turkish assistance on some progress in

the Mediterranean we were very careful not to tie it to a political settlement or political progress between the Turkish and Greek Cypriots. We said that was not our responsibility, that our interest centered on the Turkish armed forces and their presence in Cyprus and the need for them to pull back or to withdraw.

This amendment however injects the final political settlement between Turkish and Greek Cypriots into the condition for aid and I think it represents a very serious mistake.

What it says is that the President would have to certify that there has been progress with respect to the refugee problem.

This could be viewed to mean that the refugees need new tents and running water and perhaps enough food to eat, but obviously that is not what is intended.

What is intended is that the refugees should have the opportunity to go back home, which they should have, and that there should be an opportunity for these communities to be restored to what they were before the aggression by the Turks took place, but accomplishing that result involves a political settlement. It involves the political settlement that I hope will come between the Turkish Cypriots and the Greek Cypriots. That is not our responsibility. This is something we cannot dictate. It is not a result the Turkish Government or the Greek Government should be dictating either.

Mr. SARBANES. Mr. Chairman, will the gentleman yield?

Mr. FRASER. I yield to the gentleman from Maryland.

Mr. SARBANES. Mr. Chairman, does the gentleman recognize any aspect of the refugee problem that is a straightforward humanitarian one.

Mr. FRASER. The plight of the refugees is the problem of Cyprus. It is tragic.

Mr. SARBANES. This does not call for an ultimate political solution. It seeks to deal with that area in which it is possible to proceed on humanitarian grounds with respect to the refugees.

I simply am curious to know whether the gentleman considers the refugee problem solely a political one.

Mr. FRASER. No. The gentleman understands what I said. The plight of the refugees is the No. 1 problem on Cyprus; but the real problem is the political settlement. What is happening now is that the Turkish Government, the Turkish Cypriots are excluding the Greek Cypriots in the area now occupied by the Turkish army. Only when there is a political settlement can these questions be resolved.

I regret that fact, but it is the truth. What we are doing is tying the resumption of aid to the progress toward a political settlement which must come between the Greek and Turkish Cypriots.

Mr. SARBANES. Mr. Chairman, will the gentleman yield?

Mr. FRASER. I yield to the gentleman from Maryland.

Mr. SARBANES. Mr. Chairman, it would be my contention that there is a significant area in which progress can be made with respect to the refugees which stays well short of what is involved in an ultimate political settlement. Those steps should be taken in response to what the gentleman will concede is a pressing humanitarian problem as a method of moving this matter forward.

The final solution is going to be a political settlement; but I hope the gentleman will not contend that no steps toward settlement can be taken to help the refugees, except as a part of a final political settlement.

Mr. FRASER. Mr. Chairman, I am trying to be realistic. I would like to see the refugees go back home. I would like to see them go back to the Turkish occupied area. I cannot believe that will happen until there is a political settlement in progress. This is very much a problem between the Turkish and Greek communities and between the Turkish and Greek Governments; so we are adding to the former condition which was tied to the armed forces of Turkey a whole new element, which is complicating.

I want to make one further point. The trouble with our posture on Turkey is that we have, in fact, put American intentions and the American will directly against the nationalistic feelings of the Turkish people, and it is a no-win game. If we pursue this course, not only will there not be progress on Cyprus, but we can figure we have practically destroyed any kind of working relationship with Turkey for the long term.

I would be prepared to sacrifice that relationship with Turkey if I thought it would bring progress on Cyprus, but it will not. If anything, it means there will be no progress.

Listen to what our European friends say. They were right about Vietnam. They were right about the Greek junta. They live with these people. They understand them. They tell us what we are doing now is wrong.

Mr. RHODES. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I think it is well for us to review the background as to why we are here.

There are two major aspects to the issue before us. The first is peace in Cyprus. We are doing our best as a Nation to bring peace to that troubled island. We want peace, and want to foster it.

The second aspect is, of course, the preservation of NATO. Corollary to that is the operation of the very important bases which the United States has within Turkey.

I pay tribute to my friends and colleagues, the gentleman from Indiana and the gentleman from Maryland, for sponsoring this amendment, because I know that they are coming farther than they have ever come in their many attempts. I have tried to help solve this very difficult problem and I know how difficult it is for them, as it is for me and the other Members. I wish I could be here to support the amendment, but, unfortunately, Mr. Chairman, I cannot. This amendment will not get the job done. It falls short of the proper posture which I think we must assume in order to accomplish the results which I have already delineated.

The Turks are a very proud people. The gentleman from Ohio, when he was in the well, pointed out the fact that there are some political situations in Turkey which are very important, and they are important to the future relations of the United States and NATO with that nation. I think it is important for us to understand the facts of life as far as Turkey is concerned.

Mr. HAYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. RHODES. I yield to the gentleman from Ohio.

Mr. HAYS of Ohio. Mr. Chairman, I would just like to point out, in view of what the gentleman from Indiana said about the Turks, that when General MacArthur sent his troops up to the Yalu River in Korea and 1 million Chinese came across the border and tore the 1st Marine Division to pieces, the only ally which had any significant number of troops in Korea were the Turks.

They had a brigade of 1,200 men which marched in to support those Marines, and 87 of them came back. The rest died, along with 20,000 Chinese. So, they have been good allies when the occasion arose.

Mr. RHODES. I thank the gentleman, and I had no idea that anyone doubted that the Turks had ever been good allies until I heard the gentleman from Indiana. They have certainly been good allies, and they will continue to be if we treat them as good allies.

But, it is understandable that they, with the record which they have had of achievement, standing shoulder to shoulder with us in many ways and in many places, that they would wonder why we would want to treat them as a second-class nation.

If we adopt this amendment, we will still be treating them as a second-class nation and accomplish nothing toward the achievement of our objectives: The peace on Cyprus and the retention of bases and the preservation of NATO.

This is a dangerous world in which we live. My colleagues, who do not believe it, should once again look at some of the testimony before the various committees concerning the level of preparations of some of the nations around the world who have been our traditional rivals, and even enemies. It is a dangerous world, and we have to keep our powder dry.

One of the best ways to keep our powder dry is to preserve NATO. We need both Greece and Turkey in order to preserve the southern flank of NATO, and until we get this bone out of our throat which we put in ourselves by first enacting this embargo, we are not in any position to do anything to help that NATO flank. It is absolutely imperative for the safety of the country, for the safety of the free world, that NATO continue to be the force that it now is for the stability of that part of the world.

So, Mr. Chairman, it would be my hope that the House would, at long last, undo what I think was a very ghastly mistake which we committed some time ago, and do away with this embargo. Then, if we do not have progress—and

I think we will have progress toward a just and lasting peace on the island of Cyprus—it will certainly then be possible for us at a later date to take another look at any foreign aid which we give any nation. We can do that every year and we should do it every year. But I plead with the members here, on both sides of the aisle, to do away with this embargo; to reject this amendment and then to pass the bill which does away with the arms embargo.

Mr. MORGAN. Mr. Chairman, I rise to ascertain how many more speakers we will have on this amendment. Perhaps we should arrive at a time to cease debate.

Mr. Chairman, I ask unanimous consent that all debate on this amendment and any amendments thereto cease at 20 minutes to 7.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

Mr. ROSENTHAL. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. MORGAN. Mr. Chairman, I ask unanimous consent that all debate on this amendment and any amendments thereto cease at 7 o'clock.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The CHAIRMAN. Members standing at the time the unanimous consent request was agreed to will be recognized for 1¼ minutes each.

Mr. GIAIMO. Mr. Chairman, I ask unanimous consent to yield my time to the gentleman from Maryland (Mr. SARBANES).

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

Mr. TALCOTT. Mr. Chairman, reserving the right to object, is this the proper parliamentary procedure, when time has been limited like this, for Members to gang up and yield their time to one another?

The CHAIRMAN. The Chair will inform the gentleman from California (Mr. TALCOTT) that this is correct procedure, by unanimous consent.

Mr. TALCOTT. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

PARLIAMENTARY INQUIRY

Mr. TALCOTT. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. TALCOTT. Does the Chairman intend to alternate sides?

The CHAIRMAN. The Chair intends to be fair and will alternate from side to side.

The Chair now recognizes the gentleman from New York (Mr. ROSENTHAL).

Mr. ROSENTHAL. Mr. Chairman, I want to correct an impression some of the Members might have gained from the remarks of the gentleman from Minnesota (Mr. FRASER).

We appreciate his coming down from the United Nations in New York, and we appreciate the leadership the gentleman exhibited last week on the Rhodesian chrome issue, on which he suggested that some of us follow and adhere to the rule of law and adhere to the United Nations resolution.

He tried to suggest that the amendment is more stringent than existing law.

The opposite is true. When the President certifies that there has been some progress on refugees, he can immediately release $185 million worth of military equipment that was contracted for prior to February 5.

This is a creative initiative. It is an initiative that gives the Turkish Government an opportunity to come off a very hardnosed position. It gives the President great flexibility in making that determination. We in the Congress do not have to make it. If the President determines that the movement of 25,000 refugees is adequate progress, then he can make that determination, and we leave in the hands of the President the right to make that determination.

Mr. SCHEUER. Mr. Chairman, I ask unanimous consent that I may be permitted to yield my time to the gentleman from New York (Mr. ROSENTHAL).

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. TALCOTT. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

The Chair recognizes the gentleman from Illinois (Mr. DERWINSKI).

Mr. DERWINSKI. Mr. Chairman, at the risk of diverting attention from the immediate amendment, may I point out to the Members that this bill also contains authorization for the Board for International Broadcasting for fiscal year 1976, and notwithstanding any votes I might cast on this measure which involves Cyprus, I want to go on record as supporting the Board for International Broadcasting.

Mr. Chairman, I think we should all recognize that with rare exception this has been a proper and an objective debate, and that there is an honest difference of opinion here. It boils down, as I see it, to just this.

The argument made by those of us who are proposing this amendment is that the only way to get progress on the refugee problem on Cyprus is to keep up this pressure. The opposing argument obviously is that for 1 year Congress has imposed this ban on military sales to Turkey and it has not produced anything, and, therefore, we need a new policy. I support the amendment since there has been no real progress as to refugees.

The CHAIRMAN. The Chair recognizes the gentleman from Rhode Island (Mr. BEARD).

Mr. BEARD of Rhode Island. Mr. Chairman, 2 months ago in this Chamber I spoke out on this issue contained in this bill because I though it was blackmail. Most of the Members felt the same way, because the measure calling for aid to Turkey was defeated.

I do not think anything has changed since then. As a matter of fact, nothing has changed on this legislation. When we look back and think about it for a minute, nothing has changed in the last 2 months. As a matter of fact, we are operating right now without the full assistance of those bases, and we are doing all right. Maybe that is one thing that has changed.

There have been no serious negotiations by the Turks. The situation is at a status quo, and I cannot see for the life of me how any Member in this Chamber can change his vote. If he voted yes the last time, he should vote yes again because nothing has changed; and if he voted no the last time, probably he should also go the same way this time.

We should not allow a second-rate power to mandate to us, and that is what this amounts to. It is intimidation, and it is blackmail.

Let us think about that for a moment. To me this bill is just dibbling and dabbling, and this is mental and moral prostitution; that is what it amounts to. I just do not go along with it; I am opposed to it. I stand on my own two feet. I do not yield to the pressure from politicians or from anyone else.

Mr. Chairman, I am telling the Members nothing has changed, and we should vote against the amendment and vote against the bill for the integrity of this country.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. HINSHAW).

Mr. HINSHAW. Mr. Chairman, I think most of the Members of this body know that I have been one of the supporters of the embargo. However, there have been quite a few things that have changed since we originally debated and voted on this issue.

Earlier today there was a suggestion that we should be concerned about the refugees on Cyprus, and certainly we should. There was a suggestion that we should make sure that there has been movement directly by President Ford to certify a movement. We have not required the President to certify on the refugee problem of Palestinians, and so I think in order to be consistent we should not adopt this particular amendment.

We have heard some talk about arms being used illegally by the Turkish Government. Maybe there have been. But there have been arms used illegally by most of the countries that we sell arms to. If I can believe the article that appeared in the New York Times on August 21, 1975, some of the military officers of the Greek Government stole some of the arms they were guarding which were earmarked for NATO. I do not condemn them for that. All I want to point out is that we have to be evenhanded in all these matters.

Mr. Chairman, there is no one more interested than I in a just and equitable solution to the Cyprus problem and an end to the human misery on that unhappy island. Until now, I have supported the arms embargo against Turkey in an effort to encourage that country to make concessions on the issue. However, now, 7 months after the embargo went into effect, it is apparent that it has produced the opposite effect of what Congress had intended. Instead of promot-

ing a solution, it has actually hindered progress by humiliating the Turks and placing them in a position in which national pride and their own political pressures prevent them from acting under the duress of total embargo. The embargo has destroyed American diplomatic leverage in trying to help both sides reach a peaceful agreement and has aggravated the already existing instability between Greece and Turkey by creating new tensions between the two countries over the possibility of a preemptive military action by one or the other. Through maintenance of the embargo, we have severely damaged a warm and strong mutual security relationship based on 30 years of trust and respect, disrupted and weakened the eastern hinge of NATO defenses, and impaired U.S. national security.

The adverse impact on our national security is no longer potential. The heart of our vital military activities in Turkey has stopped pumping, their eyes have been blinded and ears have been clogged. Our strategic network of electronic, radar, and radio stations is shut down. It no longer monitors, sees, or hears Soviet planes, ships and military units in Soviet Armenia, the Black Sea, and the Eastern Mediterranean. It is blinded to Russian space shots and the testing of Soviet missiles. A loss of at least 25 percent of our ability to monitor Soviet missile launches has created a gap in our early warning against missile attack that is only partially filled by other sources. Other crucial functions which are now closed cannot be duplicated in whole from other locations.

Other bases in Turkey provide for the easternmost forward operating bases for combat aircraft; serve as major airlift, refueling supply, training and communications facilities in the Eastern Mediterranean; and are important for air and naval petroleum storage in the same area. Aside from their strategic importance, these bases represent a combined United States-NATO investment of over $700 million. It is not in our national interest or the interest of NATO, and, as a matter of fact, not in the interest of U.S. taxpayers who made a substantial contribution to this amount, to see this investment frittered away.

I am deeply concerned also with the adverse impact of the embargo on NATO, not just in the southern region but the whole alliance. Turkey has a 2,000-mile common border with the Soviet Union and controls the Bosporus and Dardanelles, the only water linking the Soviet Black Sea fleet to the Mediterranean.

In addition to being a bulwark against easy Soviet access to the Mediterranean and the Middle East, a strong inbeing Turkish armed force requires the Warsaw Pact to dedicate numerous army divisions and air units as a balancing force in the area. About 50 Warsaw Pact ground divisions, 500 combat aircraft, and 300 military air transports are based and earmarked for operations against Greece and Turkey. Obviously, without the presence of a viable Turkish force, a large part of these Warsaw Pact units could be made available for operations in the critical Central Region and severely complicate NATO's ability to defend that front without an increase in military resources. NATO has long recognized the importance of Turkey's role and dedicated participation in Western defense. Over the years, U.S. taxpayers have financed more than $3 billion worth of military assistance to Turkey to help it carry out its NATO responsibilities. As a result, Turkey's armed force is armed almost entirely with U.S.-made military equipment, and almost entirely dependent on United States for spare parts with which to maintain this equipment. Now an embargo by the same country that helped build that force is damaging it to a point at which Turkey will soon be unable to carry out its responsibilities in Western defense.

For this reason and particularly out of concern for the U.S. national interest, I believe that it is unreasonable to continue an embargo which has proved to be tragically counterproductive and damaging to Western defense and mutual security relationships with a staunch ally. Therefore, I have reconsidered my previous position and now intend to support a lifting of the embargo.

I encourage my colleagues to do likewise.

I would also stress the point that lifting the embargo does not prevent the Congress from reevaluating its position on future security assistance for Turkey. We will have this opportunity in the normal course of our review of the fiscal year 1976 military assistance program and foreign military sales schedule for Turkey when it is presented to Congress for consideration.

I urge defeat of this amendment and passage of the bill—recognizing that several months from now we have another chance to measure movement by Turkey when the foreign military assistance sales to Turkey, among others, comes before us for vote.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. RANGEL).

AMENDMENT OFFERED BY MR. RANGEL TO THE AMENDMENT OFFERED BY MR. FASCELL

Mr. RANGEL. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. RANGEL to the amendment offered by Mr. FASCELL: On line 5 of the Fascell amendment after the word "Cyprus" insert the following: and if the President determines and certifies to the Congress that the Government of Turkey has taken adequate measures to control the diversion of opium poppy into illicit channels.

POINT OF ORDER

Mr. ZABLOCKI. Mr. Chairman, I make a point of order against the amendment.

The CHAIRMAN. The gentleman will state his point of order.

Mr. ZABLOCKI. Mr. Chairman, the amendment of the gentleman from New York (Mr. RANGEL) to the Fascell amendment contains language that is not germane, not only to the Fascell amendment, but certainly not to the bill before us.

Mr. Chairman, this amendment violates rule XVI, clause 7, of the Rules of the House of Representatives, which provides that no motion or proposition on a subject different from that under consideration shall be admitted under the guise of an amendment.

This rule is construed by the precedents of the House to require that the fundamental purpose of an amendment must be germane to the fundamental purpose of the bill. I cite Cannon's Precedents VIII, 2911. The relevant portion of this bill relates to the cessation of hostilities in Cyprus, not to the cultivation of poppies in Turkey. No matter how laudable the gentleman's amendment may be, or how much I may personally agree with the importance of elimination of poppy cultivation, this amendment is not germane to this bill, I submit, or to the amendment of the gentleman from Florida (Mr. FASCELL), and my point of order should be sustained.

The title of the bill and the report from the Committee on International Relations before us make it clear that the fundamental purpose of this bill is to hasten a peaceful solution of the Cyprus situation. The committee did not undertake a comprehensive inquiry into the question of poppy cultivation in its consideration of this bill, which addresses quite different issues. We have no way of knowing, on the basis of this report, what *efforts the* administration is making with the Government of Turkey to deal with this situation or what steps have been taken by the Government of Turkey.

Mr. Chairman, I hope that because of the question I have raised the point of order will be sustained.

The CHAIRMAN. Does the gentleman from New York (Mr. RANGEL) desire to be heard on the point of order?

Mr. RANGEL. I do, Mr. Chairman.

Mr. Chairman, I would suppose that any bill that deals with an election which is taking place in Turkey would be broad enough to show our interest and our own concern in this country.

The title of this bill is "To authorize appropriations for the Board for International Broadcasting."

I would like to believe, if we are talking about giving arms to Turkey after they have violated the laws of our Congress with an agreement, I would like to believe after they violated the laws of this country after we instituted an agreement which would ban opium, that the least we could find, if we are taking the initiative to protect the humanitarian purposes of this bill as well as to take care of the refugees, that this bill is broad enough to bring about a better relationship between the people in the United States and those of the existing Government of Turkey.

It has been known in the House that we have been vitally concerned, and the President has so stated, with what the Turkish Government does as it relates to their recent growth of opium.

It appears to me that if we are talking about an agreement between the Turkish people and the Greek people, and certainly one of which the U.S. Congress has an interest, that this bill is broad enough to have the amendment included as being germane to the bill.

The CHAIRMAN. Does the gentleman from Florida (Mr. FASCELL) desire to be heard on the point of order?

Mr. FASCELL. Mr. Chairman, I do, very briefly.

I agree with the distinguished gentleman from New York (Mr. RANGEL) with respect to the germaneness of this amendment.

The language in the bill in many places makes it very, very clear that what we are seeking to do here is to—and I quote from the bill—"* * * to improve and harmonize relations among the allies of the United States and between the United States and its allies * * *"

The amendment which is pending, the principal amendment, lays down a condition stating that it is essential to harmonize those relationships. The amendment offered by the gentleman from New York (Mr. RANGEL) seeks to impose another condition for that same purpose. I think it is clearly germane.

The CHAIRMAN. Does the gentleman from Indiana desire to be heard on the point of order?

Mr. BRADEMAS. I do Mr. Chairman.

I would like to rise in support of the position voiced by the gentleman from Florida (Mr. FASCELL) and to draw attention to the fact, Mr. Chairman, that even in the committee report there are separate views that touch upon the very subject which is the subject of the gentleman's amendment.

The CHAIRMAN (Mr. NATCHER). The Chair is ready to rule.

The test of germaneness is whether the amendment offered by the gentleman from New York (Mr. RANGEL) is germane to the amendment offered by the gentleman from Florida (Mr. FASCELL).

Under Cannon's Procedures of the House of Representatives on page 202, we find the following:

One individual proposition may be not amended by another individual proposition even though the two may belong to the same class.

The amendment offered by the gentleman from Florida (Mr. FASCELL) applies to one matter. The amendment offered by the gentleman from New York (Mr. RANGEL) applies to a different and a separate matter.

Under the precedents supporting the principle set forth in Cannon's Procedures, the point of order must be sustained and the point of order is sustained.

The Chair recognizes the gentleman from New York (Mr. STRATTON).

Mr. STRATTON. Mr. Chairman, the emphasis on this debate once again seems to be primarily on this principle of how our military assistance should be used. But that really is no longer the major consideration. I am reminded of the saying of the philosopher, George Santayana that a fanatic is one who redoubles his efforts after he has forgotten his objective.

Our major objective is to try to restore peace in the Eastern Mediterranean and to relieve the desperate situation of the refugees on Cyprus.

In view of some of the developments that have happened, since our last vote on this issue I am surprised at some of the continuing criticism of a pragmatic approach to our foreign policy. I am reminded of that famous epitaph:

Here lies the body of Jimmie Day,
Who died maintaining the right of way.
He was right all right as he sped along,
But he's just as dead as though he were wrong.

We find our electronic eyes and ears taken away from us on the very edge of the Soviet Union today while our defensive strength goes down and the Soviet's goes up. Surely we cannot blithely allow that kind of situation to continue. We do not want America to end up dead like Jimmie Day—so let us vote for America and against the pending amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Alabama (Mr. BUCHANAN).

Mr. BUCHANAN. Mr. Chairman, I rise to urge the Committee to vote down this amendment and pass the legislation unamended, in order that we might protect our own national security interest, in order that we might achieve peace between Greece and Turkey and in order that we might achieve justice for the refugees in Cyprus.

Mr. Chairman, the amendment demands as a precondition for even partial release of the arms embargo what in fact can only be achieved after the arms embargo is lifted. The embargo is making progress on Cyprus impossible to achieve, and all signs are that it would not be possible for the President to certify what this amendment requires until a lifting of the embargo made progress possible. On August 21 the national convention of the American Legion passed a strong resolution calling on the Congress to lift this embargo. On the following day, the national convention of VFW did the same. Like our NATO allies, they understand the importance of lifting this embargo both to NATO and to our country's security interests. Turkey, like Greece, is a NATO ally. Just as our own bases in Turkey are important to us, even so Turkey's continued functioning as a NATO partner is important to the entire alliance.

I, therefore, agree with the Veterans of Foreign Wars and the American Legion, and urge the House to follow their wise counsel.

I think we must understand that what we here would propose to do is not for Turkey but is for the United States and to protect NATO and our own security interests. Our allies felt so strongly about it that they recently sent the Secretary General of NATO to the United States to express to our Government their concern over the American embargo. He reported that every NATO Ambassador urged him to come and expressed vocal concern, except the Greek Ambassador, who remained silent.

If Members would seek to protect our country's interests, if Members would seek to take a positive step toward peace, and if Members would seek to actually achieve justice for Cyprus refugees, let them vote down this amendment and vote for this resolution. To continue to pursue a policy which has proven counterproductive and militated against the very causes we seek to serve is folly. To change that policy has become mandatory. Mr. Chairman, I urge the defeat of the amendment and the passage of S. 2230.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. SCHEUER).

Mr. SCHEUER. Mr. Chairman, I ask unanimous consent that I may be permitted to yield my time to the gentleman from Maryland (Mr. SARBANES).

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. TALCOTT. Mr. Chairman, I did not hear the unanimous-consent request.

The CHAIRMAN. The Chair will state that the gentleman from New York (Mr. SCHEUER) would like to yield his time, under unanimous-consent permission, to the gentleman from Maryland (Mr. SARBANES).

Is there objection to the request of the gentleman from New York?

Mr. TALCOTT. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. SCHEUER. Mr. Chairman, I will yield back my time.

The CHAIRMAN. Does the gentleman from New York desire to use his time?

Mr. SCHEUER. No, Mr. Chairman, I yield back my time.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota (Mr. FRASER).

Mr. FRASER. Mr. Chairman, at the risk of being repetitive, I want to underscore the point I made earlier, because I checked the statute to see what we did last fall. Last fall we said that aid to Turkey could be resumed if substantial progress were made toward agreement regarding the military forces on Cyprus. That was the condition, and that dealt with Turkish Forces on Cyprus. Now we are adding a new element. We are adding the problem of the refugees which involves not only the Turkish Government but the Turkish Cypriots and the Greek Cypriots.

I deeply regret the plight of the refugees. I think that is the most compelling aspect of the whole problem in the eastern Mediterranean. But I want to underscore that the circumstances are such that the refugees are not going to move back in any significant numbers until we are on some path toward a political settlement.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. LAGOMARSINO).

Mr. LAGOMARSINO. Mr. Chairman, I rise in strong support of the bill and in strong opposition to the amendment that has been proposed. I am sure that many of the opponents and many who have spoken for the amendment have done so out of a sincere desire to reach a compromise. Unfortunately, this is not the kind of an issue that is susceptible to a compromise. The only way we are going to help solve the Cyprus problem, especially the refugee problem, is to pass the bill exactly the way it is. That is the only way we are going to achieve progress.

The CHAIRMAN. The Chair recognizes the gentlewoman from New York (Ms. ABZUG).

Ms. ABZUG. Mr. Chairman, I have been listening to the debate all afternoon. Frankly, I feel that the situation has not moved in any direction. The words spoken for the passage of the bill

have really given me no basis upon which I would want to support the bill. The people are still going to be suffering in Cyprus. There is no evidence that because we give this aid, there will be a change of policy. That is the burden of proof that the supporters of the bill have. They have not met that burden of proof. The movers of the amendment meet them halfway when they say, "At least we are going to show you that we are prepared to act," in order to deal with the humanitarian problem.

I must say I feel very deeply about the humanitarian problem. I am not sure that this amendment is going to accomplish that movement toward helping the humanitarian problem, but for the sake of humanity, I feel forced to support it. I really do not want to give any military aid to Turkey, because I think they will do the same thing again and again. Indeed, I am concerned that this bill makes no conditions whatsoever to make certain that arms we sell will not again be used for aggressive purposes in violation of the rule of law, in violation of the rule of Congress.

I support the amendment reluctantly in the hope it will help the suffering. If if fails I shall vote against the bill.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. RYAN).

Mr. RYAN. Mr. Chairman, there is not any more time than to point out to the Members what the gentleman from Ohio pointed out earlier. Were I on the side of those who propose this amendment, the gentleman from Maryland (Mr. SARBANES), and his group, I would be very pleased, because I believe they have taken the only position they can take when they can see that there are enough Members in this Chamber who have changed their minds so that those who created this embargo can no longer sustain the position they held before. If they can no longer sustain the position they held before, what do they retreat to? I think it is a very shrewd move to retreat to the position of the President, and the position which the Congress has held before, and still require the Turks to take the first action, knowing that the Turks will not take the first action because they are too proud to do so.

There is an election coming up immediately and, as the gentleman from Ohio said, if the situation continues as it is with the American heel on the Turkish neck, they are not about to be the ones to say gratuitously to us "We are sorry; we should not have done all of that; and we now will retreat from where we were."

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. SOLARZ).

Mr. SOLARZ. Mr. Chairman, this amendment is really, I think, a formula for frustration. It sounds good but in reality it will accomplish little. The fact is that if the Turks were prepared to make concessions on the refugee problem they could have made those concessions a long while ago. They have not, and the reason why they have not, is largely because of the fact that the embargo was in existence.

If we really want the refugee problem resolved we should defeat the amendment, pass the bill, lift the embargo, and thereby give the Turks the opportunity to move forward on this question. There is, of course, no guarantee that by lifting the embargo we will get the Turks to make the necessary concessions. But surely the prospects for progress will be enhanced if we lift the embargo—keeping in mind that if the Turks do not, as a consequence, soften their position, we can always reimpose it.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania (Mr. EDGAR).

Mr. EDGAR. Mr. Chairman, I rise in strong support of the amendment and I also express strong opposition to this bill. We have gone through the process of addressing ourselves to the arms embargo a number of times. The arguments are familiar, almost to the point of being a litany. I respect my colleagues who have sincerely demonstrated that they care about the direction of our foreign policy, no matter which road they have selected. And I commend my colleagues for the level of debate which I have heard today.

In the past, I have had disagreements with the foreign policy of the United States. This policy has been more sensitive at times to governments and geographical boundaries, and less sensitive to the needs of people. We have supported tyrannies whose leaders have showed a minimal regard for basic human rights. And we have turned our heads when people have suffered because these people lived beneath a flag which we did not recognize as friendly.

America has built its empire in a way unique to the 20th century, perhaps. We have cemented this empire not by threat, but by persuasion. We have promised security to governments. But in this process, we have neglected to recognize that governments were organized to protect groups of people, not to shackle them. We have heard in this debate that there cannot be a settlement to solve the plight of the refugees unless there is a political settlement. While political settlements involve governments and flags, solving the refugee problem involves people. We have the power to help thousands of people with this amendment. The Turkish Government by yielding only an inch, the lack of which has caused the government the loss of sympathy throughout the world, the suffering of the refugees would be minimized.

Mr. Chairman, this amendment represents to me a critical compromise which should be accepted. The House refused to lift the embargo before the recess. The reasons for voting differently tonight are no different. The Turkish Government has made no offering other than closing American bases on Turkish soil. It is absurd for this House to believe that lifting the embargo would improve the lot of the refugees, encourage resumption of negotiations, and improve our standing with the world community.

Why do we as a Nation sell and give arms to other nations in the first place? Surely, there have been other instances where American planes have bombed American ships, and American tanks firing against American artillery positions. Arms supposed to protect and defend have been used illegally for political and economic advantage. Historically, American arms have been used by governments against people, and I believe that by lifting the embargo, we will condone such history.

Mr. Chairman, I feel it is time again to stand up for principle. There is still time for reassessment and reconciliation. The actions of the administration during the debates on this issue have only served to exacerbate the prospects of reason overcoming emotion.

In summary, Mr. Chairman, we should not neglect in analysing the effect of our vote on both this amendment and on the bill, on what will be the effect upon the welfare and security, and the well-being of people, not just governments. It would be tragic if by our votes tonight, we reinforced the suffering of the Cypriot people for the purpose of a political concession to a government which only has itself to blame for its present difficulties.

The CHAIRMAN. The Chair recognizes the gentleman from Indiana (Mr. FITHIAN).

Mr. FITHIAN. Mr. Chairman, I do not object of course to the ruling that the poppy culture in Turkey is perhaps not germane to this particular amendment but surely it is germane to the overall argument. Surely it is germane to the American people. And surely it is proper that we keep in mind as we go to the well to vote that this is the same government in Turkey which has adamantly refused to make any single conciliatory step either in the matter of the refugees or in the matter of the poppy culture.

If those who would propose to defeat the amendment and those who would propose that we would support the bill could give me one shred of evidence, one little indicator that this bill might solve the problem, that the Turks might come forward, then I would be constrained to reconsider my position, but I rise in support of this amendment, because I think it is the half step necessary, and in opposition to the bill.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. RANGEL).

Mr. RANGEL. Mr. Chairman, I hope that the Brademas-Fascell amendment passes. Then I will bring this issue once again before this House. It seems to me the fact that there has been no movement does not mean this House has to be stagnant and not have any movement. It is clear that this is an initiative, an attempt to bring about that very same movement we are talking about, and I am hopeful if the Brademas amendment passes that we may be able to get a new section to ask for certification by the President of the United States that we have been successful in avoiding the illicit diversion of opium.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. BADILLO).

Mr. BADILLO. Mr. Chairman, I rise in support of the amendment of the gentleman from Florida. Mr. FRASER stated a few moments ago that by introducing the refugee question the amendment was presenting a new factor. In fact, the amendment is essential to make the rest of the bill consistent,

because the bill says, in section 2, that the Congress further reaffirms the policy of the United States to alleviate the suffering of refugees. The rest of the bill does not address itself to how the suffering is to be alleviated. The amendment of the gentleman from Florida (Mr. FASCELL) does.

I think we should remember that a few days ago this Congress voted by 238 to 164 in favor of the amendment of the gentleman from Iowa (Mr. HARKIN), in which we directed the President to prohibit aid to a country which does not recognize the human rights of its citizens. If we are willing to prohibt aid to a country which has a duly constituted government on the grounds of violations of human rights we certainly should be willing to prohibit aid to a country which has an illegal government, such as Turkey has in Cyprus right now on similar grounds.

Mr. Chairman, for that reason, I support the amendment.

The CHAIRMAN. The Chair recognizes the gentlewoman from New Jersey (Mrs. FENWICK).

Mrs. FENWICK. Mr. Chairman, I rise in opposition to the amendment. I think that the first responsibility of all of us in this Chamber is the defense and security of our country. I believe that the Mediterranean basin is essential to that defense and security. I think the nations in the Mediterranean themselves would be under the gun if we lost the bases in Turkey. I do not think there is one of them, not Italy, not Greece, not Israel, not Lebanon, not Egypt, not Tunis, none of them would be safe if it becomes a Russian lake and if no nation is able to send its ships there except under that surveillance. I think the bases are essential to all the nations that are important to us in the Mediterranean.

Mr. Chairman, I hope I have not left out any nation in my race to finish under the 1-minute rule.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio (Mr. SEIBERLING).

Mr. SEIBERLING. Mr. Chairman, there is a serious loophole in the committee's bill, because it does not cover private commercial military sales to Turkey and, therefore, gives no veto to Congress over these sales. The amendment before us would completely prohibit such sales.

Mr. Chairman, I have an amendment which I may offer which would give Congress the right in the future to veto such sales. I am not anxious to single out Turkey, but I am concerned by the whole problem of skyrocketing sales of armaments to many countries. Accordingly, I would like to ask the distinguished Chairman what he plans with respect to supporting general legislation to give Congress control over private commercial military sales to any country.

Mr. MORGAN. Mr. Chairman, if the gentleman will yield, I can assure the gentleman that I will bring up the gentleman's proposal when the committee takes up military sales. I will see to it that the gentleman's proposal is thoroughly considered and I myself will support it.

The CHAIRMAN. The Chair recognizes the gentleman from Connecticut (Mr. MOFFETT).

Mr. MOFFETT. Mr. Chairman, within the last few days I was fortunate enough to be invited by the gentleman from Illinois (Mr. ANDERSON) to a meeting in his office with Ambassador Bruce. I looked forward to that meeting to see what the Ambassador would have to say. Unfortunately, as with meetings with the Secretary, Mr. Kissinger, with Mr. Schlesinger, and with Mr. Sisco, there was nothing said by the proponents for lifting the embargo regarding the rule of law and the need to defend it.

The gentleman from Indiana (Mr. BRADEMAS) has made this point again and again. We see nothing but intransigence on the part of those who want to lift the embargo. These are many of the same people who have feared that we would look like a helpless pitiful giant in other parts of the world during the past several years. Now they do not seem to be worried about it.

Mr. Chairman, our side in this debate is the only side offering a very clear, reasonable compromise. I think we may have gone too far, but it is the only compromise around, as the gentlewoman from New York said, and I support it.

The CHAIRMAN. The Chair recognizes the gentlewoman from Maryland (Mrs. SPELLMAN).

Mrs. SPELLMAN. Mr. Chairman, I rise in strong support of the amendment. The House has made its will clear a number of times on the reduction of arms aid to Turkey. The bill before us today varies in virtually no way from bills voted down in the past. This amendment moves us off dead center. It is an act of good conscience calling for an act of good faith on the part of Turkey.

The amendment, Mr. Chairman, would make possible a favorable vote on this bill, a vote which many of us cannot, in good conscience, cast otherwise. Our great fear is that the resumption of aid could result in new casualties and more refugees through the use of new American arms. This amendment assures concern for the 200,000 refugees and at the same time creates the act of accommodation on the part of the Turkish Government which makes logical a reversal of the position of Congress.

We must act today as leaders of the free world to show that we maintain our purpose and that we are truly concerned about the fate of the refugees, but that we are not intransigent. With this compromise no one could accuse us of preventing accommodation. This amendment is constructive and in keeping with our finest moral traditions.

I urge its adoption.

The CHAIRMAN. The Chair recognizes the gentleman from Georgia (Mr. LEVITAS).

Mr. LEVITAS. Mr. Chairman, I would like to be able to see this House vote for a proposal tonight, and not against one. We can so move toward a solution in satisfaction of the needs of our Turkish allies and still preserve our adherence to the rule of law and humanitarian principles. With this compromise amendment, those of us who voted to keep the embargo in place last time can vote for this amendment and then vote for this bill so that movement will be shown and our principles will not be sacrificed.

Ms. HOLTZMAN. Mr. Chairman, will the gentleman yield?

Mr. LEVITAS. I yield to the gentlewoman from New York.

Ms. HOLTZMAN. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I rise in strong support of the Fascell amendment, because it offers a way to break the impasse between Congress and the administration on the question of military aid to Turkey.

The Fascell amendment will allow the shipment of $185 million in arms to Turkey, arms which have already been contracted for, once the President certifies that significant progress has been made on the problem of refugees on Cyprus.

The plight of refugees on Cyprus has been of major concern to me as well as to the rest of Congress. The Fascell amendment will give the Turkish Government an opportunity to demonstrate its good faith in this matter, and its willingness to move toward the resolution of all issues concerning Cyprus.

I urge the support of my colleagues for the Fascell amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Colorado (Mr. WIRTH).

Mr. WIRTH. Mr. Chairman, I wanted to follow up on a statement made by the gentleman from New York (Mr. SOLARZ), and ask for a response by the gentleman from Indiana (Mr. BRADEMAS). The argument being made was that no progress can be made until the embargo is lifted, that the Turkish Government is essentially satisfied, and that the Turkish Government will not move until the embargo is lifted.

Mr. BRADEMAS. Mr. Chairman, will the gentleman yield?

Mr. WIRTH. I yield to the gentleman from Indiana.

Mr. BRADEMAS. Mr. Chairman, I would like to make *two* points. First of all, the highest officials in the Department of State have repeatedly made clear that there is no assurance whatsoever that if the embargo is lifted there will be any progress at all on the refugees or on any other aspect of the Cyprus situation. The second point is that by their constant attacks upon Congress for imposing the law, President Ford and officials of the Department of State have undermined the willingness of the government of Turkey to make such accommodations in Cyprus as would warrant Congress honorably reversing the arms embargo.

Mr. WIRTH. I thank the gentleman.

The CHAIRMAN. The Chair recognizes the gentleman from Indiana (Mr. HAMILTON).

Mr. HAMILTON. Mr. Chairman, the problem with this amendment is that it just simply will not work. The amendment authorizes the President to ship the $185 million worth of military goods when he certifies that significant progress has been made with respect to the refugees.

It will not work because we are not going to make progress on Cyprus with regard to the refugees until Turkey makes a move. Turkey will not make a

move so long as this embargo is in place. Every element of the political spectrum in Turkey is adamant on this point. They are not going to move until this embargo is lifted.

It is time for this Congress now to relax this embargo, in an effort to try to stimulate some kind of Turkish flexibility.

The CHAIRMAN. The Chair now recognizes the gentleman from Wisconsin (Mr. ZABLOCKI).

Mr. ZABLOCKI. Mr. Chairman, the question was raised whether there could be any assurance of progress if the embargo were lifted. True, there can be no assurances of progress. However, if the embargo continues, I can assure the gentleman from Colorado that there is no question that there will be any progress.

So, I submit that if we have sympathy for the refugees, those 180,000 unfortunate souls on Cyprus; if we have any compassion for them and concern for the wide range of our national security relations in the Mediterranean, then we must defeat the amendment and pass this legislation.

The CHAIRMAN. The Chair recognizes the gentleman from Indiana (Mr. BRADEMAS).

Mr. BRADEMAS. Mr. Chairman, the amendment before us today is not a retreat but an initiative. This amendment represents an opportunity to break the impasse. It is an opportunity to make it possible for us at once to keep faith with our own laws and our own principles while at the same time responding to a terrible humanitarian problem occasioned by the wrongful use of arms supplied by our own country and offering an opportunity to restore good relations with our NATO allies, Greece and Turkey.

Mr. Chairman, I hope this opportunity, this initiative, is not lost and that the amendment will be agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Florida (Mr. FASCELL).

Mr. FASCELL. Mr. Chairman, I trust that the amendment will be supported. There is a curious argument on the other side by those who support the bill that they admit that probably no progress will be made—see page 9 of the committee report—by the bill and yet the proponents are willing to provide to Turkey all military assistance in the pipeline plus unlimited cash sales.

In other words—notwithstanding Turkey's invasion of Cyprus; notwithstanding that there is no progress on Cyprus or willingness by the Turkish Government to make any progress; notwithstanding pressure by the Turkish Government on the United States; notwithstanding violation of U.S. law by Turkey, the bill unilaterally restores and resumes military assistance to Turkey.

On the other hand the amendment changes the embargo in present law and honorably permits the resumption of military assistance.

The amendment eliminates political issues and places resumption of military assistance strictly on humane grounds. The Turkish Government could meet the criteria practically overnight if they really wanted to.

It is alleged that the Turks have domestic political problems and they are people with pride, therefore the United States should have no pride and cave in. That argument to me is illogical and should be rejected.

Mr. RUSSO. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I yield to the gentleman from Illinois (Mr. RUSSO).

Mr. RUSSO. Mr. Chairman, I rise in opposition to the pending legislation, S. 2230, which in its present form would totally suspend the arms embargo to Turkey.

By its insistence that Turkey be exempted from the sanctions of the Foreign Military Sales Act of 1961, the Ford administration is, in effect, advising countries around the world, that are recipients of American weapons, that they have a blank check with no restrictions whatsoever on the use of such arms. Supporters of S. 2230 can argue that U.S. weapons have been used for aggressive purposes in the past, most notably by India and Pakistan. I do not feel that such previous uses were legitimate, and I believe that the Congress has not only a right but a responsibility to the American people to make our laws mean what they say.

Since the invasion of Cyprus by the Turks in the summer of 1974, the Ford administration has done nothing of a positive nature to encourage a reasonable settlement of the difficult and complicated Cyprus issue. For the last year, the Congress of the United States has been clear in its purpose that Turkey exhibit a willingness to negotiate. Instead of moving in a conciliatory direction, the Turks have solidified their military position over almost 40 percent of the island of Cyprus containing 70 percent of the land's economic resources. From rigid statements emanating from Ankara, it seems apparent that Turkey is determined to establish a colony in Northern Cyprus. And what about the devastating effect this military occupation has had on the entire economy of Cyprus? What about the suffering and misery this has caused for almost 200,000 Cypriot refugees who were forced to give up their homes, and flee for their lives in the face of the Turkish attack?

While the situation in Cyprus has been getting worse over the last year, the administration has been wildly and blindly pointing an accusatory finger at the Congress, and has done nothing to move the Turks toward an accord, the administration has consistently followed a policy of assuring the Turks that the arms embargo would be lifted. With this kind of activity coming from the executive branch, the Turks had no incentive to negotiate in good faith the serious Cyprus issues. Instead of telling the Turks that guns would be forthcoming, the State Department and Department of Defense should have been at work advising Ankara of appropriate steps we would take to develop alternative intelligence capability to blunt the Turkish threat of closing our bases. Such action would have properly alerted the Turks to the seriousness of American intentions to encourage a Cyprus settlement.

We have heard many arguments about the importance of our Turkish and Greek NATO bases. General Van Fleet, Admiral Zumwalt, Dr. Scoville, and even former Department of Defense Secretary Laird have all expressed reservations about certain aspects of the importance of the Turkish bases. Admiral Zumwalt has categorically argued that the Suda Bay air and naval facilities on Crete is the single most important military installation in the Mediterranean area. Admiral Zumwalt further maintains that if it came to a choice our Greek bases are more important than the Turkish bases.

But the question of the bases has, unfortunately, obscured the important question of the administration's responsibility for putting its greatest effort into resolving the very real diplomatic and political problem on Cyprus. We read a lot in the newspapers about the bases, but has the administration forgotten about 200,000 refugees? What leadership has the administration exhibited? What concrete steps has the State Department taken to encourage a solution to the Cyprus problem? The only evidence I have seen is President Ford informing the Turkish President that more weapons will be coming.

Mr. Chairman, I rise in full support of the Fascell amendment to modify the current embargo, and tie the question of Turkish military aid to the real problems being experienced by Cypriot refugees. It is my feeling that this amendment will provide a meaningful vehicle for compromise. The present bill is objectionable because not only would it authorize the sale and shipment of $185 million in arms contracted for prior to February 5 but also it would authorize further commercial sales, military sales, and credits that would be forthcoming following passage of this year's military assistance legislation. As a supporter of the embargo, I have consistently maintained that military shipments to Turkey must be tied to some good faith efforts by the Turks to help relieve the suffering of the Cypriot refugees and that a political solution to the Cyprus question be negotiated. The Fascell amendment would allow the $185 million in arms contracted and paid for by the Turks before February 5, 1975, to be supplied only if the President can certify that significant progress has been made on the refugee problem on Cyprus.

It is tragic that all we have heard from the administration is the sensitivity of Turkey and the effect unilateral Turkish action on the bases would have on U.S. security interests. Why has the administration not addressed itself to the human suffering of the Cypriot refugees who have been homeless for over a year? Most of the Cypriot refugees are living in cramped quarters in government controlled areas—18,000 are still living in tent camps—8,000 of the refugees are living in small shacks. Another 4,000 can call local public buildings and schools "home."

Industrial production in Cyprus has been cut in half. Per capita income in Cyprus has dropped from $1,400 a year to $800 because of the economic devastation that has ravaged the country, as a direct result of the Turkish invasion. As long as the Turks remain in the north,

and the refugee problem remains, the situation can do nothing but deteriorate. Why has the administration not assumed a responsibility for dealing with this serious humanitarian problem? Why has President Ford and Secretary Kissinger insisted upon rewarding Turkey's unwillingness to compromise with further arms shipments?

The amendment offered by the gentleman from Florida (Mr. FASCELL) will indicate to Turkey, and to the administration, that the Congress is willing to resume weapons shipments if some significant progress can be reached on the refugee problems. I am personally reluctant to send any arms to Turkey but I realize that this is a compromise designed to, at least, begin to resolve the difficult Cyprus problem.

Mr. Chairman, all interested parties in this dispute must come together in responsible negotiations. The Fascell amendment will still uphold the principle of the rule of law. The United States must take the lead in settling the humanitarian problems created by the Turkish invasion. If the President is sincere in his desire to settle the Cyprus question, he will accept this reasonable compromise. I remind the Members of the House to do less than this is to submit to international blackmail.

The CHAIRMAN. The Chair recognizes the gentleman from Maryland (Mr. SARBANES).

Mr. SARBANES. Mr. Chairman and members of the committee, it ought to be very clear that what the Members are being asked to do if they support S. 2230 is to reverse the prior decisions of the Congress, with no basis on which to do it; to resume arms, without anything having happened to justify it.

I believe the previous cutoff was an appropriate decision. The initiative that has been offered in this amendment is an attempt to provide a way to move this matter forward and yet hold true to the principle that we are not going to allow our arms to be used for aggression.

Mr. Chairman, what the amendment says, very simply, is that the $185 million contracted for before February 5, can be sent to Turkey provided the President certifies that significant progress has been made on the refugee problem on Cyprus. It does not, as S. 2230 does, permit unlimited military sales and Government military sales and credits automatically upon passage of the military assistance bill later this year. The $185 million in arms could be sent only if the President could certify to the Congress that significant progress had been made with the refugees. That is a certification required of the President. It places him in a position to discuss and negotiate the matter with the Government of Turkey and, in addition, to give them assurance that if in fact they move on the refugees there will be a limited response from the United States without the necessity to return to the Congress to clear that response.

Mr. Chairman, it sets up a limited shipment of arms in response to movement on the refugees. In that sense, it maintains the integrity and the principle which this body has implemented consistently in every consideration of this measure. It also provides an opening to move ahead. It responds to a pressing humanitarian problem on that island where many thousands of refugees now are facing their second winter in tents.

Mr. Chairman, I urge the Members to support the amendment as a means of preserving the integrity of the congressional position and of rejecting the obstinate determination of the Secretary of State that we shall simply reverse ourselves and lose all principle.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan (Mr. BROOMFIELD).

Mr. BROOMFIELD. Mr. Chairman, I rise in opposition to the amendment, and for the bill that we reported out of our committee.

I would hope that as we close this debate we would be looking at this issue as it affects the United States. I can assure the Members that if this limited arms embargo is not lifted, everyone is going to be a loser.

Certainly the conditions in Turkey will be even worse, so far as our bases are concerned. Nothing will be done to solve the refugee problem on Cyprus.

I urge the Members to vote against the Fascell amendment and for the Committee amendment as reported from our committee.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania (Mr. MORGAN) to close debate on the amendment.

Mr. MORGAN. Mr. Chairman, all I want to do is underline what several Members, including the gentleman from Minnesota (Mr. FRASER), the gentleman from Ohio (Mr. HAYS), and the gentleman from New York (Mr. SOLARZ) have said.

The coat which this amendment is wearing is humanitarian. It appeals to all of us.

But underneath is the reality of the crisis on Cyprus.

And this reality is that the solution of the refugee problem—or any progress in that direction—depends on the two factions on Cyprus and Archbishop Makarios.

This amendment, therefore, gives control over a very important part of the foreign policy of our country to the politicians on Cyprus.

It does not give it to the President of the United States—or the Congress of the United States. It gives it to Cyprus.

I do not believe that in good conscience we can do this. We should—we must—defeat this amendment.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Florida (Mr. FASCELL).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. FASCELL. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 187, noes 229, not voting 17, as follows:

[Roll No. 579]

AYES—187

Abzug	Flood	Murphy, N.Y.
Adams	Florio	Natcher
Addabbo	Ford, Mich.	Neal
Ambro	Ford, Tenn.	Nedzi
Anderson, Calif.	Giaimo	Nix
Andrews, N.C.	Ginn	Nolan
Annunzio	Gonzalez	Nowak
Ashbrook	Goodling	Oberstar
Aspin	Green	O'Hara
Badillo	Gude	O'Neill
Barrett	Hall	Ottinger
Bauman	Hanley	Patten, N.J.
Bedell	Hannaford	Patterson, Calif.
Bennett	Harkin	Pattison, N.Y.
Bergland	Harrington	Pepper
Blanchard	Harris	Perkins
Blouin	Harsha	Peyser
Boggs	Hawkins	Pike
Boland	Hayes, Ind.	Railsback
Bonker	Hechler, W. Va.	Rangel
Brademas	Hefner	Reuss
Brodhead	Heinz	Richmond
Brown, Calif.	Helstoski	Riegle
Burke, Calif.	Holtzman	Rinaldo
Burke, Mass.	Howard	Rodino
Burton, John	Howe	Roe
Burton, Phillip	Hughes	Roncalio
Byron	Jacobs	Rooney
Carney	Johnson, Calif.	Rose
Carr	Jones, N.C.	Rosenthal
Chisholm	Jordan	Rostenkowski
Clawson, Del	Kastenmeier	Roush
Clay	Keys	Rousselot
Collins, Ill.	Koch	Roybal
Conlan	Krebs	Russo
Conyers	LaFalce	Santini
Corman	Lehman	Sarasin
Cornell	Levitas	Sarbanes
Cotter	Litton	Schroeder
Coughlin	Long, La.	Sharp
Crane	Long, Md.	Shipley
D'Amours	McHugh	Spellman
Daniels, N.J.	McKinney	Stanton, James V.
Danielson	Madden	Stark
Davis	Maguire	Stokes
Delaney	Martin	Studds
Dellums	Mathis	Sullivan
Derwinski	Meeds	Symington
Diggs	Mezvinsky	Thompson
Dodd	Mikva	Traxler
Downey, N.Y.	Miller, Calif.	Tsongas
Drinan	Mineta	Vander Veen
Duncan, Tenn.	Minish	Vanik
Early	Mink	Waxman
Eckhardt	Mitchell, Md.	Weaver
Edgar	Moakley	Whitehurst
Edwards, Calif.	Moffett	Wolff
Eilberg	Mollohan	Yates
Esch	Moorhead, Calif.	Yatron
Evans, Ind.	Moorhead, Pa.	Young, Ga.
Fascell	Moss	Zeferetti
Fisher	Motti	
Fithian	Murphy, Ill.	

NOES—229

Abdnor	Clausen, Don H.	Gaydos
Alexander	Cleveland	Gibbons
Anderson, Ill.	Cochran	Gilman
Andrews, N. Dak.	Cohen	Goldwater
Archer	Collins, Tex.	Gradison
Armstrong	Conable	Grassley
Ashley	Conte	Guyer
Bafalis	Daniel, Dan	Hagedorn
Baldus	Daniel, R. W.	Haley
Baucus	de la Garza	Hamilton
Beard, R.I.	Dent	Hammer-schmidt
Beard, Tenn.	Derrick	Hansen
Bell	Devine	Hastings
Bevill	Dickinson	Hays, Ohio
Biester	Downing, Va.	Heckler, Mass.
Bingham	Duncan, Oreg.	Henderson
Bowen	du Pont	Hicks
Breaux	Edwards, Ala.	Hightower
Breckinridge	Emery	Hillis
Brinkley	English	Hinshaw
Brooks	Erlenborn	Holland
Broomfield	Eshleman	Holt
Brown, Mich.	Evans, Colo.	Horton
Broyhill	Fenwick	Hubbard
Buchanan	Findley	Hungate
Burgener	Fish	Hutchinson
Burke, Fla.	Flowers	Hyde
Burleson, Tex.	Flynt	Ichord
Burlison, Mo.	Foley	Jarman
Butler	Forsythe	Jeffords
Carter	Fountain	Jenrette
Casey	Fraser	Johnson, Colo.
Cederberg	Frenzel	Johnson, Pa.
Chappell	Frey	Jones, Ala.
Clancy	Fuqua	Jones, Okla.

Jones, Tenn.	Mosher	Smith, Nebr.
Karth	Murtha	Snyder
Kasten	Myers, Ind.	Solarz
Kazen	Myers, Pa.	Stanton,
Kelly	Nichols	J. William
Kemp	Obey	Steed
Ketchum	O'Brien	Steelman
Kindness	Passman	Steiger, Ariz.
Krueger	Patman, Tex.	Steiger, Wis.
Lagomarsino	Pettis	Stephens
Landrum	Pickle	Stratton
Latta	Poage	Stuckey
Leggett	Pressler	Symms
Lent	Preyer	Talcott
Lloyd, Calif.	Price	Taylor, Mo.
Lloyd, Tenn.	Pritchard	Taylor, N.C.
Lott	Quie	Teague
Lujan	Quillen	Thone
McClory	Randall	Thornton
McCloskey	Rees	Ullman
McCollister	Regula	Vander Jagt
McCormack	Rhodes	Vigorito
McDade	Risenhoover	Waggonner
McDonald	Roberts	Walsh
McEwen	Robinson	Wampler
McFall	Rogers	Whalen
McKay	Runnels	White
Madigan	Ryan	Whitten
Mahon	St Germain	Wiggins
Mann	Satterfield	Wilson, Bob
Matsunaga	Scheuer	Wilson, C. H.
Mazzoli	Schneebeli	Wilson, Tex.
Melcher	Schulze	Winn
Meyner	Sebelius	Wirth
Michel	Seiberling	Wright
Milford	Shriver	Wydler
Miller, Ohio	Shuster	Wylie
Mills	Sikes	Young, Alaska
Mitchell, N.Y.	Simon	Young, Fla.
Montgomery	Skubitz	Young, Tex.
Moore	Slack	Zablocki
Morgan	Smith, Iowa	

NOT VOTING—17

AuCoin	Fary	Spence
Biaggi	Hébert	Staggers
Bolling	Macdonald	Treen
Brown, Ohio	Metcalfe	Udall
Dingell	Ruppe	Van Deerlin
Evins, Tenn.	Sisk	

The Clerk announced the following pairs:

On this vote:

Mr. AuCoin for, with Mr. Hébert against.

Mr. Biaggi for, with Mr. Treen against.

Mr. Macdonald of Massachusetts for, with Mr. Van Deerlin against.

Mr. Metcalfe for, with Mr. Sisk against.

Mr. Dingell for, with Mr. Staggers against.

Mr. Fary for, with Mr. Evins of Tennessee against.

Messrs. MAHON and HIGHTOWER changed their votes from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. RANGEL

Mr. RANGEL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RANGEL: Page 4, line 9, strike out "(2)" and all that follows thereafter up to and including line 15 on page 4 and insert in lieu thereof the following,

"(C) the President is requested to initiate discussions with the Government of Turkey concerning effective means of preventing the diversion of opium poppy into illicit channels.

"(2) The President is directed to submit to the Speaker of the House of Representatives and to the Foreign Relations and Appropriations Committees of the Senate within sixty days after the enactment of this Act a report on discussions conducted under subsections (b)(1)(B) and (C), together with his recommendations for economic and military assistance to Greece for the fiscal year 1976."

POINT OF ORDER

Mr. ZABLOCKI. Mr. Chairman, I make a point of order against the amendment.

The CHAIRMAN. The Chair will hear the gentleman.

Mr. ZABLOCKI. Mr. Chairman, the gentleman from New York has presented an amendment similar to one that was defeated earlier today. His amendment, Mr. Chairman, reads:

The President is requested to initiate discussions with the Government of Turkey concerning effective means of preventing the diversion of opium into illicit channels.

That is a goal we all support. I might say the gentleman from New York (Mr. WOLFF) had extensive hearings on this very issue and just this week his subcommittee by unanimous vote has reported a measure which would effectively deal with illicit narcotics, but this amendment, Mr. Chairman, I submit is not in order because, as I said in the argument on the point of order raised earlier, it violates rule XVI, clause 7 of the Rules of the House of Representatives. In the precedents cited under rule XVI, clause 7, there is contained a perfect example to sustain this point of order. On December 11, 1973, the Chair ruled that an amendment to the bill authorizing military assistance to Israel and funds for the U.N. emergency force in the Middle East, which expressed the sense of Congress that the President conduct negotiations to obtain a peace treaty in the Middle East and the resumption of diplomatic and trade relations between the Arab nations and the United States, was out of order.

This amendment attempts to address issues which are equally dissimilar. The title of the bill clearly states that the endeavor is to promote improved relations between the United States, Greece, and Turkey, to assist in the solution of the refugee problem on Cyprus, and to otherwise strengthen the North Atlantic Alliance.

Therefore I would hope the point of order would be sustained.

The CHAIRMAN. The Chair will hear the gentleman from New York.

Mr. RANGEL. Mr. Chairman, the previous point of order was ruled in favor of the gentleman but that related to an amendment to an amendment.

Here we have an amendment to the bill which clearly in section 2 indicates that this bill is to improve and harmonize the relations among the allies of the United States and between the United States and its allies in the interest of mutual defense and national security.

The President of the United States has indicated the importation of narcotic drugs, especially of opium, poses a threat to our national security.

In addition to this the previous section before this amendment indicates that the Congress is directing the President of the United States to initiate discussion with the Government of Greece for the purpose of determining their military and economic needs.

It appears to me that there is no more serious question that is affecting our urban communities than drugs. This amendment merely directs the President to initiate discussions with the Government of Turkey for the purpose of or concerning the effective means of preventing the diversion of opium poppies into this country.

It is the same language. We are asking the President of the United States to initiate discussions with the Government of Greece in order to determine their needs. So I believe this is germane to the bill. I have discussed it with other members of the committee and I believe they share with me in my understanding of the germane question.

The CHAIRMAN. The Chair is ready to rule. The question is whether or not the amendment offered by the gentleman fom New York (Mr. RANGEL) is germane to the text of the bill.

The Chair observes on page 4 of the bill, subsection (2) the following language:

(B) the President is requested to initiate discussions with the Government of Greece to determine the most urgent needs of Greece for economic and military assistance.

(2) The President is directed to submit to the Speaker of the House of Representatives and to the Foreign Relations and Appropriations Committees of the Senate within sixty days after the enactment of this Act a report on discussions conducted under subsection (b)(1)(B), together with his recommendations for economics and military assistance to Greece for the fiscal year 1976.

The language of the gentleman's amendment is similar to paragraph (B).

Now, as to the germaneness of the amendment to the text of section 2 of the bill the principal purposes of that section are stated in paragraphs 1 through 6 on page 5 of the committee report, and they are fairly diverse in scope to the extent that they all have as their primary purpose continuation of our NATO relationship with Turkey and Greece. Viewed in that context, and in the context of section 2, the Chair feels that the amendment of the gentleman from New York adds a further requirement of negotiations to that already contained in section 2, which does not go beyond the purposes outlined in the bill.

Therefore, the Chair overrules the point of order and holds that the amendment is germane to section 2.

Mr RANGEL. Mr. Chairman, I suppose that all of us are very anxious to see that some movement be made in order to protect the refugees that find themselves in Cyprus without help. Obviously, by not doing anything, there has not been any movement.

I, for one, have felt that notwithstanding the fact that the Turkish Government had violated an executive agreement and did, in fact, violate the ban of growing opium, that I present these facts.

Mr. MORGAN. Mr. Chairman, will the gentleman yiled?

Mr. RANGEL. I yield to the chairman.

Mr. MORGAN. Mr. Chairman, for many years I have known the gentleman's great interest in the narcotics problem in the country. I have tried to have our committee work with the gentleman very closely.

I have been in contact with the President this very week. I have a letter from the President, which states:

I have been informed that several members of the House have again raised their concern

about the threat of Turkish opium to the United States and have suggested an amendment to S. 2230, which would require the President to report to the Congress every sixty days on the efforts being made by the Administration to ensure that Turkish opium does not find its way to our cities and communities.

As you know, I too am deeply concerned about the opium problem, and I had a thorough conversation about the situation earlier this year with Turkish Prime Minister Demirel. He explained to me the strict measures—

The President explained to me the strict measures being taken to control illegal opium production and traffic. He said:

. . . Turkey has taken under the United Nations-approved plan to control the production of opium poppies and he informed me that he intends to do whatever is necessary to assure that there is no diversion of Turkish opium gum into illicit channels.

I would be pleased to report to the Congress by letter every sixty days on the efforts and effectiveness of this Administration in preventing diversion of illicitly produced opium poppies into the United States.

You may be interested to know that, to date, we have no evidence of diversion of Turkish opium into illicit traffic. This is an extremely hopeful sign and we continue to enjoy the complete cooperation of the Turkish Government in this matter.

I would appreciate having you communicate the substance of this letter to your colleagues.

So as far as I am concerned, I think the gentleman's amendment is constructive and I would be glad to take the gentleman's amendment to conference.

Mr. BROOMFIELD. Mr. Chairman, will the gentleman yield?

Mr. RANGEL. I yield to the gentleman from Michigan.

Mr. BROOMFIELD. Mr. Chairman, we have had a chance to view the gentleman's amendment and we have no objection on this side also and we are willing to accept it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. RANGEL).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. LEVITAS

Mr. LEVITAS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LEVITAS: Page 4, immediately after line 15, insert the following new paragraph:

"(3) The authority contained in subparagraph (A) of paragraph (1) of this subsection may be terminated, in whole or in part, by the Congress by the adoption, during the 60-day period (excluding days when both Houses of Congress are not in session) beginning on the date on which the first report required by the amendment made by subsection (c)(2) is submitted to Congress, of a concurrent resolution declaring that such authority or part thereof, as the case may be, is terminated. Such termination may include the suspension of any licenses issued under such subparagraph (A) prior to the adoption of such concurrent resolution."

Mr. RINALDO. Mr. Chairman, I move to strike the last word, and I rise in support of the bill.

Mr. Chairman, I rise reluctantly tonight in support of S. 2230, legislation which would partially restore arms shipments to Turkey. I take this position with caution, and with hope, and with appreciation for the gravity of the situation facing us in the Mediterranean.

Each time this question has come to the House floor, I have voted against arms shipments. I have condemned the Turkish invasion of Cyprus, and I condemn that action now. Turkey at this moment is in occupation of foreign territory, holding American weapons; she has closed American bases and pronounced to the world the unilateral nullification of a defense pact voluntarily adopted by both our countries. And despite world opinion, Turkey has done next to nothing to alleviate the plight of 180,000 refugees.

Mr. Chairman, from one of our enemies this action might be understandable. But from one of our allies it is disgraceful.

But we cannot repatriate the refugees overnight. We cannot send American troops to push the Turkish forces off Cyprus. Words and resolutions clearly will not move the Ankara government to seek a settlement on Cyprus.

And unfortunately, the arms embargo also has failed.

So we are faced with the problem of what to do. We hear from Turkey almost daily that if we restore arms shipments, we will see progress on Cyprus. If we restore arms shipments, the refugees will receive aid. If we restore arms shipments, our military and intelligence bases will be reopened.

And in fact, the record is bleak. There have been a number of developments since July which, in their totality, have undermined prospects for a Cyprus settlement, U.S. security arrangements in the eastern Mediterranean, and prospects for Turkish reconciliation with Greece. Having studied all these facts, I have reached the conclusion that a failure to ease the embargo could well further exacerbate these adverse developments.

On Cyprus, despite our best efforts and those of U.N. Secretary General Waldheim, the intercommunal talks have been suspended. Among Turkish Cypriots, pressures for a declaration of complete independence for the Turkish zone are increasing. Up to now the Government of Turkey has resisted this pressure for an independent Turkish Cypriot state. It has noted, however, that fruitful negotiations toward a Cyprus settlement will be impossible so long as the arms embargo is in place.

Moreover, all reports substantiate the allegation that U.S. security interests have been severely affected since the last House vote. The day following the vote the Turkish Government asked us to suspend operations at U.S. intelligence and navigation sites in Turkey. The intelligence loss to the United States and NATO on Soviet force deployment and weapons research has been substantial. The Turks have also begun to place customs and other restrictions on U.S. military personnel in Turkey.

In summary, a reasonable assessment of the embargo demonstrates that it simply is not working constructively on any front. The Turkish Government has said that removing the embargo would enhance its negotiating flexibility on Cyprus. Similarly, the Turks have said that while they cannot conceive of a worthwhile United States-Turkish security relationship so long as the ban is in place, its lifting would create an atmosphere conducive to reestablishing beneficial security ties. Under these circumstances, it is in the interests of those who want a Cyprus settlement, who wish to help the refugees, and who are concerned about U.S. security interests to test these propositions.

I remain hopeful and confident the Turkish Government will reciprocate this gesture of good will.

But if the government in Ankara fails us—and all Cypriots—I am prepared to return to this floor with my colleagues and reimpose the embargo when we consider the Foreign Assistance Act later this year.

Mr. Chairman, the House of Representatives tonight can bring us an important step closer to solving the Cyprus crisis. We should not let this opportunity pass.

Mr. LEVITAS. Mr. Chairman, I think this is an important amendment because it goes to the heart and soul of what this process is about. I would like to explain it very briefly.

Under the provisions of the bill as now written, the President of the United States is required to report to Congress within 60 days after enactment as to what progress has been made in the negotiations between the parties to reach a settlement on Cyprus. This amendment would simply say that after that report is received, the Congress will then have 60 days in which, by concurrent resolution, to terminate any authority given under this bill in the event that there has been no progress made or in the event that the arms have again been misused.

This is not a Greek issue and it is not a Turkish issue. This is an American issue and one that addresses itself to the Congress of the United States. There is a need to regard the principles of American law and to regard justice and friendship to our allies—Turkey and Greece alike. We also need flexibility through this bill to bring progress in Cyprus and bring a solution and to provide for the needs of American security and to rebuild our ties with Turkey. We have been told that this bill will do it all.

We are told that if we restore the shipment of arms to Turkey, all this will come about, but suppose it does not? I think that this amendment keeps everybody in the ball game honest, and it keeps it on the same type of numerical majority that exists at the present time, not as it would exist if veto politics get involved. It really tests the bona fides of the representations that have been made to us by the gentleman from Ohio based on his recent trip to the NATO conference, and by the administration and White House representatives as to what we can expect to occur.

It has been said that we will have an opportunity to vote on the foreign military aid sales bill, but this amendment will give us 60 days after the President reports to us to decide, in fact, what has really occurred. It keeps Congress and the American people involved.

History has shown that Congress can-

not abandon its role in a foreign policy decision as crucial as this to the United States, and unless we adopt this amendment, we will be giving the policy ball game away.

I suggest that this amendment lets Congress and the American people see what has happened, and then act accordingly.

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. LEVITAS. I yield to the gentleman from Florida.

Mr. FASCELL. Mr. Chairman, I certainly cannot support the bill, but I think whether one supports the bill or is against the bill, every Member ought to support this amendment. I think it is absolutely vital under the conditions of the bill where, without restraint and restriction, the United States has unilaterally decided, if this bill is adopted, to grant Turkey whatever it wants. Certainly, this protects the oversight role of Congress.

Mr. LEVITAS. I thank the gentleman.

Mr. BRADEMAS. Mr. Chairman, will the gentleman yield?

Mr. LEVITAS. I yield to the gentleman from Indiana.

Mr. BRADEMAS. Mr. Chairman, I want to commend the gentleman for the amendment he has proposed and echo the sentiments expressed by the gentleman from Florida (Mr. FASCELL).

Mr. LEVITAS. Mr. Chairman, I would like to say this: Regardless of how we feel about this bill or how we vote on final passage, it seems to me that it is absolutely essential that Congress maintain its responsibilities. If the administration has given us the representations they believe to be true, then they should have absolutely no objection to this amendment, which simply says that 60 days after we receive a report from the President, we can determine whether there has been the progress which we have been promised, and whether these arms have not been misused as they have been in the past.

Mr. Chairman, I urge adoption of this amendment.

Mr. MORGAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the objective of this amendment appears fairly good. I just think the amendment is unnecessary on this bill.

Mr. Chairman, the House will have an opportunity to review this problem during consideration of the fiscal year 1976 international security assistance bill. The bill on which we are working now already requires the President to terminate deliveries to Turkey if there is any violation of the ceasefire. Also, there are provisions in the Foreign Assistance Act and the Foreign Military Sales Act which suspend all assistance in case of violation of sales and grant agreements, without the need for congressional action. This is section 505(d) of the Foreign Assistance Act and section 3(c) of the Military Assistance Act.

Mr. Chairman, the amendment, in my opinion, would single out one country, as it applies only to Turkey. For that reason, I do not think it is right.

I think the intent of the amendment is good and it should be considered in the framework of the security bill which we will bring out next month. It has some merit; but I just think it is unnecessary in this legislation.

Mr. BROOMFIELD. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise to join with the chairman of our committee in opposing this amendment. I believe our committee at a later time, when we have the security assistance bill, should take this matter up for consideration. I think this should be considered as one more obstacle.

Really, the whole purpose of the bill is to create the proper climate so that we could get some movement, so far as the settlement on Cyprus is concerned, and also, hopefully, to do something about our bases in Turkey. I think this would be very much of a detriment if this amendment was included in the bill, and I strongly urge the House to vote against the amendment and for the passage of the bill.

Ms. HOLTZMAN. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. LEVITAS. Mr. Chairman, will the gentlewoman yield?

Ms. HOLTZMAN. I yield to the gentleman from Georgia (Mr. LEVITAS).

Mr. LEVITAS. I thank the gentlewoman for yielding.

Mr. Chairman, in response to the comments made by the gentleman from Michigan (Mr. BROOMFIELD), it seems to me that if what the gentleman from Michigan has represented is in fact the case, then he should have absolutely no objection to this amendment; because if the passage of this bill will lead to negotiations, will bring about a settlement, will do something about the refugees as they are now suffering on the island of Cyprus, then when the President reports to us 60 days after the passage of this bill, this Congress then can see whether what we were promised actually occurred.

There is no sword of Damocles hanging over the Turkish people as a result of this. There is no coercion built in here. It just gives the Congress the opportunity to assess, after the fact, after this bill is passed, whether there have been any efforts toward a settlement and whether the arms that have been shipped have been properly used.

Mr. HAYS of Ohio. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I just want to say I do not find any great fault with the general thrust of the amendment offered by the gentleman from Georgia (Mr. LEVITAS), except the way it is written now it is aimed at the Turks, and they have felt all along that they have been picked out for violating the arms agreement when many other countries have violated it and we have either closed our eyes or said nothing about it.

Mr. Chairman, what I would hope the gentleman would do would be to withdraw his amendment and rewrite it so that we can put it in the military sales bill, so that it just goes across the board to everybody, so that it is not aimed at one country, so that they, the Turkish people, do not feel further humiliated, but that it would just apply to any country that got American military arms, that within 60 days after the sales were cleared, the Congress could revoke it if it saw fit.

Mr. Chairman, as I said before—and I do not want to belabor it, I spent a lot of time, a lot of hours on this—the Turks feel that we think that they are untrustworthy, and so on.

Mr. Chairman, I pointed out earlier that the Greeks infiltrated a whole division armed with American arms on the island of Cyprus in violation of this and nobody did anything about that.

If the gentleman could find a way to do this, I would not only help him write his amendment but I would help him get it considered in the committee or on the floor, wherever he wanted to do it. But here in this bill, I think the amendment would be harmful.

Mr. LEVITAS. Mr. Chairman, I thank the gentleman for his comments.

I do intend at the appropriate time to offer that, because this is a matter of general principle with me concerning our relationship with other countries and the sale and furnishing of military arms throughout the world.

My concern in wanting to see it put in this bill at this time is not to aim it at the Turks, but I believe that if we do not put it in the bill at this time, then we will have locked the barn after the horse has gone with respect to at least the $185 million worth of armaments that are going to be shipped.

Mr. Chairman, it is for that reason, although I would like to take the advice of the gentleman, that I cannot in good conscience withdraw the amendment from consideration in the bill at this time.

Mr. HAYS of Ohio. Mr. Chairman, I am sorry the gentleman feels that way, because I think the amendment would be a harmful addition to the bill for the reasons that I have stated.

Mr. HINSHAW. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I would like to remind the Members that we will very shortly be voting on another matter that is of great interest to us all, and that is the so-called Sinai agreement. I would suspect that if we put this kind of language in this bill, there will be those who will be insisting that we put the same kind of language into some of the provisions for arms transfer in that other bill.

I agree completely with the gentleman from Ohio (Mr. HAYS) that we ought to look at all countries equally and we ought to deal with them all evenhandedly, whether it be Turkey, Greece, Israel, the Arab countries, or anyone else.

Mr. Chairman, I urge defeat of this amendment because I think it is discriminatory.

Mr. FRASER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, as one Member who believes this bill should be passed, I do not find any difficulty with this amendment, and when it is put to a vote, I plan to support it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia (Mr. LEVITAS).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. LEVITAS. Mr. Chairman, on that I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 190, noes 223, not voting 20, as follows:

[Roll No. 580]

AYES—190

Abzug	Fraser	Murphy, N.Y.
Adams	Giaimo	Neal
Addabbo	Ginn	Nedzi
Ambro	Gonzalez	Nolan
Anderson, Calif.	Green	Nowak
	Gude	Oberstar
Annunzio	Hall	Obey
Ashley	Hanley	O'Hara
Aspin	Hannaford	O'Neill
Badillo	Harkin	Ottinger
Baldus	Harrington	Patman, Tex.
Baucus	Harris	Patten, N.J.
Beard, R.I.	Harsha	Patterson, Calif.
Bedell	Hawkins	
Bennett	Hayes, Ind.	Pattison, N.Y.
Bergland	Hechler, W. Va.	Pepper
Bingham	Hefner	Perkins
Blanchard	Helstoski	Pickle
Blouin	Hicks	Pike
Boggs	Holland	Rangel
Boland	Holtzman	Reuss
Bonker	Howard	Richmond
Brademas	Howe	Riegle
Brodhead	Hughes	Rodino
Brown, Calif.	Jacobs	Roe
Burke, Calif.	Jenrette	Rogers
Burke, Mass.	Johnson, Calif.	Roncalio
Burton, John	Jordan	Rooney
Burton, Phillip	Karth	Rosenthal
Byron	Kazen	Rostenkowski
Carney	Keys	Roush
Carr	Koch	Roybal
Chisholm	Krebs	Runnels
Clancy	LaFalce	Russo
Clawson, Del	Lehman	St Germain
Clay	Lent	Santini
Collins, Ill.	Levitas	Sarasin
Conyers	Long, Md.	Sarbanes
Corman	Lujan	Scheuer
Cornell	McHugh	Schroeder
Cotter	McKinney	Sharp
D'Amours	Madden	Smith, Iowa
Daniels, N.J.	Maguire	Solarz
Davis	Mann	Spellman
Delaney	Mathis	Stanton, James V.
Dellums	Matsunaga	
Derwinski	Mazzoli	Stark
Diggs	Meeds	Stokes
Dodd	Melcher	Studds
Downey, N.Y.	Meyner	Thompson
Drinan	Mezvinsky	Traxler
Duncan, Oreg.	Mikva	Tsongas
Early	Miller, Calif.	Vander Veen
Edgar	Mineta	Vanik
Edwards, Calif.	Minish	Waxman
Eilberg	Mink	Weaver
Evans, Ind.	Mitchell, Md.	White
Fascell	Moakley	Whitehurst
Fisher	Moffett	Wirth
Fithian	Moorhead, Calif.	Wolff
Flood		Yates
Florio	Moorhead, Pa.	Yatron
Foley	Moss	Young, Ga.
Ford, Mich.	Mottl	Zeferetti
Ford, Tenn.	Murphy, Ill.	

NOES—223

Abdnor	Brinkley	Cohen
Alexander	Brooks	Collins, Tex.
Anderson, Ill.	Broomfield	Conable
Andrews, N.C.	Brown, Mich.	Conlan
Andrews, N. Dak.	Broyhill	Conte
	Buchanan	Coughlin
Archer	Burgener	Crane
Armstrong	Burke, Fla.	Daniel, Dan
Ashbrook	Burleson, Tex.	Daniel, R. W.
Bafalis	Burlison, Mo.	Danielson
Barrett	Butler	de la Garza
Bauman	Carter	Dent
Beard, Tenn.	Casey	Derrick
Bell	Cederberg	Devine
Bevill	Chappell	Dickinson
Biester	Clausen, Don H.	Downing, Va.
Bowen		Duncan, Tenn.
Breaux	Cleveland	du Pont
Breckinridge	Cochran	Eckhardt
Edwards, Ala.	Ketchum	Risenhoover
Emery	Kindness	Roberts
English	Krueger	Robinson
Erlenborn	Lagomarsino	Rose
Esch	Landrum	Ryan
Eshleman	Latta	Satterfield
Evans, Colo.	Leggett	Schneebeli
Fenwick	Litton	Schulze
Findley	Lloyd, Calif.	Sebelius
Fish	Lloyd, Tenn.	Seiberling
Flowers	Long, La.	Shipley
Flynt	Lott	Shriver
Forsythe	McClory	Shuster
Fountain	McCloskey	Sikes
Frenzel	McCollister	Simon
Frey	McCormack	Skubitz
Fuqua	McDade	Slack
Gaydos	McDonald	Smith, Nebr.
Gibbons	McEwen	Snyder
Gilman	McFall	Stanton, J. William
Goldwater	McKay	
Goodling	Madigan	Steed
Gradison	Mahon	Steelman
Grassley	Martin	Steiger, Ariz.
Guyer	Michel	Steiger, Wis.
Hagedorn	Milford	Stephens
Haley	Miller, Ohio	Stratton
Hamilton	Mills	Stuckey
Hammer-schmidt	Mitchell, N.Y.	Symington
	Mollohan	Symms
Hansen	Montgomery	Talcott
Hastings	Moore	Taylor, Mo.
Hays, Ohio	Morgan	Taylor, N.C.
Heckler, Mass.	Mosher	Teague
Heinz	Murtha	Thone
Henderson	Myers, Ind.	Thornton
Hightower	Myers, Pa.	Ullman
Hillis	Natcher	Vander Jagt
Hinshaw	Nichols	Vigorito
Holt	Nix	Waggonner
Horton	O'Brien	Walsh
Hubbard	Passman	Wampler
Hungate	Pettis	Whalen
Hutchinson	Peyser	Whitten
Hyde	Poage	Wiggins
Ichord	Pressler	Wilson, Bob
Jarman	Preyer	Wilson, C. H.
Jeffords	Price	Wilson, Tex.
Johnson, Colo.	Pritchard	Winn
Johnson, Pa.	Quie	Wright
Jones, Ala.	Quillen	Wydler
Jones, N.C.	Railsback	Wylie
Jones, Okla.	Randall	Young, Alaska
Jones, Tenn.	Rees	Young, Fla.
Kasten	Regula	Young, Tex.
Kelly	Rhodes	Zablocki
Kemp	Rinaldo	

NOT VOTING—20

AuCoin	Hébert	Spence
Biaggi	Kastenmeier	Staggers
Bolling	Macdonald	Sullivan
Brown, Ohio	Metcalfe	Treen
Dingell	Rousselot	Udall
Evins, Tenn.	Ruppe	Van Deerlin
Fary	Sisk	

The Clerk announced the following pairs:

On this vote——

Mr. Dingell for, with Mr. Hébert against.

Mr. Macdonald of Massachusetts for, with Mr. AuCoin against.

Mr. Biaggi for, with Mr. Treen against.

Mr. Metcalfe for, with Mr. Sisk against.

Mr. Fary for, with Mr. Staggers against.

Mrs. Sullivan for, with Mr. Van Deerlin against.

Mr. Kastenmeier for, with Mr. Evins of Tennessee against.

Mr. MATSUNAGA changed his vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. SEIBERLING. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I had an amendment printed in the RECORD yesterday which I am not going to offer, but I want to explain why I am not going to offer it.

I think we can see by the closeness of the last vote that there are a great many people who are concerned about the lack of control by the Congress over foreign military sales, including commercial military sales. I voted against the last amendment, much as I would have liked to vote for it. The reason was because I do not want to single out Turkey on this question. I think it is important to give this proposed resolution, which we are going to vote on in a minute, a chance to work. I also think that the Congress should not be approaching this whole question of military sales in a piecemeal fashion.

In 1974 alone the United States sold or contracted to sell $10 billion of weapons to foreign countries, most of them in the Middle East. This is a serious threat to the peace of the world and to our own safety. It is like putting dynamite in the hands of children.

I think a great many of us want to see the Congress get some control over this. In the other body the junior Senator from Wisconsin (Mr. NELSON), and in the House some of our colleagues, have introduced various bills to give Congress an annual review over the whole question of foreign military sales, both commercial and Government sales, and to require the President to bring to us a program each year so we can decide as a matter of policy what we want to do.

I am delighted that the distinguished chairman of the Committee on International Relations is going to move ahead on that legislation.

The amendment I had and which I was going to offer would have put a veto right in the hands of Congress over commercial military sales to Turkey. The State Department, in a letter I am placing in the record of this debate, has assured me that they too support the principle that Congress has a right not only to participate in the formulation but also to review the implementation of U.S. arms transfer policies.

As a result of those assurances I am not going to offer my amendment, but I will be looking for the International Relations Committee to give the House an early opportunity to vote on a comprehensive policy on military sales to foreign countries.

I am sure all Members do want to get more control for Congress over this very serious and rapidly escalating worldwide arms race, to which military sales by the United States are a major contributing factor.

Our former colleague, the junior Senator from Iowa (Mr. CULVER), has recently written the Secretary of State urging him to call an international conference on arms sales. His letter is printed at page 29781 of the RECORD of September 23, 1975. I strongly support his proposal and hope other Members of the House will do likewise.

But if there is to be such a conference, and if it is to succeed, it is essential that the Congress create a legislative program for developing a comprehensive arms transfer policy for this country, a program which will enable Congress to exercise effective and continuing control over sales of U.S. armaments abroad.

Mr. SARASIN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, for almost 8 months we have followed a policy of pursuing peace in the eastern Mediterranean through a strict embargo on arms for the Turkish Government and I have supported this approach. In all this time, this approach

has produced no discernible progress toward lasting peace in the region, and may even have contributed to the rigidity of attitudes among the contending interests.

For this reason, I am rising in support of the bill presently on the floor, S. 2230. As we all are aware, this bill would lift the arms embargo to Turkey imposed on February 5, and which was subsequently sustained by this body on July 24. I voted to sustain the embargo in the hopes that Turkey would be encouraged to make some substantive progress on a Cyprus settlement. However, subsequent events have belied this hope. Our actions only made Turkey more intransigent in her attitude, and provoked the closing of U.S. bases in retaliation.

I am quite dismayed that there has not been significant movement on the negotiations over Cyprus. Following the Cyprus conflict last summer, talks between leaders of the two Cypriot communities did not get underway until January of this year. They broke down following the Turkish-Cypriot proclamation of a Turkish Federated State of Cyprus. Then in April, the talks were revived and expanded under the auspices of U.N. Secretary-General Kurt Waldheim. But on September 10, the fourth round of these talks ended in complete deadlock. To date, there has been no further agreement on resumption of the talks. Glakos Clerides, the Greek Cypriot leader has stated there can be no progress unless the Turkish side comes up with territorial concessions. Rauf Denktash, the Turkish Cypriot leader, will not make such concessions and stated that the problem cannot be solved by outside pressures and embargoes.

There are even now indications from the Government of Greece that it does not view this modest lifting of the embargo as contrary to its own interests and that it recognizes the possibility of a beneficial effect.

The Athens newspaper, Kathimerini, on September 28, printed the following comment, believed to be the official government view:

Political observers in Athens pointed out yesterday that Greece's opposition to the resumption of military aid to Turkey was limited only to that area where the military strengthening of Ankara impinges on the Greek-Turkish dispute. Viewed in that manner, whatever decisions the American Congress takes cannot be characterized as either a Greek victory or defeat since, (A,) the Americans weight their decision on the basis of special criteria upon which Greece cannot interfere, i.e., questions of security, bases and American-Turkish relations generally. (B,) as has been shown, friends and allies of Greece consider, rightly or wrongly, that the lifting of the embargo will facilitate the finding of a solution to the Cyprus problem, and, (C,) as for the military balance of power between Greece and Turkey, we may recall a recent statement of President Ford that with the lifting of the embargo, the U.S. would resume military aid to our country as well.

The Turks have indicated that the arms embargo has clearly been an impediment to progress in the negotiations. Moreover, with the upcoming elections in Turkey, it is unlikely that the Turkish Government will want to appear to be bowing to U.S. pressure on this issue. But with the political situation as delicate as it is, it would be quite unwise to wait until after the elections to lift the embargo.

It is quite evident that the arms embargo has not produced the progress in the Cyprus negotiations that we so desired. It is important, then, at this critical juncture to reconsider the wisdom of our present course of action. S. 2230 would permit the delivery of arms Turkey has already paid for, and also allow commercial cash sales. As an indicator of our good faith, lifting the embargo will give the Turks greater flexibility and freedom to conduct the negotiations.

In addition, some facts have come to light regarding the misappropriation of U.S. munitions in Greece at the height of the Cyprus hostilities which raise some new questions of equity in the situation.

My hope is that changing our present policy on the arms embargo will constructively affect the present stalemate on the negotiations. If not, and if other adverse reactions result, I would be the first one to call for reimposition of the embargo. We must be willing to act now, because the people who suffer most are the refugees on the island of Cyprus, who live with the constant anxiety and uncertainty of their political future as negotiations conducted on their behalf go nowhere.

By facilitating the negotiations, the removal of the embargo can also help Greece, with a lessening of the tensions in the area to the mutual advantage of both countries. It must be clear that we remain committed to our friendship with our ally Greece. S. 2230 also directs the President to discuss with Greece its needs for economic and military assistance and to make recommendations to Congress on meeting those needs. It is also the Greek Cypriot majority on Cyprus that stands to gain by a speedy resolution of the problems there.

Thus, for these reasons, and in the best interests of the people of Cyprus, I urge the removal of the arms embargo and passage of the measure before us, S. 2230.

The CHAIRMAN. Under the rule the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. NATCHER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the Senate bill (S. 2230) to authorize appropriations for the Board for International Broadcasting for fiscal year 1976; and to promote improved relations between the United States, Greece, and Turkey, to assist in the solution of the refugee problem on Cyprus, and to otherwise strengthen the North Atlantic Alliance, pursuant to House Resolution 737, he reported the Senate bill back to the House with an amendment adopted in the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the third reading of the bill.

The Senate bill was ordered to be read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. WHITEHURST

Mr. WHITEHURST. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. WHITEHURST. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. WHITEHURST moves to recommit the Senate bill, S. 2230, to the Committee on International Relations.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. FASCELL. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 237, nays 176, not voting 20, as follows:

[Roll No. 581]

YEAS—237

Abdnor	Fenwick	Lloyd, Calif.
Alexander	Findley	Lloyd, Tenn.
Anderson, Ill.	Fish	Long, La.
Andrews, N.C.	Flowers	Lott
Andrews, N. Dak.	Flynt	McClory
Archer	Foley	McCloskey
Armstrong	Forsythe	McCollister
Ashley	Fountain	McCormack
Aspin	Fraser	McDade
Bafalis	Frenzel	McDonald
Baldus	Frey	McEwen
Baucus	Fuqua	McFall
Beard, Tenn.	Gibbons	McKay
Bell	Gilman	Madigan
Bergland	Goldwater	Mahon
Bevill	Gonzalez	Mann
Biester	Goodling	Matsunaga
Bingham	Gradison	Mazzoli
Bowen	Grassley	Meeds
Breaux	Guyer	Melcher
Breckinridge	Hagedorn	Meyner
Brinkley	Hamilton	Michel
Brooks	Hammer-schmidt	Milford
Broomfield	Hansen	Mills
Brown, Mich.	Hastings	Mitchell, N.Y.
Broyhill	Hays, Ohio	Montgomery
Buchanan	Heckler, Mass.	Moore
Burgener	Henderson	Moorhead, Calif.
Burleson, Tex.	Hicks	Moorhead, Pa.
Burlison, Mo.	Hightower	Morgan
Butler	Hillis	Mosher
Carter	Hinshaw	Murtha
Casey	Holland	Myers, Ind.
Cederberg	Horton	Myers, Pa.
Chappell	Hubbard	Nichols
Chisholm	Hungate	Nowak
Clancy	Hutchinson	Obey
Clausen, Don H.	Hyde	O'Brien
Cleveland	Ichord	Ottinger
Cochran	Jarman	Passman
Cohen	Jeffords	Patman, Tex.
Collins, Tex.	Johnson, Colo.	Pattison, N.Y.
Conable	Johnson, Pa.	Pettis
Conte	Jones, Ala.	Pickle
Coughlin	Jones, Okla.	Poage
Crane	Jones, Tenn.	Pressler
Daniel, Dan	Jordan	Preyer
Daniel, R. W.	Karth	Price
de la Garza	Kasten	Pritchard
Dent	Kazen	Quie
Derwinski	Kelly	Quillen
Devine	Kemp	Railsback
Dickinson	Ketchum	Randall
Downing, Va.	Keys	Rangel
Duncan, Oreg.	Kindness	Rees
Eckhardt	Krueger	Regula
Edwards, Ala.	LaFalce	Rhodes
English	Lagomarsino	Rinaldo
Erlenborn	Landrum	Risenhoover
Eshleman	Latta	Roberts
Evans, Colo.	Leggett	Robinson
	Litton	Rogers

Ryan	Stanton,	Walsh
Sarasin	J. William	Wampler
Satterfield	Steelman	Whalen
Scheuer	Steiger, Wis.	White
Schneebeli	Stephens	Whitten
Schulze	Stratton	Wiggins
Sebelius	Stuckey	Wilson, Bob
Seiberling	Symington	Wilson, C. H.
Shipley	Symms	Wilson, Tex.
Shriver	Talcott	Winn
Shuster	Taylor, Mo.	Wirth
Sikes	Taylor, N.C.	Wright
Simon	Teague	Wylie
Skubitz	Thone	Young, Alaska
Slack	Thornton	Young, Fla.
Smith, Nebr.	Ullman	Young, Tex.
Snyder	Vander Jagt	Zablocki
Solarz	Waggonner	

NAYS—176

Abzug	Fithian	Murphy, Ill.
Adams	Flood	Murphy, N.Y.
Addabbo	Florio	Natcher
Ambro	Ford, Mich.	Neal
Anderson, Calif.	Ford, Tenn.	Nedzi
	Gaydos	Nix
Annunzio	Giaimo	Nolan
Ashbrook	Ginn	Oberstar
Badillo	Green	O'Hara
Barrett	Gude	O'Neill
Bauman	Haley	Patten, N.J.
Beard, R.I.	Hall	Patterson, Calif.
Bedell	Hanley	
Bennett	Hannaford	Pepper
Blanchard	Harkin	Perkins
Blouin	Harrington	Peyser
Boggs	Harris	Pike
Boland	Harsha	Reuss
Bonker	Hawkins	
Brademas	Hayes, Ind.	Richmond
Brodhead	Hechler, W. Va.	Riegle
Brown, Calif.	Hefner	Rodino
Burke, Calif.	Heinz	Roe
Burke, Fla.	Helstoski	Roncalio
Burke, Mass.	Holt	Rooney
Burton, John	Holtzman	Rose
Burton, Phillip	Howard	Rosenthal
Byron	Howe	Rostenkowski
Carney	Hughes	Roush
Carr	Jacobs	Roybal
Clawson, Del	Jenrette	Runnels
Clay	Johnson, Calif.	Russo
Collins, Ill.	Jones, N.C.	St Germain
Conlan	Kastenmeier	Santini
Conyers	Koch	Sarbanes
Corman	Krebs	Schroeder
Cornell	Lehman	Sharp
Cotter	Lent	Smith, Iowa
D'Amours	Levitas	Spellman
Daniels, N.J.	Long, Md.	Stanton, James V.
Danielson	Lujan	
Davis	McHugh	Stark
Delaney	McKinney	Steiger, Ariz.
Dellums	Madden	Stokes
Derrick	Maguire	Studds
Diggs	Martin	Thompson
Dodd	Mathis	Traxler
Downey, N.Y.	Mezvinsky	Tsongas
Drinan	Mikva	Vander Veen
Duncan, Tenn.	Miller, Calif.	Vanik
du Pont	Miller, Ohio	Vigorito
Early	Mineta	Waxman
Edgar	Minish	Weaver
Edwards, Calif.	Mink	Whitehurst
Eilberg	Mitchell, Md.	Wolff
Emery	Moakley	Wydler
Esch	Moffett	Yates
Evans, Ind.	Mollohan	Yatron
Fascell	Moss	Young, Ga.
Fisher	Mottl	Zeferetti

NOT VOTING—20

AuCoin	Hébert	Staggers
Biaggi	Macdonald	Steed
Bolling	Metcalfe	Sullivan
Brown, Ohio	Rousselot	Treen
Dingell	Ruppe	Udall
Evins, Tenn.	Sisk	Van Deerlin
Fary	Spence	

The Clerk announced the following pairs:

On this vote:

Mr. Hébert for, with Mr. AuCoin against.

Mr. Treen for, with Mr. Biaggi against.

Mr. Sisk for, with Mr. Macdonald of Massachusetts against.

Mr. Steed for, with Mr. Metcalfe against.

Mr. Staggers for, with Mr. Fary against.

Mr. Evins of Tennessee for, with Mrs. Sullivan against.

Mr. Van Deerlin for, with Mr. Dingell against.

Until further notice:

Mr. Udall with Mr. Rousselot.

Mr. Brown of Ohio with Mr. Spence.

Mrs. SCHROEDER and Messrs. BENNETT and TRAXLER changed their vote from "yea" to "nay."

Messrs. TEAGUE and CHARLES WILSON of Texas changed their vote from "nay" to "yea."

So the Senate bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MORGAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the Senate bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

REQUEST FOR PERMISSION FOR SUBCOMMITTEE ON PUBLIC BUILDINGS AND GROUNDS OF COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION TO MEET ANY TIME NEXT WEEK DURING THE 5-MINUTE RULE

Mr. RONCALIO. Mr. Speaker, I ask unanimous consent that the Subcommittee on Public Buildings and Grounds of the Committee on Public Works and Transportation be permitted to meet any time next week, while the House is in session, under the 5-minute rule.

The SPEAKER. Is there objection to the request of the gentleman from Wyoming?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, perhaps the gentleman from Wyoming could confine his request to a request for tomorrow, and then he can make a new one on Monday.

Mr. RONCALIO. Mr. Speaker, if the gentleman will yield, I have made the request for next week since we have already canceled two meetings this week. We are not scheduled to meet tomorrow.

Mr. BAUMAN. Mr. Speaker, in the absence of my colleague, the gentleman from California, I would be constrained to object to granting permission for the entire week, and I do object.

The SPEAKER. Objection is heard

PERMISSION FOR COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION TO MEET TOMORROW DURING THE 5-MINUTE RULE

Mr. ANDERSON of California. Mr. Speaker, I ask unanimous consent that the Committee on Public Works and Transportation be permitted to meet tomorrow for the purpose of conducting business during the 5-minute rule.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

LEGISLATIVE PROGRAM FOR TOMORROW

(Mr. RHODES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RHODES. Mr. Speaker, I take this time to ask the distinguished acting majority leader what the program is for tomorrow, if he has it available.

Mr. McFALL. Will the distinguished minority leader yield?

Mr. RHODES. I am happy to yield to the gentleman from California.

Mr. McFALL. The proposed program for tomorrow is, first, consideration of H.R. 8070, the HUD appropriations conference report.

Second on the calendar will be H.R. 8841, Federal Insecticide, Fungicide, and Rodenticide Act Amendments, commonly known as FIFRA.

No. 3 will be S. 584, retirement credit for National Guard technician service.

No. 4 will be H.R. 7222, Federal employees' group life insurance.

No. 5 will be H.R. 6227, right to representation during questioning.

No. 6 will be H.R. 5665, postal supervisor's arbitration.

I intend to ask unanimous consent to come in at 10 o'clock tomorrow, and we are aiming for adjournment at 4 o'clock in the afternoon. I am sure that unless we are very lucky we are not going to finish all of the legislation that I have listed, but that is the way it will be taken up.

Mr. RHODES. I will be happy to yield to the gentleman from California (Mr. McFALL) for his unanimous consent request, if he desires to make it.

Mr. McFALL. I thank the gentleman from Arizona.

HOUR OF MEETING TOMORROW

Mr. McFALL. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 10 a.m. on tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, I do so to ask the gentleman this question: Does the gentleman think that we will have nine rollcalls tomorrow or more than nine rollcalls?

Mr. McFALL. I suppose it depends upon the temper of the House.

Mr. RHODES. I suppose it also depends on who is here and who is not.

Mr. BAUMAN. Mr. Speaker, I hastily withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

"GOLDEN IS THE DAWN"—A LITERARY WORK ON CONGRESSMAN PEPPER'S HOMETOWN

(Mr. NICHOLS asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. NICHOLS. Mr. Speaker, our distinguished colleague, the Honorable CLAUDE PEPPER of Florida, grew up in a small town located in my congressional district. The people of Camp Hill, Ala., are proud of their native son and on many occasions he has been honored by the people there.

Only recently, however, a new page has been discovered in the history of Camp Hill. Located in this small community is one of Alabama's finest military academies, the Lyman Ward Military Academy. This institution has helped mold many of the youth of the area and the State and make them more responsible citizens.

Recently, Col. Wesley Smith, current president of the academy and respected citizen of Camp Hill, found among the papers of Dr. Lyman Ward, founder of the school, an unknown and unpublished autobiography entitled "Golden Is the Dawn."

This is a most interesting document and gives an interesting perspective in the history, life, and times of Camp Hill, Ala.

Included in the book is a chapter on famous Americans who have befriended Dr. Ward. This distinguished list of outstanding Americans is most impressive and very prominent is the name of our friend, Congressman CLAUDE PEPPER.

For the perusal of the Members of this body I would like to submit for the RECORD an excerpt from the autobiography of Dr. Lyman Ward which describes the celebration some 40 years ago honoring their favorite son, CLAUDE PEPPER, who returned home soon after being elected to the U.S. Senate from Florida.

AN EXCERPT FROM AN AUTOBIOGRAPHY BY DR. LYMAN WARD

"Camp Hill was on parade October 22, 1936. United States Senator Claude Pepper had come home, his friends and neighbors desiring to honor him on account of his recent election to the United States Senate. Senator Pepper was born in adjoining Chambers County but had spent practically his entire youth in Camp Hill, Tallapoosa County. The day was surpassingly beautiful. The autumn tints were as varied as one could ask in his best dreams for color. The sky was fleecy with such rare tracery as one seldom sees. The streets and highways for miles around were filled with men and women and children coming to meet Mr. Pepper.

"Our day began in front of the public school building in town at ten o'clock. Mr. W. P. Smith was grand marshal. He and a group of horsemen led the parade. Several automobiles carrying Mr. Pepper and various distinguished guests were next in line. All were riding in open cars, including the Senator's father and mother and brother and sister. Also some ten or fifteen distinguished guests including the President of the Senate and the Speaker of the House of the Florida legislature. Several members of Congress from Florida were present including Hon. Millard Caldwell, who is now governor of Florida. The parade, with many floats, was more than a mile long. The school children of the entire town marched. After all of these were several ox teams and one quaint old Negro had his steer harnessed to a buggy. Camp Hill had never witnessed such a parade. This aggregation of marchers broke rank at Tallapoosa Hall. The band played "Auld Lang Syne" and the guests joined in singing those intriguing words. A program lasting an hour or more took place, schoolmates, teachers, and other friends speaking, Senator Pepper making the final response. I doubt if ever in my experience have I heard a response in better taste or in more simple phrase. The speaking over, a delicious barbeque dinner was served, followed by the entire afternoon of greetings and reminiscences. Camp Hill outdid itself to welcome this rising young statesman."

MUST WE SUCCUMB TO THE POLITICS OF THE PISTOL?

(Mr. GUDE asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. GUDE. Mr. Speaker, the events of the past 3 weeks have alerted us to the use of the handgun as a political weapon of the emotionally disturbed. I refer not only to the two recent attempts to assassinate the President, but also to the cold-blooded killing of Dr. Charles A. Glatt, father of seven children, who was gunned down two Fridays ago while writing a desegregation program for the schools of Dayton, Ohio.

Professor Glatt, a specialist in educational development, helped write such programs in Philadelphia, Buffalo, and San Francisco. He was a man committed to carrying out the principle that the Congress and the courts have long upheld. His murder was an overt attempt to subvert the political process to the will of a violent few. Political assassination does not stop with the President; it can be used just as effectively against a civil servant.

Dr. Glatt's suspected assailant, an exmental patient, has admitted to shooting at 25 to 30 black persons over a 4-year period, killing 2 of them, according to a police affidavit. The man had suffered from a major emotional disorder and had spent 3 months in a mental health center in 1968. He shot Professor Glatt with a .32-caliber revolver.

Mr. Speaker, when will the Congress act? When will we get the guns out of the hands of the emotionally disturbed? How many more politically motivated murders must take place before a strong, effective gun control law is passed? Must we succumb to the politics of the pistol?

RULES COMMITTEE SHOULD RECONSIDER AUDIT BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. PATMAN) is recognized for 30 minutes.

Mr. PATMAN. Mr. Speaker, the Rules Committee or the leadership or the full membership of the House of Representatives should find a means of bringing H.R. 7590 to a vote in the House of Representatives.

This bill—which provides for a full-scale audit of the Federal Reserve System by the General Accounting Office is currently bottled up in the Rules Committee—its fate controlled by eight or nine members of that committee. The other 426 Members of the House of Representatives might as well not exist if the current procedures are allowed to stand.

By a relatively close vote of 9 to 6—with one member later switching his vote to present—the Rules Committee voted to indefinitely postpone consideration of H.R. 7590. This action was particularly unfortunate since it came after an apparent misunderstanding about the position of some prestigious economists on the audit legislation.

In an emotional effort to sway votes, a letter was read by the Honorable RICHARD BOLLING, of Missouri, from Arthur Okun and four other former Chairmen of the Council of Economic Advisors. Obviously the clear impression was left that Arthur Okun and the other economists were flatly opposed to H.R. 7590 and had written the letter in an effort to block a rule.

Mr. Speaker, I want to place in the RECORD a copy of the letter which was read or paraphrased in the Rules Committee:

SEPTEMBER 22, 1975.

Hon. CARL ALBERT,
Speaker of the House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: Speaking for former Chairmen of the Council of Economic Advisers, including Drs. Ackley, Heller, McCracken and Stein, I am writing to let you know of our concern about H.R. 7590, a bill providing for GAO audits of the Federal Reserve System.

Our concern is with the nature of the proposed authority. We are agreed that the extension of this auditing authority to policy operations would be most unwise and thus should not be included in this bill. In our judgment, it would ill serve the interests of the Congress and good monetary policy to mix a review of policy with a conventional auditing of the books.

Sincerely yours,

ARTHUR M. OKUN,
Senior Fellow, Brookings Institution.

Since that time, I have learned that there was a great deal of misunderstanding on the part of the economists involved and this misunderstanding continued on into the Rules Committee deliberation. It is apparent that this first letter—again, based on misunderstanding about the nature of the legislation—had a great impact on the Rules Committee and influenced its decision against the legislation.

Mr. Speaker, I have discussed this question with Dr. Okun and it is very clear that his original letter was misunderstood and was based at least partially on incomplete information about the nature of the pending legislation.

As a result, Dr. Okun has written a new letter to clear up these misunderstandings and to place the position of these economists on the record in a more accurate manner. A copy of this letter was forwarded September 26, 1975, to the Speaker of the House, the majority leader of the House and to Hon. RAY MADDEN, chairman of the House committee.

The important thing at this point is that Dr. Okun has not and does not oppose H.R. 7590 and he is emphatic in stating that his letter was not intended to be part of an effort to block a rule and House consideration of H.R. 7590. It is obvious that the Rules Committee did not understand this to be Dr. Okun's position.

So that this is very clear, I want to place in the RECORD a copy of the new letter from Dr. Okun:

WASHINGTON, D.C.,
September 26, 1975.

Hon. RAY J. MADDEN,
Chairman, Rules Committee,
Washington, D.C.

DEAR MR. CHAIRMAN: To avoid any possible misunderstanding, I should like to clarify the precise intent of a letter concerning H.R. 7590 written to the Speaker by me on behalf of several former Chairmen of the Council of Economic Advisers.

It was our intent to express the principle that extension of auditing authority to policy operations "should not be included in this bill." It was not our intention either to oppose or to support H.R. 7590 nor to take a position on any particular amendments. In no way should my letter be read as supporting a negative verdict on H.R. 7590 by the Rules Committee.

I hope this note clarifies my earlier letter and avoids any misunderstanding or inaccurate inference of my position.

Sincerely,

ARTHUR M. OKUN.

In light of this misunderstanding, it would seem only fair that the Rules Committee reopen this matter. I have introduced a resolution—House Resolution 746—to provide for a rule and this has been referred to the Rules Committee. It could be taken up at any time by the Rules Committee and I hope that the members of that committee will consider this carefully.

Mr. Speaker, H.R. 7590 and similar bills have 120 cosponsors and it will be a blackmark on the record of this Congress if the work of a legislative committee and the sponsorship of these 120 Members is simply tossed aside.

Mr. Speaker, the lobbying against this legislation has been intense. It has been orchestrated by the Federal Reserve System and it has included the giants of the banking and business community. Federal Reserve employees have been pulled from their other duties to move this lobbying campaign forward and to generate mail to Members of Congress in an effort to kill the rule and block House consideration.

The House of Representatives has a distinct duty to require accountability by all Federal agencies whether big banks or big business combines desire it or not. The Congress has a responsibility to provide for the fullest oversight of the Federal bureaucracy and we have a reponsibility to check on the use of public moneys. The General Accounting Office is essential in carrying out these duties and its authority should be extended to the mammoth Federal Reserve System.

Many have raised false fears about the General Accounting Office. The GAO is an extremely careful agency and it has carried out its audit work without disrupting any Department or agency anywhere in the Federal Government. It has handled thousands of areas termed "sensitive" without creating any problems and it has never breached necessary confidentiality. It has audited regulatory agencies, the State Department, the Defense Department, and other areas far more sensitive than those of the Federal Reserve.

To allay fears that the GAO would be unnecessarily concerned with monetary policy, the Banking, Currency and Housing Committee has included in its bill a prohibition against recommendations by GAO on monetary policy. This is a clear prohibition and there is no reason for concern in the monetary policy area.

This question of monetary policy is the only concern that has been expressed by Arthur Okun and the other former Chairmen of the Council of Economic Advisers and H.R. 7590 as reported by the committee takes care of the problem. Yet, the Federal Reserve continues to distort the question and to mislead people about the true nature of the legislation. No scare tactic is too absurd for the Federal Reserve to employ in its desperate effort to undermine the bill and to prevent the House of Representatives from voting on this legislation.

Once again, Mr. Speaker, there is no reason why the Rules Committee should hold this legislation captive. There is no reason why the House of Representatives should be prevented from voting.

The 94th Congress was elected on a platform calling for open Government and an end to secrecy. We have promised full accountability by the Federal bureaucracy and we have pledged to update and upgrade our oversight activities.

H.R. 7590 will be a major test of our willingness to carry out that pledge.

Mr. Speaker, the need for a full audit of the Federal Reserve is and has been obvious. It is an agency which handles more than $30 trillion in transactions annually and it has access to more than $6 billion of tax funds each year. It does not come to Congress for appropriations and there is no effective check on its activities at any point in the legislative process.

The importance and the far-reaching nature of this agency cries out for full oversight activities with the GAO aduit a prime necessity.

This is an agency which has almost 20 percent of the Nation's debt in the portfolio of its Federal Open Market Committee in the New York Federal Reserve Bank. This portfolio currently ranges in the vicinity of $90 billion and it is composed of bonds which have been purchased with the credit of the United States. These bonds have been paid for once and they should be canceled and substracted from the national debt. Instead the Federal Reserve continues to draw interest on the bonds—to the tune of $6 billion annually—and the Congress has only the vaguest notion of how this money is handled and how the operations are carried out.

Mr. Speaker, I could fill pages with questions about various aspects of the Federal Reserve's operations. And, as the House knows, we have compiled a hearing record of 739 pages to support H.R. 7590.

Mr. Speaker, I want to place in the RECORD at this point a copy of the year-by-year totals of the portfolio of bonds held in the Open Market Committee:

Portfolio of bonds held in the Open Market Committee, 1914–1974—Year-end holdings—and current 1975 figure

[In millions]

Year:	Bonds held in Open Market Committee
1914–15	$16
1916	55
1917	122
1918	239
1919	300
1920	287
1921	234
1922	436
1923	134
1924	540
1925	375
1926	315
1927	617
1928	228
1929	511
1930	729
1931	817
1932	1,855
1933	2,437
1934	2,430
1935	2,431
1936	2,430
1937	2,564
1938	2,564
1939	2,484
1940	2,184
1941	2,254
1942	6,189
1943	11,543
1944	18,846
1945	24,262
1946	23,350
1947	22,559
1948	23,333
1949	18,855
1950	20,778
1951	23,801
1952	24,697
1953	25,916
1954	24,932
1955	24,785
1956	24,915
1957	24,238
1958	26,347
1959	26,648
1960	27,384
1961	28,881
1962	30,820
1963	33,593
1964	27,044
1965	40,768
1966	44,282
1967	49,112
1968	52,937
1969	57,154
1970	62,142
1971	70,000
1972	70,600
1973	76,000
1974	81,059
1975 (September 3)	88,224

SOURCE.—1974 annual report of the Board of Governors of the Federal Reserve System, table 17, page 312; and Federal Reserve Release H.4.1 for week ending September 3, 1975.

THE ALLIED SERVICES ACT OF 1975

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. QUIE) is recognized for 60 minutes.

Mr. QUIE. Mr. Speaker, today I am introducing with the cosponsorship of Congressman PERKINS, BRADEMAS, and BELL the Allied Services Act of 1975. This is the third Congress in which this legislation has been introduced by me for the administration.

The legislation is conceptually quite simple and very practical. It is designed to encourage and assist States and local

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governments to "develop, demonstrate, and evaluate means of improving the utilization and effectiveness of human services through integrated planning, management, and delivery of those services".

As my colleagues are aware, there has been a virtual explosion in the number and type of categorical and special programs to provide services to individuals who have varying needs for social services. The last few decades have seen the development of extensive and rather comprehensive Federal programs in education, manpower, vocational rehabilitation, health, and mental health. In addition, there are an enormous variety of related programs dealing with such specific problems as alcoholism and juvenile delinquency. The enormous expansion of those programs has created a situation in which local and State governments are faced with a bewildering, confusing, overlapping, and often counterproductive array of Federal programs.

The intellectual framework for the creation of allied services legislation rests with the concerns which Elliot Richardson had when he was HEW Secretary about this very problem. It was through his leadership that this legislation was drafted. When Elliot Richardson left HEW in January 1973, one of his closing acts was to issue a report on the HEW potential for the 1970's entitled "Responsibility and Responsiveness (II)." I should like to quote from some of former Secretary Richardson's final presentation:

We have slipped into a confusion which has led many to believe that as an absolute rule in our system the level of government which provides the revenue must also provide a high degree of administrative guidance and oversight with regard to the uses of that revenue. Except that there is reason to believe that Federal interests are fundamentally at odds with State and local interests, there is no reason that this should be the case. And indeed, as we have seen, there are reasons that it should not be the case: Excessive Federal involvement has yielded a delivery system which is highly inflexible, confused, inefficient and ineffective. . . .

Here, it is time we abandon ad hoc-ery. Insofar as there is to be a public role with regard to the provision of human services, it is time that we bet on a simple, clear, manageable and publicly accountable administrative structure for rationalization of the service network. I can think of none better to bet on—and to strengthen further—than the Federal-State-local general purpose government structure with which our Constitutional history has provided us. That structure cannot be strengthened adequately by continuing to view responsibility as properly concentrated exclusively at the Federal level, while the capacity to respond necessarily depends on States and localities.

I can find no words more telling than the former Secretary's description of the need and rationale for this legislation.

Since the bill was introduced in the 93d Congress, a number of significant modifications have been made in the legislation, largely because of the testimony received by the Education and Labor Committee in hearings held on May 29 and 30, and July 10 and 11, 1974. I believe these changes should make the legislation much more acceptable to the variety of interest groups who have been concerned that this leigslation, if enacted, might lessen their influence and ability to provide services to their members. Even with these changes, I am certain that the legislation can be further improved, and I am hopeful that the Education and Labor Committee will begin immediate hearings to address both the issue of the need for coordinated delivery of services and the possibility of amending this legislation, if required. I would hope that the 94th Congress could number among its achievements the enactment of the Allied Services Act.

In redrafting the legislation for the 94th Congress, four major modifications were made in the bill:

First. The authority to transfer up to 30 percent of the funds from one Department of Health, Education, and Welfare human services program to another would be modified to provide that 25 of the 30 percent so transferred could only be between programs serving substantially the same population or for use in providing common administrative support services, while the other 5 percent could be transferred without restriction between human services programs.

Second. The requirement for the Governor to divide the entire State into service areas would be eliminated. Rather, the Governor, in cooperation with affected units of local government, would designate those areas which are to participate in an allied services demonstration. The affected local units of government would then designate the lead agency to administer the plan. Such lead agency could be either a public agency or a private, nonprofit organization.

Third. Both State and local allied delivery of services plans would be required to be made available to the public for comment at least sixty days prior to their submission.

Fourth. Procedures would have to be developed by local agencies to prevent the unauthorized use of personal information obtained in carrying out a local allied delivery of services plan.

Finally, I would like to point out to those Members, and there are many of us, who are concerned about total Federal spending that this legislation is among the most reasonable proposals which we will probably see this year. The annual budget level is projected at $20 million. That investment should provide significant benefits in improving the provision of human services programs to those most in need.

I also wish to emphasize very strongly that the program proposed in this bill is a demonstration effort. Participation in it would be entirely voluntary. No action would be forced upon any governmental unit.

Last month the General Accounting Office released a new report entitled "Fundamental Changes Are Needed in Federal Assistance to State and Local Governments." This report is an excellent document which states in a variety of ways the strong need for the allied services legislation. I commend the report to the attention of Members, and I am including in my remarks extracts from the GAO report which support the need for this legislation.

CONTINUING FUNDAMENTAL PROBLEMS IN PROVIDING ASSISTANCE TO STATE AND LOCAL GOVERNMENTS

Despite the actions taken to improve the Federal delivery system, fundamental problems continue. Officials of State and local governments advised us of a number of problems they had encountered, some of which, although a source of concern, were not, in our opinion, subject to systemwide improvements. Therefore, we do not discuss them in this report. Such problems generally stemmed from unique requirements of similar programs, certain policies and practices of individual Federal agencies, and a general lack of rapport among officials of various levels of government.

We concentrated on problems which related to the Federal assistance delivery system rather than to individual programs or agencies. In our opinion, the delivery system problems we identified are directly attributable to the proliferation of Federal assistance programs and the fragmentation of responsibility among different Federal departments and agencies.

Although the large number and variety of programs tend to insure that a program is available to meet a defined need, substantial problems occur when State and local governments attempt to identify, obtain, and use Federal assistance to meet their needs. These problems, individually and collectively, impede the planning and implementation of State and local projects . . .

PROBLEMS IN MEETING NEEDS WITH A FRAGMENTED DELIVERY SYSTEM

The multiplicity of narrowly defined programs for a function presents a grantee with a perplexing problem; a particular program may be too restrictive to meet a need completely. A grantee must then attempt to combine several assistance programs, each with its own set of requirements, to achieve its goal. Even when programs are combined, a grantee often has difficulty developing a project that is comprehensive and flexible enough to meet its overall needs. As a result, State and local officials have had difficulties achieving comprehensive and efficient systems for delivering services.

The frequently proposed solution to the problems resulting from the multiplicity of functional Federal grant-in-aid programs is improved coordination of program planning and administration. However, the sheer number and variety of programs is a major barrier to achieving the degree of coordination necessary when programs with similar objectives have fragmented administration or are too restrictive to meet comprehensive needs. Coordination then may not always be practical or possible and may not be the best method for achieving program effectiveness . . .

MULTIPLE PROGRAMS FOR SIMILAR OBJECTIVES

Our review efforts involving certain other Federal grant-in-aid programs also indicated that the multitude of Federal funding sources and various administering agencies have resulted in a fragmented approach to service delivery. For example, at least 14 separate HEW organizational units administer programs for assisting in the education of the handicapped.

Because so many agencies provide funds and services, no individual or group comprehensively plans, monitors, or controls the system. Policymaking, funding, and operating decisions are often made for similar program purposes by different groups of people, based on a lack of data about program effectiveness. Few locations provide a full range of educational services comprehensive and flexible enough to meet the needs of all

handicapped children. Often, appropriate educational services are not provided because the delivery system for special education is fragmented and uncoordinated.

Multiple funding sources and various administering agencies also exist for programs providing funds for family planning services. Within HEW, these programs are fragmented among four separate organizational units. Each program (1) involves different Federal-State sharing arrangements, different eligibility requirements, and different degrees of Federal administration and (2) operates autonomously with little coordination between the organizational units. The lack of a centralized organizational structure causes increased administrative costs and duplicate or overlapping services. For example, under one program $490,000 was awarded to a hospital district to provide countrywide family planning services. Within the same county, about $550,000 under another program was awarded to two different organizations to provide similar family planning services to recipients of aid to families with dependent children. One of these two organizations also provided family planning services under a $242,000 grant from the same program funding the hospital district.

PROGRAMS TOO RESTRICTIVE TO MEET NEEDS

The proliferation of narrowly defined Federal assistance programs has also fostered the development of programs too restrictive to meet State and locally defined needs. The narrow targeting of programs hampers State and local governments' ability to undertake the full range of project activities they perceive as necessary or requires the combination of two or more Federal assistance porgrams to meet a single need.

One school district obtained funds from four Federal assistance programs to operate an early childhood education project. The project's overall objective was to narrow the educational gap between disadvantaged children and other students. Because the amount of funding available from each individual program was insufficient to provide the desired range of services, the school district had to obtain funding from several sources. This required the school district to meld one State, one local, and four Federal funding sources into a unified effort, despite differing guidelines, objectives, grant periods, and administratve procedures and controls. . . .

CONCLUSIONS

The present Federal assistance delivery system:

Lacks an adequate means for disseminating grant-in-aid information needed by State and local governments.

Creates a high degree of funding uncertainty due to late congressional authorizations and appropriations and executive impoundment of appropriated funds.

Fosters complex and varying application and administrative processes.

Is fragmented, with similar programs being administered by different Federal agencies or agency components and with programs too restrictive to meet State and local needs.

From hearings held last year, I know that there are a great number of State and local governments anxious to see the enactment of this legislation, for they are as convinced as I of the need to begin reforming the tangle of Federal programs which now exist:

SUMMARY OF THE PROPOSED "ALLIED SERVICES ACT OF 1975"

The proposed "Allied Services Act of 1975" is intended to develop, demonstrate, and evaluate various mechanisms by which States and localities could coordinate the provision of human services to individuals and families in ways that will assist them in attaining the greatest feasible degree of personal independence and economic self-sufficiency, or will prevent individuals and families from becoming increasingly dependent upon public and private programs for both financial support and personal care.

The Act would define various key terms. For instance, the term "human services" includes any services provided to achieve or maintain personal and economic independence. The "allied delivery of services" means the provision of human services needed by individuals and families, in such a coordinated way as to (1) facilitate access to and use of the services, (2) improve the effectiveness of the services, and (3) use service resources more efficiently and with minimal duplication. These definitions help to restate the goals of the Act in clear terms—to develop the means by which dependency may be lessened through more effective service delivery.

Title I of the bill provides authority for the Secretary to make grants which may be needed by States and localities to develop plans for the allied delivery of services. These grants may not be made to any grantee for more than two years and no initial grant may be made after three years following enactment.

This title also describes the State and local allied services programs contemplated under this Act. Section 102(a) describes the steps which must be taken by the Governor as conditions precedent to the submission of a State allied delivery of services plan. First, after taking into consideration factors such as the distribution throughout the State of service needs and service resources, and in cooperation with affected units of general purpose local government, he must designate areas within the State ("service areas") for the purpose of administering local allied delivery of services plans. In the process of delineating service areas, he must cooperate with units of general purpose local government. The Governor must also designate a State agency which is under his direction and which will have responsibility for developing a State allied delivery of services plan which incorporates local plans and for reviewing its administration.

Section 102(b) provides for the designation of a public or nonprofit private office or agency to be the lead agency in carrying out the local allied delivery of services plan. Such agency is to be designated by the chief elected official or officials of the unit or units of general local government in the service area. Such office or agency must provide an assurance, satisfactory to the Governor, that it has the necessary ability to develop and carry out the local plan.

The local allied delivery of services plan must be approved by the State agency and incorporated into the State plan before any of the forms of Federal assistance described below can accrue. The plan must be designed to serve as a demonstration or evaluation of means to substantially improve the allying and consolidation of human services planning and delivery.

Prior to submission of its local plan to the State agency, the local agency must afford a reasonable opportunity to interested agencies, organizations, or individuals to present their views and comments on the proposed plan. The local plan must specify the agencies and organizations which have agreed to participate in the coordination effort, describe the service needs and resources within the service area, enumerate the programs to be included under the plan, and provide reasonable assurance that progress will be made in allying the delivery of services. This assurance is to be provided by describing the specific functions and services to be allied, the benefits to individuals, and the administrative efficiencies to be achieved by the allied delivery of services.

The local plan must also specify procedures which assure that interested agencies, organizations, and individuals will have their views taken into consideration with respect to the carrying out of the plan. It is the intent of this bill to have the active and continuous involvement of voluntary organizations, client groups, service consumers, and local social service providers in the planning and administrative processes of the program. Also, the local plan must specify procedures which will ensure that there will be no unauthorized disclosure of personal information obtained in carrying out the plan.

Section 103(a) prescribes the requirements applicable to a State allied delivery of services plan. An approvable plan must:

(1) be designed to serve as a demonstration and evaluation of means to substantially improve the allying and consolidating of human services delivery,

(2) through a brief summary of the incorporated local plans, describe the current status of the allied delivery of services, and the steps which will be taken to achieve a greater degree of human services coordination,

(3) provide that under each local plan services under the assistance titles of the Social Security Act will be allied with services under at least three other human services programs (regardless of whether those programs are receiving Federal support),

(4) provide for the use of such methods of administration as are necessary for the proper and efficient administration of the plan,

(5) establish objectives, consistent with the purposes of the Act, toward which activities under the plan will be directed, identify obstacles to the attainment of those objectives, and indicate how it proposes to overcome those obstacles,

(6) provide that the State agency will conduct periodic evaluations of activities carried out under the State plan,

(7) specify the steps the State intends to take to better coordinate State and local human services programs,

(8) provide that the head of each State agency affected by the plan has an opportunity to comment thereon,

(9) be designed to achieve expansion of its coverage to other services and other service areas on a reasonable basis,

(10) provide that the State agency will provide any other relevant information which the Secretary may request, and

(11) have been made available to the public for comment in accordance with procedures discussed below.

Subsection (b) directs that an opportunity to review and comment upon a State plan submitted for approval be afforded to the head of any Federal department or agency which is extending assistance to a program included within that plan.

Subsection (c) permits the Secretary to approve a State plan only if he finds that (1) the Governor has complied with the preliminary organizational requirements prescribed in section 102, and (2) the plan meets all the specified requirements.

Subsection (d) provides certain penalties if the Secretary finds failure to comply substantially with the provisions of an approved State plan (or included local plan). He may in his discretion apply these penalties to the entire State plan or only those parts of the State or local plan or service areas affected by the noncompliance. In such instances, the subsection would provide: no Federal planning funds may be consolidated or intermingled with other such funds for human services planning, no Federal funds may be transferred among programs, no requirements may be waived, and no further payments or grants may be made (in the

fiscal year for which the plan is approved) for so long as the failure to comply continues.

Section 104 of the bill would require both State and local allied delivery for services plans to be made available to the public at least 60 days before being submitted to the Secretary, in the case of a State plan, or to the State, in the case of a local plan. The responsible State and local agencies must, for a period of at least 30 days, accept comments on the plan; and the final plan must also be published at or prior to the time it is submitted to the State or to the Secretary, as the case may be.

Title II of the bill authorizes the Secretary to make grants to meet initial costs of allying or consolidating administrative support services and management functions necessary to facilitate the allied delivery of human services if those costs cannot be met from other available funds. The State must indicate how it plans to allocate the funds applied for among the various designated local agencies with approved plans. These grants are not to be used to meet the non-Federal share requirements of any Federally assisted program and may not be made to any grantee for more than three years. No initial grant may be made after three years following enactment.

Title III of the bill contains several special authorities to facilitate the allied delivery of services. First, authority would be given both the Secretary and State and local governments with approved allied service plans to consolidate planning funds extended by the Department of Health, Education, and Welfare. Thus, the Secretary may make a single, consolidated grant to States of HEW funds available for planning at the State level for or under any program included in the approved State plan or to local governments of HEW funds available to them for planning for or under any program included in the local allied services plan. As a corollary, a State or a unit of general purpose local government, with an approved allied services plan, may use planning funds provided by the Department of Health, Education, and Welfare and available for any program included in its plan, for planning in connection with the provision of human services under any other included program.

Second, a State or local agency with an approved plan would be able to transfer up to 25 percent of the Federal assistance available for use under an HEW-assisted program included in the plan to be expended in carrying out any other included programs, but only if such funds are designed to serve substantially the same population or if they are to be used for common administrative support services. An additional 5 percent could oe transferred among such programs without restriction. Any such proposed transfer would have to be specified in both the State and local plans, and the Secretary could not approve any plan involving a transfer unless he determines that overall program goals or priorities will not be undermined by any such transfer. Assistance transferred under this authority carries with it the matching rate established under the program for which it was originally appropriated, so that no incentive to transfer will be created merely by disparities in matching rates which exist among the included programs. Transfers of grants would not be permitted, however, in the case of cash assistance programs and Medicaid under the Social Security Act or in the case of title I of the Elementary and Secondary Education Act.

Third, the Secretary would be authorized to waive requirements of Statewide applicability, administration by a single or specified State or local agency, or technical or administrative requirements imposed in connection with any included program which, at the Federal level, is administered by the Secretary and which the State or local agency certifies impedes implementation of its allied services plan. Thus, it would not affect the basic protections provided by the Civil Rights Act of 1964 or any other generally applicable legislation; nor would it apply to programs administered by other Federal departments or agencies.

Title III also provides joint funding authority, which expands somewhat authority now provided under the Joint Funding Simplification Act of 1974. The joint funding provision in this proposal would, with the concurrence of affected Federal agencies, permit waiver of technical grant or contract requirements imposed by statute as well as by regulation.

Also, title III of the Act would authorize the Secretary to evaluate, directly or by grant or contract, the programs established under the Act and to provide technical assistance for planning or implementing a specific allied delivery of services program. In addition to any salary and expense money he may wish to devote to these activities, the Secretary may also use for this purpose amounts not in excess of 5% of the amounts appropriated to carry out the Act.

Finally, title III would require the Secretary to report to the Congress four years after passage of the Act on the activities carried out under the Act, his evaluation of those activities, and recommendations with respect to appropriate legislation in the area of allied service delivery.

The bill would authorize the appropriation of $20,000,000 for fiscal year 1976 and for each of the four succeeding fiscal years.

Mr. Speaker, I include a statement by my friend, the gentleman from California (Mr. BELL) in support of this legislation:

I am pleased to join with my colleagues on the Education and Labor Committee in the introduction of this bill, "The Allied Services Act of 1975."

The main purpose of this legislation is to provide assistance to States so that they will improve their coordination and delivery of human services.

One of the major complaints that I hear from my constituents is that human services are becoming too expensive and that they would rather do without such services than be put through the bureaucratic maze of unending paperwork, and resulting personal degradation.

I believe that it is time for the Federal Government to encourage States to evaluate the quantity and quality of their human service programs and the manner in which they spend both Federal and State dollars.

Our economy is such that we can no longer afford to squander where we must save. We must begin to spend wisely.

I am hopeful that, when enacted, this legislation will end the proliferation of human service programs, and begin the orderly consolidation of such services.

DEPENDABLE AMERICAN FARM MARKETS MUST BE PRESERVED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. FINDLEY) is recognized for 10 minutes.

Mr. FINDLEY. Mr. Speaker, I have asked Mr. FOLEY, chairman of the House Agriculture Committee to hold hearings on the recent "delay or suspension" of sales of American grain to Poland.

American agriculture has been deprived of important markets outside the congressionally mandated framework. It appears that State Department officials called in the Ambassador of Poland and advised him that Poland was not to purchase grains or soybeans from the United States until further notice. In other words, the moratorium on sales to the Soviet Union was in effect being extended to Poland. The American producer and consumer were not advised. There was no action from the Agriculture Department—as was the case with the Soviet trade—requesting exporters to hold up sales.

I think it is irresponsible and capricious for the Department of State to be bartering in commodities and markets. Certainly the recent interruption of trade with Poland is a violation of the spirit of the General Agreement on Tariffs and Trade, of which Poland is a member. It casts a stigma on our position in the multilateral trade negotiations in Geneva, in which Poland is a participant.

It is grossly unfair to the farmers of my State—and of every State in the Union—to deprive them arbitrarily of markets they have earned. Our image as a reliable supplier of farm commodities is damaged and tarnished. American farmers were asked by their Government to produce at an all-out pitch in 1975—in order to serve growing commercial needs and an enlarged food-aid program. Now—having expanded their production—having brought record crops to harvest—our farmers find that the Department of State has traded off a part of their market. Moreover, this action has cast into question our desire to serve markets everywhere. U.S. farmers must export—up to two-thirds of their wheat, a fourth of their feedgrains, and half of their soybeans. This year, with record and near record crops, they need export markets more than ever. And markets once postponed or denied may never be recovered.

The secrecy in which the action on Poland was handled by State Department officials is a gross violation of the American spirit and our governmental system. Having taken action to push Poland out of the market, they did not make their action public. This action has led to rumors of delayed or suspended sales to other countries. This is most unsettling to the American farmer. Even now, I believe the Department of State has not placed this deed on the public record, but has preferred to administer it by selective press interviews.

The State Department says it was an effort to assure plenty for domestic use and to hold down prices to the consumer. This shows lack of understanding and is in violation of the Export Administration Act. Eighty percent of food-price increases of the past several years have occurred after food left the farm. Just today, I read where the farm-retail price spread increased 0.4 percent from July to August.

Grain prices are actually lower than a year ago. Net farm income is down 10 percent from 1 year ago and 20 percent from 2 years ago. Even if we export to our physical capacity, we will have more carryover than last year. Anybody who has studied the data knows that carryover will go up sharply this year despite high exports. I question the Department of State's ability to determine these issues of farm policy.

I find it incongruous that the Department of State—with nothing in its

charter to give it authority in agricultural affairs—should be originating and administering policy that has far-reaching effects on farmers' income. The Agriculture Committees and Appropriations Subcommittees in the Congress feel acutely their responsibility to farmers. We develop legislation, authorize programs, and pass appropriations bills. To find these efforts frustrated by unauthorized actions, by nonagricultural officials without authority in farm policy, is something I cannot understand and cannot accept.

Congress has terminated the authority for price controls. The administration, by extra legal means, is now attempting to hold down—that is, control—farm prices. Congress should not tolerate this market manipulation.

SURVIVOR BENEFIT PLAN AMENDMENTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. BOB WILSON) is recognized for 5 minutes.

Mr. BOB WILSON. Mr. Speaker, I am today introducing two additional amendments to the survivor benefit plan for military personnel, which will benefit the widows of career military personnel.

Public Law 92-425 enacted on September 21, 1972, established a new survivor benefit plan for military families and was closely modeled on the survivor annuity program in effect for civilian employees of the Federal Government. The previous survivor program for military retirees, the retired serviceman's family protection plan, was high in cost and low in benefits in comparison to the civilian plan.

Because of the substantial reduction in retired pay required to pay for RSFPP, many retirees found it impossible financially and participation was less than 15 percent. As a result, many pre-SBP widows are destitute.

Public Law 92-425 established a minimum income widows' program. In order to qualify, the widow had to be eligible for a non-service-connected pension from the Veterans' Administration and have less than $1,400 per year income, excluding the VA pension. Since 1972 the earnings ceiling for VA non-service-connected pensions has increased by $400, but the law locks minimum-income widows into a maximum of $1,400. The first bill I am introducing today would increase this figure to $1,800, reflecting the raise in the VA pension earnings ceiling.

In addition, the bill provides for further increases by whatever amount the non-service-connected pension earnings ceiling for widows is increased in the future.

The second measure will provide cost-of-living increases for widows receiving payments from the retired serviceman's family protection plan. RSFPP has no cost-of-living factor and widows under this program have had no increases in benefits since their husbands' deaths, 5, 10, or even 20 or more years ago. My bill would authorize a raise equal to the percentage that the Consumer Price Index has increased since SBP went into effect in September 1972 and would tie RSFPP widows to all future CPI increases.

Over the past few months, I have been introducing a series of bills to make major improvements in the survivor benefit plan for current and future widows. I hope that we will be able to get early action on this package and urge my colleagues' favorable consideration.

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. MIKVA) is recognized for 5 minutes.

Mr. MIKVA. Mr. Speaker, early yesterday afternoon I had to leave the Capitol for a doctor's appointment and did not return in time to be recorded on the amendment to the Defense appropriations bill offered by Mr. GIAIMO. That amendment would have prohibited funds for the Central Intelligence Agency under the appropriations bill and was designed to force the CIA funds to be included as specific line items. Had I been present, I would have voted "aye" on the Giaimo amendment.

WAGE SUPPLEMENTS FOR HANDICAPPED IN SHELTERED WORKSHOPS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. NOLAN) is recognized for 5 minutes.

Mr. NOLAN. Mr. Speaker, I am today introducing the Rehabilitation Act of 1975, a bill to provide wage supplements to handicapped individuals working in sheltered workshops or work activity centers. This measure will enhance the work incentive programs now provided by most sheltered workshops and enable handicapped workers to earn a living wage.

Sheltered workshops such as the Opportunity Training Center in St. Cloud, Minn., presently provide work programs through which handicapped individuals can receive job training and a measure of self-sufficiency. Through their work, these individuals contribute a number of valuable services to the St. Cloud community, yet few of them take home more than $35 a week for their efforts.

The legislation which I am introducing would provide for a series of pilot programs to demonstrate the feasibility of wage supplements for handicapped individuals who are employed on a long-term basis. Every handicapped worker in a sheltered workshop would be provided with a wage supplement of $1 per hour in addition to his wage, up to and including the point where his wage reached 50 percent of the minimum wage. For wages above that point, the wage supplement would be reduced 7 cents for each additional 10-cent increment in wages, with the entire wage supplement eliminated for any wage in excess of 100 percent of the minimum wage.

This legislation is designed to provide a handicapped worker with a degree of financial independence while retaining an incentive for productivity. We, in this country, have always been proud of a heritage which encourages each person to realize his full potential. I am hopeful that this measure will provide a vehicle for each handicapped worker to attain his full productive and creative capacity.

POLISH FALCONS HONOR MIECZYSLAW J. WASILEWSKI, EDITOR IN CHIEF OF THE POLISH-AMERICAN NEWSPAPER, SOKOL POLSKI

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, Mieczyslaw J. Wasilewski, editor in chief of Pittsburgh's Polish-American newspaper, Sokol Polski, was honored at a testimonial banquet on September 27, sponsored by the Polish Falcons of America, a physical training organization for Polish-American youth.

Mr. Wasilewski, who is the curator of the Falcons' museum, has also been awarded a certificate of appreciation by the Illinois Bicentennial Commission in addition to the commission's Silver Medallion, in observance of the 200th anniversary of the American Revolution.

All Americans of Polish descent can be proud of Mr. Wasilewski's splendid record of achievement and his long and dedicated service to the Polish-American community. The testimonial banquet program follows as well as a biography of Mieczyslaw Wasilewski:

PROGRAM

Welcome: Bernard B. Rogalski, Secretary, Polish Falcons of America,

National anthems: The Star Spangled Banner, Jeszcze Polska Nie Zginela, Leona Kozlowski, accompanist,

Invocation: Rev. Francis Filip, Pastor of St. Adalbert's Parish.

Toast: A. R. Makowski, Esq., Vice-President, Polish Falcons of America.

DINNER

Toastmistress: Genevieve Hartman, Vice-President, Polish Falcons of America.

Address: Aloysius Mazewski, Esq., President Polish National Alliance and Polish American Congress.

Remarks: Helen Zielinski, President, Polish Women's Alliance.

Introduction of Guests: Bernard B. Rogalski.

Address: Walter J. Laska, Esq., President, Polish Falcons of America.

Guest of Honor: Mieczyslaw J. Wasilewski, Editor "Sokol Polski" and Curator Falcon Museum.

PRESENTATIONS

Benediction: Rev. Francis Filip.

Ospaly i Gnusny: Assembly.

Dancing: Bruno Mikos and the Harmony Stars Orchestra.

Dancing and Gymnastics during intermission under the direction of District IV Instructors, Ruth Pawlowski and Edward Brodala.

BIOGRAPHY OF MIECZYLAW WASILEWSKI

Mieczyslaw Wasilewski was born in Poland December 9, 1897 where he attended elementary school in Eastern Galicia which was under Ausrian occupation at the time. He finished schools in Drohobycz and Lwow. Further studies were interrupted by World War I. Upon returning from Russia after the

war, he was able to continue studies at a University in Poznan where he finished a three year course in Military Physical Education and later more advanced studies in Physical Education at Poznan University under the direction of Professor E. Piasecki. He stayed on at the University as Assistant to Professor Piasecki until leaving for America in 1925.

At the age of 14 little Mietek, as we shall call him, became interested in scouting. He decided to join the Scout Troop in his home town Falcon Nest in Drohobycz—well known for its petroleum deposits. Here his first Scout Master was a Nest Instructor Prof. J. Wrobel. Fortunately, one year later his parents decided to change their domicile to Lwow, where young Mietek entered seventh grade gymnastic school and immediately became active in scouting, dealing directly with its Headquarters, the cradle of scouting in Lwow, Poland. This was his first love. He trained with Poland's best and greatest Scout Leaders, such as, Grodzinski, Lewakowski, Kozielewski, Ajdukiewicz, and others. Also, Lwow being the cradle of the Falcons, Mietek took advantage by regularly attending gym classes as a young boy, training avidly and participating in all their activities. In 1914 he even participated in a special course in Military First Aid, sponsored by the Falcons.

In August 1914 the First World War broke out. The Falcons are organizing the Second Brigade for the Legions. Many Falcons went South to attach themselves to the First Brigade of Gen. Pilsudski, but destiny directed Mieczyslaw eastward. Thousands of Poles flow into Kijow where they found refuge in the welcoming hands of the Falcons who joined forces with the Scouts and under the direction of Stemlar organized the despondent youth in shelters and homes. Therefore, in 1916, rose a great scouting program in Poland where Mieczyslaw became Instructor and Leader of a large detachment, often times including members even older than he.

In 1919, as a result of the Russian Bolshevic Revolution, Miecyslaw spent a year and a half in prison, in Kijow, Moscow, and in the thick White Forest of Northern Poland. Finally rescued by the Authorities of the Polish Government he returned to a newly risen Poland. With orders from the Polish Government Mieczyslaw was sent back to the eastern frontier of Poland for Military service. Here, as a knowledgeable scoutmaster, he acted on all National matters with regards to necessary help for the Polish soldier.

An official order from Gen. Haller called Mieczyslaw to Warsaw to help organize a Volunteer Scout Army. Almost immediately he organizes the transportation of the youngest boys to join the "Slask" Frontier Group already in progress at a Plebescite. He continued the undertaking of this military responsibility from August, 1920, all within the boundary of Czelodz—Sosnowiec.

After his demobilization from this service in 1921, Mieczyslaw goes to Poznan where he renews his studies in Physical Education at the University, continuing his activites as a Falcon and a Scout. While at the University he made the acquaintance of an Instructor, to whom he is very grateful, Druh Fazanowicz who was also at the time, a National Instructor of Falcons in Poland. Here he was given the opportunity to instruct courses in Scout Leadership, Physical Educaton, and gymnastics, not only for Polish students but foreigners as well as Americans of Polish decent. He also taught in the Paderewski Gymnastics in Poznan.

In 1926, after the war, the Polish Falcons of America, hoping to keep in contact with the Falcons of their Fatherland, and in order to carry on the ideals and precepts of the organization, by physical training, turned to the Falcons in Lwow, Poland to acquire an Instructor to direct a National Instructors Course here in America. Druh Fazanowicz, the Headquarter's choice, was not able to come since the invitation was requested for a term of one year. Fortunately, Count A. Zamoyski, President of the Falcons in Poland at the time, highly recommended Mieczyslaw Wasilewski for this position and with the permission of Poland's Ministry of Education, Druh Wasilewski landed in New York in February 1926, and a few days later in Pittsburgh.

Druh Mieczyslaw Wasilewski has been with us, not for just one year, but ever since. First as an Instructor of Physical Education, and Scouting, then as an Editor, called upon to this duty by the late Dr. T. A. Starzynski, when Druh Osada, the former Editor, died in 1935.

We, who know Druh Wasilewski realize how difficult it must have been to take on the responsibility of an Editor after preparing all his life as a Physical Educator and Scout Leader. What a tremendous effort it must have been for him. But like a good scout and great Falcon, he gave 40 years of the best he could as an Editor . . . and we are proud of him.

CONGRESSMAN FLOOD AND ALLEGHENY AIRLINES TO THE RESCUE

The SPEAKER pro tempore. Under a previous order of the House the gentleman from Pennsylvania (Mr. ROONEY) is recognized for 5 minutes.

Mr. ROONEY. Mr. Speaker, on Monday afternoon, September 22, a 13-year-old boy lost his arm in a railroad accident in Wilkes-Barre, Pa.

The severed limb has been restored, and today Scott Cormier stands a chance of regaining the use of his right arm as a result of teamwork and quick thinking.

At the Mercy Hospital in Wilkes-Barre, attending surgeons Vincent Drepeweski and Paul Andrews saw that Scott's injury was clean enough to make him a candidate for a "replantation" if only he could be taken to the Massachusetts General Hospital in Boston where this operation had been pioneered.

My colleague, DANIEL J. FLOOD, responded with positive action when notified of the circumstances by alerting Allegheny Airlines for assistance in providing air transportation. The Allegheny Wilkes-Barre to Boston flight, the last departure to Boston of the day, was held until Scott was transported to the airport by State police helicopter. As fortune would have it, one of the passengers aboard the Allegheny flight was Dr. W. Hardy Hendren, chief of pediatric surgery at Massachusetts General, who later became part of the operating team.

Hopefully the timely and decisive action by all those persons involved will result in Scott Cormier regaining the full use of his arm.

INTRODUCTION OF A RESOLUTION CONCERNING AN INTERNATIONAL TREATY ON CHEMICAL WARFARE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. ZABLOCKI) is recognized for 10 minutes.

Mr. ZABLOCKI. Mr. Speaker, I am introducing today a concurrent resolution with respect to an international treaty banning lethal chemical weapons. Joining me in this legislation are 49 cosponsors whose names appear at the end of this statement. In addition, the resolution is being simultaneously introduced in the other body by the distinguished Senator from the State of New Hampshire, the Honorable THOMAS MCINTYRE.

As you know, the Subcommittee on International Security and Scientific Affairs, which it is my privilege to chair, has been working for a long time on problems associated with securing international control of both biological and chemical weapons. Under the stimulating and constructive leadership of President Gerald R. Ford, important progress in this area has been achieved. Under his initiative the Geneva Protocol on the use of chemical and biological weapons in war and the U.N. Convention on Biological Weapons have been ratified. Also, in keeping with the thrust of positive and enlightened action he has taken in this important area was the joint United States-Soviet communique of November 24, 1974, to consider a joint initiative at the Conference Committee on Disarmament in Geneva on the conclusion of an international convention "dealing with the most dangerous lethal means of chemical warfare." This affirmation of intent served to endorse a similar expression made in the joint United States-Soviet communique of July 3, 1974.

Both communiques reflect the promise of commitment by which the issue of chemical warfare can hopefully be resolved. The resolution I am introducing today is, in effect, an expression of support for the President's dedicated efforts. It is intended to unite the Congress in support of the administration's proposals for prompt bilateral discussions on a comprehensive chemical treaty.

In retrospect, the agreement on biological weapons was relatively easy to secure once a firm decision was made by the United States that biological weapons were not of sufficient military reliability to warrant retaining such weapons in our arsenal. The task of gaining more stringent control of chemical weapons will be much more difficult to achieve. Today, our former biological warfare agent production facility has been converted to a National Center for Toxicological Research under the Food and Drug Administration and the biological warfare research facility at Ft. Detrick, Md., has been converted to cancer research under the National Cancer Institute.

In a gesture of openness, we have received Soviet visitors at Fort Detrick. We would welcome, therefore, a similar gesture from the Soviet Union. These actions on the part of the United States were undoubtedly a significant factor in the rapid achievement of international agreement on a United Nations convention on biological weapons. It now appears however, that continuing leadership on the part of the major powers is going to be required if any progress is to be made on the control of production and storage of chemical weapons.

Hearings held by the Subcommittee on International Security and Scientific Affairs have shown that there is little if any agreement at the chemical warfare arms control and disarmament negotia-

tions being held at Geneva. Breaking the longstanding stalement of those negotiations will require the United States to present a specific draft proposal, a move delayed by concern over the complex issue of verification.

Unlike biological warfare, some nations of the world have had some experience with chemical weapons. Consequently, they are reluctant to take the first step toward a disarmament treaty without some assurance of compliance by all nations, especially the superpowers. We are aware of similar problems associated with our slow progress toward the control of nuclear weapons. Unlike the history of the development of nuclear weapons, however, chemical weapons are more accessible to all nations. Indeed, the real danger exists that the smaller nations may be encouraged to continue to acquire chemical weapons. If a comprehensive chemical warfare treaty is not forthcoming soon, they may be reluctant to relinquish those chemical weapons.

Let me reiterate that the United States and the Soviet Union have stated in communiques following meetings by our leaders, that the issue of chemical warfare arms control and disarmament is of sufficient importance to warrant bilateral discussions. In my opinion, such discussions are almost essential if the impasse at Geneva is to be overcome. My resolution is being introduced in the constructive spirit of anticipating the hopeful fulfillment of the joint communique commitments to seek a meaningful treaty banning such chemical weapons. It represents a significant step toward effective control of "weapons of mass destruction." Today, there is a possibility to prohibit such use. We should make that possibility a reality.

The list of cosponsors and the text of the resolution follow:

LIST OF COSPONSORS

Mr. Zablocki (for himself, Mr. Addabbo, Mr. Aspin, Mr. Badillo, Mr. Baldus, Mr. Boland, Mr. Bonker, Mr. Cohen, Mr. Conte, Mr. Corman, Mr. Cornell, Mr. Dellums, Mr. Drinan, Mr. du Pont, Mr. Edgar, Mr. Eilberg, Mr. Esch, Mr. Fascell, Mr. Fraser, Mr. Gude, Mr. Harkin, Mr. Harrington, Mr. Helstoski, Mr. Hicks, Mr. Jeffords, Mr. Kastenmeier, Mr. Leggett, Mr. Long, Mr. McHugh, Mr. Mazzoli, Mrs. Meyner, Mr. Mikva, Mrs. Mink, Mr. Nedzi, Mr. Nix, Mr. Nowak, Mr. Oberstar, Mr. Obey, Mr. Ottinger, Mr. Pickle, Mr. Quie, Mr. Reuss, Mr. Riegle, Mr. Roe, Mr. Rooney, Mr. Roybal, Mr. Scheuer, Mr. Solarz, and Mr. Wirth).

H. CON. RES. 413

With respect to an international treaty banning lethal chemical weapons

Whereas it has been a long-standing policy of the United States not to make first use of lethal chemical weapons in war;

Whereas the United States Senate in 1974 unanimously gave consent to ratification of the Geneva Protocol prohibiting the use of both chemical and biological weapons in warfare;

Whereas the United States has declared its intent at Vladivostok and elsewhere to seek a treaty banning the manufacture and possession of lethal chemical weapons and is engaged in negotiations to this end at the Conference Committee on Disarmament in Geneva; and

Whereas the unilateral United States policy declaration to abandon manufacture and possession of biological warfare agents was a major stimulus to the International Convention on the Prohibition of the Development, Production, and Stockpiling of Bacteriological (Biological) and Toxic Weapons, and on Their Destruction, approved unanimously by the United States Senate in 1974: Now, therefore, be it

Resolved by the House of Representatives (the Senate Concurring)

That the Congress of the United States—

(1) would support the President in a declaration of policy against any further United States manufacture or possession of lethal chemical weapons (such as nerve, mustard and asphyxiating agents); and

(2) urges an international treaty cosponsored by the United States and the Union of Soviet Socialist Republics, banning the manufacture and possession of lethal chemical weapons by all nations.

EYE CARE FOR THE ELDERLY AND DISABLED

(Mrs. MINK asked and was given permission to extend her remarks at this point in the RECORD and to include extraneous matter.)

Mrs. MINK. Mr. Speaker, I am today introducing legislation to provide eye care for recipients of medicare. I would like to commend the original sponsor of this proposal, Mr. Corman, for his efforts to recognize the importance of eye care and incorporate it in the medicare program.

Eye care, particularly for the elderly, is far from a luxury or an inexpensive need. While our society has always been very conscious of the value of eyesight and the crucial role it plays in our livelihood and enjoyment, we have been lax in inincluding it in our Federal health programs.

Properly maintained eyesight is a vital ingredient in the total health and well-being of an individual. It is particularly important that it become a part of our medicare program. Vision problems among the elderly are common. Those who have enjoyed excellent vision throughout their earlier lives, often experience failing eyesight in old age. Some form of lens prescription and optometric care is virtually a universal need among senior citizens. Yet this comes when many are retired and already struggling on limited pensions and retirement budgets.

When proper eye care is most urgently and commonly needed, many of our senior citizens are forced, for financial reasons, to neglect and postpone eye care.

I urge the House to make proper eye care an integral part of our medicare system. Eyesight is a vital part of our lives; this ought to be reflected in our health programs.

RESEARCH AND SUPPORT STRATEGIES FOR WOMEN'S HIGHER EDUCATION

(Mrs. MINK asked and was given permission to extend her remarks at this point in the RECORD and to include extraneous matter.)

Mrs. MINK. Mr. Speaker, because of my strong commitment to educational equity for women, I am submitting a statement, "Research and Support Strategies for Women's Higher Education," which identifies critical areas of research in women's education which should receive priority in consideration from funding agencies, research institutions, and researchers. This paper was prepared by the advisory committee, a nine-member group of college presidents, academic deans, and faculty members, to the project on the status and education of women of the Association of American Colleges. Because many Federal programs provide funds for research, I commend this statement to my colleagues and to the Federal agencies and hope that it will be of help in determining their funding priorities:

RESEARCH AND SUPPORT STRATEGIES FOR WOMEN'S HIGHER EDUCATION

We are members of a group concerned with the status and education of all women, white and minority, in higher education, whether they are students, faculty or administrators. It is our opinion that inadequate support is presently offered for the study of certain important questions which have serious implications for educational policies affecting women. It is especially significant to address these issues in 1975—International Women's Year.

The re-emergence of the women's movement in the mid-1960's has affected women's higher education in a number of ways. It has generated legislation and federal regulations regarding affirmative action and equal opportunity in order to increase women's opportunities as students and as employees in higher education. Very probably and perhaps paradoxically, it has been one factor leading to both the spread of co-education and the reaffirmation of support for single sex education for women. It doubtless helps to account for the recent rise in women's participation in higher education at both the undergraduate and graduate levels. The women's movement has drawn attention to inequities in the employment status of women in higher education and stimulated women's pursuit of appointments and promotions as faculty members and administrators. To some extent at least, it has changed the expectations and aspirations that both white and minority women associate with higher education. It has also unquestionably increased public consciousness of the educational needs and potential for achievement of women of all groups.

The women's movement in academe also has had a conspicuous impact upon program development and research. Some faculty and administrators have developed courses and programs in women's studies which have not only proliferated rapidly, but have also grown steadily in scope and sophistication. Others have engaged in efforts to improve the counseling available to women and to develop vehicles for the provision of greater faculty and peer support. Attention to programs of continuing education for adult women, which began prior to the re-emergence of the women's movement, has markedly increased in recent years. Feminist scholars in a variety of disciplines have reexamined and rejected a number of cherished theories which had long provided the bases for analysis and interpretation of female characteristics and behaviors. A wide range of questions concerning the nature and origins of sex differences has been raised and these issues are being explored in such disciplines as biology, psychology, sociology, anthropology and history. Pressure on data collecting agencies, particularly federal agencies, has led to the development of statistics concerning education and employment which reveal a number of new details of sex differences in participation.

Out of this surge of interest and activity there should emerge, in time, some answers

to many questions that are troubling those of us who are concerned with the utility and effectiveness of women's higher education, as well as with its equitable availability. We believe, however, that highest priority should be given to the support of those areas of research and program development and evaluation that have the most critical implications for both the higher education of women and women's status in institutions of higher education. We regard those discussed below as most salient.

INSTITUTIONAL RESEARCH

Effects of certain structures and practices in higher education

The possibilities for evaluation and comparison of the effects on women of certain long-existing structures and practices in higher education are legion. In some there is a pressing need for study since decisions are currently being made on the basis of *ad hoc* assumptions or out-dated experience. These are:

Effects of coeducation and single sex educational experiences. The possible differing effects on women's educational experiences of the women's college (as compared to the coeducational institution) is one area that needs to be examined. Individual variables that need to be taken into account in such a study include the opportunities for leadership roles, choices of major fields, quality of academic achievement, level of career aspiration, interpersonal relationships (including heterosexual relationships and adjustments), and marital and family arrangements and satisfactions. Institutional variables that need to be taken into account include size, type, selectivity, and academic traditions. Ideally, such a study would attempt to cover a representative cross-section of institutions.

Analysis of data on the outcomes of affirmative action. These data need to be collected and disseminated in order to assess changes in the representation of women and minorities in the administration and on the faculties of all our institutions of higher education, by department and/or field, through systematic reporting by institutions. The possibility of outside support for collecting the necessary institutional data should be explored.

Analysis of career patterns of women. An examination is needed of differences in the extent to which different institutions produce women graduates who enter other than the traditional career fields. In addition, efforts need to be made to identify factors associated with these differences.

Effects of dormitory options and living arrangements. Further examination is needed of the relative desirability of providing or not providing options, for both male and female students, on coeducational campuses regarding dormitory and other living arrangements (i.e., single sex versus coeducational dormitories, and various living arrangements within coeducational dorms).

Development and evaluation of programs

As noted earlier, a number of *new programs* for women have been initiated in colleges and universities. However, in most instances these programs have not been systematically evaluated. For example, the effectiveness of the following needs to be evaluated:

Courses and programs in women's studies. The objectives of these activities vary considerably—from affecting behavioral and attitudinal changes in the women and men enrolled, to stimulating new theoretical conceptualizations and directions for research. In order to evaluate courses and programs in light of their objectives, it is necessary to undertake research both (1) to evaluate and measure behavioral and attitudinal changes and (2) to measure the quality and quantity of completed work by students and the impact of this work on related ongoing research

Women's centers. These centers generally are designed to provide peer support, aid in conflict resolution, furnish counseling for career and life planning, and provide related services. Evaluation is needed to measure the differential impact of centers on different groups of women (e.g., white and minority women, freshmen and upperclassmen, etc.), their effects on male behavior and attitudes, and the socio-psychological dynamics associated with the development and growth or disintegration of these centers.

Counseling services designed specifically for women. Evaluation would compare the effectiveness of, and differences in, the types and content of counseling available to women through these services and through established college counseling services.

Constellations of efforts (including activities, courses and services) to raise the awareness of men students regarding women's needs and concerns. Evaluation is needed to explore the effectiveness of these efforts and to identify behavioral and attitudinal differences between male students exposed to such efforts and those not so exposed.

Programs of continuing education for women. Evaluation would compare the effects on older women (i.e., outcomes of education) of participation in programs aimed at "traditional" younger students, to those designed particularly to serve mature women, including those with a specific focus (e.g., upgrading the occupational level of minority women, graduate professional programs designed for the part-time mature woman student, etc.). Evaluation might also examine any differences in characteristics of women enrolling in various types of programs.

Programs, courses, and related efforts to encourage women to enter other than traditional majors and/or career fields (e.g., management in business and industry, engineering, etc.). Evaluation would attempt to measure outcomes not merely by a follow-up of graduates, but also by comparing career choices of women graduates from various types of institutions.

There are also programs in early or planning stages that should be supported, with provision for evaluation included in the funding. These include:

Programs designed to offer women "coping training." For example, programs are needed to assist women to become more assertive in personal style and expectations. Evaluation should include comparison of the effects of different types of learning experiences (e.g., learning outside the classroom, use of laboratory techniques such as group process, exposure to role models, films, drama, etc.), as well as measurement of learning retention and differences in retention by type of learning experience.

Experiments with differing sex distributions and with sex segregation in the classroom and in experimental learning settings, including experiments that attempt to measure the influence of the sex of teacher or supervisor on women's attitudes and behavior. Evaluation would examine the extent to which changes in attitudes and behaviors identified in the course of such experiments persisted in the women participants in other settings and over time.

Efforts through programs, workshops, and other means to raise the level of women's quantitative skills and increase their confidence in their ability to use these skills in managerial roles. These efforts would be designed for women already employed in higher education for the purpose of facilitating their rise to higher administrative levels. Evaluation would attempt to measure the extent to which these efforts raised the participants' level of competency and interest in the exercise of quantitative skills and the extent to which such a rise facilitated career development.

Experiments to determine the effect of various classroom sex ratios in encouraging women to enter fields that have not traditionally attracted women (e.g., physics). Evaluation would attempt to measure the effect of classroom sex ratios on women's subsequent academic performance in the subject and on their choices of majors and careers.

Host proposals for experimental projects in educational contain pious commitments to Evaluation of Outcomes. As a rule, however, only the largest and most generously funded projects actually engage in sophisticated and extensive evaluation efforts. In part this is caused by funding that does not cover the costs of competent evaluation. In addition this is partly a function of the difficulties inherent in evaluating educational outcomes since any measure of the persistence of effect requires longitudinal study. Also, it is partly a result of the shortage of individuals trained in educational evaluation. This shortage is particularly unfortunate when attempts are made to evaluate experiments in women's higher education, because such ventures are typically underfunded (and very frequently have no outside funding) and understaffed. Furthermore, these experimental programs are often developed by women faculty and administrators from academic fields which do not generally require the use of the quantitative skills upon which evaluation techniques depend. These women often do not have access to whatever evaluative capabilities their institutions may possess because these experiments in women's education are typically regarded as peripheral to the central functions of the institutions and are thus not entitled to any significant contribution of institutional funds and expertise. We therefore urge the following:

Active efforts should be undertaken to recruit women to the field of educational evaluation, both through attempts to interest undergraduate and graduate women students in the field, and attempts to attract to evaluation women faculty from fields which require some competency in quantitative operations (e.g., psychology, sociology, economics, social psychology, mathematics, etc.).

Courses and programs designed to make statistics a more integral part of women's education should be a concomitant of efforts to recruit undergraduate and graduate women students into evaluation. Also, a much greater emphasis on methodologies of evaluation is needed in undergraduate and graduate programs in the field of education, since this is a field frequently chosen by women.

Efforts should be made to attract women faculty from appropriate academic fields to training in methodologies of evaluation by workshops of sufficient length and/or frequency to insure thorough coverage of all major evaluation methodologies. These workshops should be located at institutions with resources adequate for such training, conducted by recognized authorities in the various techniques of educational evaluation, and limited to participants with a demonstrated interest and intent to engage in educational evaluation. While men obviously could not be excluded from such training programs, there should be strong emphasis on the recruitment of women. We would hope that funding would provide faculty, staff and stipends for participants.

RESEARCH ON INDIVIDUAL DEVELOPMENT

To the extent that decisions regarding the qualifications of women are still being made on the basis of certain questionable assumptions about female psychological development and various differences and similarities between males and females (especially with regard to factors associated with family status and age), there is a pressing need for further research to include the following:

Research on patterns of intellective development during the middle years of adulthood (25 to 65) that will build on existing data for earlier years in order to identify

relationships between various social variables and differing patterns of development. One aspect of such research should be the study of sex differences in chronological patterns of intellectual productivity (with thoughtful attention to the definition of "productivity"). Such studies may provide a clearer perception of whether, taking into account differences in chronological patterns among academic and other fields, women tend to reach a peak of productivity later in life than do men (as a few early studies have suggested). Such research has important implications for women's employment opportunities, especially in higher education, since many women enter, or attempt to enter, full-time employment in academe and elsewhere at a later age than do men.

Research on effects on women's psychological autonomy and independence of socialization experiences associated with traditional adult roles as wife, mother, housekeeper, suburban resident, and financial dependent, with controls for social class and race differences. Such research would be aimed toward obtaining a more precise measure of the relative strengths of the impact on autonomy and independence of an anhydrogynous education coupled with experience of academic achievement and the cultural demands of certain traditional feminine roles. One approach to research in this area could be a study of differences in levels of autonomy and independence in women living in nontraditional family arrangements or in dual career families and in those living in traditional family arrangements. Another interesting possibility for study in this area is a follow-up of the subjects of the Mellon Foundation research carried on at Vassar during the 1950's; in view of the large amounts of data collected on these subjects during their college years, such a study could be extremely productive.

Research related to social policies regarding families. Heated debates regarding child care policies, urban and suburban planning, welfare programs, educational programs and facilities and related issues indicate the urgency of the need. The necessary research encompasses many areas of interest and lies within many disciplines. This circumstance suggests that a center for such studies should be established with support from both public and private funding agencies and with a guarantee of support for at least a five year period.

STRATEGIES FOR THE ENCOURAGEMENT AND COORDINATION OF EXPERIMENTATION AND RESEARCH AND THE DISSEMINATION OF FINDINGS

The tendency of institutions and individuals to "go it alone" in developing and seeking support for proposals, while tending to insure the relatively steady input of original ideas for programs and research, costs funding agencies both time and money and can be detrimental to the quality, scope, and ultimate usefulness of projects and studies whose implications for practice are potentially far-reaching. We recommend the following measures as approaches to achieving economy, coordination, and utility without discouraging originality:

Conferences on program development and research pertinent to women's higher education (possibly regional, rather than national, to stimulate fuller participation), designed to encourage the sharing of ideas and planning for cooperation and coordination among those who develop experimental programs and those who are qualified to conduct relevant research.

More efficient means of information storage and retrieval for materials on program development and research pertinent to women's higher education. One alternative is the establishment of a facility exclusively for this purpose; another is an organized effort to increase the usefulness for this purpose of several existing systems by adding new categories for storage and retrieval and attracting new sources of input.

Encouragement of the exploration of new conceptual schemes and theoretical formulations capable of generating new hypotheses pertinent to women's education and development through funding a year devoted to such an undertaking at some existing center ("think tank"). Invited to participate would be scholars from various disciplines and practitioners from various fields who have demonstrated concern with these problems and some competence to work with them.

HAWAII'S WIC PROGRAM

(Mrs. MINK asked and was given permission to extend her remarks at this point in the RECORD and to include extraneous matter.)

Mrs. MINK. Mr. Speaker, I would like to share with my colleagues Hawaii's report on the special supplemental food program for this past fiscal year.

The WIC program was authorized by Congress in 1972 to provide nutritious foods to women, infants, and children at nutritional risk from low-income families during pregnancy and early childhood. Though it is a relatively new program, the WIC program has already had a major impact among the participants in Hawaii. As stated in the report, there was a dramatic improvement in the height and weight of children and a distinct improvement in the diet of pregnant women. I am sure my colleagues will find the same positive benefits as a result of the operation of the WIC program in their respective States.

I am pleased to insert into the RECORD the report of Hawaii's supplemental food program:

HAWAII'S SPECIAL SUPPLEMENTAL FOOD PROGRAM FOR WOMEN, INFANTS AND CHILDREN (WIC)

Foods that are vital to the physical and mental development of infants and children are frequently lacking in the diets of low-income women and their families during pregnancy and early childhood. The Special Supplemental Food Program for Women, Infants and Children (WIC) provides nutritious foods to 1180 women, infants and children on Oahu who are at nutritional risk.

PL 92-433, approved on September 26, 1972, added a new section 17 to the Child Nutrition Act which authorized the establishment of a Special Supplemental Food Program for Women, Infants and Children (WIC). This pilot program which started in Hawaii on February 1974 is under the United States Department of Agriculture and administered here by the Nutrition Branch, State Department of Health.

The objectives of WIC are:

To supply nutritious foods to those at nutritional risk.

To collect and evaluate data which will medically identify the benefits of this food intervention program.

To measure the administrative efficiencies of various methods of making food available to participants.

According to the WIC Program Regulations, pregnant or lactating women, infants and children under age 4 are eligible to participate if they live in an approved low-income area served by an approved health clinic, are eligible for reduced cost medical treatment from that clinic and are determined by professionals on the staff of the clinic to need supplemental foods.

THE PROBLEM

Hawaii has approximately 60,916 children under 4 years of age. The Department of Health gives preventive and health supervision to over 10,000 infants and preschool children annually through its child health conferences. These include medical well-baby clinics, nursing conferences, and pediatric clinics to supplement nursing conferences.

Among 5,204 infants and children tested for anemia in child health conferences in 1973, 1.1% of the infants and 1.6% of the preschool children were frankly anemic, with hemoglobins below 8.5 g. for the infants or below 9.0 g. for the children 2 to 5 years old. There were 18.5% of other infants who had hemoglobins below par, as did 18.7% of the other children 1 to 5 years old. Most of these deficits were established as being due to iron deficiency. In 1973 the Department of Health provided prenatal care to 598 women. There were 78 high-risk infants, including 16 premature infants.

THE PROGRAM

The State of Hawaii applied for and received $113,500 from February–June 1974 and $475,000 for FY 1974–75.

Under the plan, low-income pregnant women, infants and children under the age of four at nutritional risk are enrolled into the WIC Program from clinics operated by the Health Department and the Kaiser Foundation Health Plan, Inc. Nutritional risk as established by the Federal government is as follows: (1) for pregnant or lactating women with known inadequate nutritional patterns, high incidence of anemia, high rates of prematurity or miscarriage, or inadequate patterns of growth (underweight, obesity, or stunting); (2) for infants and children with deficient patterns of growth, high incidence of nutritional anemia, or known inadequate nutritional patterns.

There are a total of 1,180 enrolled, including 400 Department of Social Services and Housing participants under Kaiser Foundation Medical Health Plan and 780 in the Department of Health clinics. They receive coupon books each month which entitle them to specified amounts of milk, fruit juices, eggs and cereals, free of charge, from participating grocery stores. The prescribed foods, which are intended as supplements to their diets, are high in protein, calcium, iron, and vitamins A and C. These nutrients are often deficient in the diets of many low-income families.

THE BENEFITS

The major impact of the WIC Program in providing nutritious foods to women, infants and children at nutritional risk from low-income families has been the reduction of the number of underweight children whose heights and weights were below the 3rd percentile on the Stuart charts. See charts 1 and 2, pages 13 and 14, for detailed information. The dramatic improvement in heights could be a result of the WIC foods. There was an improvement in hemoglobin levels among most of the anemic WIC participants monitored. This could be the result of the iron fortified cereals and infant formulas along with the extra protein and vitamin C. However, since Hawaii was designated as a partial medical evaluation project, there were no dietary and biochemical evaluations of the participants.

The majority of the participants in the WIC Program felt the WIC foods helped them a lot. A questionnaire was filled out by the participants (see p. 10).

The dietitians and nutritionists at the Maternal and Infant Care Projects participating in the WIC Program noted a distinct improvement in the dietary patterns of the pregnant women on the WIC Program. The women improved their intake of milk, juices high in vitamin C and iron-enriched cereals. The high cost of milk was responsible for the inadequate consumption of milk by many of the mothers who were not on the WIC Program. The dietitians felt that the formula

with iron and iron-enriched cereals helped high-risk infants reach normal hemoglobin levels by age one.

The dietitians indicated that the WIC Program seemed to encourage mothers to start attending clinics earlier in their pregnancies. They felt the WIC Program helped to improve their status in the eyes of the patients. The patients now had an added reason to see the dietitian.

The public health nurses also noted an improved attendance at clinics as a result of the WIC Program. Some families with severe problems who had resisted going to clinic started attending because of the free foods in the WIC Program.

The impact could have been greater with regard to lowering the incidence of low birth-weight babies and anemia. When we had reached our quota of 1180 participants, some pregnant women did not start receiving WIC foods until late in their pregnancies and did not get the full benefit of the WIC Program. Since Hawaii was a partial medical evaluation site, the Program had to rely on the clinics to check on their hemoglobin levels.

The impact would have been greater if there had been funds available for nutrition education. When some families were no longer eligible for WIC, they did not know how to stretch their food money to obtain a balanced diet. Many families needed help in learning how to use the WIC foods. The frequent changes in the WIC food package as well as the exclusion of certain foods hampered existing nutrition education efforts by the nutritionists and dietitians in Maternal & Infant Care and Children & Youth Projects. Some flexibility in the food package would be helpful in unifying nutrition education activities.

The WIC Program has been helpful in providing nutritious foods to women, infants and children at nutritional risk. The partial medical evaluation did not provide sufficient information to determine medical benefits. A comprehensive nutrition education effort was not undertaken due to program restrictions imposed by Federal regulations. Nutrition education should be incorporated into the WIC Program as an essential component in order to really improve the food habits and health of the women, infants and children who are at nutritional risk.

There have been 2000 women, infants and children enrolled in the WIC Program since February 1974. The maximum caseload each month allowed is 1180.

EVALUATION

Medical evaluation—pregnant and lactating women

Of the women enrolled in the WIC Program between March 1, 1974 and June 30, 1975, the following are the nutritional risk factors under which they were enrolled:

37.5% because of poor diet

37.3% had a high-risk pregnancy by Maternal & Infant Care criteria

8.3% had a history of anemia

8.1% had a previous pregnancy termination less than 18 months before this one is estimated to have begun

8.1% had suboptimal hemoglobin levels

26.7% had other nutritional risk factors

(Figures add to more than 100% because some women were enrolled under more than one risk factor.)

There were 254 livebirths at the Maternal & Infant Care Projects participating in the WIC Program from July 1, 1974 to June 30, 1975. Twenty-three (9.1%) of these infants were low birth-weight (less than 5.5 pounds). Twenty of the mothers of these low birth-weight infants enrolled in WIC. The average maternal weight gain during pregnancy of these WIC mothers with low birth-weight infants was 18.4 pounds.

5.5% of the 386 women attending Department of Health clinics were enrolled in the WIC Program because of anemia. Fourteen women had low hemoglobin prior to or at the time of enrollment in WIC. A subsequent hemoglobin check was taken by the Maternal & Infant Care clinic late in their pregnancy (7–9 months). Their average initial hemoglobin was 10.22 g./100 ml and the average hemoglobin at term was 11.59 g./100 ml. 92.9% had improved hemoglobin levels late in their pregnancies.

26.2% of the women in the WIC Program breastfed their infants longer than six weeks postpartum.

Infants

Of the infants (0–11.9 months) enrolled in the WIC Program between March 1, 1974 and June 30, 1975, the following are the nutritional risk factors under which they are enrolled:

34.9%—weight or height were below the 50th percentile on the Stuart charts

19.6%—suboptimal diet

14.2%—suboptimal hemoglobin (11 grams or less)

10.4%—inadequate diet

7.2%—food allergies or intolerances

5.4%—high risk by Materal & Infant Care criteria

14.9%—had other risk factors

(Figures add to more than 100% because some infants were enrolled under more than one risk factor.)

23.6% of the 330 infants attending Department of Health clinics were enrolled in the WIC Program because of anemia. Of 20 infants with low hemoglobin levels, their average initial hemoglobin was 10.71 g./100ml and after five months or more under the WIC Program, the average hemoglobin was 11.82 g./100ml. 85% had improved hemoglobin levels.

Children

Of the children (12.0–47.9 months) enrolled in the WIC Program between March 1, 1974 and June 30, 1975, the nutritional risk factors under which they were enrolled were:

41.9%—weight or height were below the 50th percentile on the Stuart charts

32.3%—suboptimal hemoglobin

24.6%—inadequate diet

2.6%—food allergies or intolerances which either increase food costs or eliminate milk from the diet

18.2%—had other nutritional risk factors

(Figures add to more than 100% because some of the children were enrolled under more than one risk factor.)

45.5% of the 490 children attending Department of Health clinics were enrolled in the WIC Program because of anemia. In 52 children with low hemoglobin levels, their average initial hemoglobin was 10.90 g./ml and after five months or more on the WIC foods, the average hemoglobin was 12.16 g./ml. 88.5% had improved hemoglobin levels.

Infants and children

Of 352 infants and children enrolled in the WIC Program in the Department of Health clinics for one year or more, heights and weights were measured at initial enrollment and after one year (see attached tables, A & B, p. 8–9). In one year there was a dramatic improvement in the heights and weights of the children who were under the 3rd percentile at enrollment.

At the initial enrollment, 17.0% were under the 3rd percentile for height which decreased to 6.5% after one year of receiving WIC foods (Chart 1, p. 13). This is medically significant because low height in children often reflects poor nutrition. It appears that the high protein foods in the WIC package helped these children.

8.5% were under the 3rd percentile for weight upon enrollment which decreased to 4.3% after one year (Chart 2, p. 14). Weight below the 3rd percentile can reflect inadequate nutrition. It appears that the WIC foods helped these children.

The heights and weights of the infants and children taken on initial examination and after one year are shown in Table A and Table B.

TABLE A.—PARTICIPANTS BELOW 3D, 10TH AND 50TH PERCENTILES FOR WEIGHT BY AGE GROUPS ON INITIAL EXAMINATION AT DEPARTMENT OF HEALTH CLINICS PARTICIPATING IN THE WIC PROGRAM, OAHU[1]

Age in months	Under 3d percentile	Under 10th percentile	Under 50th percentile
1974			
0 to 5.9 (n=58)	12.1	34.5	58.6
6.0 to 11.9 (n=60)	10.0	25.0	56.7
12.0 to 23.9 (n=138)	7.2	17.4	64.5
24.0 to 35.9 (n=96)	7.3	26.0	62.5
36.0 to 47.9			
All infants and children (n=352)	8.5	23.9	61.6
1975			
0 to 5.9			
6.0 to 11.9 (n=2)		[2] 50.0	
12.0 to 23.9 (n=115)	5.2	25.2	60.9
24.0 to 35.9 (n=136)	4.4	22.8	54.4
36.0 to 47.9 (n=99)	3.0	22.2	66.7
All infants and children (n=352)	4.3	23.6	59.9

[1] Stuart-Meredith growth standards.
[2] 2 children were enrolled at birth with their 1st anniversary examination late in their 11th month; 1 was under the 10th percentile, the 2d one over the 50th percentile.

TABLE B.—PARTICIPANTS BELOW 3D, 10TH AND 50TH PERCENTILE FOR HEIGHT BY AGE GROUPS ON INITIAL EXAMINATION AT DEPARTMENT OF HEALTH CLINICS PARTICIPATING IN THE WIC PROGRAM, OAHU[1]

Age in months	Under 3d percentile	Under 10th percentile	Under 50th percentile
1974			
0 to 5.9 (n=58)	17.2	32.7	58.6
6.0 to 11.9 (n=60)	16.7	33.3	56.7
12.0 to 23.9 (n=138)	14.5	31.9	72.5
24.0 to 35.9 (n=96)	20.8	42.7	68.7
36.0 to 47.9			
All infants and children (n=352)	17.0	35.2	66.5
1975			
0 to 5.9			
6.0 to 11.9 (n=2)			[2] 50
12.0 to 23.9 (n=115)	4.3	32.2	62.6
24.0 to 35.9 (n=136)	6.6	32.4	77.9
36.0 to 47.9 (n=99)	9.1	30.3	72.7
All infants and children (n=352)	6.5	31.5	71.3

[1] Stuart-Meredith growth standards.
[2] 2 children were enrolled at birth with their 1st anniversary examination late in their 11th month; 1 was under the 50th percentile, the 2d over the 50th percentile.

Participants' evaluation

171 participants completed the WIC Questionnaire for Participants. The questionnaire was distributed at Department of Health clinics by the paramedical assistants. The paramedical assistants helped the participants fill out the questionnaires when there was a language or literacy problem.

The results are as follows:

86% heard about the WIC Program through their clinics, 7% through friends and 7% other, mainly relatives and social workers.

98% felt the WIC foods "help me a lot"; 2% felt they "help me a little".

16% found the foods helpful in feeding their infants, 63% said they were helpful in feeding their "child 1–4 years old" and 21% of the pregnant or lactating mothers used the foods themselves.

Each month 97% used all the coupons, while 3% did not.

The participants were asked which of the foods were used. The results for women and children are as follows:

Used all.
Whole fluid milk: 85%.
Skim or Lowfat milk: 21%.
Evaporated milk: 36%.
Nonfat Dry milk: 12%.
Cheese: 66%.
Eggs: 91%.
Juices: 92%.
Cereals: 85%.

Of those replying to "Why weren't you able to use all of the foods?", 54% did not use the foods because of "dislike", 17% because of "allergy", 12% had enough food already and 17% other reasons. Most common comments were: they disliked the food or they could not get the food at the store.

94% did not have difficulty getting their foods at the store, 6% had difficulties.

94% felt they were "treated well" at the store, 6% were not.

98% separated their WIC foods from their other foods at the stores, 2% did not.

96% liked the way the coupon books were printed, 4% did not.

55% of the participants used Food Stamps, 45% did not.

81% received most of their nutrition education through clinics, 7% from school, 9% from radio or television, and 3% other.

61% were interested in learning more about Stretching Your Food Dollars, 50% in Feeding Family Foods for Good Health, 46% in Meal Planning and Cooking.

Administrative evaluation

FOOD VOUCHER SYSTEM

With the frequent changes in the allowed foods, it was necessary to print only a limited supply of booklets (three months at a time). This resulted in increased printing costs. The average price per booklet was $0.38.

FINANCIAL COSTS

	Food	Clinical	Administrative	Total
February to June 1974:				
Federal and State actual	$45, 371. 54	6, 786. 58	20, 739. 04	72, 897. 16
Federal funds allocated	86, 600. 00	17, 300. 00	9, 600. 00	113, 500. 00
July 1974 to June 1975:				
Actual	344, 914. 70	32, 490. 94	39, 355. 29	416, 760. 93
Federal funds allocated	392, 300. 00	39, 100. 00	43, 600. 00	475, 000. 00

The allowable administrative costs is calculated at 10% of foods redeemed which amounted to $38,323.85. The administrative costs have exceeded the allowable costs by $1,031.44 in FY 1974–75.

There were a total of 14,084 booklets sent to the participants.

The average cost per participant was $29.59/mo.

Vendors' Evaluation

In general, the vendors were satisfied with WIC. The problem areas were (1) length of time before receiving payment for WIC coupons redeemed. However, a number of the vendors did not send in redeemed coupons on a monthly basis and were two or three months behind in turning in redeemed coupons for payment; (2) the coupons take too long to fill out and they hold up the lines at the checkout counters; (3) new cashiers make mistakes in filling out the coupons; (4) changes in the coupon books and in regulations make it hard to know what foods are acceptable; (5) a few participants were improperly instructed about WIC or are trying to take advantage of the Program.

CHART NO. 1—PROPORTION OF ENROLLEES FALLING BELOW 3RD PERCENTILE[1] IN HEIGHT ON INITIAL EXAMINATION AND AFTER ONE YEAR ON THE WIC PROGRAM

INITIAL EXAMINATION

Percent Below 3rd Percentile:
Standard, 3%.
Hawaii height, 17%.

AFTER ONE YEAR ON THE WIC PROGRAM

Percent Below 3rd Percentile:
Standard, 3%.
Hawaii height, 6.5%.

CHART NO. 2—PROPORTION OF ENROLLEES FALLING BELOW 3RD PERCENTILE[1] IN WEIGHT ON INITIAL EXAMINATION AND AFTER ONE YEAR ON THE WIC PROGRAM

INITIAL EXAMINATION

Percent Below 3rd Percentile:
Standard, 3%.
Hawaii weight, 8.5%.

AFTER ONE YEAR ON THE WIC PROGRAM

Percentile Below 3rd Percentile:
Standard, 3%.
Hawaii weight, 4.3%.

[1] Stuart-Meredith growth standards.

INEQUITIES IN OUR CRIMINAL JUSTICE SYSTEM

(Mr. DELLUMS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. DELLUMS. Mr. Speaker, what I am about to remark on is an example of inequities in our criminal justice system. When young black, white, and brown people seek to insure better educational opportunities for their less advantaged brethern we fear them, call them militants, and place them behind bars. But when high-ranking officials siphon off public funds for campaigns, hide executive improprieties and openly disregard the law they are sworn to enforce we are lenient and consider their removal from office to be "suffering enough." This is not justice.

For many months the attention of the country and the world has been on revelation after revelation of crimes and intended evils on the part of the Federal intelligence community—the FBI, CIA, et cetera. Similarly, attention recently has been focused on the repressive apparatus of the State of North Carolina because of the bizarre persecution of Joan Little; and on the longest death row in the Nation—containing some 84 persons including the only two women facing capital punishment in the United States.

What follows is a story that combines the worst horrors of both Federal and North Carolina State repression. This is the story of the Reverend Ben Chavis, now 28 years old, and his codefendants—eight black men in their teens and twenties, and a white VISTA volunteer and mother of two—the group known as the Wilmington, N.C., Ten. The 10 have been sentenced to a combined 282 years in prison for their part in the defense of a church in Wilmington's black community during a 4-day Ku Klux Klan siege in opposition to equal education in that city. The North Carolina court system has upheld this injustice. The lives of Reverend Chavis and his coworkers are at stake. A decision on their lives is awaited from the U.S. Supreme Court.

Not long after the Nixon-Agnew election in November 1968, Federal District Judge James MacMillian ruled that the Mecklenberg County school system must begin to desegregate, by busing if necessary. Mecklenberg is the North Carolina county which includes Charlotte, the State's biggest metropolitan area. The implications were clear for all of North Carolina schools. Fifteen years after the U.S. Supreme Court ruled that school segregation was illegal, North Carolina was being made the test case on busing. The Ku Klux Klan began to rise up. Other racist groups emerged such as the Rights of White People organization. White parents were being organized into terrorist organizations to defy the law and to create hysteria among whites and fear among blacks.

Another result of the court action was that a movement of black students and parents for equal education grew in city after city. This movement too needed organizers. The Reverend Ben Chavis and James Earl Grant, a VISTA volunteer and Ph. D. in chemistry, became known as the best and most talented of these. The two young men were called upon by a number of black communities in North Carolina to aid in their attempts to organize. At the same time and for the same reasons that the black community became mobilized, Ben Chavis and Jim Grant became targets for the repressive authorities of the State.

When Klansmen in Ben Chavis' hometown, Oxford, brutally murdered a young black Vietnam veteran, and then went free, hell broke loose in Oxford. A number of enterprises were set fire. The National Guard was called into Oxford; a curfew was set; and roads leading into the town were blocked off by highway patrolmen. It was in these circumstances that two men, with long records of narcotics dealing and assault, drove from Charlotte to Oxford with a car full of dynamite. They approached the highway patrol roadblock, were stopped and arrested. When their trial convened some time later, the two arrestees were in Canada—fugitives. Warrants were issued and they were returned to North Carolina. It appears that an arrangement was then made with the Federal Government that the fugitives would testify to the effect that the two black leaders had helped them leave the country; in return for this testimony they would be immune from prosecution.

In charge of the case against Chavis and Grant was Stanley Noel, an agent for the Treasury Department's Bureau

of Alcohol, Firearms, and Tobacco, AFT. Noel had for years persecuted Ben Chavis; had even broken down his door during no-knock search when Ben was a student in Charlotte. Now he had a case in which Ben and Jim were on trial for conspiracy to aid fugitives. Ben Chavis was found not guilty; Jim Grant was convicted on the word of the two informants and was sentenced to 10 years in prison.

The persecution in Charlotte continued. Again on the word of the informants Jim Grant, together with coworkers T. J. Reddy and Charles Parker, was convicted and sentenced to 25 years in prison. Reddy, Parker, and Grant became known as the Charlotte Three. Ben Chavis was arrested on numerous occasions by Federal, State, and local authorities, as part of a continuous campaign of harassment and intimidation. When the Wilmington church siege by the Klan was over, again the State of North Carolina called upon Federal agent Stanley Noel and the AFT to conduct the investigation and prepare the indictments against Ben Chavis and the Wilmington Ten. The prosecution successfully obtained the sentencing of Reverend Chavis and the Wilmington Ten to a total of 282 years in prison. Jim Grant was already incarcerated—sentenced to a total of 35 years. Ben Chavis is out on $50,000 bond but faces 34 years.

Stanley Noel continues to work in Charlotte. His former boss, John Connolly, has been acquitted on corruption charges. Richard Nixon has been pardoned of all his crimes. John Mitchell is free on bond, appealing a conviction and sentence of 3 to 8 years for his Watergate crimes; Robert Mardian faces 1 to 5 years in the same Watergate conspiracy. Jay Stroud, the prosecutor of the case, was named U.S. district attorney in eastern North Carolina, as one of Richard Nixon's final acts in office. Mr. Nixon's successor and those of Mitchell and Mardian continue to undermine and conspire against the constitutional rights of black people to equal education in North Carolina and throughout the United States.

Meanwhile, friends and associates of the Reverend Chavis fear for his life. If the U.S. Supreme Court turns down the appeal of the Wilmington Ten, the prison gates will close behind these young people—perhaps forever. The Reverend Chavis is a courageous man, as he has shown through scores of arrests and attempts on his life. His friends say that if he goes to prison, the authorities will try to break him and he will not break. The consequences of prison resistance are well known to anyone with eyes to read the daily newspapers.

I speak now to join with my colleague, the Honorable JOHN CONYERS, JR., who spoke to this same issue in these Chambers on June 20 of this year; and with the District of Columbia Council which proclaimed May 31, Wilmington Ten Day in our Nation's capital. I think it is important for Congress and for the people of our country to understand that, in these days of investigation of the misdeeds of the intelligence community, real lives are at stake. The provocations against and persecution of the Reverend Benjamin Chavis and the Wilmington Ten by Federal and local agencies were not "simulated" attacks; they were not assassination plots that went awry or were called off at the last minute. Rather, they were calculated attempts against the civil rights movement of North Carolina, with consequences for the whole United States. To our shame they were attempts that have so far succeeded. They can only be blunted by an alert bar of public opinion and a Supreme Court intent on upholding justice in our land.

CONFERENCE REPORT ON H.R. 8121

Mr. SLACK submitted the following conference report and statement on the bill (H.R. 8121) making appropriations for the Departments of State, Justice, and Commerce, the judiciary, and related agencies for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes:

CONFERENCE REPORT (H. REPT. NO. 94-527)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate numbered 8 to the bill (H.R. 8121) "making appropriations for the Departments of State, Justice, and Commerce, the judiciary, and related agencies for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes," having met, after further full and free conference, have been unable to agree.

JOHN M. SLACK,
NEAL SMITH,
YVONNE BRATHWAITE BURKE,
JOSEPH D. EARLY,
GEORGE MAHON,
ELFORD A. CEDERBERG,
MARK ANDREWS,
Managers on the Part of the House.

JOHN O. PASTORE,
JOHN L. MCCLELLAN,
MIKE MANSFIELD,
ERNEST F. HOLLINGS,
WARREN G. MAGNUSON,
THOMAS F. EAGLETON,
J. BENNETT JOHNSTON,
WALTER D. HUDDLESTON,
JOHN SPARKMAN,
ROMAN L. HRUSKA,
HIRAM L. FONG,
EDWARD W. BROOKE,
MARK O. HATFIELD,
TED STEVENS,
MILTON R. YOUNG,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the further conference on the disagreeing votes of the two Houses on the amendment of the Senate numbered 8 to the Bill (H.R. 8121) making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

TITLE I—DEPARTMENT OF STATE

General provisions—Department of State

Amendment No. 8: Reported in technical disagreement. The managers on the part of the House will offer a motion as follows:

Restore the matter stricken by said amendment amended to read as follows:

"SEC. 104. It is the sense of the Congress that any new Panama Canal treaty or agreement must protect the vital interests of the United States in the Canal Zone and in the operation, maintenance, property and defense of the Panama Canal."

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

JOHN M. SLACK,
NEAL SMITH,
YVONNE BRATHWAITE BURKE,
JOSEPH D. EARLY,
GEORGE MAHON,
ELFORD A. CEDERBERG,
MARK ANDREWS,
Managers on the Part of the House.

JOHN O. PASTORE,
JOHN L. MCCLELLAN,
MIKE MANSFIELD,
ERNEST F. HOLLINGS,
WARREN G. MAGNUSON,
THOMAS F. EAGLETON,
J. BENNETT JOHNSTON,
WALTER D. HUDDLESTON,
JOHN SPARKMAN,
ROMAN L. HRUSKA,
HIRAM L. FONG,
EDWARD W. BROOKE,
MARK O. HATFIELD,
TED STEVENS,
MILTON R. YOUNG,
Managers on the Part of the Sente.

CONFERENCE REPORT ON H.R. 8561

Mr. WHITTEN submitted the following conference report and statement on the bill (H.R. 8561) making appropriations for Agriculture and related agencies programs for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes:

CONFERENCE REPORT (H. REPT. NO. 94-528)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8561) "making appropriations for Agriculture and Related Agencies programs for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 16, 17, 18, 19, 20, 21, 26, 28, 30, 32, 55, 56, 62, 68, 69, 70, 71, 72, 73, 74.

That the House recede from its disagreement to the amendments of the Senate numbered 3, 4, 6, 27, 29, 31, 35, 38, 41, 42, 43, 46, 47, 49, 51, 52, 53, 54, 58, 61, 63, 65 and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,747,000"; and the Senate agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$686,000"; and the Senate agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$255,675,000"; and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree

to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$62,006,000"; and the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$7,500,000"; and the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,850,000"; and the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$361,075,000"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$99,390,000"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert $19,546,000; and the Senate agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$114,460,000"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$4,886,000"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$28,615,000"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$30,043,000"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$7,509,000"; and the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$24,897,000"; and the Senate agree to the same.

Amendment numbered 25: That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$6,224,000"; and the Senate agree to the same.

Amendment numbered 34: That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$450,000,000"; and the Senate agree to the same.

Amendment numbered 36: That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$130,500,000"; and the Senate agree to the same.

Amendment numbered 37: That the House recede from its disagreement to the amendment of the Senate numbered 37, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$112,500,000"; and the Senate agree to the same.

Amendment numbered 39: That the House recede from its disagreement to the amendment of the Senate numbered 39, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$7,500,000"; and the Senate agree to the same.

Amendment numbered 40: That the House recede from its disagreement to the amendment of the Senate numbered 40, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,875,000"; and the Senate agree to the same.

Amendment numbered 44: That the House recede from its disagreement to the amendment of the Senate numbered 44, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$11,875,000"; and the Senate agree to the same.

Amendment numbered 45: That the House recede from its disagreement to the amendment of the Senate numbered 45, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,969,000"; and the Senate agree to the same.

Amendment numbered 59: That the House recede from its disagreement to the amendment of the Senate numbered 59, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$20,650,000"; and the Senate agree to the same.

Amendment numbered 60: That the House recede from its disagreement to the amendment of the Senate numbered 60, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$4,600,000"; and the Senate agree to the same.

Amendment numbered 66: That the House recede from its disagreement to the amendment of the Senate numbered 66, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$37,071,000"; and the Senate agree to the same.

Amendment numbered 67: That the House recede from its disagreement to the amendment of the Senate numbered 67, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$9,283,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 33, 48, 50, 57, 64, 75.

JAMIE L. WHITTEN,
GEORGE E. SHIPLEY,
FRANK E. EVANS,
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E. A. CEDERBERG,
Managers on the Part of the House.

GALE MCGEE,
JOHN L. MCCLELLAN,
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HIRAM L. FONG,
ROMAN L. HRUSKA,
MILTON R. YOUNG,
MARK O. HATFIELD,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8561) making appropriations for Agriculture and Related Agencies programs for the fiscal year ending June 30, 1976, and for the period ending September 30, 1976, and for other purposes, submit the following joint statement to the House and Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

TITLE I—AGRICULTURAL PROGRAMS

Department of Agriculture

Office of the Secretary

Amendment No. 1.—Appropriates $2,747,000 for the Office of the Secretary instead of $2,697,000 as proposed by the House and $2,797,000 as proposed by the Senate.

The conferees recognize that the trade and the Congress need to be kept up-to-date on world agricultural production and consumption trends, together with developments affecting the trade practices and policies of the various nations of the world. In conducting our international agricultural programs, the Secretary of Agriculture, his Sales Manager, and other Departmental officials must keep uppermost in mind at all times the need to protect the economic well-being of American agriculture which is traditionally dependent upon exports of about one-fourth of its production annually. It is essential, therefore, that information obtained through our Agricultural Attache System and other Departmental units be transmitted to the Sales Manager as a safeguard against pressures which may tend to favor our competitors in international markets.

To meet this need and others, the conferees are in full agreement on the need for a separate and adequately staffed Office of Sales Manager, which shall report directly to the Board of Directors of the Commodity Credit Corporation, including the Secretary of Agriculture and other Departmental officials, and which shall report quarterly to the appropriate Committees of Congress. To the extent that this may involve some degree of duplication with the Foreign Agricultural Service or other parts of the Department which must cooperate fully with the Sales Manager, the conferees feel that the benefit to American agriculture will greatly outweigh any additional cost—which should be minimal, if any at all. The development of a farm program which permits orderly marketing of all U.S. commodities (both commercial and those handled through CCC and P.L. 480) is an essential objective to which all segments of the Government and the trade should devote their efforts.

Amendment No. 2.—Appropriates $686,000 for the Office of the Secretary for the transition period instead of $674,000 as proposed by the House and $699,000 as proposed by the Senate.

Departmental Administration

Amendment No. 3.—Earmarks $4,367,000 for the Office of Communications as proposed by the Senate instead of $4,373,000 as proposed by the House.

Amendment No. 4.—Earmarks $1,091,000 for the Office of Communications for the transition period as proposed by the Sen-

ate instead of $1,093,000 as proposed by the House.

Agricultural Research Service

Amendment No. 5.—Appropriates $255,675,000 for the Agricultural Research Service instead of $237,960,000 as proposed by the House and $263,925,000 as proposed by the Senate. The conferees agreed to restore the House reduction of $3,170,000. In addition, the conferees have agreed to the following increases over the House amount for high priority research items.

As a necessary step toward boll weevil eradication, an increase of $1,500,000 is provided for the boll weevil laboratory, including provision for the full utilization of the insect rearing facility. Included are funds for research on the tobacco budworm, which is a species of the corn earworm. Recent developments have shown that sterile insects can be produced by crossing the insects with the cherryworm. These funds will help to exploit this and any other breakthroughs. Evidence before the conferees show that additional research is essential if we are to progress to a point where a trial eradication program would be justified.

The conference agreement provides for an increase of $250,000 for tobacco research to meet current problems and $5,000,000 for high priority research.

The sum of $7,570,000 is recommended for the construction of the Appalachian Fruit Research Laboratory. These funds shall be the total available for the development of the station, the land and other facilities necessary for its operation.

The sum of $225,000 is recommended for the planning of an addition to the Human Nutrition Laboratory at Grand Forks, North Dakota in line with justifications.

The conferees continue to support contract research to improve the utilization and development of cottonseed and sunflower protein.

The Conferees are in agreement with the concern expressed in the House report as to the effect of the new regionalized structure of the Agricultural Research Service on the clarity and adequacy of its budgetary presentations. If the present organizational arrangement is to be continued, the Conferees feel that budgetary support for future appropriation requests should be presented on a regional basis and working-level field staff should attend budgetary hearings in support of their programs.

Amendment No. 6.—Earmarks $10,395,000 for plans, construction and improvement of facilities as proposed by the Senate instead of $2,600,000 as proposed by the House.

Amendment No. 7.—Appropriates $62,006,000 for the Agricultural Research Service for the transition period instead of $59,526,000 as proposed by the House and $64,032,000 as proposed by the Senate.

Scientific Activities Overseas (Special Foreign Currency Program)

Amendment No. 8.—Appropriates $7,500,000 for Scientific Activities Overseas instead of $5,000,000 as proposed by the House and $10,000,000 as proposed by the Senate.

Amendment No. 9.—Appropriates $1,850,000 for Scientific Activities Overseas during the transition period instead of $1,250,000 as proposed by the House and $2,529,000 as proposed by the Senate.

Animal and plant health inspection service

Amendment No. 10.—Appropriates $361,075,000 for the Animal and Plant Health Inspection Service instead of $356,730,000 as proposed by the House and $364,575,000 as proposed by the Senate.

The conference agreement includes an increase of $4,345,000 above the amount recommended by the House for additional funds for meat and poultry inspection programs. These additional funds were requested in a budget amendment (Sen. Doc. 94-81) which was not considered by the House.

The conferees have agreed to defer the Senate increase of $3,500,000 for the boll weevil trial eradication program until there is a breakthrough on eradication research. The conferees fully recognize the importance of programs to control the boll weevil, however, until such time as various questions regarding the program, such as grower contributions and state enforcement of the program, are answered, the conferees have agreed to defer funding the program.

Amendment No. 11.—Appropriates $99,390,000 for the Animal and Plant Health Inspection Service for the transition period instead of $98,160,000 as proposed by the House and $100,265,000 as proposed by the Senate.

The $1,230,000 above the House amount is one-fourth of the amount requested for additional meat and poultry inspection funds during fiscal year 1976 and was requested in the budget amendment which was not considered by the House.

Cooperative State research service

Amendment No. 12.—Earmarks $19,546,000 for contracts and grants for scientific research for the Cooperative State Research Service instead of $18,546,000 as proposed by the House and $20,546,000 as proposed by the Senate.

The increase above the amount recommended by the House includes an increase of $500,000 for contracts and grants for scientific research and an increase of $500,000 for various high priority research contracts, such as TARO root production in Hawaii, soil erosion in the Pacific Northwest, North Central Regional research project, and the Lone Star Tick.

Amendment No. 13.—Appropriates a total of $114,460,000 for the Cooperative State Research Service instead of $113,460,000 as proposed by the House and $115,460,000 as proposed by the Senate.

Amendment No. 14.—Earmarks $4,886,000 for the transition period for contracts and grants for scientific research instead of $4,636,000 as proposed by the House and $5,136,000 as proposed by the Senate.

Amendment No. 15.—Appropriates a total of $28,615,000 for the Cooperative State Research Service for the transition period instead of $28,365,000 as proposed by the House and $28,865,000 as proposed by the Senate.

Extension Service

Amendment No. 16.—Deletes language and $5,000,000 added by the Senate to provide for payments for forestry extension work under section 3(d) of the Smith-Lever Act.

Amendment No. 17.—Technical change. Restores the word "and" deleted by the Senate.

Amendment No. 18.—Appropriates a total of $223,505,000 for the Extension Service as proposed by the House instead of $228,505,000 as proposed by the Senate.

Amendment No. 19.—Deletes funds for the transition period added by the Senate in the amount of $1,250,000 for forestry extension work under section 3(d) of the Smith-Lever Act.

The conferees take note that a number of our cities, such as New York, Chicago and Los Angeles, and other major metropolitan areas do not have a sufficient number of local representatives of the Extension Service to promote and assist the people of such cities and others in urban gardening. In such areas the Extension Service is directed to make use of the Nutrition Aides program, those engaged in 4-H related work, other USDA personnel, and volunteers and other local service organizations, to the extent available to promote home gardening in such areas and to provide such information as is needed for such ventures.

Both the House and Senate version of the bill stress the need to expand efforts in providing assistance to the small or part-time farmer, and the conferees wish to make it clear that this includes the urban gardner as well. The sum of $2,000,000 has been added to this bill to meet these and related needs.

In addition, the conferees will expect the Office of Communication to notify all Members of Congress as to what pamphlets or other information are available on gardening.

The conferees deleted $5,000,000 proposed by the Senate for a Forestry Extension Program in the Extension Service under section 3(d) of the Smith-Lever Act. Assistance to small woodland owners is available under the Forestry Incentives Program and through the Cooperative Forest Management Program of the Forest Service. The conferees recognize the value of a Forestry Extension Program to help small woodland owners and others to more efficiently and effectively utilize private, non-industrial forest lands, fiber and wildlife values. The conferees, therefore, direct the Extension Service to evaluate its ongoing activities in this regard and to make recommendations to the Appropriations Committees of the House and Senate.

Amendment No. 20.—Technical change. Restores the word "and" deleted by the Senate.

Amendment No. 21.—Appropriates a total of $56,095,000 for the transition period for the Extension Service as proposed by the House instead of $57,345,000 as proposed by the Senate.

Statistical Reporting Service

Amendment No. 22.—Appropriates $30,043,000 for the Statistical Reporting Service instead of $28,766,000 as proposed by the House and $31,369,000 as proposed by the Senate.

The conferees have agreed to increases over the House amount of $52,000 to maintain the Alaska office of the Statistical Reporting Service and $1,225,000 for list sampling frame development and maintenance. The conferees are also in agreement that the steer and heifer report should not be terminated and that sufficient funds are available within the total appropriation to continue to prepare and distribute this report.

Amendment No. 23.—Appropriates $7,509,000 for the transition period for the Statistical Reporting Service instead of $7,190,000 as proposed by the House and $7,840,000 as proposed by the Senate.

Economic Research Service

Amendment No. 24.—Appropriates $24,897,000 for the Economic Research Service instead of $24,567,000 as proposed by the House and $25,397,000 as proposed by the Senate.

The conference agreement includes an increase of $330,000 over the amount approved by the House for the annual economic survey of agriculture.

Amendment No. 25.—Appropriates $6,224,000 for the transition period for the Economic Research Service instead of $6,142,000 as proposed by the House and $6,349,000 as proposed by the Senate.

Agricultural Marketing Service

Marketing services

Amendment No. 26.—Restores language deleted by the Senate which provides for the administration and coordination of payments to states.

Amendment No. 27.—Appropriates $47,055,000 for Marketing Services as proposed by the Senate instead of $42,055,000 as proposed by the House.

The $5,000,000 increase above the House amount is for additional supervisory grain inspectors in order to improve and strengthen existing inspection procedures. Because of the many problems with grain inspection, the conferees will expect the Department to prepare a detailed report as to how these additional inspectors will be utilized to improve grain inspection procedures throughout the country and to submit such a report to the appropriate committees of the Congress.

The conferees agree that the Inspector

General of USDA should make a quarterly review of the performance of these additional supervisory inspectors. To accomplish this, not less than $100,000 of the increase shall be transferred, under the Department's transfer authority, to enable the Inspector General to assume this additional responsibility.

Amendment No. 28.—Restores language deleted by the Senate which provides for the administration and coordination of payments to states during the transition period.

Amendment No. 29.—Appropriates $12,892,000 for the transition period for Marketing Services as proposed by the Senate instead of $11,642,000 as proposed by the House.

Payments to States and possessions

Amendment No. 30.—Restores language deleted by the Senate which provides for Payments to States and Possessions under the Agricultural Marketing Act of 1946 in the amount of $1,600,000 for fiscal year 1976 and $400,000 for the transition period.

Dairy and Beekeeper Indemnity Programs

Amendment No. 31.—Appropriates $6,650,000 for the Dairy and Beekeeper Indemnity Programs as proposed by the Senate instead of $3,350,000 as proposed by the House.

The Senate increase of $3,300,000 is the full amount of the budget amendment (Sen. Doc. 94–81) which was not considered by the House.

TITLE II—RURAL DEVELOPMENT AND ASSISTANCE

Rural development and protection

Farmers Home Administration

Rural Housing Insurance Fund

Amendment No. 32.—Deletes language added by the Senate in connection with the rural rental assistance program which specified that not less than $6,000,000 would be available for the program since both the House and Senate bills provide that such amounts as may be necessary are available to carry out this program.

The conferees will expect this program to be carried out so that residents of towns or cities of under 20,000 in population will receive comparable treatment to those who reside in our major metropolitan areas.

Agricultural Credit Insurance Fund

Amendment No. 33.—Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate. The conference agreement provides $520,000,000 for real estate loans instead of $595,000,000 as proposed by the House and $550,000,000 as proposed by the Senate.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 34.—Earmarks $450,000,000 for farm ownership loans instead of $350,000,000 as proposed by the House and $480,000,000 as proposed by the Senate.

Amendment No. 35.—Earmarks $54,000,000 for loans for water development, use, and conservation as proposed by the Senate instead of $229,000,000 as proposed by the House.

The conferees have carefully reviewed the information available with respect to the requirements by farmers for loans to comply with various pollution abatement regulations. Where the requirements for pollution abatement are required in order merely to comply with state regulations, the Department should review the matter to see if this should be a joint responsibility of the State and the Federal Government.

Amendment No. 36.—Earmarks $130,500,000 for the transition period for real estate loans instead of $117,500,000 proposed by the House and $137,500,000 as proposed by the Senate.

Amendment No. 37.—Earmarks $112,500,000 for the transition period for farm ownership loans instead of $87,500,000 as proposed by the House and $120,000,000 as proposed by the Senate.

Amendment No. 38.—Earmarks $13,500,000 for the transition period for water development, use, and conservation loans as proposed by the Senate instead of $26,000,000 as proposed by the House.

Rural housing for domestic farm labor

Amendment No. 39.—Appropriates $7,500,000 for Rural Housing for Domestic Farm Labor instead of $6,000,000 as proposed by the House and $9,750,000 as proposed by the Senate.

Amendment No. 40.—Appropriates $1,875,000 for the transition period for Rural Housing for Domestic Farm Labor instead of $1,500,000 as proposed by the House and $2,500,000 as proposed by the Senate.

Rural development insurance fund

Amendment No. 41.—Provides $350,000,000 for industrial development loans as proposed by the Senate instead of $300,000,000 as proposed by the House.

The conferees have some reservations as to whether or not these loans are being used in strict accord with Congressional intent. These loans are for the purpose of improving, developing, or financing business, industry, and employment, or improving the economic and environmental climate in rural areas. In view of the stated purpose of these loans, the conferees will expect the administrator to advise in writing both the House and Senate Appropriations Committees of each loan made and the benefits to be derived from each such loan in excess of $200,000.

Amendment No. 42.—Provides $87,500,000 for industrial development loans for the transition period as proposed by the Senate instead of $75,000,000 as proposed by the House.

Salaries and expenses

Amendment No. 43.—Appropriates $155,102,000 for Salaries and Expenses for the Farmers Home Administration as proposed by the Senate instead of $150,102,000 as proposed by the House.

Rural development grants

Amendment No. 44.—Appropriates $11,875,000 for Rural Development Grants instead of $10,000,000 as proposed by the House and $13,750,000 as proposed by the Senate.

Amendment No. 45.—Appropriates $2,969,000 for Rural Development Grants for the transition period instead of $2,500,000 as proposed by the House and $3,437,500 as proposed by the Senate.

Rural Electrification Administration

The conferees agree that for the rural telephone program not less than $70,000,000 of the funds available shall be made available for 2 percent loans, the same level as maintained in fiscal year 1975.

Conservation

Soil Conservation Service

Conservation operations

Amendment No. 46.—Appropriates $206,057,000 for Conservation Operations as proposed by the Senate instead of $201,057,000 as proposed by the House.

The $5,000,000 increase above the House amount is to accelerate soil survey work primarily in the western areas of the United States and in the State of Alaska.

Amendment No. 47.—Appropriates $51,521,000 for Conservation Operations during the transition period as proposed by the Senate instead of $50,271,000 as proposed by the House.

Watershed and Flood Prevention Operations

Amendment No. 48.—Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment. The conference agreement provides $26,577,000 for emergency measures for runoff retardation and soil-erosion prevention instead of $31,677,000 as proposed by the Senate.

The conferees agree that not to exceed the following amounts shall be provided for each item:

Mississippi River and tributaries, spring 1975 flood	$12,077,000
Idaho storm of 1974	204,000
Oregon storm of January 1975	825,000
New Jersey storm of December 1974	340,000
North Dakota-Minnesota summer storm of 1975	6,500,000
Montana flood	6,631,000
	26,577,000

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Agricultural Stabilization and Conservation Service

Agricultural conservation program

Amendment No. 49.—Technical change. Corrects House language regarding contracts to be liquidated.

Amendment No. 50.—Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate. The Senate amendment is a technical change.

Amendments Nos. 51 and 52.—Technical changes. Correct House language regarding contracts to be liquidated.

Amendments Nos. 53 and 54.—Provide $175,000,000 for the Agricultural Conservation Program as proposed by the Senate instead of $190,000,000, of which $15,000,000 was for the Forestry Incentives Program as proposed by the House. The $15,000,000 for the Forestry Incentive Program is provided under Amendment No. 57.

Amendment No. 55.—Deletes language proposed by the Senate regarding the type of conservation practices to be carried out. However, this does not preclude local county committees from selecting additional practices.

Amendment No. 56.—Deletes language proposed by the Senate regarding the type of information that may be collected from program participants.

Amendment No. 57.—Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate. The conference agreement provides for the Forestry Incentives Program as a separate line item appropriation, as proposed by the Senate, instead of including it under the Agricultural Conservation Program as proposed by the House.

TITLE III—DOMESTIC FOOD PROGRAMS

Food and Nutrition Service

Child nutrition programs

Amendment No. 58.—Provides $1,337,391,000 for the Child Nutrition Programs as proposed by the Senate instead of $1,412,091,000 as proposed by the House.

Amendment No. 59.—Earmarks $20,650,000 for the non-food assistance program instead of $18,000,000 as proposed by the House and $23,300,000 as proposed by the Senate.

Amendment No. 60.—Earmarks $4,600,000 for state administrative expenses instead of $4,300,000 as proposed by the House and $4,900,000 as proposed by the Senate.

Special supplemental food program (WIC)

Amendment No. 61.—Deletes language proposed by the House which would have funded the Commodity Supplemental Food Program out of the WIC program.

Amendment No. 62.—Restores portion of U.S. Code citation as proposed by the House.

Amendment No. 63.—Appropriates $17,839,000 for the Food Donations Program as proposed by the Senate instead of $5,839,000 as proposed by the House.

Amendment No. 64.—Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate. The conference agreement provides $12,000,000 for the "Commodity Supplemental Food Program" under the "Food Donations Program," as proposed by the Senate, instead of $11,000,000 for that program under the "Special Supplemental Food Program," as proposed by the House.

Amendment No. 65.—Appropriates $4,460,000 for the Food Donations Program for the transition period as proposed by the Senate instead of $1,460,000 as proposed by the House.

Food stamp program

The conferees are extremely concerned about the increasing reports of widespread irregularities and abuses in the Food Stamp Program, resulting in greatly increased costs. Unless this situation is corrected it could jeopardize the program. This cannot be allowed to happen since food assistance to the truly needy is an accepted responsibility. Numerous suggestions have been made in years past in an effort to more properly supervise handling of the program.

Under current regulations of the Department of Agriculture, the recipient, upon receipt of the coupons, must sign his name on the inside cover of the coupon book. Such a procedure aids in the recovery of lost or stolen coupons, and the Department should do everything possible to see that this regulation is faithfully complied with at the local welfare or other issuing offices.

This regulation does not protect the program, however, from various abuses such as black marketing, theft, and other improper uses. The conferees are of the opinion that many of these problems could be solved by the adoption of a similar regulation requiring recipients to countersign each coupon at the time of surrender for goods purchased in the presence of a responsible employee, of the establishment where food is purchased with such coupons, and such employee should initial such stamps as being signed in his or her presence. This should be no more work for the local store than someone cashing a personal check, and there should be no additional administrative cost to the local or Federal governments. If properly enforced, such a requirement would help to prevent the black market and related abuses which appear to exist. It would make lost or stolen coupons more difficult to use and would aid in prosecution since forgery would be involved and appropriate penalties could be established for use or acceptance without following in full the regulations.

Therefore, the conferees strongly recommend that the Department adopt some such regulation to provide added protection for both the legitimate recipient and the Federal Government. The Department is also requested to consult with the appropriate Committees of the Congress on this proposal and other means of tightening-up the administration of the program so as to preserve it for those who have a real need for such assistance.

TITLE IV—INTERNATIONAL PROGRAMS

Foreign Agricultural Service

Amendment No. 66.—Appropriates $37,071,000 for the Foreign Agricultural Service instead of $35,821,000 as proposed by the House and $38,321,000 as proposed by the Senate.

The increases over the House amount include: $1,000,000 for cooperative foreign market development activities, and $250,000 for agricultural attachés for the People's Republic of China and for Egypt.

Amendment No. 67.—Appropriates $9,283,000 for the Foreign Agricultural Service for the transition period instead of $8,973,000 as proposed by the House and $9,598,000 as proposed by the Senate.

Public Law 480

Amendments Nos. 68 and 69.—Delete language proposed by the Senate relating to both fiscal year 1976 and the transition period which provides that not more than 20 percent of the Public Law 480 funds appropriated under Title I shall be made available to countries other than those which are most seriously affected by current food shortages, unless the President demonstrates to appropriate committees of the Congress that the use of such food assistance is solely for humanitarian purposes.

TITLE VI—GENERAL PROVISIONS

Amendment No. 70.—Deletes language proposed by the Senate relating to GSA space costs.

Amendment No. 71.—Restores House language relating to the amount of compensation that may be paid to officers and employees of Cotton, Inc or other such contractual agencies.

Amendment No. 72.—Restores limitation proposed by the House on the Working Capital Fund of the Department of Agriculture.

The Conferees recognize the need to protect the program funds provided by direct appropriation to the various agencies of the Department from undue assessment for certain centralized administrative and management functions funded by the Working Capital Fund. They concur in the principle of limiting the size of such fund, as is done for other items in this bill, either by the imposition of a specific limitation or the establishment of a separate paragraph subject to annual congressional review and approval.

The conferees are in agreement that the Department must not take any action with respect to computer procurements without first obtaining the approval of both the House and Senate Appropriations Committees.

Amendment No. 73.—Restores the section number proposed by the House.

Amendment No. 74.—Deletes language proposed by the Senate which would have made funds appropriated for the Dairy and Beekeeper Indemnity Programs and the Rural Development Grants available until expended.

Amendment No. 75.—Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment. The conference agreement changes the section number from 611 to 612 and provides that no part of any appropriation contained in the Act shall remain available for obligation beyond the current fiscal year unless expressly so provided therein, except as provided in section 204 of the Supplemental Appropriation Act, 1975 (Public Law 93-554).

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Conference Total—With Comparisons

The total new budget (obligational) authority for the fiscal year 1976 and the transition period recommended by the Committee of Conference with comparisons to the fiscal year 1975 amount, the 1976 and transition period budget estimates, and the House and Senate bills for 1976 and the transition period follows:

New budget (obligational) authority, fiscal year 1975	$13,759,777,530
Budget estimates of new (obligational) authority, fiscal year 1976	[1] 11,084,514,000
Transition period	[2] 2,025,519,000
House bill, fiscal year 1976	11,047,263,000
Transition period	2,037,545,000
Senate bill, fiscal year 1976	11,092,283,000
Transition period	2,059,479,000
Conference agreement	11,061,282,000
Transition period	2,052,922,000
Conference agreement compared with—	
New budget (obligational) authority, fiscal year 1975	−2,698,495,530
Budget estimates of new (obligational) authority, fiscal year 1976 [1]	−23,232,000
Transition period [2]	+27,403,000
House bill, fiscal year 1976	+14,019,000
Transition period	+15,377,000
Senate bill, fiscal year 1976	−31,001,000
Transition period	−6,557,500

[1] Includes $7,645,000 in budget amendments contained in Sen. Doc. 94-81 and not considered by the House.

[2] Includes $1,230,000 in budget amendments contained in Sen. Doc. 94-81 and not considered by the House.

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E. A. CEDERBERG.

Managers on the Part of the House.

GALE MCGEE,
JOHN L. MCCLELLAN,
JOHN C. STENNIS,
WILLIAM PROXMIRE,
ROBERT C. BYRD,
HERMAN E. TALMADGE,
HIRAM L. FONG,
ROMAN HRUSKA,
MILTON R. YOUNG,
MARK O. HATFIELD.

Managers on the Part of the Senate.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. AUCOIN (at the request of Mr. O'NEILL), from September 30 through today, on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. KASTEN) to revise and extend their remarks and include extraneous matter:)

Mr. QUIE, for 60 minutes, today.
Mr. FINDLEY, for 10 minutes, today.
Mr. BOB WILSON, for 5 minutes, today.

(The following Members (at the request of Mr. SHARP) and to revise and extend their remarks and include extraneous matter:)

Mr. GONZALEZ, for 5 minutes, today.
Mr. DODD, for 5 minutes, today.
Mr. MIKVA, for 5 minutes, today.
Ms. ABZUG, for 15 minutes, today.
Mr. EARLY, for 5 minutes, today.
Mr. NOLAN, for 5 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. VANIK, for 5 minutes, today.
Mr. ROONEY, for 5 minutes, today.
Mr. WIRTH, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. SEIBERLING, and to include extraneous material following the first part of his colloquy with the gentleman from Pennsylvania (Mr. MORGAN) on the bill just voted on, S. 2230.

(The following Members (at the request of Mr. KASTEN) and to include extraneous matter.)

Mr. CRANE in two instances.
Mr. COLLINS of Texas in four instances.
Mr. BROOMFIELD.
Mr. SHUSTER.
Mr. ARCHER.
Mr. SNYDER in two instances.
Mr. COHEN.
Mr. YOUNG of Florida.
Mr. HEINZ.
Mr. MCKINNEY in two instances.
Mr. COCHRAN in two instances.
Mr. ESCH.
Mr. CARTER.
Mr. FISH.
Mr. MADIGAN.
Mr. SYMMS in two instances.
Mr. RINALDO.
Mr. DERWINSKI in two instances.
Mr. O'BRIEN.
Mr. MCCLORY.
Mr. ANDERSON of Illinois.
Mrs. HECKLER of Massachusetts.
Mr. FRENZEL in two instances.
Mr. PRITCHARD.
Mr. KEMP in four instances.

(The following Members (at the request of Mr. SHARP), and to include extraneous matter):

Mr. ANDERSON of California in three instances.
Mr. GONZALEZ in three instances.
Ms. ABZUG.
Mr. COTTER.
Mr. BYRON in 10 instances.
Mr. BOLAND.
Mr. STEPHENS.
Mr. EILBERG in 10 instances.
Mr. CHARLES H. WILSON of California.
Mrs. SCHROEDER in two instances.
Mr. BARRETT in two instances.
Mr. DRINAN.
Mr. FLORIO.
Mr. ROSENTHAL.
Mr. MATHIS.
Mr. MCDONALD of Georgia in three instances.
Mr. ROBERTS.
Mr. HOWE.
Mr. DIGGS in four instances.
Mr. DOMINICK V. DANIELS.
Mr. O'HARA.
Mr. VANIK in two instances.
Mr. MOAKLEY.
Mr. RICHMOND.
Mr. MEZVINSKY.
Mr. ALEXANDER.
Mr. CARNEY.
Mr. AMBRO.
Mr. WON PAT.
Mr. WAXMAN.
Mr. EARLY.

ADJOURNMENT

Mr. SHARP. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock and 31 minutes p.m.) under its previous order, the House adjourned until tomorrow, Friday, October 3, 1975, at 10 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1820. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Ambassador-designate Walter L. Cutler and his family, pursuant to section 6 of Public Law 93–126; to the Committee on International Relations.

1821. A letter from the Deputy Assistant Secretary of the Interior, transmitting the report of the Fish and Wildlife Service on the Department of the Interior's administration of its functions under the Marine Mammal Protection Act of 1972, covering the period June 22, 1974, through June 21, 1975, pursuant to section 103(f) of the act; to the Committee on Merchant Marine and Fisheries.

1822. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to amend the Intervention on the High Seas Act to implement the Protocol Relating to Intervention on the High Seas in Cases of Marine Pollution by Substances Other Than Oil, 1973; to the Committee on Merchant Marine and Fisheries.

1823. A letter from the Administrator, Federal Energy Administration, transmitting a report on changes in market shares for petroleum products during the months of May and June 1975, pursuant to section 4(c)(2)(A) of the Emergency Petroleum Allocation Act of 1973; to the Committee on Interstate and Foreign Commerce.

1824. A letter from the Acting Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to amend title XX of the Social Security Act to require that State social services plans comply with the Federal Interagency Day Care Requirements, subject to the existing penalties (termination of Federal payments or 3-percent reduction therein) in cases of noncompliance; to the Committee on Ways and Means.

1825. A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to encourage and assist States and localities to develop, demonstrate, and evaluate means of improving the utilization and effectivness of human services through integrated planning, management, and delivery of these services in order to achieve the objectives of personal independence and individual and family economic self-sufficiency; jointly, to the Committees on Education and Labor, Interstate and Foreign Commerce, Ways and Means, and Government Operations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HAYS of Ohio: Committee of conference. Conference report on S. 824 (Rept. No. 94–526). Ordered to be printed.

Mr. SLACK: Committee of conference. Conference report on H.R. 8121 (Rept. No. 94–527). Ordered to be printed.

Mr. WHITTEN: Committee of conference. Conference report on H.R. 8561 (Rept. No. 94–528). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANNUNZIO:

H.R. 9967. A bill to establish coinsurance for urban conventional home mortgages; to the Committee on Banking, Currency and Housing.

By Mr. ULLMAN:

H.R. 9968. A bill to amend section 103 of the Internal Revenue Code of 1954 with respect to certain obligations used to provide irrigation facilities; to the Committee on Ways and Means.

By Mr. BROWN of Ohio (for himself, Mr. BROYHILL, Mr. FREY, Mr. KINDNESS, Mr. MARTIN, and Mr. SARASIN):

H.R. 9969. A bill to provide temporary authority for the President, the Federal Power Commission, and the Federal Energy Administration to institute emergency measures to minimize the adverse effects of natural gas shortages, and to regulate commerce to assure increased supplies of natural gas at reasonable prices for the consumer, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. CARTER:

H.R. 9970. A bill to amend chapter 97 of title 18, United States Code, to make it a criminal offense for any person to fire any firearm or throw any object at any railroad train operated in interstate commerce, and for other purposes; to the Committee on the Judiciary.

By Mr. COUGHLIN (for himself and Mr. RAILSBACK):

H.R. 9971. A bill to amend the Internal Revenue Code of 1954 to allow a credit against income tax to individuals for certain expenses incurred in higher education, to the Committee on Ways and Means.

By Mr. DEVINE:

H.R. 9972. A bill to provide temporary authority for the President, the Federal Power Commission, and the Federal Energy Administration to institute emergency measures to minimize the adverse effects of natural gas shortages, and to regulate commerce to assure increased supplies of natural gas at reasonable prices for the consumer, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ESCH.

H.R. 9973. A bill to amend the Regional Rail Reorganization Act of 1973 with regard to effective date of the final system plan; to the Committee on Interstate and Foreign Commerce.

By Mr. HEINZ:

H.R. 9974. A bill to amend the Regional Rail Reorganization Act of 1973 with respect to the local service lines which the United States Railways Association does not designate as part of the Conrail System in the final system plan, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. KASTENMEIER (for himself and Mr. RAILSBACK):

H.R. 9975. A bill to amend the Consolidated Farm and Rural Development Act, to provide an alternate method of making loans for acquisition and improvements of the farm, needed by farm families, including young farmers, and to provide the borrower family with adequate standards of living and the consumer with reasonable prices for dairy and other agricultural products, as well as to maintain and improve national health, and for other purposes; to the Committee on Agriculture.

By Mr. LENT:

H.R. 9976. A bill to amend XVIII of the Social Security Act to provide for the cover-

age of certain psychologists' services under the supplementary medical insurance benefits program established by part B of such title; to the Committee on Ways and Means.

By Mr. REES:

H.R. 9977. A bill to amend the Emergency Loan Guarantee Act to permit the Emergency Loan Guaranee Board to guarantee the bonds of States and municipalities; to the Committee on Banking, Currency and Housing.

By Mr. MOLLOHAN (for himself and Mr. LEHMAN):

H.R. 9978. A bill to provide additional fiscal assistance to local governments and to extend revenue sharing for local governmental units for 6 additional years, and for other purposes; to the Committee on Government Operations.

By Mr. NOLAN:

H.R. 9979. A bill to amend the Rehabilitation Act of 1973 to provide for a program of wage supplements for handicapped individuals; to the Committee on Education and Labor.

By Mr. PICKLE:

H.R. 9980. A bill to remove Members of Congress from the purview of section 225 of the Federal Salary Act of 1967, relating to the Commission on Executive, Legislative, and Judicial Salaries, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. QUIE (for himself, Mr. PERKINS, Mr. BRADEMAS, and Mr. BELL):

H.R. 9981. A bill to encourage and assist States and localities to develop, demonstrate, and evaluate means of improving the utilization and effectiveness of human services through integrated planning, management, and delivery of those services in order to achieve the objectives of personal independence and individual and family economic self-sufficiency; to the Committee on Education and Labor.

By Mr. RHODES (for himself, Mr. SPENCE, Mr. LUJAN, Mr. COLLINS of Texas, Mr. WHITEHURST, Mr. MCCLORY, Mr. STEIGER of Wisconsin, Mr. MARTIN of North Carolina, Mr. MITCHELL of New York, Mr. SARASIN, Mr. CEDERBERG, Mr. J. WILLIAM STANTON, Mr. DERWINSKI, Mr. ERLENBORN, Mr. BOB WILSON, Mr. KASTEN, Mr. EDWARDS of Alabama, Mr. CLEVELAND, Mr. MOORHEAD of California, Mr. BROWN of Michigan, Mr. BELL, and Mr. ROBINSON):

H.R. 9982. A bill to provide for the phased decontrol of crude oil prices, to provide for a gradual transition from mandatory price and allocation controls, to amend the Emergency Petroleum Allocation Act of 1973, as amended, to provide for a deregulation tax, and for other purposes; jointly to the Committees on Interstate and Foreign Commerce, and Ways and Means.

By Mr. SARASIN:

H.R. 9983. A bill to amend title II of the Social Security Act so as to liberalize the conditions governing eligibility of blind persons to receive disability insurance benefits thereunder; to the Committee on Ways and Means.

By Mr. YATRON:

H.R. 9984. A bill to provide for the reduction of the amounts of Federal aid highway funds to any State which has not made provision for free access to emergency vehicles on any toll road, tunnel, or the approaches thereto within the jurisdiction of such State; to the Committee on Public Works and Transportation.

By Mr. YOUNG of Florida:

H.R. 9985. A bill to amend part A of title XVIII of the Social Security Act to freeze the inpatient hospital deductible under the medicare program at its 1975 level; to the Committee on Ways and Means.

By Mr. DOWNING of Virginia:

H.R. 9986. A bill to amend the act approved January 23, 1930, establishing the George Washington Birthplace National Monument, Virginia, to authorize the addition of certain lands to such monument, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. FRASER (for himself, Mr. OBEY, and Mr. OBERSTAR):

H.R. 9987. A bill to regulate commerce to assure increased supplies of natural gas at reasonable prices for the consumer, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. GAYDOS:

H.R. 9988. A bill to amend title II of the Social Security Act to reduce from 60 to 45 the age at which a woman otherwise qualified may become entitled to widow's insurance benefits; to the Committee on Ways and Means.

By Mr. ICHORD (for himself, Mr. MCDONALD of Georgia, Mr. HANSEN, and Mr. FITHIAN):

H.R. 9989. A bill to repeal the Real Estate Settlement Procedures Act of 1974; to the Committee on Banking, Currency and Housing.

By Mr. MCKINNEY (for himself and Mr. O'BRIEN):

H.R. 9990. A bill to amend section 402 of title 23, United States Code, relating to highway safety programs; to the Committee on Public Works and Transportation.

By Mrs. MINK:

H.R. 9991. A bill to amend title XVIII of the Social Security Act to authorize payment under the supplementary medical insurance program for optometric and medical vision care; to the Committee on Ways and Means.

By Mr. MOTTL:

H.R. 9992. A bill to repeal the Military Selective Service Act; to the Committee on Armed Services.

By Mr. ST GERMAIN:

H.R. 9993. A bill to extend the authority for the flexible regulation of interest rates on deposits and share accounts in depository institutions, to impose a moratorium on the usage by financial institutions of electronic methods of funds transfers, and to improve public understanding of the role of depository institutions in home financing, and for other purposes; to the Committee on Banking, Currency and Housing.

By Mr. WHITE (for himself, Mr. HENDERSON, Mr. DOMINICK V. DANIELS, Mr. HARRIS, Mrs. SPELLMAN, Mr. MINETA, Mr. JENRETTE, Mr. UDALL, Mr. TAYLOR of Missouri, and Mr. FISHER):

H.R. 9994. A bill to amend title 5, United States Code, to grant court leave to Federal employees when called as witnesses in certain judicial proceedings, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. BOB WILSON:

H.R. 9995. A bill to amend title 37, United States Code, to provide that warrant officers of a uniformed service who accept appointments as commissioned officers shall not receive less than the pay and allowances to which they were previously entitled as warrant officers; to the Committee on Armed Services.

H.R. 9996. A bill to provide for the automatic adjustment of annuities payable to certain widows of deceased retired members of the uniformed services in order to reflect any increase made in the maximum annual income limitation which applies to widows' pension payable under section 541(b) of title 38, United States Code; to the Committee on Armed Services.

H.R. 9997. A bill to authorize adjustment in the annuities payable under subchapter I of chapter 73 of title 10, United States Code, whenever retired or retainer pay is increased under section 1401a of that title; to the Committee on Armed Services.

By Mr. BADILLO:

H.R. 9998. A bill to establish a procedure for adjustment of debts of public agencies and instrumentalities and political subdivisions; to the Committee on the Judiciary.

By Mr. BALDUS (for himself, Mr. BERGLAND, Mr. BOWEN, Mr. BURLISON of Missouri, Mr. CARR, Mr. EDGAR, Mr. FLOOD, Mr. HAGEDORN, Mr. HANLEY, Mr. JONES of Tennessee, Ms. KEYS, Mr. LOTT, Mr. MATHIS, Mr. MOORE, Mr. MYERS of Pennsylvania, Mr. OBEY, Mr. PREYER, Mr. QUIE, Mr. ROSE, Mr. THONE, and Mr. WALSH):

H.J. Res. 682. Joint resolution to amend section 201 of the Agricultural Act of 1949, as amended, relating to the support price of milk; to the Committee on Agriculture.

By Mr. MORGAN (for himself and Mr. BROOMFIELD):

H.J. Res. 683. Joint resolution to implement the U.S. proposal for the early-warning system in Sinai; to the Committee on International Relations.

By Mr. ZABLOCKI (for himself, Mr. ASPIN, Mr. BALDUS, Mr. BONKER, Mr. CONTE, Mr. CORNELL, Mr. DRINAN, Mr. DU PONT, Mr. EILBERG, Mr. FASCELL, Mr. GUDE, Mr. HARRINGTON, Mr. HICKS, Mr. KASTENMEIER, Mr. LONG of Maryland, Mr. MAZZOLI, Mr. MIKVA, Mr. NEDZI, Mr. NOWAK, Mr. OBEY, Mr. PICKLE, Mr. REUSS, Mr. ROE, Mr. ROYBAL, and Mr. SCHEUER):

H. Con. Res. 413. Concurrent resolution with respect to an international treaty banning lethal chemical weapons; to the Committee on International Relations.

By Mr. ZABLOCKI (for himself, Mr. ADDABBO, Mr. BADILLO, Mr. BOLAND, Mr. COHEN, Mr. CORMAN, Mr. DELLUMS, Mr. EDGAR, Mr. ESCH, Mr. FRASER, Mr. HARKIN, Mr. HELSTOSKI, Mr. JEFFORDS, Mr. LEGGETT, Mr. MCHUGH, Mrs. MEYNER, Mrs. MINK, Mr. NIX, Mr. OBERSTAR, Mr. OTTINGER, Mr. QUIE, Mr. RIEGLE, Mr. ROONEY, Mr. SOLARZ, and Mr. WIRTH):

H. Con. Res. 414. Concurrent resolution with respect to an international treaty banning lethal chemical weapons; to the Committee on International Relations.

By Mr. DENT (for himself, Mr. GAYDOS, Mr. CARNEY, and Mr. ASHBROOK):

H. Res. 761. Resolution to express concern over the attempted takeover of the Copperweld Corp., by a foreign corporation; to the Committee on Education and Labor.

By Mr. JONES of Tennessee (for himself, Mr. BERGLAND, Mr. BRECKINRIDGE, Mr. CARTER, Mr. HOWE, Mr. JEFFORDS, Mr. MCHUGH, Mr. MCKAY, and Mr. YOUNG of Alaska):

H. Res. 762. Resolution to authorize the President to issue a proclamation, designating the week beginning April 4, 1976, as National Rural Health Week; to the Committee on Post Office and Civil Service.

By Mr. SYMMS (for himself, Mr. HYDE, Mr. SCHULZE, Mr. FORD of Tennessee, Mr. KETCHUM, Mr. MCDONALD of Georgia; Mr. TREEN, Mr. KINDNESS, and Mr. MITCHELL of Maryland):

H. Res. 763. Resolution to review, evaluate, and further amend the Wagner-Peyser Act; to the Committee on Education and Labor.

By Mr. TAYLOR of North Carolina:

H. Res. 764. Resolution to amend rule XXIII of the Rules of the House of Representatives to expedite conduct of quorum calls in the Committee of the Whole; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BERGLAND:

H.R. 9999. A bill for the relief of Harvey

Wagner, Louise Wagner, Tracy Wagner, Gwendolyn Wagner, Leslie Wagner, and David Wagner; to the Committee on the Judiciary.

By Mr. D'AMOURS:

H.R. 10000. A bill for the relief of Albert J. Dunbrack; to the Committee on the Judiciary.

By Mr. DAN DANIEL:

H.R. 10001. A bill for the relief of John W. Wilson; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

243. By the SPEAKER: Petition of the board of county commissioners, Collier County, Fla., relative to the printing of ballots in foreign languages; to the Committee on House Administration.

244. Also, petition of the board of county commissioners, Collier County, Fla., relative to allowing residents to remain in the Big Cypress purchase area; to the Committee on Interior and Insular Affairs.

245. Also, petition of the board of county commissioners, Collier County, Fla., relative to foreign assistance; to the Committee on International Relations.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 8603

By Mr. COHEN:

Page 23, line 16, strike out the quotation mark and the period immediately after the quotation mark.

Page 23, immediately after line 16, insert the following:

"(e) In the administration of this section, any organization or association—

"(1) which is not organized for profit and none of the net income of which inures to the benefit of any private stockholder or individual; and

"(2) which is engaged in the harvesting of marine resources;

shall be considered an agricultural organization or association for purposes of former section 4358(j)(2) and former section 4554(b)(1)(B) of this title.".

EXTENSIONS OF REMARKS

AN ORDERLY PROCESS FOR RAIL REORGANIZATION

HON. MARVIN L. ESCH

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 2, 1975

Mr. ESCH. Mr. Speaker, the Nation has embarked on the most massive industrial reorganization in history with the reorganization of the bankrupt railroads of the Northeast and Midwest. The reorganization will affect thousands of industries and shippers; it will have a significant impact on the growth patterns of communities and industries; it will determine whether thousands of individuals will have jobs; it will shape the transportation system of this area for the next decade and beyond.

In short, Mr. Speaker, the reorganization of the bankrupt railroads of the Northeast and Midwest is one of the major questions which will be decided by the Congress over the next few months. Yet the procedures under which we will consider this reorganization are established in such a way as to make rational consideration of the problem almost impossible.

When we approved the Regional Rail Reorganization Act of 1973—RRRA—Congress intended for the U.S. Railway Association to present to us a final plan on which we could then make a final determination as to whether it was appropriate. However, because of the ambiguous nature of the final system plan which the USRA sent to the Congress we will not, in fact, know what kind of a rail system we are going to get until after the FSP has been approved.

Under present law, the Congress must reject the final system plan by mid-November or it automatically goes into effect. The FSP, however, is not one plan—but two options which are radically different in concept. The preferred plan—ConRail/Chessie—is based on the acquisition of major portions of the bankrupt railroads by the Chessie System. The fall-back plan—Unified Conrail—is a massive noncompetitive, Government-financed railroad which would absorb all the bankrupts in the area being reorganized under the RRRA. One plan calls for a system of competition; the other is clearly a Government-subsidized monopoly. If we follow present procedures, Congress will have no idea which of these two greatly divergent plans will come into being, because the Chessie is not required to make its decision on whether to acquire the bankrupt lines which are vital to the plan until 30 days after the FSP is scheduled to go into effect.

Many of us are greatly concerned about the question of branch line abandonments. In Michigan, for example, the FSP calls for the State to lose more than 1,100 miles of railroad line. This is a serious matter for Michigan; other States are similarly concerned. There are at least a dozen different major proposals pending before the Commerce Committee on the branch line abandonment question. Further there are dozens of other sensitive, and explosive rail issues involved in the final system plan.

Even if the House were to stick to the optimistic schedule now outlined by the Commerce Committee which would bring legislation to the floor in early November, it is absolutely clear that the Senate will not meet the same accelerated schedule. The Senate Subcommittee on Transportation of the Senate Commerce Committee has scheduled hearings to begin October 21 on a yet unwritten omnibus rail proposal. It is literally impossible for the Senate subcommittee to finish its own markup, obtain full committee approval and floor consideration by mid-November. Then, remember, a House-Senate conference committee must meet and decide many extremely controversial issues and the President must sign the entire package into law.

While all of us believe that there will be some compromise on the question of abandonments which will allow for a system of Government subsidies, the facts are that we simply will not know the size, shape, and scope of the program—or whether, in fact, there will be a program—by the date the FSP is made effective. I am not willing to let hundreds of Michigan communities, and hundreds of Michigan shippers, and thousands of Michigan workers take a chance on the adoption of the FSP before I know what the implementing legislation is going to be in vital areas such as abandonment policy. I cannot believe that any Member of Congress from the Northeast and Midwest is willing to let this plan go into effect until there is some real predictability about what is going to happen to those rail lines which the USRA felt were nonessential. A good number of us believe that many of those lines are, in fact, essential and I, for one, am not willing to see the FSP go into effect while they are left hanging. The shippers and the communities have a right to some predictability as to their future transportation service.

Not only would automatic approval of the FSP leave unresolved the key questions of whether or not there will be a competitive rail system in the Northeast and how branch lines will be treated, but we are also totally in the dark as to the whole financial base of this incredibly complex reorganization. The USRA has made recommendations for additional funds; Chairman ROONEY and ranking minority member SKUBITZ have come forward with a somewhat different plan which may not be acceptable to the administration; on the Senate side they are working with several varying concepts; the financial community has cast serious doubts on the USRA figures; the railroad creditors claim the Government has vastly undervalued the property and will sue regardless of what Congress does; the Chessie and other acquiring railroads are demanding deficiency judgment protection written into law if they are to make the enormous investment in new lines called for in the FSP.

Billions of dollars are at stake.

As I indicated while discussing the branch line question—there simply is not one chance in a thousand that these extremely complex financial questions will be settled prior to mid-November. Mr. Speaker, if we are to be completely honest about this rail reorganization, we will have to admit that it is probable that the system which we create will be a constant drain on the Federal Treasury for the forseeable future. I, for one, want to know just what the financial structure is going to be—and what the future liability of the Government is likely to amount to—before I am willing to allow the plan to go into effect.

The problems and complications of the final system plan and the rail crisis which is facing the Congress must be addressed. The primary problem now is

that the whole decision is scheduled to take place before we know what we are deciding on. This is absolutely absurd.

I am therefore introducing legislation today which would straighten out the procedure under which this rail reorganization will be approved by Congress. This bill is neutral as to whether the final system plan is ultimately accepted or rejected. It is designed to assure that the issue will be decided in an orderly process which will recognize that the final decision cannot be made until the key rail issues have been resolved.

My bill will amend the language of the Rail Reorganization Act of 1973 to provide that the decision of the Congress on the acceptance or rejection of the final system plan will take place 120 legislative days following its submission to us. This will add 2 months to the time we have to consider this extremely complex issue. During that time, if present schedules are adhered to—and there is every reason to believe that the Commerce Committee is intent on moving this legislation just as speedily as it can responsibly do so—implementing amendments to the RRRA will have been considered by both the House and the Senate and will have been signed into law. I am confident that, at the end of that period of time, we will know what decision has been made with regard to branchline abandonments—we will know what future financial commitments have been made—and we can make a rational decision on the future of transportation in the Northeast.

My bill will also amend the Regional Rail Reorganization Act of 1973 to require that profitable railroads certify their decision as to whether to purchase portions of the bankrupt lines 90 calendar days after the submission of the final system plan. This is, in fact, precisely the period of time during which they must make their decision under the present law. However, under my amendment, this date would fall prior to, rather than following, the final decision on acceptance or rejection of the entire final system plan. In light of the radical difference which these decisions will make on the future of rail transportation in the region, it seems essential that we know whether the profitable railroads are going to extend their operations into the region. The entire nature of competition in the region depends on the decision of the Chessie; the Southern Railroad has indicated serious reservations about the purchase of lines which will provide service in the entire Delmarva region; the Grand Trunk Western and the Detroit, Toledo & Ironton are considering acquisitions which will make a major difference to the future of rail service in Michigan.

I am aware that these railroads are greatly concerned about the question of deficiency judgments against them if the creditors of the previous bankrupt railroads do not feel that they have been adequately compensated. I believe that the Congress will have made a decision with regard to this question prior to the date when certification will be required. While one cannot bind the Congress to a schedule by legislation, it is clearly the intention of the Commerce Committee to take action on this question prior to the date of decision. If it has not completed action, I believe it would be perfectly proper for the profitable railroads to make their certification contingent upon the subsequent passage of deficiency judgment legislation.

Once the Chessie and other railroads have made their decision, the nature of competition in the Northeast will become clear. We will know, when we must make a decision on the final system plan 30 days later, whether there is to be a competitive, at least partially private system, or whether we are facing a massive, unified ConRail that is, for all intents and purposes, the beginning of a nationalized rail system.

Mr. Speaker, I feel very strongly that the Congress should not make this incredibly important decision until all the factors are fully understood. I believe my bill will provide an orderly procedure which will allow us to make the decision in the most rational manner.

I am aware, Mr. Speaker, that there are forces within the administration and the USRA which will strongly oppose this bill. They favor letting the final system plan slip silently into effect without an up-or-down vote by the Congress. They hope to let it slide into being before the Congress has had a chance to work its will. They hope to free themselves of congressional oversight of the plan and the future of America's railroads.

I strongly believe that the Congress must be an integral part of this extremely important decision and I believe the procedure which I have outlined will provide the means for us to exert our will in a logical and orderly way.

Mr. Speaker, I will soon be circulating this bill to other Members of Congress for their cosponsorship. Whatever your views on the final system plan itself, I invite you to join with me in working to see that the way it is adopted is a reasonable one.

FREEZING MEDICARE COSTS

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 2, 1975

Mr. YOUNG of Florida. Mr. Speaker, older Americans covered by medicare have been buffeted with increasing frequency of late by inflationary increases in health care costs. As I noted in my remarks earlier this week, the so-called allowable charges paid by medicare are further and further from what these charges are in reality, and the difference comes out of the pockets of the elderly. Adding insult to injury, the Social Security Administration now plans to increase the out-of-pocket hospitalization costs for the elderly by 13 percent on January 1 next year.

Under the new Social Security Administration proposal, medicare clients will have to pay the first $104 of their hospital bill after January 1, up from the present $92. In addition, costs for extended hospital care will increase to $26 daily, from the present $23, and for extended nursing home care, the out-of-pocket cost will increase to $13 daily, from the present $11.50.

Mr. Speaker, I can no longer wait and hope for committee action to alleviate the heavy burden of medical costs on the elderly who are struggling to exist on low and fixed incomes. These latest increases, loaded on top of the already inadequate payments under part B of medicare, are just too much. I am therefore introducing today legislation to freeze all out-of-pocket costs for hospitalization and nursing home care covered by medicare at their present 1975 levels. My bill will buy time for the elderly, provide them with protection against further financial burdens, while the House Ways and Means Committee's Subcommittee on Health completes its hearings and makes legislative recommendations for the revision of medicare. I have already expressed to the subcommittee my strong concern over the gap between what the Congress intended medicare to do, and what it is actually doing. My bill will prevent any further widening of that gap, and I sincerely hope that the final result of the committee's deliberations will be restoration of medicare benefits to the level which the Congress intended.

Following is the text of my bill:

H.R. 9985

A bill to amend part A of title XVIII of the Social Security Act to freeze the inpatient hospital deductible under the medicare program at its 1975 level

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the second sentence of section 1813(b)(2) of the Social Security Act is amended by inserting before the period at the end thereof the following: "; except that the inpatient hospital deductible which is applicable in the case of any spell of illness beginning in or after the calendar year 1976 (as promulgated under the preceding sentence) shall not exceed the inpatient hospital deductible (as so promulgated) which was applicable in the case of spells of illness beginning during the calendar year 1975".

SEC. 2. Notwithstanding any other provision of law, the determination and promulgation required to be made during the calendar year 1975 by the first sentence of section 1813(b)(2) of the Social Security Act shall be made (taking into account the amendment made by the first section of this Act) during the 30-day period immediately following the date of the enactment of this Act; and the determination and promulgation so made shall constitute the determination and promulgation required by such sentence.

INTRODUCTION OF THE LOCAL RAIL SERVICES AMENDMENTS OF 1975

HON. H. JOHN HEINZ III

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 2, 1975

Mr. HEINZ. Mr. Speaker, during public hearings on the proposed restructured rail system in the Northeast and Midwest, the issue that generated the most concern surrounded the methods used by the U.S. Railway Association for determining lines to be abandoned.

The final system plan developed by USRA recommends that we abandon 7,000 miles of track, including 1,200 miles in my State of Pennsylvania alone. Since this matter is extremely important to many communities and users of rail service, it is essential that a means be devised to reverse exclusion decisions which later are found to be incorrect. If the final system plan were to be implemented in its present form the scheduled abandonments could result in the closing of factories, the disruption of small communities across Pennsylvania and throughout the Northeast and Midwest, and the loss of many thousands of jobs.

That is why I am today introducing the Local Rail Service Amendments of 1975. I believe this legislation offers an attractive alternative to the imminent abandonment of lines designated as excess by USRA.

Local branch line service has a direct affect on individual rail users and often is the lifeline of a community or industry. However, these light density lines can also constitute a serious drain on the limited financial resources of a railroad.

Therefore, in considering the final system plan we must strike a very delicate balance on the question of light density lines. Overburdening ConRail with an abundance of unprofitable local service lines may lead to the collapse of ConRail and the rail network in the Northeast and Midwest. Yet, in all fairness, we must take into consideration each case where USRA methodology has been attacked as inadequate and where USRA's decision is being contested by an affected State. We must have the benefit of the best available data before we take the very serious step of abandoning lines, especially those borderline cases where a mistake in methodology could result in the permanent loss of a profitable line. For example, there is a 10-mile stretch of Reading line in Bucks and Montgomery County in Pennsylvania, which serves six major shippers and employs 2,000 people. If this line were abandoned as called for in the final system plan, two plants would close and four others would move, costing 1,764 employees their jobs. In another case the proposed abandonment of 16.5 miles of the Penn Central line between Reading and Hamburg, Pa., would cause the closing of four plants and the loss of 500 jobs.

These are just two examples of 29 lines in Pennsylvania which the Pennsylvania Department of Transportation has found to be viable under a more comprehensive analysis. While I am not in a position to pass judgment on which methods are the most reliable, I strongly believe that this reasonable doubt warrants further study of those lines being contested.

The legislation I introduce today will have the effect of placing a 2-year moratorium on the discontinuance of contested lines. Under my bill, local service lines, which the USRA has designated as excess in the final system plan, will be operated by ConRail or another carrier to be designated in the final system plan. Service will be provided for a 2-year interim period under a 90-percent Federal–10-percent State/user subsidy. During this 2-year period the Rail Service Planning Office would conduct a study of each such local service lines and would report its conclusions and recommendations to ConRail.

In addition, my legislation provides for the analysis and possible return to service of those lines out of service upon the effective date of the final system plan or which were out of service as a result of a natural disaster. One such example is a rail line running from York, Pa., to Cockeysville, Md., which was severely damaged by Hurricane Agnes and is currently out of service. Available data indicates that this line would be profitable if it were operated. However, USRA did not analyze the line.

Mr. Speaker, enactment of my bill would allow us the time we need to assemble the best available data on these lines and enhance the chances of creating a successful rail network in the Northeast and Midwest. At the end of the first 2 years of study, ConRail would submit to the Congress a local service plan designating which studied lines should be retained in its system and which should either be abandoned or made available for subsidy under a Federal-State 70/30 matching grant. This latter subsidy would be available for an additional 3 years, without any need to increase the present $180 million authorization subsidy money available under the Regional Rail Reorganization Act.

According to the Rail Service Planning Office, the total estimated subsidy payment required to operate all lines analyzed by USRA, but no. recommended for inclusion in ConRail, has been computed at $35.4 million for 2 years, exclusive of rehabilitation costs.

I believe that this proposal is a fair and reasonable approach to the light density line question and I am hopeful that with the support of my colleagues this legislation will be given immediate consideration.

FORD ABOUT FACE ON PANAMA

HON. GENE SNYDER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 2, 1975

Mr. SNYDER. Mr. Speaker, the State Department's avowed intention to give up the Panama Canal and the Canal Zone has sparked much public debate.

However, this is just the latest episode in the controversy.

Our President, who today seems to be backing the State Department, in 1967 was vociferously on the other side of the argument. When President Lyndon B. Johnson's administration proposed an earlier giveaway, and the Chicago Tribune published the text of the still secret treaty, Mr. Ford as minority leader, spoke out at once against it, warning against the threat of Communist subversion and the need for the United States to be able to make immediate response to any kind of threat to our canal.

A local commentator, Mr. Paul Chiera, recalls the 1967 controversy in a recent newspaper column in the Southwest Virginia Enterprise for September 25. Its text follows:

FORD DOES A COMPLETE ABOUT FACE—NOW WANTS TO GIVE AWAY PANAMA CANAL

President Ford, while House minority leader on July 7, 1967, after reading the text of the Johnson Administration's "new Panama canal defense treaty" (obtained by the Chicago Tribune in Panama, while it was still under secrecy wraps) declared its terms "shocking" and that they would "weaken U.S. control." Ford then stated that the American people would be shocked when they learned the terms of the proposed settlement and he also expressed concern about a communist threat to the canal under lessened American authority.

Minority Leader Ford continued his scathing denunciation of President Johnson's proposed treaties by saying, "With Cuba under control of the Soviet Union via Castro an increased communist subversion in Latin America, a communist threat to the canal is a real danger." He added: "Certainly Congress has the responsibility to get more information than has been made available so far before accepting the Johnson Administration-sponsored treaties."

Referring to a specific section of the defense treaty that provided for United States-Panama consultation before the United States could move into certain sections of the Canal Zone for defense puropses, Ford said:

"Any action on our part to meet a threat involving the national security of the United States should not be hamstrung by the need for time consuming consultation with a government that might be reluctant to cooperate in the defense, or possibly be in opposition to our best interests."

One week later on July 15, 1967, the Chicago Tribune published the complete text of three proposed treaties with Panama which involved serious undermining of the existing sovereign rights of the United States over the Canal Zone and canal itself, the publication of which caused such indignant furor throughout the United States that President Johnson never submitted the proposed treaties to the Senate for confirmation.

Only eight years have elapsed since Ford, a Republican, denounced treaties negotiated by Johnson, a Democrat. Now, as President, Ford is negotiating, through his Secretary of State with his announced approval, new treaties with Panama, containing surrender terms far more drastic and detrimental to the vital interests of the United States than those which were contained in the Johnson-negotiated treaties. This for the reason that communism is much more rampant in Panama today with serious infiltration into the revolutionary government of usurper-dictator Omar Torrijos, who never ceases to blackmail the United States and to issue threats of sabotage and violence against our United States-owned Canal Zone involving serious danger to our people residing there.

Upon the disclosure of the actually proposed provisions of the Ford-negotiated treaties with Panama, it should be obvious that the hue and cry of our people against them will be at least as vociferous as they were against the Johnson proposed treaties in 1967. But our people need not wait for that for they have enough information now to voice their opposition to the President and to their representatives in Congress.

SMITH ISLAND, MD.—PEACE AND "PEELERS"

HON. ROBERT E. BAUMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 2, 1975

Mr. BAUMAN. Mr. Speaker, the Wall Street Journal recently included an article on Smith Island, a unique community out in the Chesapeake Bay which I have the honor to represent in the Congress. The article tells about the isolation and independence, the austere, yet rewarding life, which has kept these 750 people and their ancestors on Smith Island for generations.

I believe that, for an outsider, Journal Staff Writer Thomas J. Bray has caught the flavor of the island fairly well. My colleagues will be interested in learning about this community, and can gain some insights into the independence which characterizes not only Smith Islanders but people throughout Maryland's First District. For those who enjoy unusual places, a visit to Smith Island is certainly worthwhile.

The article follows:

[From the Wall Street Journal, Oct. 1, 1975]

PEACE AND 'PEELERS,' PLUS LOTS OF EVANSES, ON ISLE CALLED SMITH

(By Thomas J. Bray)

SMITH ISLAND, MD.—Frank Dize deftly maneuvers his 50-foot fishing boat "Island Belle" alongside a rickety crab shanty on an inlet of this tiny Chesapeake Bay island.

A deckhand jumps off the boat, picks up a large insulated box packed with "peelers"—recently molted, or soft-shell crabs that are considered a delicacy hereabouts—and hoists it aboard. The crabs are destined for market on the mainland after similar pickups at the dozen or so other island shanties lining the inlet. For the crew, it's a familiar routine requiring few words. The early morning calm is broken only by the cry of gulls and a deckhouse radio playing religious folk music.

"I'd say the crab catch is only about half last year's," says Mr. Dize in a rare conversational burst. "Crabs come and go. Don't really know why." Is the shortage hurting Smith Island's fishing industry? "Yup, but we'll manage. We've always looked after each other out here."

Indeed they have. Smith Island, a four-square-mile speck in the Chesapeake located just north of the Virginia state line, has been going it alone for some time. Smith Island was named for its discoverer, Capt. John Smith, who charted the Chesapeake in 1608. It was settled in 1657, when a small band of families, chiefly by the name of Evans, Tyler and Bradshaw, moved there after a falling out with Leonard Calvert, son of Maryland's founder, Lord Baltimore. They fished for a living, were early converted from the Church of England to Methodism and became noted for their stubbornly independent existence.

NO MAYOR OR JAIL

That formula hasn't changed much over the years. Crabbing and oystering are still the main livelihood. The Methodist Church is still the only church. And most of the population of 750 is still named Evans, Tyler or Bradshaw—about 75% of them, in fact. (The Evanses are the most numerous: a World War II memorial plaque in the churchyard lists 38 names, 21 of them Evans.)

There isn't any mayor or jail. Groceries and mail comes once a day by boat from Crisfield, Md., on the eastern shore of the Chesapeake 12 miles away. And many of the islanders still talk with an elegant, gliding accent said by some experts to hark back to Elizabethan English: it is nearly unintelligible to the outsider.

The modern world hasn't entirely passed Smith Island by. In 1941 a radiotelephone system was installed to provide communications with the outside world. In 1947 the Rural Electrification Administration provided funds to build an electrical generator. And cars are barged in, though they are usually second-hand. There is only a mile or two of road on the island, so cars are prized mainly for their motors, which watermen (the local term for fishermen) use to power their boat winches.

Smith Islanders are offended by suggestions they are backward. "We've got TV and refrigerators just like anyone else," says Alice Middleton, a retired school teacher. "The dentist comes once a month from the mainland—I wish you could see the air-conditioned office we provide for him—and our volunteer fire department has several nice looking pieces of equipment. And we have a nurse who's as good as any doctor."

NEAT FRAME HOUSES

Still, Smith Island offers an interesting contrast to the normal hurly-burly of American life. As Mrs. Middleton puts it, "I came here 60 years ago and decided to stay, because I liked what I didn't see."

Smith Island actually is composed of three communities. Two, Ewell and Rhodes Point, are joined by a dirt road across a marsh. The third, Tylerton, can be reached only by water.

Neat white frame houses, many of them bordered by colorful flower gardens, line the village lanes. There are only a handful of commercial establishments, including two small general stores owned by two different branches of the Evans family. The only place to stay is in the home of Francis Kitching in Ewell, where $15 (cash only) fetches a back bedroom with a fan, a sumptuous dinner of crabcakes and a bedside copy of "Grit," a weekly newspaper published in Pennsylvania that tends to favor good news

Marriages between cousins have been so frequent over the centuries that questions about family trees draw shrugs. "We just try to keep track of first cousins," says one young bachelor. As a result of this close breeding, islanders have a tendency to diabetes and obesity.

"On the whole, they are a healthy, intelligent breed of people," says Linette Becker, an Australian nurse who moved here with her husband several years ago in response to a search by the islanders for medical help.

Children attend a one-room school in Tylerton or a two-room school in Ewell until they reach high-school age. Then they commute to school on the mainland aboard a sleek new cruise boat that can make the trip in 45 minutes. The 50-passenger vessel, which is chartered by Somerset County from Alan Tyler of Rhodes Point, makes it possible for the children to return to Smith Island each day; previously they were boarded in homes on the mainland for the school week returning only on Friday, because the old ferry couldn't negotiate the frequently rough waters of the Chesapeake.

Many young people eventually move away from the island (perhaps to escape the ferocious mosquitoes that breed in the island's marshes), but a surprising number remain and become watermen like their fathers. It's not a trade that's likely to make them rich. Even in a good year, watermen figure they're lucky to make $10,000 to $15,000 before taxes. And its grueling work. Most Smith Island men are up at 4 a.m. and out on the water before sunrise, returning in the later afternoon after a hard day of physical labor. In winter, the watermen go north in the Chesapeake for weeks at a time in search of oyster beds.

But there are compensations. "Here, I'll be working for myself and living with my own people, says one waterman. "I guess I just like the way of life too much to leave.

AUSTERE WAY OF LIFE

It's a quiet, austere way of life. Liquor isn't sold on the island, mainly for religious reasons, and the main event on the social calendar is the July "camp meeting, a week-long religious revival and family reunion for which even Smith Island expatriates return. Someone tried to start a makeshift movie theater in the mid-1960s, but it soon closed down. "Some people thought it created too much noise and confusion," says one matron approvingly.

The church is the focal point of most community activity (there is much social pressure to attend church, some islanders confide.) The church bulletin serves as a sort of island newspaper and street lighting is paid for out of church funds. Important community issues usually are thrashed out at church meetings. "Whenever I want something for the medical clinic, I just stand up in church and say what I think I need, says Mrs. Becker, the nurse. "Pretty soon, somebody will show up to do repairs or bring me the supplies I've asked for."

One issue being hotly debated is whether to encourage the tourist trade, as has Tangier Island, a similarly isolated spot on the south of Smith Island. (Tangier was bought by John Crockett and his four sons in 1666 from the Indians for two overcoats; now it has a population of about 850, half of them named Crockett.)

TOURISTS NOT WANTED

In favor are such entrepreneurs as Mr. Tyler, the school-boat owner, who would like to expand his ferrying business in the summer months. "How do you like the island? Do you think the tourist business could ever be big here?" he asks a visitor. But many islanders are opposed to tourists because they fear the changes that an influx of outsiders might bring. "It would ruin this place," says Mrs. Becker. Adds a store owner, "The tourists we get over here now don't spend any money, so what's the point?"

Smith Islanders uniformly resent outside interference in their affairs. A Washington decision in the 1950s to declare a large section of marshland on the north point of the island a wildlife preserve rankles many islanders who like to hunt. A more recent decision to install a sewer system to comply with strict water quality laws was also controversial.

When a state policeman showed up several years ago on the main street in Ewell to check auto registrations (few if any of the cars were properly tagged), the islanders simply stopped driving for a few days until he went away. Smith Island has a deputy sheriff, Otis Tyler, but he can't remember the last time there was so much as a fist fight on the island, and he isn't very big on acting like a cop anyway. "Most of these people are either relatives or neighbors," he notes as he watches an obviously under-age youth driving down the street.

JOHN T. FORREST, 13, RECEIVES AWARD

HON. WILLIAM R. COTTER

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 2, 1975

Mr. COTTER. Mr. Speaker, I am proud to recognize today a very admir-

able young constituent of mine, John T. Forrest, 13, of Hartford, Conn. John has just been awarded the Connecticut State Police Lambert Award, which is given annually to a young Connecticut resident who has exhibited courage, presence of mind, and swift action to save another person's life or render unusual service, without regard to his or her personal safety.

John, the son of a Hartford fireman, played a significant role in the capture of three men who robbed the Connecticut State Library of a rare coin collection valued near a half million dollars. The robbers had parked their cars near John's home on Hungerford Street and made their way through several backyards to the State library. John's mother was suspicious of the men's actions and asked him to follow them.

John saw the robbers leave the State library and he followed them to their cars. Some of John's friends copied the auto registration numbers and alerted the police. All three robbers were soon apprehended and are now serving prison sentences. The Michaelson collection of rare coins was recovered intact.

This response in a tense situation is a very commendable act. It shows that John Forrest, his family and his friends have a keen sensc of responsibility to their community and have not given in to what some people would have us believe is a universal feeling of apathy. John was willing to get involved; and his actions show what can be accomplished when citizens and public servants work together as members of a community.

The State police also cited John's mother, Ruth Forrest, and his two sisters Paula and Susan; along with his friends, David Lock, Mary and Michael Wisneski, and Joseph Lawson, for their cooperation in apprehending the robbers. The actions of these people are very heartening. It shows that people are always ready to respond to a difficult situation with courage and selflessness.

There are many Americans across this country with the same willingness to get involved as responsible and caring citizens. They deserve a great deal of credit for it is this same kind of community feeling that we will be paying tribute to in the upcoming Bicentennial year.

I am happy to join with the State Police of Connecticut in honoring this year's Lambert Award winner, John T. Forrest.

IT IS A WORLD RECORD IN LAWNDALE AS YOUTHS PLAY 300 HOURS NONSTOP VOLLEYBALL FOR CHRIST

HON. CHARLES H. WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 2, 1975

Mr. CHARLES H. WILSON of California. Mr. Speaker, in the city of Lawndale, a community I am most proud to represent in Congress, a group of students are members of the Church of Christ which is located at 4234 West 147th Street.

In a feat of strength and endurance, 16 of these youths set a goal of beating the world record volleyball playing record which had been established at 240 continuous hours, or 10 days. Thirteen of the original group went on, not only to break the world record, but to establish a new record: 300 continuous hours of volleyball, or 12½ days.

Those completing this recordbreaking game included Dennis and Laurie South, Terri Fleming, Mary Gherna, and Leslie and Kim Marks of Lawndale; Anita Allison, Paul Naschinski, and Roberta Rangey from Hawthorne; Scott Kjos and Norman and Ken Pedersen from Gardena, and Billy Thompson from Redondo Beach.

The game started on September 1, and at exactly 12 noon on Thursday, September 11, the record of 240 continuous hours had been broken. Originally the plan was to play 288 hours, or 2 more days than the original 10-day record. But this valiant group surpassed even their own goals, playing until midnight Saturday, September 13, to complete 300 continuous hours of play.

The young people must have found an inner strength through the guidance and prayer of their minister, Herb Read, and the spirit of their leader, Dennis South. They certainly had the support of parents, friends, neighbors, and members of this community church congregation. The generosity of sponsors was shown in the donation of food, and many Lawndale residents provided beds and showers for the bone-tired and ballweary players. During their breaks some of the players rested or slept in the church sanctuary in sleeping bags. Others had to rush to their schools to register for the approaching school year.

Why did they do it? Because a record was there. And in their hearts they knew that in doing it for Christ the record could be broken. They went on, exerting themselves beyond belief, to accomplish this goal.

It is with very great pride that I represent such a fine group of young people in the U.S. Congress. And I want to take this opportunity to congratulate them on this fine show of teammanship, will and power to achieve.

GENE SNYDER ASKS PRESIDENT TO LEAD ANTIBUSING FIGHT

HON. GENE SNYDER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 2, 1975

Mr. SNYDER. Mr. Speaker, I recently wrote the President urging him to put his leadership and the full resources of his administration on the side of the 95 percent of the American people who oppose court-ordered busing as a desegregation tool.

Robert S. Allen, in his syndicated column of September 18, made some perceptive observations on this matter.

He makes the pointed statement that the President is finding no support among the many citizens he has met on his recent trips, either for busing, or for his own position on the controversy.

Mr. Allen's column follows:

GENE SNYDER ASKS PRESIDENT TO LEAD ANTIBUSING FIGHT

(By Robert S. Allen)

WASHINGTON, SEPTEMBER 18, 1975: President Ford is making two deeply striking discoveries in his wide-ranging tripping about the country:

(1) Universal and seething hostility toward court-ordered mass busing—in contrast to general acceptance of desegregation of schools. Nowhere has the President encountered active opposition to racial integration of schools; seemingly that concept now appears to be considered a fact of life.

But mass busing is a very different story. On that the President is finding raging fury—chiefly on the ground that court-mandated busing is plain counter-productive. Instead of furthering quality education and better racial relations, it is perpetrating exactly the opposite.

Millions are spent for busing instead of for better schools, more teachers and smaller classes; neighborhoods and communities are uprooted and destroyed by large-scale population "flights" and shifts; and racial relations and problems are harshly acerbated and intensified instead of ameliorated and resolved.

In other words, forced busing is proving an educational and racial perversion instead of a solution.

(2) The President's position on this supercharged issue is generally deemed meaninglessly "straddling"; that he is talking out of both sides of his mouth when he says, on one hand, he is against busing, and on the other, it is essential to "uphold the law of the land."

It has not escaped the President's attention that he never gets a hand in enunciating that position.

Clearly it's not viewed as the role of a forceful and effective leader.

TIMELY ADVICE

Significantly reinforcing this is pointed advice he is getting from Republicans in Congress.

They feel he should be doing something about busing besides talking innocuously about it.

In their opinion, there is ample opportunity for concrete action and he should make the most of it. And if he has any doubts as to just what should be done, it is politely but explicitly spelled out in a letter from Representative Gene Snyder, R-Ky.

The Kentuckian, who went to law school in Louisville, practiced there and whose district adjoins the city, served with the President as a fellow member of the House for years. In his personal letter, Snyder points out:

(1) Legislation aimed at curbing court-ordered busing has long been pending in the Democratic-controlled Judiciary Committee but gotten nowhere because of the Democrats' refusal to permit its consideration; (2) leading sociologists, educators and other authorities who once advocated forced busing "now readily admit their *error* and conclude that the practice is destructive of the educational process of all children."

It's time, Snyder firmly informs the President, "that you immediately take positive action as the Chief Executive" to get something done, and recommends the following:

"Instruct the Justice Department to intervene in the various pending appeals so that the people will know they are represented in attempting to right this wrong."

"Convene a meeting in Washington of mayors, county executives, governors, etc., who have court-ordered busing or are in litigation

over it or expect it, and explain that the legal machinery has been started and that legislative vehicles are available."

"Get their support and commitment for active participation in the moving of the legislation forward, including the discharge petition route if the committees continue to refuse to report the legislation."

"Get their support and suggestions not only to reverse the trend to busing, but to refocus funds and efforts toward improving of education with funds that otherwise will be frittered away in simply moving pupils around."

Time is of the essence, Snyder stresses, because the country cannot be united either at home or abroad with the disruptive discord resulting from forced busing. It's urgent the President act, and without delay.

"This is a great opportunity for you to exercise the leadership that I know you are capable of," Snyder wrote his old House colleague. "It is a great opportunity to put your Administration on the side of over 95 percent of the people. Most of all, it is an opportunity to do good for our country, to reverse a policy that is destroying years of gains in race relations, a policy that is destructive of the family, and most of all destructive of the children on whom it is afflicted."

UNEXPECTED ALLY

Surprisingly, this forceful counsel was impressively echoed in an unexpected quarter.

William Raspberry, black liberal columnist of the liberal Washington Post, startled the capital and its predominantly black population by pronouncing forced busing an outmoded failure and accusing its chief advocate, the NAACP, of stubbornly fighting for a cause of highly dubious merit.

"A lot of us are worrying," wrote Raspberry somberly, "whether the busing game is worth the prize; some of us aren't even sure just what the prize is supposed to be."

The problem is no longer desegregation, asserts Raspberry; that is now widely accepted. What is really neded is better education for blacks and whites.

"The 1954 Supreme Court decision," declares Raspberry, "outlawing racial exclusivity was a vastly important victory which, in effect, opened neighborhood schools to all neighborhood residents. But it didn't automatically lead to racial integration, particularly in the north, where the schools remained white or black because the neighborhoods were.

"So the NAACP expanded the principle to include not just the dismantling of dual school systems but also the elimination of identifiably black schools within unitary systems. A number of courts went along with the expansion. But that is changing.

"The Supreme Court, in the Detroit case, held that it's perfectly all right if schools are predominantly black because the school district is predominantly black. This judicial trend is clear, but it may be too much to expect the NAACP to back down, however counterproductive its efforts in fact may be.

"For NAACP policy makers, the issue is not whether anybody wants busing; it is their view that constitutional considerations require it."

NEW INSIGHTS INTO MEDICAL LIABILITY

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 2, 1975

Mr. CRANE. Mr. Speaker, within the past few years, a good deal has been made of the misnamed "medical malpractice crisis." The crisis exists not with growing medical negligence or rampant malpractice, but with the shrinking availability of medical liability insurance resulting from more people filing more suits in pursuit of larger amounts of dollars, thereby destroying the actuarial predictability of medical risk-bearing.

Few, however, have attempted to explore the root causes of the problem beyond efforts at meeting the immediate crunch of maintaining an insurance market. It is highly probable that our society, becoming ever more litigation-minded and rights-conscious, is beginning to view the men and women of medicine not as practitioners of the art of healing, but as contractors who are expected to guarantee good health and produce happy results. Increasingly, our judicial system is expanding the scope of tort liability to include holding medical professionals guilty for failure to perform in that manner. No longer is medical liability insurance considered a protective device, but it is now seen by many consumers, lawyers, and judges as yet another source of instant income for plaintiffs or as a limitless trough for compensation, reparations, and wealth redistribution.

One distinguished man of medicine, Charles A. Hoffman, M.D., has examined the problem beyond its superficial immediacies. Dr. Hoffman, a past president of the American Medical Association, is currently chairman of the Medical Liability Commission, a Chicago-based national association of the American Medical, Dental, and Hospital Associations and 17 other medical specialty organizations. In his address to the zone II meeting of the National Association of Insurance Commissioners—NAIC—on August 12, Dr. Hoffman offered a unique approach toward satisfying both the "bonded mechanic" elements in our culture who demand a happy physical or financial result after each trip to the doctor's office and the vast majority of Americans who value the traditional, limited-liability patient-doctor relationship.

I commend Dr. Hoffman's remarks to my colleagues and to others seeking the benefits of new insights into this disturbing issue.

The article follows:

AN ALTERNATIVE

(By Charles A. Hoffman, M.D.)

The great majority of Americans (perhaps 90%) are still very hesitant about suing their doctor. Most still consider him as a friend-confessor or as a trusted ally and collaborator in helping to maintain good health and enjoy long life.

Relatively few Americans consider their doctor as a bonded workman guaranteeing perfect medical or surgical results. Most Americans still believe in the Judeo-Christian principles of Caveat Emptor ("let the buyer beware") and joint venture and are willing to fault themselves in part for failing to exercise full diligence in selecting their health-care provided. Most recognize their own personal bad habits as possible contributory negligence factors to any eventual unhappy medical results.

By and large, Americans esteem the professional status of their physicians or surgeon and would not think of "turning on him" as an adversary unless he or she were to behave in a blatantly criminal or grossly negligent way.

Patients usually expect encouragement and confidential advice from their doctor and would consider it absurd to regard the friendly exhortation and professional treatment as absolute contractual guarantee or warranty to be enforced in a court of law and financially fortified by an insurance bond. Indeed, most Americans recognize the spiritual, psychosomatic, and attitudinal factors necessarily involved in the process of getting well.

In this country patients request only that the doctor of their choice perform to the best of his professional ability and do not wish to purchase bonded performance or guaranteed happy results, considering the high price of such guarantee an unnecessary and costly accessory tacked on to the basic professional services they seek.

As we now know, professional liability insurance when used to compensate for unhappy results and for failure to deliver the undeliverable can become very expensive for both doctor and patient and sometimes even wholly unavailable at any price.

Today's problem is that 300 to 400 cases each year are successfully concluded against the provided, whereas a decade or so ago only 100 to 200 verdicts were rendered nationwide against medical defendants.

Insurance reserves for professional medical liability have always been exceedingly thin, and their fragility has been demonstrated in recent years by the relatively minor increase of one or two hundred additional adverse verdicts annually. These reserves were built primarily to be spent on legal defense costs and to cover court awards for gross or wanton negligence only. They were not accumulated or intended as a bonding mechanism for guaranteed performance nor as funding for a system of compensation for all unhappy medical results.

Why?

Because the cultural attitudes and temperament of most Americans precluded the need.

Today a shift of attitude among a relatively small 5–10 percent of our populace has shattered these insurance reserves and has precipitated a major crisis in medical care delivery.

Merely because the uninformed and a few ultra-liberal thinkers of our country might demand a bonded performance or guarantee from doctors is no reason to impose this incredible added cost to basic medical care.

Today two types of medical care delivery are demanded by our pluralistic society, and we have been offering only one. Apparently our system is currently too rigid to accommodate itself painlessly to the changing demand.

Are we so stodgy that we must blindly perpetuate the current uniform system, disavowing to the world America's well-known flexibility?

Can we not deliver medical care to satisfy both segments of our society?

If 90 percent of Americans prefer a less costly, semi-bonded performance affording insured protection only against their doctor's possible gross negligence, are they not entitled to receive it? Should they be forced to pay for frills demanded by the other 10 percent?

If, on the other hand, 10 percent of our people want bonded performance and are willing to pay the insurance premium for a contractually guaranteed physical or financial happy result, should it be denied them?

The obvious answer is legislation at the state level to provide a twofold system of medical care. Let some doctors be legally empowered to hold themselves out as fully bonded performers and to charge appropriate professional fees to insure and compensate

for possible performance failure to serve the 10 percent minority of our society who have the desire and financial ability to buy the delivery of "guaranteed happy results" services. Let others be permitted by law to list themselves as traditional limited liability practitioners with proportionately reduced fees insuring only the normal medical care delivery expected by 90 percent of all Americans.

Such an arrangement would be inherently stable, yet flexible enough to adjust to shifting public demand in the years ahead.

COMMUNISTS BEGIN THAI OFFENSIVE

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 2, 1975

Mr. McDONALD of Georgia. Mr. Speaker, it begins to look as though the Communists in North Vietnam were able to shift gears and focus their tender attentions on Thailand sooner than some of the experts had expected. The London Daily Telegraph of September 26, 1975, reports on the buildup for a monsoon offensive. Another falling domino, anyone? The article follows:

[From the Daily Telegraph, Sept. 26, 1975]

COMMUNISTS BEGIN THAI OFFENSIVE

(By John McBeth)

Defence officials in Thailand are becoming increasingly apprehensive over the significance of an unusual monsoon offensive by Communist insurgents—many of them women.

They fear it may signal the start of a dangerous new phase in the country's guerrilla war, which has spluttered along on a fuse of poverty and government heavy-handedness for the past 10 years.

There have been two major clashes in the past few days, and Col. Prakorb Prayoonpokorat, the deputy interior minister, was quoted yesterday as saying that armed incidents are being reported almost daily in the sensitive northern and north-eastern Provinces.

On present indications, the level of fighting could reach unprecedented proportions during the coming dry season, when terrorist activity traditionally intensifies.

Some officials have linked the upsurge to increased clandestine arms shipments from Laos, an indication, they say, that North Vietnam is releasing part of the huge stockpile of weapons left over from the Indochina War.

A large number of women were among the insurgents who overran a northern outpost on Monday, a wounded survivor said yesterday. The night attack, in Udon Province, 300 miles north of Bangkok, left seven troopers dead and six wounded.

Udon is next to the border Province of Loei, where villagers made the last reported sighting of Rassamee Jandawongse, the strikingly beautiful 28-year-old daughter of Socialist lawyer Krons Jandawongse, who was executed in 1960 for fomenting unrest in the northeastern Provinces and allegedly plotting the overthrow of the Government.

Rassamee, a third-year student at Bangkok's politically-conscious Thammasat University, vanished after her father's death and is reliably reported to have undergone guerrilla training in North Vietnam, China, and the Soviet Union.

Captured film has revealed the presence of a large number of women among Thailand's estimated 8,500 armed insurgents.

NEW HOME OF DETROIT LIONS

HON. WILLIAM S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 2, 1975

Mr. BROOMFIELD. Mr. Speaker, it is with great pleasure and pride that I call to the attention of my colleagues a development of national consequence in my district. It is the $55.7 million Pontiac Metropolitan Stadium, new home of the National Football League Detroit Lions. And I extend an invitation to each of you to personally view this unique stadium on Monday evening, October 6, when it will be the scene of a nationally televised game between the Lions and the Dallas Cowboys.

The particular significance of this new 80,400-seat stadium is that, in contrast to other stadiums and major construction projects across the United States, it was completed ahead of schedule and within the budget. Considering the history of stadium building and the pressures of inflation, many observers have termed the stadium a miracle, although it is really the product of hard work and cooperation from all parties involved.

Pontiac Metropolitan Stadium will also boast the largest air-supported roof in the world. The 10-acre, 200-ton dome made of Teflon-coated fiberglas was inflated yesterday and makes the stadium the world's largest covered football facility.

The story of Pontiac Metropolitan Stadium is a story of cooperation between management, labor, and municipal officials that is perhaps unparalleled in recent building history. Incredibly, the stadium was built without a single work stoppage, and with a minimum amount of overtime. Contractors and union and city officials deserve a great deal of credit for averting the many problems that seem to inevitably plague similar projects, causing delays and cost overruns.

Actually, credit for this remarkable achievement goes to too many people and organizations to begin to name each and every one. But certainly particular recognition is due the designers of the stadium, the architectural firm of O'Dell/Hewlett & Luckenbach, Inc., Birmingham, Mich., who gave the stadium its unique roof, and the contracting firm of Burton-Malow, Oak Park, Mich., who oversaw the entire project.

Planning and contract officials are quick to admit that the stadium could not have been brought in on time and within the budget without the hard work and cooperation of the AFL–CIO Greater Detroit Building Council and the more than 25 trade unions who worked on the project.

Finally, special praise and congratulations must go to the city of Pontiac, Hon. Wallace Holland, Mayor, and the Pontiac Stadium Building Authority, Harold A. Cousins, chairman, for tackling such an ambitious project and seeing it through to its remarkable conclusion.

Pontiac Metropolitan Stadium is a tangible symbol of the pride and faith the people of Pontiac have in their city. I share that pride with all who made it possible.

GENERALS MIX BUSINESS AND PLEASURE

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 2, 1975

Mrs. SCHROEDER. Mr. Speaker, while we tussle with a $112 billion Department of Defense appropriations bill I thought it might be instructive to share with my colleagues several recent newspaper articles indicating the Air Force has a quite cavalier attitude toward the public's right to know how it spends our tax dollars.

The articles follow:

[From the Rocky Mountain News, Sept. 28, 1975]

GENERALS MIX BUSINESS AND PLEASURE

(By Alan Horton)

WASHINGTON.—Twice in two weeks, most of the Air Force's senior generals and civilian officials have gotten together at taxpayer expense for business meetings that coincided with a convention and a football game.

The first such gathering came a week ago when 31 generals, their staffs and a number of other military and civilian officials—the Air Force refuses to specify who or how many—came here from their posts around the country.

The Air Force Association's national convention was being held at the Sheraton-Park Hotel here for three days.

The Air Force explains, however, that "without exception every one of these officers had other appointments, meetings, conferences, etc., in Washington and were not in the city solely for the purpose of participating in the AFA functions."

Again this week, most of those 31 generals and a number of their fellow officers based here—over 50 in all—have flown to a commanders' conference at the Air Force Academy in Colorado Springs.

At least some of those officers and officials, including Air Force Secretary John L. McLucas, attended the Air Force-UCLA football game at the academy Saturday.

The Air Force has refused to tell Scripps-Howard:

How many planes were used to ferry the generals and their associates to Washington and to Colorado Springs.

How many officers and civilian officials were brought here for the convention.

How much was paid to Air Force personnel in "temporary duty costs" at the rate of $25 per day per person for their attendance at the convention and other meetings.

The Air Force admitted jitney buses were rented—$6,290 worth—to deliver the generals and others to the convention from the Pentagon, from their quarters at Bolling Air Force Base here and from other quarters.

Most of the 31 generals who came here flew on six-passenger T39 jets which cost $320 per hour to operate.

"Why the hell couldn't they hold their commanders' conference here since they were all here anyway?" one Air Force colonel asked.

The Air Force Association is a nonprofit organization with the primary objective "to assist in obtaining and maintaining adequate aerospace power for national security and world peace."

[From the Rocky Mountain News, Sept. 25, 1975]

AIR FORCE TO FLY 500 CADETS—AT TAXPAYERS' EXPENSE—TO D.C. GAME

WASHINGTON.—The Air Force plans to fly 500 Air Force Academy cadets in four C141 jet transports to the Oct. 4 Navy-Air Force game at Robert F. Kennedy Stadium in Washington at taxpayers' expense.

The cost: About $100,000 including 38,000 gallons of fuel, maintenance costs and expense money for air crews and faculty advisers.

Last month the Air Force refused to fly participants in the National Special Olympics for retarded children from Seattle to Mount Pleasant, Mich., on the grounds that such a mission was outside its responsibilities.

At least a small contingent of the Air Force Academy's cadets goes to most non-home football games. Each Academy squadron is sponsored by an active Air Force flying squadron "which frequently can find a plane to fly cadets to a nearby game," an Air Force official said. "Of course those are all training flights and the cadets fly on a space-available basis."

The Air Force team will fly to Washington on a chartered commercial plane, paid for from receipts from the game. Its equipment will be flown here on an Air Force C130 cargo plane at taxpayers' expense.

About 100 tickets to the game have been given to top defense officials and members of Congress. Most of the rest of the 54,000 seats will be sold for $8 each.

The cadets must buy their own tickets.

Army and Navy spokesmen said West Point cadets and Navy midshipmen pay their own way to the games they attend with the athletic associations sometimes covering the cost of transportation.

[From the Denver Post, Sept. 25, 1975]

STORY OF PLANE USE TO AF GAME UNSETTLED

WASHINGTON.—The Air Force chief of staff, Gen. David C. Jones, "heard about and is very concerned about" a report that the Air Force Academy allegedly plans to fly 500 cadets to Washington, D.C., for the Air Force-Navy football game, Oct. 4, Rep. Pat Schroeder, D-Colo., said Thursday.

Mrs. Schroeder, who is a member of the Armed Forces Committee in the House of Representatives, said she tried to call the general after hearing rumors about the academy's plan that would apparently cost the taxpayers $100,000 and consume 38,000 gallons of jet fuel.

"I could only speak to one of his aides," she said. "The general apparently had a meeting at the White House to go to and was going out of town after that."

The aide indicated, however, that the general was very concerned about the situation, but didn't want to issue a statement until he had all the facts in hand.

"I asked if they were planning to use a C–141 transport plane, but the aide didn't know if one is in Colorado right now," she noted. "All he had to do was make one phone call to the central scheduling operation and get the answer."

"It's rather amazing that the Air Force can't cut one of those plans loose to distribute badly needed canning lids, but it can take a lot of cadets to a football game," she said.

Mrs. Schroeder said the Air Force officials have said they will get back to her "after a more thorough investigation has been made."

Dan Buck, Mrs. Schroeder's administrative assistant, also put in a call to the superintendent's office at the academy.

After some hesitation an official there admitted that the story was "in essence" true, Buck said.

"He said that the number of students and the amount of money reported wasn't accurate, but he did confirm the use of C–141s for the cadet 'airlift,' " he said.

FEDERAL FUNDS NOT A BLESSING

HON. ROBERT E. BAUMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 2, 1975

Mr. BAUMAN. Mr. Speaker, as more communities gain experience with the redtape and bureaucratic controls which follow the disbursement of money from the Federal Government, many are having second thoughts. Some assume that the best course for local governments is to line up at the Federal handout window for all the "free money" available.

Well, some local governments have decided that Federal money is not worth it. Recently the Council of Talbot County, Maryland, my home, decided not to seek $140,000 in Federal funds for the construction of the new county library. Citing probable construction delays and increased costs which accompany Federal funding, the county council decided to rely on local resources.

I include in the RECORD at this point an editorial from the Easton Star-Democrat which explains the good reasoning behind the Talbot County Council's decision:

[From the Star-Democrat, Sept. 25, 1975]

IT WAS A RARE MOVE

The Talbot County Council yesterday made an almost unheard of announcement. They have decided NOT to seek $140,000 in federal funds for construction of the new Talbot County library.

In explaining their unusual move, the councilmen said that seeking the federal aid could delay construction of the library by a year and the resulting delay would probably boost through inflation construction costs by $80,000 to $100,000. Current plans call for the library to be completed before the end of 1976, the Bicentennial year.

The councilmen were also worried that the federal requirement that union labor be used for the project would mean higher expenses for laborers' pay and might present the opportunity for strike-related delays in construction.

The library board, which has worked closely with the council on plans for the new library, added its support yesterday to the decision to forego federal funds for the project.

We would now like to add our support to that decision, too.

Local government officials are bombarded with opportunities to use federal aid, programs partially funded with federal money and all sorts of local groups pushing for use of federal cash for this or that reason.

Sometimes these federal funds can do an immense amount of good in our community, other times, the strings attached to the funds can cause so much disruption that we wonder why anyone ever thought them to be attractive. And many times, officials or citizens advocating a particular project use the strange logic that obtaining federal funds makes a project cost local taxpayers nothing. Somehow, they forget that federal funds come from local taxpayers' pockets just as much as the funds for hiring a town police officer.

What this all gets back to is the fact that the council has used foresight and discrimination in deciding how the new library is to be funded. It would be easy to line up at the federal window now, sign up for the $140,000 and not worry about what comes later. Fortunately, the Talbot County Council didn't do that.

ILLEGAL ALIEN BILL ENCOURAGES DISCRIMINATION AGAINST SPANISH SPEAKING PERSONS AND OTHER MINORITIES

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 2, 1975

Mr. DRINAN. Mr. Speaker, on September 17, 1975, the National Congress of Hispanic American Citizens—El Congreso—an organization of 125 Spanish speaking groups, wrote to each Member of the House opposing the illegal alien bill, H.R. 8713, which is heading for floor action. In that letter, El Congreso stated "that passage of H.R. 8713 will have a detrimental and direct discriminatory effect on Spanish speaking persons, especially Mexican Americans seeking employment, whether they are citizens or aliens authorized to work in the United States."

The serious concerns expressed by El Congreso are shared by other groups seeking to protect the rights of minority citizens. On July 23, 1975, the Mexican American Legal Defense and Educational Fund—MALDEF—wrote to Congressman DON EDWARDS setting out its opposition to the illegal alien bill. MALDEF opposed the bill because it impermissibly shifts the burden of enforcing the immigration laws from Federal officials to private persons, thus giving employers " the power to determine citizenships."

According to MALDEF's analysis, which I share, the measure will produce discrimination against "Chicanos and other ethnic or racial groups that do not physically resemble the dominant racial group. Specifically, the illegal alien bill has provisions which when implemented will inevitably result in certain groups being treated differently solely on the basis that members of these groups look 'foreign'."

The predictions by El Congreso and MALDEF on the impact of the illegal alien bill should give each of us pause in supporting it. Since each Member has received a copy of the El Congreso letter, there is no need to reprint it here. The MALDEF letter, however, has had more

limited circulation and its text is therefore set out below:

MEXICAN AMERICAN LEGAL DEFENSE AND EDUCATIONAL FUND,
Washington, D.C., July 23, 1975.

Hon. DON EDWARDS,
c/o Committee on the Judiciary, U.S. House of Representatives, Washington, D.C.

DEAR CONGRESSMAN EDWARDS: This is in response to your request concerning the position of the Mexican American Legal Defense and Educational Fund (MALDEF) concerning the provisions of the illegal alien bill (H.R. 982).

Let me first emphasize that MALDEF's position is based on legal premises and does not involve questions of policy; the reason for this is that MALDEF does not believe that sufficient information exists to arrive at valid conclusions concerning policy on immigration and on illegal aliens.

MALDEF's major concerns with H.R. 982 center on the constitutional problems that will be imposed on the Chicano community if the bill becomes law; however, at least one other type of problem will be noted first.

Under the provisions of the bill, an employer is required to make a bona fide effort to determine whether an employee or a potential employee is an illegal alien. In making this determination, the employer can (1) prove that the person is an illegal alien (2) prove that the person is a U.S. citizen, or (3) prove that the person is not a U.S. citizen but is also not an illegal alien. Number 1 above, however, is purely fictional since that determination can only be made by determining items 2 and three. That is, a person can affirmatively prove he is a citizen and he can affirmatively prove that he is a documented alien; however, proving that somebody is an illegal alien can only be done by showing that the person is not a citizen and is not a documented alien.

An employer who must comply with the provisions of the bill must necessarily involve himself in constitutional law (Article XIV, Section 1) and immigration law. More specifically, he will be required to determine a person's citizenship or documented status. This presents two major problems. First, it would require that the employer have sufficient expertise in constitutional and immigration law to be able to make a reasonable conclusion concerning a person's status; most employers do not have this type of expertise. Secondly, the bill shifts a federal government function (i.e., determining citizenship) from the government to a private party—the employer. This is particularly unusual in that not even the states are allowed this authority; as a matter of fact a state cannot even determine what persons will be its citizens. While it can be argued that the employer will not be determining citizenship in the absolute sense but will be determining citizenship only in a relative sense (i.e., relative to being hired or fired), the distinction is merely one of degree. That is, citizenship is not an abstraction; whether or not one is a citizen relates directly and tangibly to rights and benefits one can enjoy. Consequently, determining citizenship relative to employment relates directly and tangibly to rights and benefits one can enjoy from being employed. Thus, absolute citizenship is pure theory since once a determination of citizenship is made certain rights and benefits accrue that relate back to being a citizen. Employers should have no power to determine citizenship.

The legal problems with the bill center on the equal protection of the laws for Chicanos and other ethnic or racial groups that do not physically resemble the dominant racial group. Specifically, the illegal alien bill has provisions which when implemented will inevitably result in certain groups being treated differently solely on the basis that members of these groups look "foreign". This different treatment can occur at two levels. First, the typical employer will invariably be more suspicious of an employee or potential employee who looks "foreign" or who speaks a foreign language or speaks with an accent. Many Chicano employees would be perceived as being "foreign". Consequently, an employer wishing to not take chances will require Chicano employees to present evidence of citizenship with much more frequency than will be required of employees who do not look "foreign". The problem increases in intensity and scope when Chicanos realize that the way to avoid being suspected of illegal alien status is to carry some sort of identification proving citizenship. Thus, an entire class of people will practically be required to carry some sort of internal passport that will allow members of the class to move into a new job or allow them to keep a job. MALDEF feels that such an imposition and burden on Mexican Americans is totally unacceptable and cannot be tolerated by our community.[1]

In the same measure, MALDEF feels that the provisions of the bill provide a racist employer with the excuse to discriminate against Mexican Americans. In theory, it is quite possible for an employer to decide not to hire anybody that looks "foreign", justifying such a decision by saying that he is afraid of hiring illegal aliens; the true reason would be that he doesn't want to hire Mexican Americans. While there are civil rights laws that could serve preventive and remedial functions, it is a well known fact that these laws are not implemented effectively, particularly with regard to national origin groups such as Mexican Americans.[2] Consequently, the bill would add to the backlog of complaints already in existence and the "preventive and remedial" functions mentioned above would be mere illusions.

It is important to know that at least 2 states have attempted to enact legislation similar to the illegal alien bill and both failed. In California the bill was struck down by a state court (Dolores Canning case) as being unconstitutional; although the court employed the preemption doctrine for its decision, it is interesting to note that plaintiffs also argued that the state law would violate the equal protection of the laws of certain ethnic groups. In New York, a similar law was passed by the state legislature but was vetoed by Governor Malcolm Wilson (veto message of June 17, 1974) for two reasons: one was that the illegal alien field was pre-empted by the federal government; secondly he stated that: . . . the bill could result in discrimination against natural born citizens of the United States who are members of minority groups, but who cannot provide documentary proof of their birth by reasons of local vital statistics problems.

It should also be noted that recently the U.S. Supreme Court struck down as violative of the 4th Amendment an INS practice allowing "roving patrols" to stop cars on the basis that the occupant looks "foreign". If the federal agency responsible for administering the immigration laws cannot use "foreign looks" as a basis for carrying out its laws and regulations a fortiori a private person should not be given the opportunity or sanction to do likewise with respect to carrying out the provisions of a particular law—H.R. 982.

In essence, the H.R. 982 poses major constitutional problems for Mexican Americans and other similarly situated groups. It is for these reasons that MALDEF feels the bill should not be supported as it is presently worded and should be defeated or redrafted to eliminate the constitutional problems mentioned above.

Sincerely,

AL I. PEREZ,
Associate Counsel.

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[1] It is interesting to note that when the Department of Justice proposed a national identification card, members of Congress reacted very negatively against this proposal, saying it was not consistent with American ideals.

[2] For example, the Equal Employment Opportunity Commission has only one national origin discrimination lawsuit in the entire Los Angeles area.

THE U.S. ECONOMY: MYTHS AND REALITIES

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 2, 1975

Mr. CRANE. Mr. Speaker, no problem which faces society can be solved, no negative condition corrected, unless we carefully examine the causes of the difficulty and attempt to deal with them.

Too often, the American political process works against a real consideration of cause and effect. We tend, instead, to deal with symptoms and to produce temporary, cosmetic programs which, in the long run, make things worse, and not better.

This negative, short-run approach to real problems is especially true with regard to the economy. Many in political life, responding to a public clamor against rising prices, think that they can simply pass a law forbidding any further increase. These same political figures respond to the demands of each group which requests a governmental subsidy—whether farmers, businessmen, labor leaders, or welfare recipients—by providing such assistance. The fact that deficit spending produces inflation which causes higher prices is lost in this very political process. The economy, as a result, continues its steady deterioration.

Unfortunately, most public figures who discuss our current twin economic problems of unemployment and inflation invoke as economic reality what are, in fact, economic myths.

There are some, for example, who tell us that our free enterprise system practices a policy of "planned obsolescence," and that this is particularly true of the automobile industry, Prof. Peter Drucker declares that the only thing "we have been obsoleting and rapidly is the first owner of a car." He writes that:

> The American automobile . . . has a longer working life, measured in miles driven—the only sensible yardstick—than any other automobile. Indeed, the American system, under which people trade in their new car after a year or two, represents, without being planned, the most effective form of "income distribution" we have in this country . . .

Another myth is that the corporation tax is a tax on the "rich" and that it should be increased to further assist our economic recovery. Mr. Drucker argues instead, that:

> . . . with pension funds owning 30 percent of American large business—and soon to own 50 percent—the corporation income tax, in effect, eases the load on those in top income brackets and penalizes the beneficiaries of pension funds. In many cases it means an

effective tax of almost 50 percent on the retired worker, as compared with the 15 percent or less that he is supposed to pay. The corporation income tax has become the most regressive tax in our system, and a tax on the wage earner and on wages. Eliminating it would probably be the single largest step we could take toward greater equality of incomes. . . .

An additional myth confronted by Mr. Drucker is that the top 5 percent of income earners—those making more than $30,000 or $40,000 a year—own 40 percent of the personal wealth of America. He notes that:

The joker . . . is the word "personal" . . . For the single greatest assets of the typical American middle and working class family, its future contingent claim on the pension fund of the employing company is not "personal wealth." . . . But it is surely an asset and increasingly worth more than the family home. . . .

Mr. Drucker declares that, in real terms, the top 5 percent income earners probably own not 40 percent of the Nation's wealth, but no more than 10 percent. He declares that:

These myths . . . are not harmless. They lead to "soak the rich legislation" which, in effect, then "soaks the poor."

To solve our economic problems we need more free enterprise, not less, and we need less Government interference in the workings of the economy, not more.

I wish to share with my colleagues the important article, "Six Durable Economic Myths," by Peter Drucker, Clarke professor of social science at Claremont Graduate School, as it appeared in the Wall Street Journal of September 16, 1975, and insert it into the RECORD at this time:

SIX DURABLE ECONOMIC MYTHS

(By Peter F. Drucker)

There is a great deal of talk today about changes that are taking place in the structure of the American economy. But our political rhetoric and our economic policies are dominated by myths about this structure rather than by the structural realities themselves.

In particular there are six such myths, believed by almost everyone but completely at odds with the realities of the American economy.

The first of these is the belief, shared by practically all economists as far as I can see, that we face long years of high unemployment, even if economy returns to "normal."

This simply does not jibe with our population figures. Beginning no later than 1977, we face a very sharp drop in the number of young entrants into the labor force, the result of the "baby bust" that began in 1960 and that lowered the birth figures by 25% or more within a very short period. At the same time, for at least another 10 years, the number of people who reach retirement age will still go up.

Thus we face long years of a diminishing labor supply, except in the event of a worldwide depression, at least until the mid-90s, which is the earliest time at which a reversal in the birth rate could have an impact on the size of the labor force. President Ford in his Labor Day address quoted a figure of 95 million people who will have to have jobs in 1985. But if the President assumed a condition of official "full employment"—or 4% unemployed—in that future year, then 95 million people at work 10 years hence are hardly more than would be at work today if we had 4% instead of 9% unemployment. The figure which the President cited as an indication of the magnitude of labor force growth turns out to include no labor force growth whatsoever.

The resulting labor tightness will not be felt equally in all areas. Indeed, the area that displayed the greater manpower shortage in the '50s and '60s—teaching jobs will continue to be a "labor surplus" area, again because of the "baby bust" of the last decade. This may explain why the "experts," who are all, nor nearly all, university teachers foresee a continuing labor surplus instead of the reality of an almost certain labor shortage.

The second myth also is closely related to demographics. It is the myth that we can restore high economic activity by "reviving" consumer demand for the two truly depressed industries of today—auotmobiles and housing. In the very short run this pump-priming may work. For anything longer, say three years or so, demand in these two areas will be low and decline, no matter what economic policies we pursue. The demand will simply not be there.

THE AGE FACTOR

We have known for 50 years, ever since General Motors made its basic studies in the '20s, that the single most important factor in the demand for new automobiles in the United States is the number of people reaching the age at which they get their drivers' licenses. Of course, they do not, as a rule, buy new cars themselves. They buy the old cars and this enables the former owners of the old cars to buy new cars. And the number of these old car buyers, beginning in the next year or so, will go down by 25% or more and will remain low for the foreseeable future.

Similarly, we have known in respect to housing that it is not "family formation"—that is, the number of men and women who marry (or otherwise take up housekeeping)—but the number of second children born, which correlates most closely with demand for new residential housing. And that number, too, is down. All that can be done by pumping money into housing in these circumstances is to drive up the price, which, I suspect, has been the only effect of all the governmental housing policies all along.

We are not "underhoused" in this country. We probably have too large a stock of housing, though, of course, it is not all in the places where the people are or want to be. What is needed is a policy that enables people to maintain the value of existing houses; whereas most of our present policy, beginning with rent control and continuing on to the exceedingly high interest rates for housing renewal, has the opposite effect and is—consciously or not—meant to discourage people from maintaining their homes and to encourage them to acquire or build a new one. And that cannot work.

The third myth is that deeply ingrained belief that we, in this country particularly, practice "planned obsolescence" of products—and especially of automobiles. What we have been obsoleting and rapidly is the first owner of a car.

The American automobile, in fact, has a longer working life, measured in miles driven—the only sensible yardstick—than any other automobile. Indeed, the American system, under which people trade in their new car after a year of two, represents, without being planned, the most effective form of "income distribution" we have in this country—since the first owner pays about twice as much per mile as the third owner (if you include total expenses) so that the poorer people get cars in excellent working condition, good for another 50,000 miles, at a substantially lower price than the first owner paid for what is essentially vanity.

Assuming a new car price of $4,000, the first owner, driving an average of 10,000 miles a year, pays 28⅓ cents a mile, consisting of a loss in the car's value of $1,200 and a mileage cost of 13⅓ cents. The second owner, paying $2,500 (the dealer taking a slight loss normally) and keeping the car for three years, pays 20 cents a mile (a loss on the car of $2,000, $500 in repairs and 13⅓ cents a mile). The third and final owner, who pays perhaps $700 and drives 50,000 miles after which the car is worthless, pays 16 cents a mile.

A more equitable form of income distribution has never been designed. The car itself does not become "obsolete"; on the contrary, it keeps going on.

My fourth myth would be that basic belief, ingrained in practically all of our economists today, that there is in the American economy, or in any other developed one, a tendency towards "oversaving."

This is largely the result of the belief that buying a house, paying Social Security or contributing to an employe retirement fund is "saving." But these are, in effect, "transfer payments." The only viable definition of "savings" is "funds which are available to create jobs." Housing does this to a minimal extent and Social Security not at all. Other key private pension funds, unless raided by irresponsible and shiftless elements such as have shown themselves in some recent union situations, will still accumulate capital for a few more years before their pension payments equal the amounts paid in.

Thus the savings in this country are grossly "undersavings." And we need to think through how to stimulate genuine savings—that is how to form capital available for investment in productive assets (the residential home is not such an asset by the way; it is a "durable consumer good").

TAXES AND PENSIONS

Fifth, there is the general belief that the corporation income tax is a tax on the "rich" and on the "fat cats." But with pension funds owning 30% of American large business—and soon to own 50%—the corporation income tax, in effect, eases the load on those in top income brackets and penalizes the beneficiaries of pension funds. In many cases it means an effective tax of almost 50% on the retired worker, as compared with the 15% or less that he is supposed to pay. The corporation income tax has become the most regressive tax in our system, and a tax on the wage earner and on wages. Eliminating it would probably be the single largest step we could take toward greater equality of incomes in this country.

Finally, there is the nice phony figure, believed by everybody and quoted again and again that the top 5% of income earners (those making more than $30,000 or $40,000 a year) own 40% of the personal wealth of America. It is, of course, becoming particularly popular as the old figure of "distribution of income" no longer supports those who tell us how terribly unequal American society is.

The joker, of course, is the word "personal." For the single greatest asset of the typical American middle and working class family, its future contingent claim on the pension fund of the employing company, is not "personal wealth." Nor is it "property." But it surely is an asset and increasingly worth a great deal more than the family home or the family automobile. If it were included, and it is not difficult to do so on a proability and a statistical basis, the distribution of wealth in this country would show a remarkable and progressive equality in which age rather than income is the factor making for inequality.

The adjustment for contingency claims on pension funds would show that the top 5% income earners probably own, not 40% of the wealth of America but no more than

10%. Moreover, translating pension expectations into today's values, about 60% of the total amount of future pension claims is held by persons in the $9,000 to $20,000 wage bracket. This is by far their biggest asset. Yet, sadly, it is an asset being destroyed very rapidly by the impact of inflation.

These myths that I have enumerated are not harmless. They lead to "soak the rich" legislation which, in effect, then "soaks the poor," the former workers on pensions. They lead to policies enacted as "antirecessionary," which primarily fuel inflation without stimulating consumption or employment, And these myths inhibit right measures—measures to encourage capital formation. Indeed, unless we discard these myths and face up to economic reality, we cannot hope to have effective economic policies.

UNITED STATES-LATIN AMERICAN RELATIONS IN THE CHANGING MID-70'S—III

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 2, 1975

Mr. LEHMAN. Mr. Speaker, this is the third installment of the paper of Dr. Federico G. Gil, which was recommended to me and to my colleagues by my constituent, Dr. Ione S. Wright. This section of Dr. Gil's paper, "United States-Latin American Relations in the Changing Mid-70's" describes nations rising to new prominence in Latin America, and discusses impact of Cuba on Latin Americans' views of our hemisphere.

The article follows:

UNITED STATES-LATIN AMERICAN RELATIONS IN THE CHANGING MID-70'S—III

New actors have entered the Latin American international stage. The Peruvian military government headed by General Velasco Alvarado, after embarking on a series of significant social and economic reforms underlined by a strong nationalistic line has awakened much interest among Latin Americans. It has developed close ties with the Soviet Union through the purchase of military equipment, and its relations with Cuba are most amicable. The "Peruvian solution" or peruvianismo, as it is often called in Latin America, has captured the imagination of significant numbers of the non-Communist left.[6] It is not surprising then that Peru aspires to a leading role in inter-American affairs.

Another new and formidable contender for Latin America's leadership is Venezuela. The sudden quadrupling of oil prices has made that nation a power broker in hemispheric politics. It has already committed hundreds of millions of dollars to Latin American development and it has agreed to financially support Central America to maintain the prices of that region's agricultural exports. Venezuela knows, in the words of its leader President Carlos Andrés Pérez that this is her opportunity to create a new international order and it obviously does not intend to forego that chance. The country is expanding its state-owned industry in the Orinoco backlands, paying to educate thousands of future leaders at universities abroad, and, at the same time, it is forging ahead in the task of consolidating the fragile edifices of Latin American unity and solidarity. President Pérez's decision to support the Central American Market marked the beginning of Venezuela's diplomatic offensive. At the conference of Puerto Ordaz in Guayana, December 1974, Venezuela agreed to provide oil to the Central American republics at a discount price and to make the difference, to be deposited in the central banks of the area, available for bilateral projects. It also pledged 80 million dollars to finance a proposed coffee marketing organization to limit coffee exports and keep prices at a higher level. In return, Venezuela asked only for good will and a reasonable return (8 per cent) on loans. President Pérez once stated that Venezuela's oil is Latin America's oil. And he added "we have it to help in the welfare of our peoples and not for oppression or as an instrument to enforce political solidarity."[7] In spite of this disclaimer, no one will dispute that a fairly impressive degree of unity has developed behind the Venezuelan concept of what Latin America can hope to achieve. If efforts to stimulate Central American integration are successful, it is safe to predict that Venezuela's star will continue to rise not only in the Caribbean but in the rest of the continent as well.[8]

A third nation which has emerged as a first-class power in Latin American terms because of its symbolic significance, if only on the second or third class in terms of resources and military might, is Cuba. "The Cuban Revolution demonstrated that a small Latin American country, traditionally politically subordinated to and economically dependent on its northern neighbor, could successfully challenge the might of the preponderant power of the hemisphere."[9] The impact of Cuba's example has been incalculable. After sixteen years of trial and error, of some tragic economic mistakes, and costly improvisation in general, Cuba seems to be entering an era of consolidation and institutionalization under the most auspicious circumstances. Its gross national product grew at an annual rate of 13 per cent between 1970 and 1974, its gains in exports last year were 70 per cent up compared to 1973, and the construction industry is growing at a rapid pace. A five-year development plan will be submitted to the first Congress of the Communist party in November 1975.[10] Its extraordinary achievements in health and education are invariably the subject of admiration and praise by foreign visitors, particularly Latin Americans. Preoccupied with the task of institution-building and economic development, the Cuban regime, without repudiating its solemn commitment to continental social revolution, is no longer active in militarily exporting its own revolution. Fidel Castro has said that the Cuban Revolution showed Latin America that it was possible to "resist imperialism." He has also recognized, however that realistically there are no immediate prospects for a thorough revolution, adding that the objective conditions are present but the subjective ones are still lacking on the continent as a whole. But still he admits the existence of "positive, progressive changes," deserving of Cuban approval, in Mexico, Panama, Peru, Venezuela, and other countries.[11]

But, as impressive as are the accomplishments in health and education, what strikes the constant stream of Latin American visitors to the island more deeply is the strong feeling of solidarity and national identity which pervades all aspects of life in revolutionary Cuba. As Kalman H. Silvert put it after a recent visit, "Cuba is the first Latin American country to become a true nation-state, secular, partially egalitarian, aiming toward total participation, able to call on its people to show ultimate loyalty to fellow Cubans despite status-derived differences. With this accomplishment Cuba has joined the modern world. . . . It has built a social nation, the tool for the realization of more difficult dreams."[12] It is on this intangible but formidable achievement—the creation of a national community—that Cuba's influence and prestige among the Latin American nations rests today.

FOOTNOTES

[6] Federico G. Gil, "Foreword," in Arpad von Lazar, *Latin American Politics: A Primer*, (Boston: Allyn and Bacon, Inc., 1971), p. xi.

[7] *Times of the Americans*, January 17, 1975.

[8] *Latin America, vol.* VIII, No. 5, December 29, 1974, pp. 393–94.

[9] Gil, *Latin American-United States Relations*, p. 229.

[10] *Latin American Report*, Vol. III, No. 6, January, 1975, p. 3.

[11] *Excelsior*, January 10, 1975.

[12] Kalman H. Silvert and Frieda M. Silvery, "Fate, Change, and Faith," *American Universities Field Staff Reports*, (North America Series), Vol. II, No. 2, September, 1974.

LEGAL ISSUES INVOLVED IN COMMERCE DEPARTMENT'S REFUSAL TO DISCLOSE BOYCOTT-RELATED INFORMATION

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 2, 1975

Mr. DRINAN. Mr. Speaker, in the face of a congressional subpena, requests made by a number of House committees, and a Federal lawsuit, Secretary of Commerce Rogers Morton continues to refuse to disclose the names of those companies which have been warned or charged for violating boycott reporting requirements. The Export Administration Act of 1969 requires American firms to report any boycott-related demands communicated to them in connection with their commercial transactions. Available evidence indicates that this requirement was largely ignored until 1975. The publicity generated by the Arab boycott earlier this year focused attention on the Commerce Department's failure to enforce the reporting requirement and its neglect of the Government's general policy to oppose restrictive or discriminatory trade boycotts. While the Department of Commerce still tacitly supports the boycott through policies described beginning on page 29884 of the September 23 RECORD, it has issued warning letters to 162 exporters thus far this year for failure to obey the boycott reporting requirements.

Secretary Morton has repeatedly refused to disclose the names of those companies on the grounds that such disclosure would be in violation of section 7(c) of the Export Administration Act. In asserting that claim, Secretary Morton obfuscates the crucial difference between information supplied by exporters under a promise of confidentiality and action taken by the Commerce Department against exporters who have failed to supply the requisite information. If I may draw an analogy, an individual's tax return is confidential, yet the bringing of tax evasion charges against an individual based upon his tax return would not in itself be kept secret.

This particular point was the focus of a recent exchange of letters between David A. Brody, Director of the Washington Office of the Anti-Defamation League of B'nai B'rith, and Commerce

Secretary Morton. Mr. Brody presents a cogent legal argument for disclosure of the warning letters issued to exporters, based in large part upon an examination of the legislative history of the Export Administration Act dating back to 1949. Mr. Brody correctly notes the irrationality and inconsistency of keeping charging and warning letters secret while disclosing final punitive action taken against boycott reporting violators.

Secretary Morton's reply largely ignores the case for disclosure made by Mr. Brody. The Secretary tries to draw a distinction between the disclosure of a criminal indictment and the disclosure of an administrative warning. In the former case, he argues, the public's presumption of ignorance is clear, while the latter instance carries a clearer inference of illegal conduct. This line of reasoning appears to be spurious. If a company has been warned for doing something illegal, why should not that fact be made public? Why should the company's image be protected against public knowledge of its activities? At the same time, many persons' images have been tainted by a criminal indictment, even if their innocence were eventually established. If public disclosure can occur in only one of these two instances, I would prefer that it focus on those issued warnings for violating administrative requirements. On the other hand, I see no reason why we must make such a choice, and would thus advocate the disclosure of criminal indictments and administrative warnings alike.

I hope that the Secretary of Commerce will reverse his position and agree to release this important information. Without the effects generated by public disclosure, administrative warnings in the boycott field have minimal impact. If Secretary Morton continues to resist disclosure, I assume that this issue will eventually be resolved by the Federal courts.

The text of the correspondence follows:

FREEDOM OF INFORMATION APPEAL

ANTI-DEFAMATION LEAGUE OF
B'NAI B'RITH,
Washington, D.C. July 8, 1975.

The SECRETARY,
Department of Commerce,
Washington, D.C.

DEAR MR. SECRETARY: This is an appeal from the action of the Director, Office of Export Administration, (hereinafter called the "Director,") dated June 11, 1975 denying our request of May 27, 1975 for access to the charging and warning letters referred to in Department of Commerce news release G 75–76, dated May 21, 1975. Copies of our request and the Department's response are attached.

The Department's letters (a) charged five domestic exporters[1] with violating the mandatory reporting requirement of the Export Administration Act in failing to report the receipt of Arab requests to participate in the boycott against Israel, and (b) warned 44 others that they were violating the law in failing to report the receipt of similar requests. As grounds for this appeal, we assert:

1. That the Director erred in holding that these letters are exempt from disclosure under Sec. 7(c) of the Export Administration Act of 1969. 50 U.S.C. App. Sec. 2406(c). The language of Sec. 7(c), its legislative history and the judicial interpretation of the Freedom of Information Act make plain that Congress never intended Sec. 7(c) to provide a sanctuary for and shield exporters who violate the law by failing to report the receipt of boycott requests.

2. If the Director's ruling is nevertheless upheld, considerations of national policy require you to make a determination that the withholding of these letters is "contrary to the national interest."

Section 7(c) provides "No department, agency, or official exercising any functions under this Act shall publish or disclose information obtained hereunder which is deemed confidential or with reference to which a request for confidential treatment is made by the person furnishing such information, unless the head of such department or agency determines that the withholding thereof is contrary to the national interest."

In denying our request, the Director asserts that information gathered in the course of the Department's investigation and the matters related thereto must be kept confidential under Sec. 7(c). We submit that the Director's reliance on Sec. 7(c) in the limited circumstances of this case is misplaced.

Section 7(c) was adopted in 1949 as Sec. 6(c) of the Export Control Act of 1949. In its report on the bill, the Senate Committee on Banking and Currency stated that the Section prohibited the "disclosure of confidential information furnished" (emphasis added). S. Rept. 81–31, 81st Cong. 1st Sess. 6 (1949). In enacting Sec. 7(c) Congress plainly intended to prohibit only the disclosure of information furnished by the exporter. It did not intend to protect exporters who violated the law by failing to report the receipt of boycott requests and thereby compel the Department to ferret out that information on its own initiative and through its own investigation. To invest with a cloak of confidentiality information so obtained is to distort the intent of Congress in enacting Sec. 7(c).[2]

Secondly, we submit that the charging and warning letters do not in any event constitute confidential "information."[3] Rather, they represent departmental actions. They constitute the results of the Department's investigative and enforcement activities, Cf. *Wellford* v. *Hardin*, 444 F. (2d) 21, 24, 25 (4th Cir. 1971) and as such do not fall within the protective cloak of Sec. 7(c).

In construing the "investigatory files" exemption of the Freedom of Information Act, 5 U.S.C. 552(b)(7), a provision analogous to the Sec. 7(c) confidentiality provision, the Court in *Wellford* held that warning letters do not fall within the ambit of that exemption. The Court drew this controlling distinction between warning letters which are "the written records of regulatory action already taken" and "the information gathering steps" which constitute the exempt investigatory files, Id., at 24.[4] It is clear from *Wellford* and from its plain language and legislative history that Sec. 7(c) cannot reasonably be interpreted to support the Director's view that the charging and warning letters constitute confidential information exempt from disclosure.

To say, as does the Director, that access to the letters must be denied because they contain information which is exempt from disclosure is to give Sec. 7(c) an excessively broad reach not warranted by either the plain language or intent of the section and would have the effect of insulating from public scrutiny the actions of the Department. If instead of proceeding administratively against the exporters, the Department had referred the cases to the Department of Justice for criminal prosecution under Sec. 6(a) of the Export Administration Act, 50 U.S.C. App. 2405(a), the information[5] filed by the United States Attorney would become public. Under the Director's reasoning, however, the information would have to be kept secret. Similarly, the orders issued against the four exporters who did not contest the charges and which have been made public would also have to be withheld because they contain the same information contained in the letters which the Director has held to be exempt from disclosure under Sec. 7(c).[6] Clearly there is nothing in Sec. 7(c) to warrant and support this difference in treatment between the initial charging and warning letters and the final orders.

II

As a separate ground for this appeal we submit that withholding these letters from public inspection is contrary to the national interest. Not only is it national policy to oppose the Arab boycott, Sec. (3) (5) of the Export Administration Act, 50 U.S.C. App. 2402(5), but it is also a violation of the Act punishable by fine or imprisonment for a U.S. exporter not to report the receipt of a request to participate in the Arab boycott, 50 U.S.C. App. 2403(c) and 2405(a). The action of the Director in refusing to disclose the warning and charging letters can therefore only frustrate and do violence to the will of the Congress, encourage non-compliance with the reporting requirement of the law and otherwise prejudice the public interest.[7] As such the Director's action is plainly contrary to the national interest and accordingly it is incumbent upon you to make a determination to that effect.

For the foregoing reasons we urge that the action of the Director in denying our request be reversed.

Since our appeal is based on two independent grounds, one of which would obviate the need for you to make the statutory determination that withholding access to the charging and warning letters is "contrary to the national interest" we are also sending a copy of this appeal to the Assistant Secretary for Domestic and International Business.

Sincerely,

DAVID A. BRODY,

FOOTNOTES

[1] Since the receipt of the Department's response, four of the five charged exporters have each agreed to the imposition of a $1,000 civil penalty.

[2] While the first part of Sec. 7(c) speaks of "information obtained hereunder" and the second part refers to the "person furnishing such information" it is plain that "information obtained hereunder" means information obtained from and disclosed by the exporter. See Cong. Rec., Feb. 17, 1949, p. 1396.

[3] The Freedom of Information Act exempts from disclosure information obtained from a person in confidence, 5 U.S.C. Sec. 552(b)(4) as well as information specifically exempted from disclosure by statute, 5 U.S.C., Sec. 552(b)(3). See *Administrator, Federal Aviation Agency* v. *Robertson*. — U.S. — Slip Opinion, June 24, 1975.

[4] It is worth noting that when Congress amended the Freedom of Information Act in 1975, Public Law 93–502, it amended Sec. 7(b) to overturn certain judicial interpretations of the exemption. S. Rept. 93–122, p. 12. The principle of *Wellford*, however, was left untouched.

[5] Since the punishment under Sec. 6(a) is a maximum of one year in prison, prosecution is by information and not by a grand jury indictment.

[6] It is no answer for the Department to say that it desires to protect the identity of the exporter from possible embarrassment because he may contest the charges and ultimately prevail in the administrative proceeding because under the regulations, 15 C.F.R. Sec. 388.18 it is our understanding that all orders including an order dismissing a charge are available for public inspection.

[1] In addition as we have indicated p. 3 *supra*, the Director's action would also produce an incongruous result. In a criminal prosecution the requested information would become available as soon as the exporter is charged. But, in the case of the administrative compliance proceeding, the charging and warning letters and their contents are kept from the public.

THE SECRETARY OF COMMERCE,
Washington, D.C. August 14, 1975.

Mr. DAVID A. BRODY,
Director, Anti-Defamation League of B'nai B'rith, Washington, D.C.

DEAR MR. BRODY: This is in reply to your letter of July 8, 1975, appealing the denial of your request for access to "the charging and warning letters referred to in Department of Commerce news release G75-76, dated May 21, 1975."

You have stated that you do not believe that the letters you request are exempt from disclosure under Section 7(c) of the Export Administration Act of 1969, as amended, 50 U.S.C. App. § 2406(c). However, as you were previously advised, Section 7(c) requires that information obtained under the Act which is deemed confidential be withheld unless I determine "that the withholding thereof is contrary to the national interest." In other words, it is not a question of not being required to disclose the information, but rather of being required not to disclose it, unless I expressly determine that it is contrary to the national interest to withhold it.

Section 7(a) of the Act, 50 U.S.C. App. § 2406(a), specifically authorizes investigations and the obtaining of information "to the extent necessary or appropriate to the enforcement of this Act." To comply with your request for access to the charging and warning letters would require disclosure of information obtained pursuant to the exercise of authority under Section 7(a) which is protected by Section 7(c) as "information obtained under the Act which is deemed confidential."

The argument you make through reference to the "investigatory files" exemption of the Freedom of Information Act, 5 U.S.C. § 552 (b)(7), and *Wellford* v. *Hardin*, 444 F.2d 21 (4th Cir. 1971), is not well founded. The (b)(7) exemption is in no way analogous to Section 7(c) of the Export Administration Act. Section 7(c) is a specific mandate by congress that information obtained through the export administration function which is deemed confidential must be withheld subject to a national interest determination. Such a confidentiality provision is not contained in the agricultural statutes before the court in *Wellford*. Accordingly, the decision in that case was premised on section 552(b)(7) of the Freedom of Information Act and does not, as the instant matter, depend on the application of section 552(b)(3).

The Supreme Court did have a confidentiality provision, section 1104 of the Federal Aviation Act of 1958, 49 U.S.C. § 1504, before it, however, in the recent case of *Administrator* v. *Robertson* (No. 74-450, decided June 24, 1975), which involved a denial under section 552(b)(3) of the Freedom of Information Act of a request for protected information. The Court observed that in enacting the Freedom of Information Act the Congress did not intend to modify the numerous statutes which restrict public access to Government records.

The argument you present concerning the legislative history of section 7(c) misconstrues the statutory scheme. You quote a portion of the Senate Report to the effect that there is a prohibition against "disclosure of confidential information furnished." This is true, and the sentence from which this quote is taken is a discussion of the safeguards in the Export Control Act of 1949, the precursor statute to the 1969 Act, against administrative misuse of the enforcement powers which are continued as section 7(a) and (b) of the present Act. The quotation merely describes one of the safeguards which are enumerated. See pp. 5-6, S. Rept. 81-31, 81st Cong., 1st Sess. (1949). It is incorrect, however, to construe that quote and the use of the phrase "person furnishing such information" in section 7(c) as evidence that "Congress plainly intended to prohibit only the disclosure of information furnished by the exporter." Section 7(c) relates to any information obtained under the Act "which is deemed confidential *or* with reference to which a request for confidential treatment is made by the person furnishing such information." Thus, information which is deemed confidential, is subject to the statutory privilege if obtained pursuant to the exercise of authorized functions under the Act.

The statutory privilege contained in Section 7(c) of the Export Administration Act of 1969 was enacted both for the benefit of government, and the persons supplying information to the government. Thus, the disclosure of material under the exceptional circumstances warranting a national interest determination is not one to be arrived at lightly whenever it appears expedient for government to do so. In considering the national interest in the context of the Export Administration Act, the threshold criterion is the extent to which the disclosure of information to which the Congress has accorded confidential status could impair the continued ability of this Department to obtain the timely, complete and accurate data that is essential to the effective discharge of its statutory duties and responsibilities.

The information on which the warning and charging letters were based, including the identity of the companies involved, was initially developed by this Department primarily on the basis of analysis of Shippers' Export Declarations which are required pursuant to the Act to be submitted to the Department by all exporters. You will note from the enclosed copy of the declaration form that exporters are expressly advised that the information they submit is confidential. The review of Export Declarations for exports to selected destinations, supplemented with inspection of individual company export control documents, other company records, field investigations and comparison against boycott reporting forms, all are conducted under the authority of Section 7(a) of the Act and information obtained thereunder by the Department is, therefore, deemed confidential under Section 7(c).

As you know, four of the five cases in which charging letters had been issued have now been settled through the imposition of civil penalties. The identities of those four firms and the circumstances are described in the enclosed news release which was issued on June 27, 1975. It is anticipated that charges against the fifth firm will be withdrawn and a warning letter issued instead. That firm failed to report a boycott request which it received in 1974, a year before our publicity campaign. A charging letter was issued on the erroneous belief that the same firm had failed to report the receipt of a boycott request in 1968 and had been warned at that time to comply with our boycott requirements. In fact, this firm had never been contacted and it should therefore be treated in the same manner as those firms which were found to have violated our reporting requirements through inadvertence or ignorance of our regulations.

Having in mind the prohibition against disclosure contained in Section 7(c), I must now consider whether there exists in this case any overriding national interest which would authorize me to accede to your request.

The charging and warning letters you request are deemed confidential by this Department for purposes of Section 7(c). The charging letters are an integral part of compliance proceedings which are declared confidential by 15 CFR § 388.14. The warning letters have been treated as confidential by administrative practice over the years.

Disclosure of the identity of the firms which were issued the letters could expose many of these to countermeasures and pressure by various individuals and groups, notwithstanding that, in the case of firms receiving warning letters, the violations of the Export Administration Regulations were considered to have been inadvertent. In arguing for disclosure you make an analogy to the information filed by a United States attorney which is publicly disclosed. However, in that context the public's understanding of the presumption of innocence is clear. An administrative warning of wrongdoing carries a clearer inference of illegal conduct in the public mind: there is the taint of the allegation (if it were to become public knowledge), but no opportunity for a public forum to air the issues and in the case of the warning letter, no later adjudication.

Thus, I do not think that disclosure of the identities of the firms receiving warning letters would serve a constructive purpose or be in the national interest, and in fact, I am convinced that such disclosure might very well have the opposite result. I feel that disclosure would be of great potential damage to the small exporting companies now developing their trade with Middle Eastern markets and gaining of the public interest, it should be far more important to publish information as to the aggregate number of warning and charging letters issued by this Department than to disclose the names of the individual firms, and expose them to economic reprisals.

From the standpoint of enforcement of our reporting requirements, all the firms which have been warned will be subject to periodic monitoring to assure that they are fully complying with our regulations. In the event that any of these firms are found to have failed to report a subsequent boycott request, they will be charged and their identity disclosed, following compliance proceedings, if the violation is found to have occurred. I believe that the enforcement actions taken by the Department to date, coupled with the publicity given thereto, and our extensive educational campaign on the reporting requirements, are proving to be a sufficient deterrent against future violations, and that no useful purpose would be served in disclosing the identity of firms which have been warned.

In light of the foregoing, and other considerations, I am unable to conclude that it would be contrary to the national interest to withhold the letters and/or identities which you request and, therefore, I must hereby deny your request, under section (b)(3) of the Freedom of Information Act.

This is the final decision for the Department. You have the right to obtain judicial review of this decision by an appropriate U.S. District Court as provided under section 552(a)(4)(B) of the Freedom of Information Act.

Sincerely,

ROGERS MORTON,
Secretary of Commerce.

EXCERPTS OF SPEECHES BY PRESIDENT TEDDY ROOSEVELT

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 2, 1975

Mr. CARTER. Mr. Speaker, recently I was reading some speeches by Presi-

dent Teddy Roosevelt. Some of his words particularly appealed to me, as I feel they will to Americans.

I include excerpts from those speeches for the RECORD:

I want to see you game boys, I want to see you brave and manly and also to see you gentle and tender. Be practical as well as generous to your ideals. Keep your eyes on the stars, but remember to keep your feet on the ground.

Courage, hard work, self mastery and intelligent effort are all essential to successful life alike for the nation and the individual. The one indispensable requisite is character.

A man's usefulness depends upon his living up to his ideals insofar as he can. It is hard to fail, but it is worse never to have tried to succeed. All daring and courage, all iron endurance of misfortune makes for a nobler type of manhood.

Order without liberty and liberty without order are equally destructive.

Ours is a government of liberty—by and through and under the law. A great democracy has got to be progressive or it will soon cease to be a great democracy.

In popular government results worth having can be achieved only by men who combine worthy ideals with practical good sense.

Only those are fit to live who do not fear to die. And none are fit to die who have shrunk from the joy of life and the duty of life.

TEMPLE UNIVERSITY CANCER RESEARCH

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 2, 1975

Mr. EILBERG. Mr. Speaker, outstanding progress in an area of cancer research is being made at Temple University School of Medicine in Philadelphia.

Temple has long had one of the Nation's leading centers for basic cancer research in the Fels Research Institute. Now, Dr. Wallace H. Clark has bred animal models with skin pigmentation similar to human skin, and has found that malignant melanoma progresses in these laboratory animals much as it does in man.

This work has attracted the attention and support of the National Cancer Institute.

At this time I enter into the RECORD a statement from the university describing this important research:

TEMPLE MELANOMA STUDY MAY PROVIDE CLUES TO NATURE OF CANCER

PHILADELPHIA.—Two light brown guinea pigs died in a laboratory at Temple University School of Medicine this summer.

Their deaths have provided scientists with what is termed an exciting new avenue toward a better understanding of the nature of cancer and better therapy for victims of malignant melanoma, a relatively uncommon but sometimes deadly form of skin cancer.

Because the guinea pigs died of malignant melanoma and because the animals are a strain with an unusually even distribution of skin pigmentation, much as man has, scientists think they provide a parallel approach to the study of melanomas in humans.

Dr. Wallace H. Clark, professor and chairman of pathology at Temple's School of Medicine, who headed the experiments on the Weiser-Maple strain of guinea pigs, now grown only at Temple, said:

"The guinea pigs will provide an animal system that can be manipulated so that over the next 20 years it will be possible to do things in experimental therapy for this disease that has never been done before. The more important aspect in the long run is that it provides an excellent approach to the study of primary cancer. Now we can see if we can alter the development of tumors to prevent the emergence of the kinds of cells capable of spreading.

"In general, we can explore this animal system and try to find clues to the nature of cancer, hopefully to provide a proper and accurate definition of cancer as a biological system."

Dr. Clark, who has developed the standard system for classification of various human malignant melanomas of the skin, began studying the disease 20 years ago. He bought the last few remaining Weiser-Maple guinea pigs from a company that was going out of business. The colony has grown to nearly 400.

Melanomas had been developed in two other guinea pig studies, one in 1949 and another in 1963, but it was difficult because of patchy pigmentation of the animals' skin. These prior studies had not been repeated.

The even coloring of the Weiser-Maple strain makes it much easier to carry out such tumor experiments.

In the Temple study, Dr. Clark said, the cancer eventually spread into the lungs, liver and gastro-intestinal tract of the animals just as it may in man, causing the death of two guinea pigs July 22.

Dr. Clark also noted that in other laboratory animals melanomas can be transplanted, but they grow at the site of the transplant. They do not appear to spread through the animal's systems the way the cancer did in the Weiser-Maple strain.

"Rather than approach the disease from its cause," he said, "we look at the evolutionary biology of the cancer and try to determine what factors in the primary tumor are related to metastasis (spreading). In these animals, the cancer apparently spreads the way it does in man. I think these animals will get wide use in exploring the nature and treatment of this cancer to help determine the best therapy and perhaps even wider use in exploring the biology of the abnormal life form that is cancer."

On the basis of Dr. Clark's classification system, therapy—either chemical, immunological or surgical—is keyed in man to the kind and extent of the primary melanoma in the skin. He has already studied the development of similar various forms of skin melanomas in more than 500 human patients.

There are three common types of this cancer and five levels of invasion, depending on how deep the tumor penetrated into the various underlying skin tissues. Level five is the deadliest.

The three common types are termed Superficial Spreading Malignant Melanoma, which is the most common type with the highest survival rate in early stages; Lentigo Maligna-Malignant Melanoma, related to chronic sunlight overexposure; and Nodular Malignant Melanoma, potentially the most fatal because of the likelihood of deep penetration from its beginning.

The Clark system has resulted in the formation of a rational basis for treatment of these melanomas and has shown that many patients will be cured of the disease with forms of treatment that are less drastic than used in previous years.

"Until this system," Dr. Clark said, "it was assumed that patients with melanomas would die. But many live, and we can now say who will not die and what his chances are. It changes a patient's outlook on life."

Dr. Clark also noted that the median age of patients with melanomas is dropping and is now in the 40-to-50 year range, with some patients in their twenties and thirties.

NEW AGENCY TO ENFORCE IMMIGRATION LAWS

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 2, 1975

Mr. ROSENTHAL. Mr. Speaker, the impact of the millions of aliens who reside in the United States illegally is felt primarily in selected cities and local communities. The Eighth Congressional District in Queens, N.Y., which I represent, has been particularly hard hit by the presence of thousands of illegal aliens. Community facilities, such as schools and homes, are being strained to the breaking point and deserving residents are being crowded out of jobs.

In response to this crisis situation, I established a task force on illegal aliens, composed of community leaders from neighborhoods especially affected, to report to me on particular aspects of this problem. A major finding of the task force indicates that Federal authorities are restricted in their efforts to cope with this problem by a severe lack of coordination between the two agencies charged with responsibility in the area: the Visa Office of the State Department and the Immigration and Naturalization Service of the Justice Department. The task force has concluded, based on what I consider persuasive evidence, that as long as the duty of issuing visas is separate from the duty of enforcing compliance with visa terms, no amount of additional funding or incentive—both also urgently needed—will allow this problem to be solved.

Under the present arrangements, the visa issuers—State Department consular officials—receive no information from the visa enforcers—INS—as to the number and nature of aliens overstaying their visas. This makes it impossible for the issuers, with the wide discretion they possess, to evaluate and adjust their procedures accordingly. There is not even a unified policy on the number of visas and the criteria to be used in issuance. None of these difficulties can begin to be corrected as long as officials of different departments, with different perspectives, priorities, and fiscal constraints, must consult on even the most basic principles and approaches.

To combat this fatal lack of cohesion, the task force has recommended, and I will shortly introduce, legislation creating a single regulatory agency having jurisdiction over all matters concerning foreign persons entering the United States, with the combined functions of the Visa Office and the INS. This agency would be independent of the Departments of State and Justice and not subject to the pressures of foreign governments of the one department or the priority problems of the other.

The problem of millions of illegal aliens enjoying all the benefits of citizenship in this country without any

of the burdens is a matter of urgent national concern. In a time of recession, the United States can ill afford to support with jobs, housing, welfare, and community services millions of people who have entered this country through device and deceit. The massive indifference and confusion which has characterized Federal efforts in this area must stop.

Asking employers alone to bear the burden of past Federal neglect is futile and unfair. The buck will not stop passing until a single Federal agency, with a consistent policy and perspective, free from political pressures and subject to full public scrutiny, is established to bear complete responsibility for the problem.

HEARINGS ON H.R. 15

HON. ALLAN T. HOWE

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 2, 1975

Mr. HOWE. Mr. Speaker, I would like to call attention to hearings that began on September 11 in the Administrative Law and Governmental Relations Subcommittee of the House Judiciary Committee on H.R. 15, the Public Disclosure of Lobbying Act of 1975. I am a cosponsor on this bill which is long overdue and hopefully represents a first step toward more comprehensive legislation in this area.

Efforts directed at the regulation of lobbyists have been launched by Congress intermittently since 1913. At present, the only Federal statute relating to lobbying is the Federal Regulation of Lobbying Act, passed as part of the Legislative Reorganization Act in 1946. Upon close inspection, this act is sadly ineffective in its loose mandate requiring registration only by those whose principle occupation is lobbying, and those paid to lobby by someone else. A Supreme Court decision in 1954 further undermined its effectiveness by interpreting lobbying efforts covered by the act as only those involving direct contact with a Member of Congress, thus ignoring the whole spectrum of indirect lobbying. Frankly, I think the best incentive to pass another lobbyist registration act lies in the fact that almost 30 years has gone by since any kind of regulation went into effect. During this time the lobbying picture in Congress has changed dramatically with noticeable increases in number, strength, financial support, and influence. With this brief history in mind, I would hope the 94th Congress seriously directs itself to this important issue and follows through with comprehensive reforms for a situation it has too long neglected.

H.R. 15 precisely defines what a lobbyist is and what lobbying activities consist of. It requires a lobbyist to file a notice of representation no later than 15 days after becoming a lobbyist. Each lobbyist is required to keep and retain records for inspection concerning income received and from whom, expenditures made personally and those made to any Federal officer or employee. This legislation also requires a lobbyist to file a report quarterly including a list of contacts, for whom they were made, and topics lobbied on during the previous quarter. A unique aspect to its coverage is the inclusion of not only Congress but the executive branch as well—above level GS 15—to report meetings between certain Government officials. The authority for administration and enforcement is placed with the Federal Election Commission to which all the filings and reports are made and fines for violation such as forgery, and false or incomplete filing would not be more than $5,000 and/or imprisonment for 2 years.

There have been several recent issues which have revived the Federal effort at regulation of lobbyists, among them Watergate-related events and various antitrust matters. Whereas the Federal forum has been marked by inaction in this area, progressive legislation has been enacted by several States, notably California, to control lobbying activities at the regional level. Despite critics who consider the law unconstitutional, California is actively enforcing its law. The issue of lobby regulation and its constitutionality is also being tested in the courts. Groups such as Common Cause, who have long urged reform of the ancient 1946 statute, have filed suit against organizations such as the National Association of Manufacturers—NAM—claiming that they failed to file as lobbyists under the 1946 act guidelines. The Justice Department, in 1974, announced intentions to move against several groups for the same reason of failing to file as lobbyists. Among their targets are the National League of Cities, National Association of Counties and the U.S. Conference of Mayors. I think it is a well taken criticism of Congress, which is certainly the most overtly lobbied of groups, to have been so blatantly absent from the list of groups acting on this problem.

Instead of the critical tone I have maintained thus far, I would now like to direct my appeal to the long-range benefits enactment of this legislation would represent and the spirit in which such a measure should be considered. I would like to emphasize that this bill is not intended to curtail or restrict the very important function that lobbying serves. Certainly, we all recognize lobbying provides a vital connection between private and commercial sectors and all elected representatives, supplying valuable information and bringing varied points of view to our attention. This bill does not seek to eliminate or hamper this function but simply to define it and through this clarification to curb abuses. As important as it is to preserve the lobbyist as a source of input, it is equally essential for constituents and representatives to e aware of the strength, backing, and purpose of these sources. When a lobbying agency reacts to this fair and logical legislation as "muzzling restrictions" that inhibit its activity, I am inescapably led to the conclusion that they have something to hide. I reason that if their actions do not fit themselves into this fair framework of disclosure and withstand the scrutiny of public view, their activities should not be condoned

Lastly, I favor this bill with the same and are not legitimate practices.
conscience that urges me to support fair election laws, campaign financing reforms, conflict of interest legislation, and other disclosure measures. This conscience is one that views the public's "right to know" as paramount and esteems open and candid communication as a supreme virtue in the ranking of our responsibilities in a truly democratic system. Support for H.R. 15 is an action which bespeaks a belief in the integrity of representatives and lobbyists alike and is in harmony with the whole idea and intent of congressional reform.

CIA APPROPRIATION

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 2, 1975

Mr. FLORIO. Mr. Speaker, on October 1, 1975, while considering H.R. 9861, the Defense Department appropriation bill, the House of Representatives had the opportunity to vote on Mr. GIAIMO's amendment which read: Under "Other Procurement, Air Force," on page 29, line 17 after "September 30, 1978," strike the period and insert in lieu thereof: ": *Provided*, That none of the funds in this appropriation shall be available for expenditure by the Central Intelligence Agency."

I voted in favor of this amendment and I believe that a brief explanation of this vote be offered lest it be misconstrued. My intention, and I'm confident the intention of many of my colleagues who voted similarly, was not to delete funding of the Central Intelligence Agency, but rather to have the appropriation listed as a line item in other appropriations.

The following article from the New York Times gives a very clear picture of the legislative intent and the scenario surrounding the consideration of the Giaimo amendment.

The article follows:

[From the New York Times, Oct. 2, 1975]

HOUSE REJECTS, 267–147, MOVE TO DISCLOSE C.I.A. BUDGET TO THE PUBLIC

(By David E. Rosenbaum)

WASHINGTON, Oct. 1.—The House of Representatives decided overwhelmingly today to continue to keep the budget of the Central Intelligence Agency secret from the public.

By a vote of 267 to 147, the House rejected an amendment to a $112-billion military appropriation bill that would have permitted the total expenditures of the intelligence agency to be published for the first time.

The House also defeated an attempt to delete from the bill money for the development of the controversial F-18 fighter aircraft.

Final passage of the over-all measure was put off until tomorrow.

The bill would reduce the Ford Administration's request for military programs in the fiscal year that began July 1 by $7.6-billion. However, more than $2-billion of that reduction involves requested money for the Indochina War and for shipbuilding contracts that have been deferred since the budget was sent to Congress.

The Senate Appropriations Committee is expected to restore some of the cuts made by the House.

Representative Robert N. Giaimo, Democrat of Connecticut, who led the effort to publish the C.I.A. budget, said the rejection of his amendment showed that the House was not ready "to assume the responsibility" for overseeing the activities of the intelligence community.

FIGURE CONCEALED

Since the creation of the C.I.A., Congress has kept the agency's budget secret by concealing the figure in the appropriation for other agencies. This year, according to Mr. Giaimo, the appropriation for the intelligence agency is part of a $2-billion line-item in the budget described as "other procurement, Air Force."

Publication of the intelligence agency's budget was one of the principal recommendations of the Presidential commission headed by Vice President Rockefeller that investigated the C.I.A. earlier this year.

Until this year, the budget request of the agency and the amount eventually appropriated was known only to a handful of Congressmen.

This year, however, under pressure from Mr. Giaimo and others, Representative George H. Mahon, chairman of the Appropriations Committee permitted all members of his defenses subcommittee to interrogate C.I.A. witnesses about the agency's budget.

Moreover, Mr. Mahon, a Texas Democrat, agreed last week to permit all House members to read the testimony from agency officials and to see the budget as long as they agreed not to take notes or divulge the material to outsiders.

Mr. Giaimo called these actions "significant steps" but said they were not enough. Addressing the House, he declared:

"There is a balance in all secrecy matters. There are goals, and there are losses in defending ourselves against possible aggression from the outside. However, we must be careful that the very instruments which we create to defend us do not cause us to lose our liberties."

Mr. Giaimo said that he only wanted to publish the total appropriation for the agency, not the individual allotments for various activities. The overall figure, he said, would in no way compromise the nation's security.

Reliable Congressional sources who have seen in the budget figures over the years have placed the appropriation at between $750-million and $1-billion. That information has been widely published in the press, but has never been confirmed officially.

Mr. Giaimo's contention that the budget information would not compromise security was challenged by representatives from both parties.

Mr. Mahon said that official publication of the budget was "not a favor which we should be doing to the U.S.S.R. and the Communist conspiracy."

Representative Robert L. F. Sikes, a Florida Democrat, said that publication of the overall budget figure would eventually lead to "full disclosure of anything and everything we've tried to keep secret from our enemies."

Representatives Thomas P. O'Neill, Jr. of Massachusetts, the majority leader, and Representative John J. McFall of California, the Democratic whip, were among those who voted to keep the budget secret.

VETERANS' ORGANIZATIONS URGE SUPPORT OF H.R. 9576 TO TERMINATE GI BILL

HON. RAY ROBERTS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 2, 1975

Mr. ROBERTS. Mr. Speaker, on Monday, October 6, the House is scheduled to consider H.R. 9576, a bill which will set a final termination date for the Vietnam GI education bill. This program is patterned after the GI bills for World War II and Korea and has as its purpose the restoration of lost educational opportunities because of involuntary service during a war emergency period. The Vietnam emergency has been officially terminated. All other wartime veterans' benefits for the Vietnam war emergency period have been terminated, and it is now time to terminate the education program since we are no longer at war and there is no longer a draft.

Three members of the committee are opposing termination of the GI bill and in doing so are contending that the program should be kept going because it is needed to recruit volunteer soldiers. Their effort is also being supported by certain college groups who apparently think that the GI bill was designed as a subsidy for colleges. Information released by this group infers that "the committee's action to terminate the GI bill was made without support of the veterans' organizations." This statement is completely erroneous. The American Legion, Veterans of Foreign Wars, Disabled American Veterans and AMVETS all favor termination of the Vietnam education program for the obvious reason that the Vietnam war period has ended. In order to clear up any confusion that may have resulted from this erroneous assertion, I am including in the RECORD letters from these four organizations which clearly state the position of these organizations and urge a favorable vote on H.R. 9576.

Those arguing in support of continuation of the GI bill are claiming it is needed for recruitment of peacetime servicemen. I would like to emphasize that this subject is not the proper concern or jurisdiction of the Veterans' Affairs Committee. We do not have jurisdiction over recruitment of defense personnel and we do not have jurisdiction over subsidy programs to educational institutions. Regardless of the merits of either of these activities, they are not the objectives of the war veterans' educational training program.

The letters follow:

THE AMERICAN LEGION,
Washington, D.C., October 1, 1975.

Hon. RAY ROBERTS,
Chairman, House Committee on Veterans Affairs, Washington, D.C.

DEAR CHAIRMAN ROBERTS: The American Legion supports H.R. 9576 to set a termination date for veterans' educational benefits and to extend maximum educational benefits to 45 months. This bill, if passed, would satisfy two resolutions of The American Legion that were unanimously adopted by our National Organization. The copies of these two Resolutions, No. 17 and No. 541, are attached.

The American Legion is the original sponsor of the G.I. Bill of Rights, the goal being to provide for the effective rehabilitation of those who fought the Nation's wars. This was a concept, clearly defined in its dimensions, and The American Legion has not deviated from it through the ensuing wars and national emergencies.

We champion the principle that benefits for wartime veterans be reserved for the veteran who served in a period of hostility, cold war or national emergencies. Any educational and vocational programs that may be devised for members of the peacetime military establishment should be clearly differentiated from wartime benefits.

Mr. Chairman, The American Legion will inform each Member of Congress that we support your stated opposition to the extension of the present educational benefits.

Sincerely,

HARRY G. WILES,
National Commander.

VETERANS OF FOREIGN WARS OF THE UNITED STATES,
September 30, 1975.

From: Thomas C. (Pete) Walker, Commander-in-chief, Veterans of Foreign Wars of the United States.

To: All Members, House of Representatives of the United States.

Subject: Termination of Educational Benefits under the GI Bill.

I have been advised H.R. 9576 which would terminate eligibility for education benefits under Title 38 of the United States Code for those entering military service after the end of this calendar year—will be taken up by the full House under the suspension of rules on Monday, October 6, 1975.

It has also come to my attention three members of the House Veterans' Affairs Committee, the Honorable Robert J. Cornell, the Honorable Robert W. Edgar, and the Honorable Harold E. Ford, voted against reporting this legislation and have filed an official "Dissenting Views" supplement to the committee report. In addition, Messrs. Cornell, Edgar, and Ford intend to circulate a "Dear Colleague" letter, with view toward blocking passage of H.R. 9576.

Although the legislation in question does not fulfill the position of the Veterans of Foreign Wars of the United States, we believe it is the best bill obtainable at this time, and, therefore, urge passage thereof.

The position of the Veterans of Foreign Wars with respect to the GI Bill is that it be continued in its present form, administered by the Veterans Administration, and charged to the Department of Defense budget, our rationale being it has proved a valuable recruiting tool and so used by the Department of Defense to obtain higher caliber personnel needed by our present-day military establishment with its proliferation of very costly and highly sophisticated equipment.

Although peacetime veterans are not eligible for membership in the Veterans of Foreign Wars and, for the reasons outlined above, as Commander-in-Chief of the 1.8 million members of the Veterans of Foreign Wars of the United States, I solicit your favorable vote when H.R. 9576 is considered by the full House.

With best wishes and kindest personal regards, I am

Sincerely,

THOMAS C. (PETE) WALKER,
Commander-in-Chief.

DISABLED AMERICAN VETERANS,
Washington, D.C., September 30, 1975

Hon. OLIN E. TEAGUE,
U.S. House of Representatives, Washington, D.C.

DEAR CONGRESSMAN: This is in reference to H.R. 9576, a veterans' bill favorably reported

out of the House Committee on Veterans' Affairs which is scheduled to receive consideration by the membership of the entire House on October 6th.

The main provision of this measure proposes to set a termination date for veterans' educational benefits under Chapters 34 and 36 of Title 38, U.S. Code (current GI bill benefits).

The current program has faithfully and well served the purpose for which it was intended—restoration of lost or postponed educational advancement opportunities to those inductees and enlistees who served during the Cold War period, 1955–65, and during the Vietnam Era conflict.

However, the circumstances which necessitated the inception of the current GI bill by the Congress—the existence of the military draft, and United States involvement in a military conflict—no longer exist. Therefore, the present GI bill should be terminated, as were the educational programs which served veterans of World War II and the Korean Conflict. The substantial funds no longer necessary to administer these educational benefits can be well-used in other VA programs which serve America's wartime disabled veteran, his dependents and survivors.

The Disabled American Veterans' most recent National Convention unanimously adopted a resolution calling for the termination of the present GI bill program. We therefore urge you to vote in favor of H.R. 9576.

Sincerely,

CHARLES L. HUBER,
National Director of Legislation.

AMVETS,
Washington, D.C., September 26, 1975.

Hon. RAY ROBERTS,
Chairman, House Veterans Affairs Committee, 2455 Rayburn House Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: This letter is written to convey the position of AMVETS (American Veterans of World War II, Korea, and Vietnam) with regard to H.R. 9576. It is our understanding that this legislation will be considered within the next few days, and we appreciate the opportunity of letting you know the feeling of our membership on this legislation.

It is very important that H.R. 9576 be approved without any amendments. It is our feeling that if educational benefits are to be provided for those citizens entering the service after May 7, 1975, such benefits should be provided under the budget of the Department of Defense. It would be a disservice to those honorably discharged veterans of World War II, Korea and Vietnam who were enlisted or were drafted and fought during war-time, for those entering service now to be recognized with veterans of war-time service.

We are cognizant of the fact that the Department of Defense feels that the retention of educational benefits for those entering service now is necessary for recruiting purposes. It is believed that if educational benefits are provided for those entering service after May 7, 1975 that the cost of the program should be assessed against the Department of Defense budget.

If the cost of educational benefits were to remain in the Veterans Administration budget, it will mitigate in the future, we feel, against the approval of compensation, pension, and hospital benefits for war-time veterans and also against benefits provided for widows and children of war-time veterans.

The approval by your Committee of H.R. 9576 is, therefore, greatly urged by this organization.

Sincerely,

PAUL C. WELSH,
National Commander.

TRIBUTE TO EDWARD W. SHORE

HON. EDWARD P. BOLAND

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 2, 1975

Mr. BOLAND. Mr. Speaker, on October 10, in my hometown of Springfield, Mass., a great many citizens plan to join in tribute to Edward W. Shore, perhaps the preeminent figure in professional hockey over the past 30 years. Those who will gather to honor Eddie Shore will not all be hockey fans, however. Eddie Shore's contributions to the community were never solely limited to the realms of athletics or entertainment. He provided the guidance and the opportunities for so many young people to play the sport and to learn the values teamwork and competition can bring. Most importantly, he helped young men and women develop in many ways that better prepared them for citizenship and adulthood.

If all the admirers and well-wishers of Eddie Shore are not sports fans, it is nonetheless fitting that accolades for this great athlete be headed by those who grew to know him through sports. Sam Pompri, who was formerly cosports editor of the Springfield Daily News and who also wrote for the Springfield Sunday Republican, covered Eddie Shore through all his years as a hockey player, coach, and manager. His tribute, which I append below, appeared in the September 28 edition of the Springfield Sunday Republican and presents Eddie Shore with all the scope and affection this truly fine man deserves. I can only join Sam in thanking Eddie Shore for his generosity to our city.

The article follows:

TRIBUTE TO EDWARD W. SHORE

Edward William Shore. A legend in his own lifetime. Known internationally as "Mr. Hockey" and to millions of sports fans and friends as just plain Eddie, our honored guest achieved in fifty years what few people could ever hope to match—as an athlete, coach, manager, executive, builder, teacher and humanitarian.

The first man in history to win the Hart Trophy, as the National Hockey League's most valuable player, four times; a member of the all-star team seven times; scored the amazing total of 108 goals in fourteen seasons as a defenseman; turned the Boston Bruins from a cellar club into an eight-time regular league champion and to a two-time Stanley Cup winner; voted into hockey's Hall of Fame, thereby assuring immortality to the former farm boy from the little hamlet of St. Qu'Appelle, Saskatchewan, in Western Canada.

It was Eddie Shore, who undoubtedly kept the National Hockey League in business during the Depression of the thirties, when the sport needed a magnetic personality, just as baseball needed a Babe Ruth, boxing a Jack Dempsey, and tennis a Bill Tilden to attract the paying spectators. Millions came to cheer Eddie as their hero, others came to boo him, as all superstars must expect, but nevertheless they packed the house to see the old "Edmonton Express" perform. Because of his outstanding skills as a player, his electrifying solo rushes, and his all-round charisma he completely dominated almost every game he took part in.

Through his impact as a gate idol, he elevated the living and playing standards of every player in the National Hockey League—not only his own—and perhaps more than any other individual made the National Hockey League the major league that it is today.

Once Eddie's remarkable career as a player, inevitably, passed its peak, he sought new fields to conquer in the game he loved so deeply and helped elevate to such a high degree of popularity, hoping to buy and operate his own team. He decided to put every dime he earned in hockey right back in hockey. Fortunately, for Springfield, he chose the City of Homes for this new horizon.

He succeeded in purchasing the bankrupt Springfield Indians of the American Hockey League in 1939 and has owned the franchise ever since, operating first at the Eastern States Coliseum and then moving over to the new downtown Civic Center.

Although he still possessed enough ability to remain in the National Hockey League, he chose to spend his last three active playing seasons with his own club, giving Springfield area fans the thrills of watching his final years of his brilliant career. Then he turned his full efforts to managing, coaching and operating his own franchise with as much dedication as he showed as a player. He developed many National Hockey League players, coaches, managers and executives.

But even more importantly to the community, Eddie expanded the Greater Springfield Junior Amateur Hockey Leagues and made them into one of the finest sports programs in the United States or Canada through his personal leadership. All youngsters, regardless of their abilities, were invited to join him at the Coliseum—free of charge—for the approximately three decades he operated this magnificent activity at the Coliseum.

He also expanded the schoolboy and industrial league programs, and conducted a skating clinic—free of charge—weekly for both girls and boys. He kept thousands of youngsters on skates at the Coliseum, rather than have them roaming the streets with idle time on their hands.

In spite of the rigors and demands of operating a professional franchise, Eddie found time to don his skates for several years and personally assist in the coaching of an entire team or an individual whenever his assistance was sought, which was often.

He received many civic awards from a grateful community for his unselfish efforts. And perhaps, his humble acceptance speeches, reveal the character of the man more than anything else. He would generally say something like this: "If I've helped make one youngster happy, helped make even one boy a better citizen, then I feel that this program is worth it all."

On a number of occasions, Eddie has made the members of the program his guests at professional games.

When Eddie first came to Springfield, he promised that it would be his life's work. And he remained true to his word.

Last year, when the Los Angeles Rings, his affiliated National League partner, notified Eddie of their intentions to pull out of Springfield near mid-season, he took over the operation of the team, personally, and injected new life into a dull and aimless club. The fans responded in full force, and the team reciprocated by capturing the Calder Cup championship—Springfield's fifth since Eddie took over the franchise.

This year, Eddie is back operating the Springfield Indians as an independent, at the Civic Center. For this, the whole community is grateful to "Mr. Hockey" for re-

newing his faith in Springfield as a citadel of the sport.

THE AFRICAN WORKER IN SOUTH AFRICA

HON. CHARLES C. DIGGS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 2, 1975

Mr. DIGGS. Mr. Speaker, despite the Republic of South Africa's concerted "information" campaign in the United States aimed at presenting its oppressive apartheid system in a benign light, the harsh reality for the mass of black working people in that country continues to be one of unremitting deprivation in a racially based totalitarian society. The following is a factual survey and analysis of what apartheid and separate development mean to the African worker and the prospects of change. This survey was prepared by the Africa Fund affiliated with the American Committee on Africa:

PROSPECTS FOR CHANGE: APARTHEID AND THE AFRICAN WORKER

(By Susan G. Rogers, African Fund research associate)

As his metal armband indicates, the South African mineworker pictured here with all the trappings of his job is a "Boss Boy." Having risen to one of the highest positions available for a black mineworker, he is among the fortunate few. He has more responsibility and is much better paid than the black miners who work under him. Yet it is appropriate that this man should appear faceless, and in this sense, without personal identity and individuality; for in the context of the white South African economy in which he labors, he is essentially treated and viewed as a pair of working hands and arms.

In order to maintain a clear picture of the realities of apartheid through the smoke screen of "change-oriented" speeches that have recently come from the mouths of prominent South African officials, it is more necessary than ever to focus directly on the subject of what "change" can and cannot mean in the context of a society dedicated to the maintenance and reinforcement of white political and economic supremacy. In particular, we intend to ask what "change" has meant and can possibly mean for South Africa's black workers, and by extension, for the 82 per cent of the population their earnings must nurture. For while it is the apartheid structure that assures white supremacy in South Africa, it is the absolute and complete control and regulation of the labor of the black majority that provides the scaffolding on which the South African economy is erected; and it is that economy that allows white South Africans to remain powerful and to enjoy one of the highest standards of living in the world.

Like the vote, this standard of living is "for whites only," who number less than 4 million and supply only 20 per cent of South Africa's economically active population.[1] Seven out of 10 workers in South Africa are Africans. They constitute 90 per cent of the work force in agriculture, forestry, fishing and mining; 65 per cent in electricity, gas and water; 67 per cent in services, and 60 per cent in construction.[2]

While black Africans contribute over two-thirds of South Africa's labor force, white workers earn on the average eight times as much as their black fellow workers. Even if one views this as a skilled-unskilled wage gap, the acceptable differential in industrialized economies elsewhere in the world is 1.4:1.[3] In 1970, the ratio of African to European per capita income was 1:17; in 1971, the gap reached 1:20 and was reported to be growing still wider.[4] This is not an accident. It results from the elaboration and extension of a complex web of apartheid policies, regulations, laws and white "custom" over which African workers have no control and which they have been almost powerless to influence in any way.

Average annual per capita income

Whites	$2373.60
Africans	*117.60

*(*Markinor-Quadrant International Survey of four homelands.* Financial Mail, *Dec. 13, 1974.*)

The expansion, diversification and industrialization of the South African economy during the 20th century and particularly since World War II, far from bringing any improvement in the position of African workers, has seen the steady erosion of the few tenuous rights they once exercised and hence of their ability to affect change peacefully. Even a partial listing of legislation dealing directly and specifically with the African as a worker makes awesome reading. For example, there is legislation that: 1) imposes a contract labor system for African workers (Native Labour Regulation Act, 1911; Bantu Labour Act, 1964, amended, 1974), 2) denies Africans right of ownership in land (Native Land Act, 1913; Bantu Trust and Land Act, No. 18, 1936), 3) reserves skilled employment on mines for whites and prohibits the issuance of certificates of competency to Africans and Asians (Mines and Works Act, 1911; Mines and Works Act, No. 27, 1956), 4) closes training opportunities for Africans and other non-Europeans (Apprenticeship Act, No. 37, 1944), 5) sets up "influx control" machinery and an "endorsement out" systems for Africans (Bantu [Urban Areas] Consolidation Act of 1945) in conjunction with pass laws, i.e., reference books issued under the Bantu (Abolition of Passes and Co-ordination of Documents Act, No. 67, 1952), 6) prohibits registered (hence, officially recognized) trade unions for African workers and denies them the right to strike possessed by white workers (Native Labour [Settlement of Disputes] Act No. 48 of 1953), 7) prohibits "mixed" trade unions, permitting them only in special cases and where the elected officers are white (Industrial Conciliation Act, 1956), 8) virtually eliminates the possibility of permanent residence for Africans in areas outside the Bantustans (Bantu Laws Amendment Act, 1964), 9) allows the Minister of Bantu Administration and Development and the Minister of Labor to prohibit the employment of Blacks in any job in any area by any employer (Bantu Laws [Physical Planning] Amendment Act, 1970).

Such legislation, and a myraid of other laws and regulations, suggest the kind of "change" experienced by the African worker in the 20th century and effectively negates standard assumptions regarding the positive relationship between an expanding economy and an improved standard of living for the majority of people whose labor has produced economic growth. Apartheid economics requires an entirely different set of assumptions, and these have not changed. Among the most basic is that which holds that the African is not a person with human rights when he or she works within the white economy; rather, he or she is a "unit of labor." Like a piece of machinery, this "unit of labor" is used or used up; is given perfunctory care to keep it functioning; is placed where it is needed; and is discarded and moved out when it is no longer of use. A machine doesn't decide what work it would like to do or where it will work; it doesn't demand extra care or additional training; it has no right. A Report of the Local Government Commission (1921) stated: "The Native should only be allowed to enter the urban areas, which are essentially the white man's creation, when he is willing to enter to minister to the needs of the white man, and should depart therefrom when he ceases so to minister."[5] A half century of economic growth and industrialization later, the same assumption prevails, with further refinement: "... the Bantu [apartheid terminology for Black African] are present here for the sake of their labour. That labour is regulated by statute; they cannot simply work at random and at will ... they are not here ... to acquire what you and I [South African whites] can acquire in the sphere of labour and the other spheres."[6]

The entrenchment of an economic system designed to exploit African labor and simultaneously prevent Africans from enjoying the fruits of that system has required the complete perversion of what are generally regarded as basic (albeit hard-earned) worker rights in most industrialized societies. Such rights, in South Africa, apply only to the one fifth of the work force that is white. For example:

JOB MOBILITY

For African workers in apartheid society, the words can only suggest the cruelest of ironies. In the usual sense of horizontal and vertical mobility—the freedom of workers to seek employment where they choose and rise freely to higher level jobs as talent and initiative may dictate—they have no meaning. Pass laws and influx control regulations prohibit the free movement of African workers in order to monitor and restrict the percentage of Africans employed in any given urban industrialized area. A system of Tribal Labour Bureaux determines where an African can register as a "work seeker" and specifies where (what part of the country) he may in fact be employed. If there is no job available that calls for the particular skills, education or experience he or she has to offer, an African cannot decide to look elsewhere for an appropriate position. An African cannot quit a job to accept a better one. Work contracts are binding on the African worker for the period specified; deportation to a Bantustan faces an African who, for whatever reason, breaks a contract.

Similarly, vertical mobility is carefully restricted and controlled to protect white workers from competition and to insure that in every employment situation, Whites hold jobs that are ranked higher and paid better than those of the Africans.

The only sense in which job mobility applies to Africans in South Africa is a perverted one dictated by the apartheid system. Africans are indeed "mobile" in that they are forced to become migrant laborers in order to earn a living. First entrenched in the mining industry at the end of the 19th century, the migratory labor system is now deliberate public policy for African workers generally and reflects the need for cheap labor in the white-controlled economy and the parallel requirement that Africans be denied permanent residence in "white areas." The aim is that *all* Blacks in these areas will be migrants, i.e., living without their families and other dependents. By 1971, the proportion of economically active men living in single accommodation in the five main cities of South Africa was as follows: Cape Town, 85 per cent; Durban, 55 per cent; Johannesburg, 49 per cent; Petoria, 47 per cent; Port Elizabeth, 20 per cent.[7] As the Report of the Economic Commission (Spro-Cas), 1973, points out, "Migrant labour is perhaps the single most important distinguishing feature of the South African economy and is fundamentally evil in its operation." This system totally destroys African family life

Footnotes at end of article.

by forcing men and women to leave their homes and submit to the degrading and stark conditions of over-crowded single-sex hostels. Low wages insure perpetual poverty. One year contracts insure that the employers have little interest in investing in the training of the workers. In 1972, it was estimated that the migratory labor system affected the lives of at least 6,000,000 African men, women and children.[8]

According to the Secretary of Bantu Administration and Development, the migratory labor system is a perfectly appropriate way of dealing with "units of labor." "As at present, they [Africans working outside the Bantustans] need not always be the same Bantu. They will constitute a *moving population* because they keep on returning to their respective Homelands, some more often than others."[9]

The essential institutions of South Africa's migratory labor system are the mining compound, the Bantustan or reserve, and the segregated urban location. As such, they are the essential institutions of southern African labor exploitation.[10]

JOB TRAINING

The availability of job training for Africans like every other aspect of their treatment in the labor force, has been, and is, determined solely by the requirements of the apartheid economy. These requirements are often in conflict. White employers in South Africa need more skilled and semi-skilled workers than the white population provides. But white workers want protection against competition from Africans and also want wages for work categorized as "white" to remain high. They have the power of the vote, and constitute a much greater proportion of the white electorate than the employers. The result is what has been described as a cautious "stop-go" approach on the part of both the South African government and industry.

Modification of the industrial color bar and moves toward training of Africans must be carefully worked out to the benefit of whites. For example in the motor trade, training schemes in semi-skilled jobs for Africans were announced in 1974 "to relieve the crippling shortage of skilled mechanics." African repair-shop assistants were slated for more responsible work and higher pay. In effect, they were to be trained to do the least skilled parts of jobs held by Journeymen (white) in order to "free journeymen to handle skilled tasks only. . . ." The pay of the African repair assistants was to be increased from $25.00 per week to about $29.00 per week; while that of the white mechanics would rise from $65.00 to $89.00 per week.[11] Such job fragmentation and attendant pay increases for Whites characterize the South African approach to training for Africans.

In any case, adequate training does not insure Blacks employment for which they are qualified. For example, Johannesburg's Phonefficiency African Business Training Centre graduates 30 to 40 African clerical workers each month who cannot find employment even though there are well over 6,000 clerical jobs available and no Whites to fill them. Phonefficiency's principal feels that the public doesn't know that trained Africans are in fact available. But this is hardly the sole, and probably not the major problem. Employers don't want to provide separate toilet facilities required for black employees, and fear opposition from white staff. Moreover, a 1964 amendment to the Bantu (Urban Areas) Consolidation Act of 1945 prohibits employment agencies from handling African applicants; only the Labour Department and recognized agencies can place Blacks in employment.

A "LIVING" WAGE

To be a white wage-earner in South Africa is to be assured a "civilized" living standard for oneself and one's family. For the African worker, however, an entirely different standard has been devised. This is the Poverty Datum Line (PDL), a "scientific measurement of the rock-bottom income an ordinary African family needs to keep body and soul together."[12] *Excluded* from the PDL figures are expenditures on items such as furniture, household goods, medical and educational expenses, reading matter, postage, stationary, entertainment, telephone, savings and insurance, and money sent to dependent relatives. A marginally decent standard of living which includes these items is termed the Minimum Effective Level (EML) and is calculated to be one and one-half times the PDL. Both these estimates must be constantly adjusted upward as the cost of living increases, and they differ in the various urban and rural areas of South Africa. The rising cost of food particularly affects Africans, as they must spend over 70 per cent of their incomes on this item alone.

A "Living" Wage?

'The average unskilled wage for an African man as of August, 1974, was $93.00 per month.' (Financial Mail, Aug. 9, 1974.)

For the vast majority of South Africa's white employers, the PDL, if it is acknowledged at all, is not treated as a guide for the *minimum* wage to be paid African laborers, even though the figure, as calculated, represents a bare minimum living standard. Rather, it is viewed as a potential *average* wage figure. Most Africans receive wages substantially *below* the PDL, and African women are consistently paid even less than African men. The average pay for an African unskilled worker remains about $93.00 per month.[13] despite some improvement in recent years stimulated by widespread strikes and labor unrest among African workers and to a lesser degree by foreign pressure such as that generated by Adam Raphael's devastating *Guardian* expose of the poverty wages paid by British companies in South Africa published in early 1973. Moreover, white wages have also risen, so that the white-black wage gap remains essentially the same, while in the case of white executives, a recently reported wage increase to keep pace with inflation amounts to more than three times the *total* average earnings of an unskilled African worker.[14]

COST OF LIVING

City	PDL, African family of 6 (per month)	Percent increase, October 1973 to October 1974
Bloemfontein	$147.00	23.6
Capetown	150.00	25.0
Durban	139.00	18.9
East London	142.00	25.3
Port Elizabeth	145.00	18.2
Windhoek (Namibia)	158.00	38.8

Note: Financial mail, Nov. 15, 1974.

White employers who wish to justify paying less than PDL wages commonly argue (1) that the families of Africans working in urban areas provide for themselves in the Bantustans—an assumption that conveniently ignores the reality of poverty, overpopulation, malnutrition and unemployment in the Bantustan areas; (2) that African families tend to have more than one wage earner—which, as a result of dire necessity, is indeed often the case; (3) that rural living costs are lower—which is often not true due to higher transport costs and higher food prices; (4) that the PDL figure is based on a family of 5 or 6, when it might be smaller—or, one might add, larger; (5) that Africans have lower "nutritional needs" than whites—an assumption with racist content that hardly needs comment; and finally, (6) that many African workers are "single"—a reflection of the white acceptance of the migrant labor system which treats Africans as "single" even when they have families, and ignores the fact that some workers might be single precisely because they can't afford to support a wife and family.[15] The all-white Wage Board which recommends minimum wages for Africans under orders from the Minister of Labor invariably echoes such assumptions to justify setting minimums below the PDL.[16]

"The average wage for an African man at Babalegi (a 'growth point' just *inside* the Bophutha Twana Bantustan) was $44.00 per month as of December, 1974." (Financial Mail, Dec. 13, 1974)

While Africans working in the major industrial centers typically earn less than the established PDL figures for the area, those who must work in the so-called "border industries" and in towns designated as "growth points" under the Government's decentralization program earn "wages far below the breadline. . . ."[17] Decentralization, apartheid's answer to the "problem" of large concentrations of African workers in the established urban industrial areas, requires that expansion and the building of new plants and factories take place elsewhere. For the white industrialist who participates, the major incentive is even cheaper black labor costs than he is accustomed to, and the availability of a black work force unlikely to complain of poverty wages, forced over-time, and lack of workers' rights for fear of dismissal.[18]

"We trade on a captive and partly silenced work force which is deliberately kept unsophisticated. Its members are usually paid less than they need to live on." (Rand Daily Mail, Nov. 11, 1972)

EQUAL PAY FOR EQUAL WORK

Since for the most part, a rigid job and wage structure keeps the vast majority of Africans at the bottom of all employment ladders in unskilled and semi-skilled positions, the issue of equal pay for equal work does not often arise. In instances where an African is in fact doing a job that requires more skill than a particular job in which a white is employed, the white job is simply evaluated as "higher" to account for the higher rate of pay earned. This leads to numerous job evaluation anomalies, such as in the brewing industry, where a white gate keeper earns about $32.00 per week while an African mechanical fork lift truck driver whose job clearly requires more skill earns $23.00 per week.[19]

In cases where whites and Africans are in fact occupying identical positions, there is simply no standard rate for the job, and blatant racism takes over. In clerical jobs, whites earn approximately twice as much as Africans. An African nurse's salary is 45% of a white nurse's. A white social worker earns 2½ times as much as a black social worker with equivalent qualifications. When the City Council of Johannesburg tried for a time to pay six African doctors in Soweto the same as white doctors, they were accused of disrupting the economy and doing an injustice to other "non-whites" in South Africa.[20] Job evaluations and percentages may change; the basic assumptions are part and parcel of the apartheid system and cannot change so long as African workers are deprived of any effective voice in the "white" economy they serve.

COLLECTIVE BARGAINING AND THE RIGHT TO STRIKE

". . . if Blacks had legal bargaining powers the PDL might be redundant. Their lack of it means that a vital component is missing from decisionmaking in South Africa." (Financial Mail, April 5, 1974)

Throughout the world, workers have learned that effective organization is the key to their bargaining position *vis a vis* employers. Not surprisingly, the South African Government is determined to prevent African workers from utilizing this key. African trade unions are not recognized and are deprived of the right to negotiate and bargain

Footnotes at end of article.

on behalf of their members. Instead, African workers are permitted, through the Bantu Labor Relations Regulation Act, to participate in either Liaison Committees (with up to one half of the members, including the chairman, to be appointed by the employer) or Works Committees, which can be set up in any factory where a liaison committee does not exist, and where more than twenty black workers are employed. A Works Committee can only represent workers within a specific factory. Divide and rule is here, as in all other aspects of South African legislation concerning Blacks, the central purpose.

"Whites, whether employers or not, really have no idea what the Black man is thinking." (Financial Mail, Feb. 16, 1973)

To further emasculate African workers, the Government deprives them of the right to strike except under certain extremely limited conditions. But as has been demonstrated since early in 1973, prohibiting strikes has not prevented African workers from striking. In an 18 month period up to June, 1974, there were no less than 300 strikes, and in 281 cases, there was no works committee to act as a liaison between workers and employers.[21] Since that time, strikes by African workers in the factories and mines, in the latter case leading to scores of tragic deaths, have continued. Both the Government and major industrialists are now aware that the absence of "proper channels of communication" can be as debilitating for employers and for the economy as it is for the African workers themselves. The problem for white South Africa is to find the means to institutionalize confrontation by providing "channels of communication" acceptable to African workers while continuing to deny them any legal rights and power within the South African economic system.

Change within the limits suggested can be expected, and the position of African workers in South Africa may therefore improve somewhat in the context of the present economic and political structure; but change in the real sense—change that provides the African with meaningful control over his own labor—will require no less than the dismantling of the entire apartheid system.

". . . it is no use having a well-trained army on South Africa's borders if the Government allows the labour position to deteriorate." (Senator Eric Winchester, United Party, quoted in Johannesburg Star, Oct. 12, 1974).

FOOTNOTES

[1] J.A. Horner, "Black Pay and Productivity in South Africa," S.A. IRR, Sept., 1972, Table 2, p. 3.

[2] Report by Managing Director of Market Research Africa, Mr. W. Langschmidt, cited in Johannesburg *Star*, Aug. 3, 1974.

[3] Johannesburg *Star*, April 21, 1973.

[4] London *Times*, April 27, 1971.

[5] Report of the Local Government Commission, U.G. 62/1921.

[6] Minister of Eantu Administration and Development, Hansard No. 1, Col. 298, 3 Feb., 1972, cited in *Die Swart Serp*, Maart, 1972.

[7] *Migrant Labour in South Africa* Francis Wilson, S.A. Council of Churches, Spro-Cas, 1972.

[8] John Kane-Berman, "Migratory Labour," Spro-Cas Background Paper No. 3, 1972, cited in UN Notes and Documents, No. 25/74, Aug., 1974.

[9] Quoted in *Financial Mail*, Sept., 1972.

[10] South African Labour Bulletin, Vol. 1, No. 4, July, 1974.

[11] *South African Digest*, July 26, 1974.

[12] *Financial Mail*, April 5, 1974.

[13] *Financial Mail*, Oct. 11, 1974. In Durban, for example, this wage would be $46.00 less than the accepted PDL calculation of $139.00 per month.

[14] *Financial Mail*, Oct. 11, 1974.

[15] *Financial Mail*, April 5, 1974, raises these points for critical analysis.

[16] See, for example, the *Financial Mail*, May 18, 1973.

[17] Johannesburg *Star*, June 8, 1974.

[18] *Financial Mail*, Dec. 13, 1974. At Babalegi, a growth point just inside the Bophutha Tswana bantustan, the average wage was reported to be roughly $11.00 per week. Moreover, it was found that three-quarters of the workers surveyed directly were actually earning less than that "average."

[19] J. A. Horner, *Black Pay and Productivity in South Africa*, S.A. IRR, Sept. 1972, p. 5.

[20] *Financial Mail*, 19 April, 1974; Johannesburg *Star*, June 8, 1974; S.A. *Financial Gazette*, May 18, 1973.

[21] Johannesburg *Star*, Oct. 12, 1974.

FIRST DISTRICT OF IOWA QUESTIONNAIRE

HON. EDWARD MEZVINSKY

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 2, 1975

Mr. MEZVINSKY. Mr. Speaker, recently, I mailed a questionnaire to the residents of the First Congressional District of Iowa asking my constituents to give me their views on 12 varied issues.

During the past weeks, we have been busy going over their responses. I am pleased to report that approximately 15,000 completed questionnaire forms were returned to my office.

In addition to the readily apparent value of this type of public input, this questionnaire provided a catalyst for hundreds of First District residents to go beyond the limits of the printed form. I was pleased by the substantial number of letters which were included—either expanding on specific questions or detailing the writers' thoughts on separate issues.

I deeply appreciate the interest shown in the questionnaire and was pleased to hear from so many First District residents. I would like to share with you the results:

FIRST DISTRICT QUESTIONNAIRE

1. Which of the following would you support in order to curtail the use of gasoline?

A. Gasoline rationing, 19 percent.

B. Excise tax on low mpg autos, 19 percent.

C. Sunday closings of gas stations, 14 percent.

D. Substantial increase in federal gasoline tax, 5 percent.

E. Mandatory cutback in oil imports, with reduced supplies distributed through allocation, 10 percent.

F. Allow price to rise so that drivers cannot afford to buy as much gasoline, 7 percent.

G. Increase government support for public transportation alternatives to private automobile travel, 28 percent.

2. Congress has the responsibility to set budget priorities, to decide how to spend federal tax dollars. Do you think spending in the following areas should be more, less or about the same?

[In percent]

	More	Less	Same
Education	40	17	43
Energy research	79	5	16
Rail transportation	63	17	20
Unemployment assistance	20	41	40
Jobs programs	44	23	32
Antitrust enforcement	43	20	37
Health care	50	17	33
Space	12	60	29
Housing	33	29	38
Aid to the elderly	60	9	31
Foreign economic aid	5	76	19
Foreign military aid	2	88	11
Highways	16	38	46
Public transportation	63	13	24
Environmental protection	48	20	33
Agricultural programs	27	27	46
Military and defense	19	43	38
Law enforcement	56	10	35

3. Several proposals concerning national health care are now before the Congress. Which of the following would you most prefer?

A. Comprehensive national health insurance for all Americans financed and administered in a manner similar to Social Security, 32 percent.

B. Comprehensive national health insurance financed through payroll deductions but administered through private carriers, 17 percent.

C. National health insurance limited to covering the cost of catastrophic illness, 27 percent.

D. No government health insurance program, 23 percent.

4. On the question of amnesty in regard to the Vietnam war, which of the following do you favor?

A. Universal and unconditional amnesty, 28 percent.

B. Conditional amnesty, with alternate service, 43 percent.

C. No form of amnesty, 27 percent.

D. Other, 2 percent.

5. Do you think Social Security benefits should be increased as the cost of living increases?

Yes, 83 percent.

No, 13 percent.

No opinion, 4 percent.

6. In light of recent disclosure of corruption in the inspection of grain exports, do you believe the system should be changed to require federal, rather than private or state, inspection of grain and ships?

Yes, 66 percent.

No, 23 percent.

No opinion, 11 percent.

7. Which energy sources do you believe should be most extensively explored?

Coal, 19 percent.

Solar, 42 percent.

Nuclear, 18 percent.

Petroleum, 8 percent.

Geothermal, 12 percent.

Wind, 1 percent.

8. Various proposals are before the Congress concerning the control of firearms. Which of the following do you favor?

A. Legislation requiring registration of all firearms, 38 percent.

B. Legislation outlawing the sale and possession of handguns, 27 percent.

C. No new legislation in this area, 31 percent.

D. Other, 5 percent.

9. Do you think the sale of American military equipment to foreign nations should be subject to the approval of Congress?

Yes, 82 percent.

No, 13 percent.

No opinion, 5 percent.

10. Have you ever contacted one of our three Congressional Outreach Offices?

Yes, 18 percent.

No, 82 percent.

11. When I am able to be in the First District, I try to take part in many kinds of activities. How do you rate the importance of the following?

	Very important	Important	Unimportant
A. Town meetings	43	43	14
B. Office hours	34	49	17
C. Meetings with civic groups and local officials to discuss local problems and issues before Congress	59	34	8

12. What do you consider the major problem facing the nation today?

This question generated the highest number of comments, both in the margins of the questionnaire and in separate letters.

Most of the people who responded cited inflation as the issue which concerns them the most. Crime was the second most frequently mentioned problem, while unemployment and big government were mentioned almost as often.

Three other issues, the absence of honesty in Government and private business, high Government spending, and pollution of the environment, very often tied for fifth place as the major issues.

A significant number of people also mentioned problems of the elderly, the lack of effective leadership, and high taxes as the problems which concern them the most.

Other issues causing great concern are the need for welfare reform, monopolies, excessive military spending, the congressional pay raise, racism, drugs, and inadequate health care.

Also mentioned were invasion of privacy, the need for long range planning, and President Ford.

MAINE'S POTATO CROP

HON. WILLIAM S. COHEN

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 2, 1975

Mr. COHEN. Mr. Speaker, last week Aroostook County, Maine, began its unique annual ritual—the harvest of Maine's potato crop.

Aroostook County is the largest and northernmost county in Maine. Its 6,821 square miles make it considerably larger than the entire combined area of the States of Connecticut and Rhode Island, and it is, in fact, the largest county in the United States east of the Mississippi River.

Aroostook County is the potato basket of the Northeast, producing approximately one-eighth of the total potato crop of the Nation. Virtually every one of the 95,000 people who live in the county depend on the potato for their livelihood in one way or another, and the harvest in Aroostook is an event in which everybody, from schoolchildren on up, have an active stake.

It is hard to describe the Maine potato harvest to someone who has never visited Aroostook County. Farmers plan for months to make sure they will be ready to harvest their highly perishable crop quickly and efficiently when the proper time comes. When harvest begins, the farmers are up hours before sunrise, preparing their diggers and harvesters. Most schools in the county close down to permit the children to assist in the hand harvesting operations that produce 70 percent of the State's total potato yield.

It is an event that involves the whole community from the day the first row is dug up to the day several weeks later when the last potato is out of the ground and shut safely away in the potato house.

To try to give my uninitiated colleagues a better notion of what the potato harvest means to the people of Aroostook County, I am inserting at this point in the RECORD two stories by Richard H. Stewart which appeared in Sunday's Boston Globe. Mr. Stewart, formerly the Globe's national editor, now serves as a New England correspondent, traveling through the six-State region searching out stories which capture the unique culture and heritage of New England.

His two stories point up the social and economic importance of the potato harvest to Aroostook County and to Maine, and I commend them to the attention of my colleagues:

RAIN TURNS MAINE HARVEST INTO PRETTY COLD POTATOES

(By Richard H. Stewart)

PRESQUE ISLE, MAINE.—At 4 a.m. Wayne Knight slips on his earphones and switches on the microphone at radio station WEGP.

Although there are still a couple of hours to daylight, radios throughout Aroostook County are tuned to this and other stations.

It's potato harvest time in Maine's Aroostock County, the biggest county east of the Mississippi.

What cotton is to Memphis, what oil is to Houston, potatoes are to Aroostock County.

But this morning it is raining and calls overload the several phone extensions at the radio station where Knight is running his program. "Pickers' Special."

To the uninitiated, the broadcast has the flavor of something invented by Slim Pickins to entertain insomniacs. Its homely chatter and rural informality would shock the big city broadcast folks.

But it is one of the most important of public services for people hereabouts. It is their message center.

Rain has created a growing sense of uncertainty for both growers and their crews. Each day of delay in the harvest increases the risk that the first frost will come before the crop is in.

Wayne Knight is their link:

"Gilford Sperry says it's raining where he is and he'll hold up for a while . . .

"Danny Webb. Dan Webb, which way you goin? Your crew's callin'."

Knight, 40, spiels off the information as fast as it is funneled to him in the fashion of the play-by-play sports broadcaster he once was.

Oddly, like most people in Aroostook County, he doesn't have a Maine accent. But in front of the microphone his voice is almost a caricature of the accent.

When calls build up he answers them himself in the studio:

"Wayne speakin'. Hello, Rita. Okay, I'll tell 'em. That's Hubert Haley's wife, Rita. Rita says that Hubert Haley wants the harvester crew right on time and the hand crew at 7.".

Another grower climbs the stairs and walks directly into the broadcast studio. The door is never closed.

"Jack Cameron, Parkhurst Farms, says just as soon as it stops raining he'll let the crew know and he says it don't look like it'll be very long."

Most of the schools in the county above fifth grade are closed. Potatoes have to come out of the ground before the first freeze. Education can be made up, but potatoes can't wait.

Kids are the best pickers. By law, they can't work on the big mechanical harvester until they are sixteen. Too many limbs have been lost to those lumbering giants and flailing grates.

School starts here Aug. 22 and closes a month later. About 13,000 students are in the fields, being paid 40 cents a barrel. The best can make $20 a day. About 70 percent of the crop is harvested by hand.

Harvest conditions will determine when they go back to school and how long into the summer they will stay there.

There are about 1,000 potato farms in the county. Maine produces 12 percent of the nation's potatoes.

The crop is valued in the hundreds of millions. Traders bet fortunes on Maine Potato futures at the New York Mercantile Exchange.

The potato is more than a food staple. It is economic life or death to the people here.

Knight is unabashedly anti-rain at harvest time. I keep trying to talk it out of the county.

"I can't help but believe this little puckerin' up we got isn't goin' to last that long. You crews, you get up and get yourself some breakfast and get dressed. Because this rain isn't going to last that long. Oh, it may make it a little yukky . . ."

Many call wanting jobs on the harvesters, on trucks or in the potato houses. Few call to hand pick the potatoes. It's tough work.

"Funny," he tells his listeners, "I never get many pickers. Seems like everybody wants to go to heaven but nobody wants to die."

As the calls continue there appears to be greater uncertainty whether the rain will allow any harvesting.

The rain that Knight has tried to orally dispatch from the region shows no signs of letup.

Finally, reluctantly, Knight has to accept the facts as a revised forecast comes in calling for a 60 percent chance of rain.

Nature has bested Wayne Knight.

"The general consensus is that everybody is going to hold up to see if this rain is goin' to settle in."

In mock seriousness he says, "You know, you ought to have that. No home should be without one."

It's 6:30 now and Knight calls it quits. The disc jockey, who also has been making calls, moves behind the microphone and Knight leaves to go to his regular job at the Maine Farmers Exchange, buying and selling potatoes.

"We can dig between eight and 10 percent of the crop a day if everything is right," he says. "But this rain just makes it awful." There's no trace of an accent.

Knight isn't sure how long he will be going to bed at 7:45 every night to be on tap for his radio program. The program lasts during the harvest season.

During one season he had to do it for nine weeks. The shortest tour was four weeks.

Success or failure of the Maine potato is a matter of personal pride and the Maine Potato Commission doesn't let the farming public forget it.

It promotes the following broadcast commercial:

"We are the home of the Maine potato and we have to work hard to make our potato No. 1. A good harvest is the beginning. The reputation of the Maine potato is in your hands. Take care to make this the best harvest ever."

And there's another one sung by a chorus:

"Pick up a Maine potato and talk to it today."

HERE'S SPUD IN YOUR EYE: PLANTING DECREASE MAY PUSH POTATO PAST '73 HIGH

(By Richard H. Stewart)

PRESQUE ISLE, MAINE.—Foliage has turned red in potato country and the farmer's eyes also are lighting up as he keeps one eye on his crop and the other on the New York Mercantile Exchange board.

New York's where they deal in Maine potato futures. It's the Las Vegas of the trading spots. A place for high-risk speculators, the high rollers of the trading set.

If the farmer hasn't already committed

his crop or some part of it to lower prices, the grower could be in for the best financial season since 1973, when potato futures for May delivery hit the all-time high of $19.15 per 100 pounds.

If the market holds true to the estimates, New England housewives can expect to be paying more for potatoes before the end of this year and even more in 1976.

The first tangible evidence of potential higher prices already is in—Department of Agriculture figures on the number of acres that have been planted in the so-called Fall States.

The Fall States are those in the northern tier of the United States, from Idaho to Maine. The report on the acreage came in Aug. 11. It showed they planted 96,000 acres less this year than 1974, the worst year for potato growers. Maine planted 18,000 less acres this year than last.

This year's national acreage is 20,000 acres under 1973, the best year for growers.

Since potatoes, like most commodities, find their price level on a supply and demand comparison, the reduction in the planting would suggest there will be fewer potatoes from the crop now being picked from the fields.

This means higher prices for consumers.

Will the price hit or pass the 1973 high mark?

That's what the traders on the commodity market are gambling on.

But it's still a guessing game. That's what makes it a high-risk investment.

The second guideline for farmers and speculators—they often are the same people—comes Oct. 10. In Aroostook County, the potato basket of the northeast, farmers wait for that announcement like kids anticipating Christmas.

That is the day the production report will come in from the Department of Agriculture. It will tell how much yield is coming from the reduced planting.

Larry Thibodeau is president of the Maine Farmers Exchange, Inc. His business is marketing potatoes. Potato futures is part of his business.

"Everybody uses the government figures to work on," he says. "I might think they're wrong, but I'll never buck 'em. That's for sure. They're impartial. They do a job. They've got 28 or 29 years backed up behind them, experience in doing this, and I'm going to believe 'em. That's good enough for me."

The potato futures market has been highly volatile since August. By law, the price cannot rise or fall more than 50 cents in a single trading day. It has risen in 50 cent increments on several successive days this year.

The farmer who really wants to gamble can contract to sell in May. That's the month he can get his best price. But he has to commit himself now to deliver in May. This means he has to store his crop in his own potato houses until then.

Can he hold the crop he is now picking in storage until then? Will the potatoes hold their quality? Will they develop rot? Will his potato house burn down?

Will there be an early frost that will destroy part of the current crop before it even gets to storage?

Says Thibodeau, "Potatoes are perishable. They're 78 percent water. They've got to be perishable."

When you deal in potato futures you're dealing in surplus from farmers who produce more potatoes than they can sell at harvest time.

That's why the Oct. 10 production figures are important. Less production means higher prices.

In the language of the race track, Thibodeau explains:

"You've got a horse that does a mile in two minutes. But you hear down in Boston they've got a new colt they think can go in 1:57. They don't know yet. He hasn't been tested.

"The reports aren't all out. All you've got is speculation. He races the first time Oct. 10. Everybody's going to be here. Understand. If he can beat two minutes everybody's going to be betting on that horse."

The housewife undoubtedly will be paying higher prices for potatoes over the next year. How much more?

Says Thibodeau, "You find me the man who can tell me and I'll make him a million dollars in 10 minutes."

TOASTS OF TWO PRESIDENTS

HON. ROBERT G. STEPHENS, JR.

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 2, 1975

Mr. STEPHENS. Mr. Speaker, when the President of our southern neighbor country, the Republic of Colombia, President Alphonso Lopez Michelson, visited the United States for an official visit, he and his wife and dignitaries of Colombia were entertained at a formal State dinner by President and Mrs. Gerald R. Ford at the White House on the evening of September 25.

Toasts were exchanged between the two chief executives and because of the significance of the ideas expressed, I asked Mr. William D. Rogers, our Assistant Secretary of State for Inter-American Affairs, to obtain the texts for me to share them in the CONGRESSIONAL RECORD with my colleagues.

The exchange of toasts follows:

EXCHANGE OF TOASTS BETWEEN PRESIDENT FORD AND ALFONSO LOPEZ MICHELSON, PRESIDENT OF THE REPUBLIC OF COLOMBIA

The PRESIDENT. In proposing a toast to you, Mr. President, and to the great Republic of Colombia, I think it is fitting to note that your State Visit to the United States coincides with the 150th Anniversary year of the first treaty between our two countries.

Soon after Colombia won its independence in 1819, the great liberator, Simon Bolivar, sent one of his first diplomatic representatives to this country—Don Manuel Torres. As head of the Colombian mission, he became the first accredited envoy of Spanish-American power in the United States.

As early as 1820, Mr. President, Manuel Torres was instructed to negotiate a commerical treaty with the United States on the basis, and I quote, of "equality and reciprocity."

That treaty was proclaimed on May 31, 1825. Thus, Mr. President, the roots of our friendly relations are long and deep.

This relationship was furthered by an illustrious former President of Colombia, Alfonso Lopez Pumarejo, whose distinguished son honors us with his presence here tonight.

During his Inaugural Address in 1934, President Lopez Pumarejo said, and I quote, "Our foreign relations in the future must not be based on that formal reciprocity of soulless diplomatic notes that travel from chancery to chancery. We shall try to take advantage of every opportunity to invigorate the ties of cooperation and active friendship with all nations but, above all, with those of our hemisphere."

How well this distinguished leader—and permit me to add, Excellency, his distinguished son—have succeeded in that very high purpose. Our mutual relations today are born of a very precious common heritage forged out of the travail of wars of independence. Both of our nations paid with the blood of patriots to achieve the dream of freedom, both in your country as well as in ours.

That common experience, I think, gives us common aspirations. Both of our nations desire to see the rule of law apply to our relations and to those among all nations. Both seek equality and reciprocity among nations. Both share the common knowledge that, in the complex world of today, nations bound in historic friendship and traditions must depend very directly upon one another.

Your country is renowned for its moral and intellectual leadership, for its moderation, for its keen sense of justice and for its dedication to greater progress and social justice for your people and the peoples of our hemisphere.

We of the United States admire these goals you have set not only for yourselves, but we appreciate them as great objectives for all of your people.

Ladies and gentlemen, I ask that you join me in a toast to His Excellency, the President of Colmbia, to Mrs. Lopez and to the people of Colombia. May our two countries always walk together in a mutual confidence and respect, and may our historic friendship contribute to the achievement of these noble goals of mankind—justice, peace and freedom.

President LOPEZ. Mr. President, Mrs. Ford, Mr. Vice President, Mrs. Rockefeller, Mr. Secretary of State, distinguished members of the Senate and the House, ladies and gentlemen:

Six years ago, a few hours before man first set foot on the moon, another President of Colombia, Dr. Carlos Lleras Restrepo, then the guest of President Richard Nixon, had the honor of speaking in this very room. The dream cherished for centuries by poets and fiction writers was brought to reality by American science and technology. We had evidently reached a landmark in the history of mankind.

Today, when the United States is preparing the Bicentennial celebration of the Declaration of Independence, it seems fitting to ask which of the two events constitutes a greater contribution to western civilization. The Declaration of Independence has a decisive influence on the process that led to the French revolution. It carried the seeds of the Constitution of Philadelphia, which has been so often imitated over the last two centuries.

The space feat, repeated later by other nations, is a source of controversy surrounded by ever-diminishing admiration. Few would disagree, however, that the Constitution of Philadelphia has been one of the key elements in the spiritual and material progress of this great Nation.

In the view of the distinguished English historian, James Bryce, the two outstanding achievements of the human spirit in the field of political organization are the written Constitution of the United States and the unwritten set of rules known as the British Constitution. Both have withstood the test of time.

In an era when people's admiration tends to be easily captivated by material accomplishments and much emphasis given to the gap between the pace of technological progress and the slow pace of social and human science, it is worth noting the foresight of the Founding Fathers. With profound insight into the legal matters of their day, they created the framework for the development of a different world which could not have been foreseen.

Those of us who believe in freedom and equality will be with you in spirit during the commemoration of the Declaration of Independence. A rendezvous, to be present on that historical occasion, would be perhaps out of order. The opportunity given to us by the encounter should transcend the formalities of protocol.

We should reflect upon the achievements

of the past and meditate upon freedom in general and the state of freedom in our continent, in particular.

The future of humanity is intimately linked to the question of freedom. The history of civilization, as we have known it, is one of continuous ascent toward attainment of that freedom. Religious freedom, freedom of dissent, freedom to assemble, freedom to claim for better working conditions and, in recent years, freedom from fear, freedom from want, freedom from unemployment.

These values, which have become commonplace, have ceased to be commonplace at a time when liberty suffers an eclipse within our own continent. But just listing them, we can see how difficult it is to disentangle the knot of very often contradictory rights, for economic freedom is not always compatible with the freedom from poverty or from unemployment and an unlimited freedom to employ will tend to hinder labor's conquests.

Very often other economic systems led people, particularly the young, to believe that freedom, as a value, must give way to the demands of economic life. Without forgetting the obvious difficulties, we must double our efforts to see that the next generation will not have to barter freedom of spirit for shelter from economic hardship.

This is at least the case of my country. Although it is true that we don't cling to any specific form of social system and even less to any foreign model and that we are ready to seek a better redistribution of our income through the implementation of programs such as tax, agrarian and educational reforms, there is none-the-less something upon which we cannot compromise. That is the quality of our life and, therefore, the right to think our own thoughts and dream our own dreams.

I am confident, Mr. President, that this meeting will bring about a better understanding which I already anticipate between our two countries. Also, that we will find a sense of partnership within a legal system based on impersonal and abstract rules, within which there will always be the right to dissent.

I have spoken on other questions about our own joint duties and responsibilities in this hemisphere. Going further now, I bring to your attention something that has been outlined in the past but which has recently aquired growing importance. Namely, that the responsibility for maintaining a world of spiritual freedom is a task which demands economic sacrifices. The sacrifices concern everyone equally but mainly those who can make them.

Colombia has recognized this not only with words but with deeds. We have given, for example, preferential treatment to Bolivia and Ecuador, relatively less-developed countries within the Sub-regional Andean Pact. We have promptly approved the increase in our share of the capital subscriptions for the World Bank and the Interamerican Development Bank. We have also made a contribution to the Caribbean Development Bank in order to provide financial support for the former European possessions in the area.

In every international forum we have sought an understanding between producers and consumers, trading off sometimes, as in the case of coffee and sugar, windfall gains for permanent stability.

As of the next United States fiscal year, we will forego any further loans from the Agency for International Development. Considering the fact that our export earnings are sufficient for our balance of payment requirements, we feel that the resources released thereby can be more useful to needier countries.

This contribution, however modest, is in accordance with our means. It is, none-the-less, tangible evidence that Colombia is ready and willing to bear its share of its humanitarian obligations, following thus the example set by the United States in the post-war era when, for the first time in the history of mankind, massive resources from one nation were distined to benefit non-nationals.

The Marshall Plan turned the defeated into victors with the help of the country which, having suffered less material damages, was in a position, if so desired, to impose its will upon the rest of the world.

From a Latin American point of view, the new Trade Act of the United States is not without shortcomings, among other reasons, because of the discriminatory treatment given to Ecuador and Venezuela. Nevertheless, it contains positive provisions that favor a lowering of tariffs which should benefit the developing countries. Let's hope that it will be implemented in the spirit of liberalization of trade rather than that of narrow-minded protectionism.

Colombia has applied for membership to the General Agreement on Tariffs and Trade and hopes, also, that these negotiations will provide a new scope for our foreign trade. Not in vain did we treble our sales of goods and services to the world in the last five years through the diversification of our own exports and the widening of markets for Colombian products in Latin America, Europe and the United States.

Although I am not here as a spokesman for other Latin American nations, this is an appropriate occasion to underline some of the conclusions which we have reached at so-called summit meetings among neighboring countries and add a few of my own vintage.

In the past, the relationship between our two sub-continents has tended to reflect an American campaign slogan, or a unilateral definition of policy, suitable perhaps for domestic political purposes but totally unrelated to Latin American aspirations.

Neither "the big stick," nor "the good neighbor," nor "the low profile," nor "the benign neglect" satisfy us because of their one-sided connotation. What is required is a new relationship between the United States and Latin America jointly formulated by both parties according to their needs and aspirations.

For this we already have a forum at the Organization of American States and an organization to present coherently our common points of view through the recently established Latin American economic system, SELA.

We are convinced that a nation which, through the years, has been capable of organizing the American Union, starting with States so dissimilar in their origin as were the 13 colonies and latecomers such as Hawaii and Alaska, must have an equal capacity to conciliate with the interamerican system, a community of forces, without disregarding the particular features of each State and their freedom to select their own economic structure.

It would be a tragedy for our continent that while Europe is creating instruments of economic cooperation that don't imply political obligations, such as the LOME Convention, we should still stumble on the same difficulties, or perhaps more serious ones than those we encountered 40 or 60 years ago.

This is the reason why Colombia sponsored the lifting of the embargo against Cuba, regardless of our ideological differences. The record of failures of this type of measure is still fresh in our minds—Ethiopia, Spain, Rhodesia and others—while we cannot recall any example which has been successful.

In the case of Cuba, where the sanctions were not applied, neither by European nations nor by some countries of this hemisphere, we would have been fooling ourselves, if we pretend to continue believing in their effectiveness, when the United States itself was allowing its multinational corporations located in countries which were not pledged to sanctions to supply the Caribbean Island with the capital and the know-how for products which we ourselves were already producing.

It has been a realistic step on the part of President Ford's Administration to adopt its own line of conduct towards Cuba while abstaining from the attempt to influence the decision of others on this matter.

A treaty that binds Colombia and the United States guarantees free passage through the Panama Canal to the warships and supply vessels of our Navy. We don't overstep any boundaries when we raise the issue of the Isthmus here or elsewhere. Colombia has a vital interest in the area based on geographical as well as historical considerations which have been recognized both by the United States and by Panama.

Taking a long-time view, we consider the Canal question as something of continental and worldwide interest. The far-reaching policy of understanding at the hemispheric level cannot survive if permanently jeopardized by transit incidents, military maneuvers of one side or the other, student protests and symbolic gestures that could very well one day start a bonfire in the continent.

With due respect for the position of the United States, it is necessary to recognize realistically and impartially that the considerations that prevail at the beginning of this century are irrelevant in 1975.

The preservation of unjust situations can never be our ideal. We are conscious of the spirit which moves the American Government to remove causes of friction. In 1927 we reached an agreement concerning the Roncador and Quitasueno and Serrana outcroppings in the Caribbean, thus putting an end to the "modus vivendi" established between the United States and Colombia in 1928.

Recently Under-Secretary of State Rogers has insisted before the United States Senate on the ratification of this treaty. If the intention is to terminate this "modus vivendi", admitting that reason assisted Colombia, owners of Spanish titles, before the argument of a so-called exploitation of guano invoked during the American Civil War, we cannot see the reason for consulting the International Court of Justice to determine if third party rights exist.

A transitory "modus vivendi" is ended by defining the claims of subscribing parts, not by having one of these become a spokesman for the interests of third parties which, not having been part of the initial pact are not affected by the new one.

We have noted with satiscation that the need for a consensus in international relations is now being discussed. This is also our policy. This consensus may seek to maintain the status quo or to help to bring about a new order. We don't believe that under the present circumstances the first of these alternatives could be conceded. At present countries which only five, ten, or fifteen years ago were politically dependent now have their own seats at the bargaining table. They come either on their own behalf or on behalf of other countries afflicted by similar problems.

Is there anything improper in the emergence of this new bargaining power? Columbia does not have atomic weapons, exportable fuel supplies, or large stockpiles of grain to enter national negotiations. Yet we are not surprised when nations that dispose of such assets such as these use them to increase their bargaining position.

Certain historical similarities exist between the post-war era in which we live and the

period of reconstruction of Europe after the Napoleonic wars. The French Emperor had been at war with a coalition of powers dissimilar in their ideologies, population, economics and military strength. Two European statesmen brought forward different view points in their attempt to build a lasting peace. Whereas Metternich endeavored to maintain the status quo through the Holy Alliance, Canning moved in the direction of change by recognizing the independence of the newly created Latin American Republic and their right to self-determination.

Am I wrong in assuming that the great turn we are seeing in American foreign policy leans towards Canning's philosophy? His experience of liberalization didn't turn out to be so unfortunate. Its aftermath coincided with the Victorian Era which marked the epitome of the influence of the British Empire.

On the other hand, the Austrian Empire, soon after Metternich was gone, became the sick man of Europe and his policy of the spheres of influence and balance of power began to crack down, giving way to the coming crisis.

Mr. President, the whole world, and America in particular, is eager to see whether the great powers are willing to undertake or accept new initiatives without freezing past injustices under the name of peace.

Colombia, with its modest resources, is ready to support the United States in sponsoring changes and in acknowledging new realities. Let's preserve what is worth being preserved and let's recognize that obsolescence of what has to be replaced. For these we claim our rights but, at the same time, we are ready to undertake our responsibilities and our commitments.

A toast for the prosperity of the United States, Mr. President and Mrs. Ford.

REAL ESTATE SETTLEMENT PROCEDURES ACT HEARINGS SCHEDULED

HON. WILLIAM A. BARRETT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 2, 1975

Mr. BARRETT. Mr. Speaker, the Subcommittee on Housing and Community Development of the House Committee on Banking, Currency and Housing will be holding hearings on the Real Estate Settlement Procedures Act of 1974, Public Law 93-533, on October 28, 29, and 30, beginning at 10 a.m., in room 2128 Rayburn House Office Building. Numerous problems have arisen in the implementation of this act since it went into effect on June 20 of this year. I have received an enormous amount of correspondence from Members of Congress, lending institutions, mortgage bankers, realtors, and the public at large complaining about a number of the provisions of this act, which are causing serious delays for prospective homebuyers in obtaining their mortgage loans and in closing on the property. These hearings are being called to explore the problems that have arisen and to hear from the administration, as well as various industry groups and the public about their problems with RESPA. While these hearings will be oversight hearings on the provisions of RESPA, the subcommittee expects to hear testimony on a number of bills which seek either to repeal the act or to make various changes in the provisions of the act.

Mr. Speaker, any persons interested in testifying should contact the Housing Subcommittee staff on 225-7054.

TAX BIAS AGAINST SAVINGS

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 2, 1975

Mr. ARCHER. Mr. Speaker, I commend for all Members' attention the outstanding attached article on the need for capital savings from the September 21 issue of the Washington Star, written by our colleague, JACK KEMP, along with a letter from Prof. Richard Timberlake in response to the article:

[From the Washington Star, Sept. 21, 1975]

THE TAX BIAS AGAINST SAVINGS SHRINKS EVERONE'S PIE

(By JACK F. KEMP)

The central challenge we face is to insure that the rate of saving and investment will be adequate to meet the capital requirements of our economy.

All major issues confronting public policy are dependent on capital formation. Creating jobs, maintaining the real level of Social Security benefits and the solvency of pension funds, meeting energy, housing and mass transit needs and demands for rising real wages, protecting the environment, ability to withstand Soviet pressures—these and all other public and private goals are constrained by an inadequate rate of capital formation.

Many economists now believe that the rate of capital formation is not adequate to meet the goals of public policy and maintain growth in real wages and employment. But some are reluctant to admit that the capital shortage we face is a product of the economic and tax policies of the past. Instead, they cling to policies which produced the shortage.

Walter W. Heller, for example, recommends stimulating consumption by deficits and monetary expansion. He believes that deficits which stimulate consumption produce a "full employment federal budget surplus" which will provide public saving to close the gap between capital needs and inadequate private saving. He mislabels measures designed to increase private saving and investment as "tax breaks for business" and claims that deficits which result from these measures produce "annual tax loss."

I believe it is important not only to note that Dr. Heller's economics has a double standard for deficits, but to understand that consumption-stimulative economic policies and tax biases against saving and investment produce capital shortages.

The idea that government deficits ipso facto increase the economy's ability to produce is false. The problem with all deficits is that they must be financed. This is especially a problem with deficits designed to stimulate consumption.

When the government finances a deficit by borrowing from the Federal Reserve, it receives newly created money with which to bid resources away from the private sector in which capital formation predominantly takes place. The government's spending might stimulate investment indirectly, but that investment which does not take place due to the bidding away of resources is a once-and-for-all-time reduction in investment.

When the government finances a deficit by borrowing from the private sector of the economy, no new money is created. But in order to purchase the government's bonds the private sector must reduce alternative forms of investment. Since the government's expenditures consist mainly of payments which go for current consumption, the net effect is to crowd out private investment. The composition of total expenditures is altered toward more current consumption and less current investment than would otherwise be the case.

The result of transferring funds out of current investment and into current consumption is a future income level that is lower than it would otherwise have been: tomorrow's living *standards* are sacrificed for today's. Consumption-stimulative deficits, however they are financed, eat into capital formation and future incomes.

On the other hand, if a deficit is generated by reducing the existing tax bias against saving and investment, we have a deficit which directly stimulates production. The deficit's negative effects on saving are more than offset by the increase in private saving which results from reducing the disincentives to save. There is a larger pool of private saving to withstand the bidding away of resources from, and crowding out of, private investment, and, thus, a greater rate of capital formation. The higher real wages and new jobs which result will generate additional tax revenues that will wipe out the initial revenue loss from the deficit.

Tax incentives to encourage saving, hence investment, are opposed by some on the basis of arguments that do not relate to their economic effect, but which are grounded in what they allege to be violations of equity. But in fact, the existing tax biases against saving violate equity. An intrinsic feature of present income tax systems is that they disproportionately increase the cost of saving compared to consuming. A distortion results because no general tax deduction is allowed for the amount saved, and the flow of future income resulting from the saving is also taxed.

If a deduction is not allowed either for the initial saving or the return to the saving, the tax on the portion of income saved is at a higher effective rate than on the portion of income used for current consumption. The income tax bias against saving is illustrated in the following example.

In the absence of a tax, $1,000 of current income might be used to buy a given amount of consumer goods or a 5 per cent bond paying $50 a year. The cost of $1,000 of current consumption is the foregone alternative of $50 of additional income in each future year. In the same way, the cost of $50 of additional income in each future year may be expressed as $1,000 of foregone current consumption.

If an income tax is now imposed at, say, 50 per cent, and there is no deduction for the amount currently saved or the return earned by savings, the effect of the tax will be to double the cost of future income relative to the cost of current consumption.

Once the tax is imposed, it takes $2,000 of pre-tax income to be left with enough money to buy the $1,000 of consumer goods. The tax, then, doubled the cost of consumption in terms of the amount of current pre-tax income required for the given amount of consumer goods.

But once the tax is imposed, $50 per year of additional income from the bond purchase requires $100 of pre-tax interest. If the rate of interest hasn't changed, this requires savings of $2,000, but in order to save $2,000 there must be $4,000 of pre-tax income. Thus, the tax quadrupled the cost of saving in terms of the amount of current pre-tax income required to buy the same amount of future after-tax income.

Looked at from another point of view, if prior to the imposition of the tax the person was trying to decide between buying an additional $1,000 of consumption goods or a 5 per cent bond, to remain confronted with

the same choice after the tax is imposed requires the interest rate to increase from 5 per cent to 10 per cent. Thus, the tax doubled the rate of interest which must be earned if the person is to continue to regard the investment choice as an alternative to the choice of more current consumption.

In the context of tax neutrality, a liberalization of existing capital recovery allowances, a tax deduction for households for savings from current income, a reduction of the income tax rate graduation, elimination of the double taxation of dividends, elimination of capital gains and losses from the tax base, and a reduction in the maximum estate and gift tax rates, would not create loopholes that distort the tax structure, but would be measures to remove existing distortions and achieve neutral tax treatment of private saving and investment.

Many of the existing tax biases against saving and investment developed 30 or 40 years ago under the influence of the long depression, which provided a rationale for taxation based on the mistaken Keynesian belief that there was a tendency in modern economies to have an excess of savings. Many features of current tax policy exist as relics of this fallacy. To save ourselves from a tax code that embodies this fallacy, the social importance of minimizing the tax discouragement to saving and investment must receive wide recognition.

Also required is responsible debate. Those who misrepresent the issue as the Fat Cat versus the Little Man employ an adversary rhetoric which indicates the weakness of their position.

Living standards have been raised by increased saving and investment, not by redistribution. The real cost of tax and other public policy measures which distort and depress private saving and investment, regardless of initial impact, always falls heavily on labor by reducing productivity and real earnings. People who out of ideology mislead labor by depreciating the benefits of capital formation are not friends of labor.

Some satirize tax changes which reduce the bias against saving as "trickle-down" policy. They oppose this with what they call "percolate-up" policy, which would increase the tax bias against saving. They attempt to buttress their case with an argument that inflation has hurt the consumer so badly, that he needs tax relief. But inflation has left the poor consumer an even poorer saver. If we give him tax relief as a saver, we will simultaneously give him relief as a consumer through the resulting increase in the output of goods.

Attempts to make some better off at the expenses of others by redistributing the pie have failed. We must turn now to a policy of a bigger pie so that our productive capacity can catch up with the demands that are placed on it. In place of a divisive program of envy, I recommend a more democratic program that focuses on making all of our citizens better off through a more rapidly growing economy that is more generous to all.

UNIVERSITY OF GEORGIA,
Athens, Ga., September 25, 1975.

EDITOR,
Washington Star Newspapers,
Washington, D.C.

DEAR SIR: I had occasion to read an article written by Representative Jack Kemp that appeared in the Star last Sunday.

I want to comment on the validity and timeliness of this article. It points out one of the principal deterrents that the federal government imposes on saving and capital growth in the private economy.

The tax-bias against saving is not the only road-block that the federal government uses. Another of its weapons is the "progressive" income tax. This device not only discourages capital formation by taxing investment income without regard to the risk-costs of obtaining it, but in conjunction with government-created inflation it also taxes the same real income at higher and higher real rates.

A final non-financial deterrent to capital growth is the mass of red tape some companies must plow through before they are allowed to expand their capital and produce more goods and services. Electric utility companies, for example, must prepare a trailer truck-load of cost and revenue estimates, reasons why, et cetera, et cetera, to the FTC and to state utility commissions before they can begin to build new facilities. The lag-time on such projects is frequently increased by two to five years by the essentially pointless paper-work and administration required.

With all these governmental restrictions on capital formation and savings, it is a miracle that there are any private investors left at all. It will be even more of a miracle if a free society continues to exist.

Sincerely yours,

RICHARD H. TIMBERLAKE, Jr.,
Professor of Banking and Finance.

PROPOSED MADIGAN AMENDMENT TO H.R. 8672

HON. EDWARD R. MADIGAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 2, 1975

Mr. MADIGAN. Mr. Speaker, before Congress now is H.R. 8672, a bill to put unemployed railroad workers back to work on the urgent task of rehabilitating railroad right-of-way. That is a critically important objective because it is wornout track and roadbed which most impedes efficient operation of our railroad system.

Rehabilitation of defective roadbed can result in energy conservation and improved rail safety. The derailment record of the bankrupt carriers is a well-known fact. Less well known is the impact of defective roadbeds in Amtrak ridership.

A recent study conducted for Amtrak by Robinson Associates, Inc. focused on the Chicago-St. Louis Amtrak corridor. That study concluded that ride comfort and speed are the most important elements in determining whether auto and airplane passengers will switch to travel by rail.

The study concluded that 50 percent of air passengers would be attracted to Amtrak in this corridor by a ride with good comfort. Even more importantly, substantial numbers of auto travelers would switch to Amtrak between St. Louis and Chicago if the ride were characterized by good comfort and speed.

Realization of energy savings of that magnitude would be a definite contribution to our national objectives. Therefore, I would hope to see roadbed improvement in the Chicago to St. Louis corridor.

It should be noted that Amtrak operates the French turbo trains in the Chicago-St. Louis route. They are capable of 125 miles per hour service, but are limited to speeds of 60 miles per hour by the defective right-of-way. Given the marketing study noted earlier with its indications of energy conservation potential in this corridor and the present operation of the turbo trains, I think this route should be directly eligible for the funds in this act.

For that reason, I believe that H.R. 8672 should be amended to permit carriers, who contract with Amtrak, to qualify as eligible applicants for funds under this act.

The best data available from the Railroad Retirement Board indicates that Illinois has the highest level of rail unemployment in the United States.

Therefore, it seems reasonable to make the rail carriers in those States with high unemployment directly eligible for grants under this act.

THE SALE OF HAWKS TO JORDAN

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 2, 1975

Mr. FRENZEL. Mr. Speaker, I would like to commend the gentleman from New York (Mr. BINGHAM) for his diligent efforts to work out a compromise on the proposed sale of Hawk missile batteries to Jordan. While I am certain the agreement which was worked out is the best that could be achieved under the circumstances, I share his misgivings regarding the outcome. I share his unhappiness, too.

Nobody has been able to make a convincing case that Jordan requires all 14 batteries. The Pentagon, based on its analysis of Jordan's defensive requirements concluded that six batteries were all that was needed to do the job. Yet we were faced with the reality that Jordan was prepared to obtain all of the anti-aircraft missile it wanted from other sources if we turned them down. This was the Hobson's choice which had to be confronted at this stage of the negotiations.

Fortunately we were able to salvage a strong commitment from both Jordan and the administration that the missiles would be permanently installed around fixed sites. With adequate monitoring this should help to insure that they will be only used for defensive purposes as originally intended. Even this modest concession, however, may turn out to be a pyrrhic victory for this sale will almost inevitably lead to an acceleration of the arms race in the Middle East. Whether deployed for defensive purposes or not, these weapons will give Jordan the necessary cover to carry out aggressive actions knowing that Israel's capacity to retaliate effectively has been sharply curtailed. Israel will now be forced to take this new situation into account and adjust its military strategy accordingly.

Hopefully this unfortunate episode has taught all concerned some important lessons in how not to conduct foreign weapons sale negotiations. Certainly Congress more clearly understands the value and importance of carefully scrutinizing these kinds of agreements. The executive branch in turn should have learned that these arms deals cannot be

concluded without taking into account the views of Congress. Finally, our potential arms customers must be made to understand that Congress will vigorously perform its newly won review function. We can ill-afford to repeat these costly mistakes in the future.

COMPENSATING FOR OVER-REGULATION

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 2, 1975

Mr. SYMMS. Mr. Speaker, in the September 1975, issue of The World of Agricultural Aviation, a guest editorial by our distinguished colleague from Illinois, Mr. PHIL CRANE, appears. Mr. CRANE points out what the costs of litigation are for American citizens and companies when caught in legal disputes with their Government.

In this day and age, with the rising world population and its concomitant demand for foodstuffs, the business of agriculture is beset with the same problems that plague all other businesses. In the article entitled, "Compensating for Over-Regulation," our colleague Mr. CRANE explains the rationale behind his legislation which would hold the Government responsible for the payment of attorney fees and court costs incurred when the Government brings suit against an American citizen or company, and loses.

I commend this article to the readership of the Members, and at the same time, encourage them to join in the sponsorship of this important and just piece of legislation as I have done.

COMPENSATING FOR OVER-REGULATION

(By Congressman Philip Crane)

When people think of the free enterprise system, they often think in terms of the big factory, the local shopping center, the blue or white collar worker, and the eight hour day. Often neglected is that group of Americans who work just as hard, if not harder, who take just as many if not more risks and who get no more, and often less, in return for their efforts. I am speaking, of course, of the American agriculturalist.

People often forget that, while comprising only 5 percent of the total population, farmers produce enough food for all Americans and a lot more people besides. In fact, agricultural exports accounted for the largest single item on the plus side of our 1975 balance-of-trade sheet; without the $12 billion surplus in agricultural trade we would have had a $10 billion deficit in our balance-of-trade figures.

Significantly, much of the increase in agricultural exports, and the corresponding increase in average farm income, can be attributed to a reduction in federal influence over the growing, buying, storing, and selling of agricultural products. But, while the advantages of increased reliance on the marketplace have become evident to both the Department of Agriculture and the American farmer, the lesson seems to be totally lost on the bureaucrats in the federal regulatory agencies. Instead of making it easier for agriculturalists to get the job done, the constant proliferation of regulations from agencies like the Environmental Protection Agency (EPA), the Federal Energy Administration (FEA), the Interstate Commerce Commission (ICC), and the Federal Aviation Administration (FAA) are making agricultural production more difficult and agricultural costs more expensive.

Of course, the mushrooming problem of federal over-regulation is not confined solely to the agricultural sector, but that should be small comfort to those engaged in agricultural activity. Regardless of how confusing, unreasonable or even contradictory the wording might be, the cost of complying with the myriad of federal regulations on the books is often cheaper than contesting those regulations in court, even if one is firmly convinced he is in the right.

The result, of course, is frequent instances of compliance by coercion rather than compliance based on the merits of the case. And, in some cases, neither complying with, nor the contesting of, regulations is realistic and the agricultural operator simply goes out of business with a resultant loss of jobs and agricultural productivity.

What has happened is that, instead of letting consumer democracy automatically regulate the quality of goods and services available in the marketplace, the pendulum has shifted too far in the direction of artificial regulation which substitutes compulsion for incentive and effectively limits the right of appeal. No matter what a defendant in a regulatory agency case does, he is sure to come out the loser. Even if he wins the case in court, the cost of defending himself is often higher than the cost of compliance and then there is always the risk of continuing harassment by a regulatory agency or inspector seeking vindication.

To address this situation and to swing the pendulum back to a more balanced position, I have introduced a bill which would compensate successful defendants in civil suits brought by the U.S. government. If passed, this bill would permit a businessman, who won a case brought by a regulatory agency, to get back from the government reasonable attorney's fees and other litigation costs. Such legislation would not only be fairer to aggrieved parties, but would give the American people, by virtue of the fact that compensation costs would become public knowledge, a way to judge the performance of the regulatory agencies.

In addition, enactment of such a bill would remove the penalty that now exists for people who choose to exercise their right to defend themselves against charges they believe to be unjustified. Moreover, it would encourage businessmen to fight unjustified suits while discouraging over-zealous regulatory agency bureaucrats from initiating suits lacking in merit or from continuing litigation for purposes of harassment.

As a consequence, and by way of example, it would be possible for an agricultural pilot, who has a complaint lodged against him by the FAA, to contest that complaint on the basis that another FAA regulation supersedes the one he is alleged to have violated or on the grounds that the alleged violation did not, in fact, take place. If he was then able, in the subsequent court case, to prove that one part of the regulations did indeed exempt him from another part or that his actions did not violate the specific regulation in question, then he would be compensated for reasonable attorney's fees and litigation costs incurred while fighting the case. Similarly, if he was accused by EPA, or some other federal agency, of using a fertilizer or pesticide that was allegedly doing damage to health or the environment and was able to prove that the product involved was not responsible for the damage alleged, then he would be able to recover legal fees and other court costs.

The examples go on and on. Employers believing themselves in compliance with the Civil Rights Act but still being dragged into court by the Equal Employment Opportunity Commission (EEOC) would be able to contest the application of EEOC's "affirmative action" guidelines rather than having to resort to reverse discrimination in order to avoid the expense of a no-win (financially speaking) legal fight. Likewise, those either baffled by, or unable to comply with, the voluminous regulation issued by the Occupational Safety and Health Administration (OSHA) could contest their case, and, if proven innocent, be compensated for their legal expenses. It doesn't seem fair to me that the very people whose tax dollars are used to initiate the federal regulatory agency suits should also have to pay for the cost of defense when they are proven innocent. As it stands now, it is little wonder that many businessmen feel like they are digging their own graves.

As for the cost of compensation, I think two points need to be made. First of all, the reduction in the number of suits brought by the government coupled with the increased likelihood that the suits which are brought will have more merit (and will stand up in court) should more than offset the cost of compensation. And second, is not the question of fairness an overriding consideration in this instance? I would certainly hope that the fear of compensation costs would not blind Americans to the obvious justice of the concept.

A good example of the injustice I am talking about took place back in 1961 when three major rock salt companies were accused of pricefixing. After two and one half years of litigation and $775,000 in legal expenses they were cleared of the charges against them. However, had they chosen to plead "no-contest" in the first place, the fine would have been no more than $150,000. Therefore, these companies were at least $625,000 worse off for having proved their innocence, which explains why so many companies, particularly small concerns, would rather submit to regulatory dictates than contest them. With examples like this, it is no wonder the regulatory agencies keep expanding their influence; as it stands now there is little to keep them in check.

In fact, when you get right down to it, the only body that can keep the federal regulatory agencies in check is the same body that created them—the United States Congress. While I am encouraged by the fact that more and more Congressmen are becoming concerned about various aspects of federal over-regulation, many remain to be convinced that we need to compensate for it, either financially as I have recommended, or by reform of the regulatory agencies themselves as others, including the President, have suggested. What many Congressmen need is more encouragement from the people they listen to the most—their constituents.

Certainly, from the standpoint of the free enterprise system, the need to "compensate for over-regulation" is there; whether that need is acted upon is, in large measure, up to the American people.

NUCLEAR ENERGY STUDY ACT OF 1975

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 2, 1975

Mr. MOAKLEY. Mr. Speaker, I would like to express my support for H.R. 7553, the Nuclear Energy Study Act of 1975. We are rapidly approaching the time when Congress must make crucial decisions on the future of nuclear power in this country. I, as a Member of Congress, do not want to make any decision on the basis of scanty and unreliable data. Yet, at this time, this is all we have on which to pass judgment.

It is tiresomely repetitious to cite our growing need for alternative energy sources. However this need must not override our concern for public safety.

The Union of Concerned Scientists joined with the Sierra Club in producing a 170-page report issued in December 1974 which estimates that in the event of a major accident at one nuclear power producing facility could result in the death of between 23,000 and 36,000 people. Financial loss could total $230 billion.

To avoid running the risk of a major explosion involving nuclear power, steps must be taken immediately to establish a clearinghouse for nuclear energy information. The Nuclear Energy Study Act contains provisions to evaluate, first, the safety and environmental hazards associated with existing nuclear fission powerplants; second, the effects of route emissions; third, the environmental and safety aspects of perpetual storage of high level radioactive wastes; fourth, the feasibility of detonating these wastes; fifth, the transportation of nuclear and radioactive materials; sixth, the risks associated with theft of nuclear materials and sabotage of nuclear power producing facilities; seventh, the economic effect of decisions to proceed with nuclear power or to terminate the use of nuclear power.

Mr. Speaker, I urge the rapid adoption of this measure.

HARRY ROSENBAUM DAY IN STAMFORD

HON. STEWART B. McKINNEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 2, 1975

Mr. McKINNEY. Mr. Speaker, I have found that one of the more rewarding aspects of public service is that it allows one the opportunity to encounter a wide array of diverse, talented, interested and all around extraordinary people. Some of these people are specialists in a given field while others have multifaceted interests, especially as they relate to the betterment of the community in which they live. On Sunday, October 5, the city of Stamford, Conn.—which I represent here in the House—will honor a gentleman who I would easily classify in the later group, a man of many interests and one with an abiding concern for his city. Mr. Speaker, October 5 in Stamford is "Harry Rosenbaum Day" but as anyone who has ever been in need would know, every day in Stamford is Harry Rosenbaum day.

In the last few weeks, I have asked a number of people, with whom Harry and I share friendships and associations, to cite one of his achievements which stands out from all others. No one could do it. Some could name three, some five, others, more. Mr. Speaker, Harry has just done too many good things for people although in those terms, as he knows, there is no such thing as "too many."

He is a transplanted New Yorker who came to Stamford some 40 years ago and his birth certificate lists his age at 75. That is just a number though because Harry looks 20, thinks 40, goes like 60, is looking forward to being 80 and in everybody's book, scores 100. I should add, Mr. Speaker, that as you may well assume, awards are not new to Harry for other organizations have shown their appreciation to him in the past. However, there is only one he has ever sought and that is constant for its the personal satisfaction he can enjoy in knowing he has beeen able to help someone along the way.

It is easy to understand then why Sunday will be a special day of celebration in Stamford as they honor a man "for his lifetime of involvement in the growth and betterment of the entire community." I know that every Member of the House would want to join me in extending congratulations and our best regards for a continuing and productive future.

INFORMATION ON A–10 FATIGUE FAILURE

HON. JEROME A. AMBRO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 2, 1975

Mr. AMBRO. Mr. Speaker, recent official and press reports have described results on Fairchild's A–10 test plane, the so-called fatigue model. To understand those reports, it is important to know that a fatigue test program is designed to prove the aircraft's basic structure through a lifetime of simulated grueling combat and training missions. The purpose of such testing is to isolate early in the program any structural areas that need strengthening, thus avoiding the necessity for a costly retrofit program after the aircraft have entered the active inventory. The tests are designed to produce the same kind of structural stress that the aircraft would encounter in actual mission flight. On September 23, the fatigue plane in question experienced a failure, but the subsequent Air Force report indicates that the problem is not a major problem, and that neither production nor jobs will be affected, and Fairchild assures me that corrective action is underway. The report is as follows:

INFORMATION ON A–10 FATIGUE FAILURE

On September 23, 1975 the A–10 fatigue test article experienced a failure of a fuselage frame. Based upon our initial analyses of the damage experienced by the test article, and stress survey testing, we have high confidence that both the retrofit and in-line production redesigns can be accommodated within the current forging design and overall aircraft dimensions. The redesigns will be local around the failed part. Our assessment is that the fatigue article can be repaired and tested to one lifetime (with the exception of the local failure area) before DSARC IIIB, scheduled for November 1975. An increase in weight of not more than 20 pounds will have a negligible performance impact. In anticipation of some redesign requirements from the structural test program, we budgeted for adequate funds within the Full Scale Development Program for such failures. We likewise have adequate engineering change order funding identified in the Production Program to cover the fix from this failure. The structural hot spot failure in the A–10 Program was discovered early, consequently, a small number (6 R&D and 18 out of a programmed production of 733) of aircraft need be retrofitted. The production rate of aircraft is low, building from one per month to two per month over the period that retrofit will take place.

GROUNDBREAKING CEREMONIES FOR THE ADMINISTRATION AND RESEARCH BUILDING OF THE CARY ARBORETUM

HON. HAMILTON FISH, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 2, 1975

Mr. FISH. Mr. Speaker, I am inserting in the CONGRESSIONAL RECORD exerpts from the text of proceedings of the groundbreaking ceremonies for the administration and research building of the Cary Arboretum of the New York Botanical Garden at Millbrook, N.Y., on April 26, 1975. There is no need for me to paraphrase the remarks of those who participated. The innovativeness of the New York Botanical Garden today and its mission tomorrow is a story I recommend to my colleagues.

SPEECH BY MR. FRANCIS H. CABOT, CHAIRMAN OF BOARD OF MANAGERS, NEW YORK BOTANICAL GARDEN

Ladies and gentlemen, distinguished guests, friends of the Cary Arboretum, one and all. Welcome to these groundbreaking ceremonies for the major building that will be placed on the Cary land alongside the east branch of Wappingers Creek at the foot of the Cannoo Hills.

With me on the dais are The Honorable Ogden Reid, the Commissioner for Environmental Conservation for the State of New York, The Honorable Hamilton Fish, Jr., Representative in Congress from these parts, Dr. Howard S. Irwin, President of the New York Botanical Garden and also the head of the Cary Arboretum, Mr. Malcolm Wells, Architect for the new building, Mr. Selwyn Bloome, of Dubin, Mindell & Bloome, Engineers and last but not least, three old friends of Mary Flagler Cary—Mrs. L. Lee Stanton, Mr. Herbert Jacobi and Mr. Frank Stubbs. In the audience we have the Honorable Robert Low, who is the Administrator of Environmental Protection for the City of New York. Will you stand up Mr. Low. We're always glad to see our city cousins. We also have many other elected representatives and other officials of the County, Town, and Village governments of this area. We are particularly pleased to see Miss Louise Tompkins, who is the Town historian, who has come to this session today.

Helen Stanton with Messrs. Jacobi and Stubbs, and the late Edward S. Bentley as Trustees of the Mary Flagler Cary Charitable Trust, are responsible for the creation of the Cary Arboretum and also for permitting the New York Botanical Garden to act as mid-wife, nurse, and now young parent of this fledgling institution.

It is generally believed that an Arboretum should have four main thrusts:

1. It should be concerned with the role of trees and shrubs in the landscape from a scientific, horticultural, and aesthetic point of view,

2. It should have an active concern with the enhancement of the civilized landscape,

3. It should serve the public, help others make use of what it knows, and

4. It should be a permanent field station

using its living collections and its natural areas for monitoring long term changes, of an ecological nature, especially as urbanization of the region increases.

The Cary Arboretum's living collections, educational programs, and research work will not only reflect these four goals but will also do much more as you will learn this afternoon. When all is said and done, there should be no other arboretum like it in the United States, or for that matter, the world.

The New York Botanical Garden is thrilled to be associated with the Cary Arboretum and its development and is immensely grateful to Mary Flagler Cary and her Trustees. It is grateful, in general, for this chance of a lifetime to do its particular thing, and grateful in particular for the pioneering spirit that led them to support this pilot venture that is about to begin.

Howard Irwin, would you please tell us something of what is to come.

SPEECH BY HOWARD S. IRWIN, PRESIDENT, NEW YORK BOTANICAL GARDEN, AND DIRECTOR, CARY ARBORETUM

Just as the Cary Arboretum represents a marked departure from institutions of its kind, we here celebrate a marked departure from convention in architecture and in building engineering. For we are responding directly and squarely to the energy crises.

We are bringing the sun down to earth, so to speak. We realize that solar energy is the richest resource on the earth and that it is time for us to get acquainted with it directly. Figured at current prices, the sun's energy reaching the earth's surface each day has been said to be worth more than $500 billion dollars. Yet we are actually using only a few hundredths of one percent of the sun's energy that reaches the earth, and most of that for the production of food and fiber.

Why do we need to learn more about using the sun? Because the continued availability of energy is rapidly becoming the world's most pervasive, difficult, and dangerous issue. And what are the options open to us? Today 97% of the energy used to run this nation's industry, its agriculture, its transportation, to modify and illuminate human environments in homes and at work, to cook, to clean, to communicate, all of this is obtained by burning oil, gas, and coal. These are fossil fuels, the long dead remains of plants, and once used up they will be gone forever. We are told oil and gas will be gone in perhaps 30 years; that coal may last several hundred more, but at the cost of digging up 10,000 square miles of the United States and with the addition of lung-damaging sulfur dioxide to the air we breathe.

Conventional wisdom from Washington tells us that as in war so in peace, nuclear energy will save us. Yet the present types of nuclear reactors require fuel that will run out in 25 to 30 years and leave masses of long-lived radioactive wastes for our descendants to cope with. The breeder reactor, if it works, would obviate that problem, but trials thus far in this country and in the Soviet Union, with false starts and explosions have dimmed our hopes and still confront us with the absolutely essential requirement of isolating people from plutonium, the most potent radioactive material known.

This then, realistically, is what we see in the energy crisis. By the end of this century we may be tearing up vast areas to reach our coal or we may be building hundreds of breeder reactors, the cooling requirements of which will exacerbate yet another environmental problem lurking in the wings for us to cope with—the limited and fixed amount of fresh water in this world.

One of the most promising energy options that presently seems realistic in continuous and adequate availability and in minimal deleterious environmental impact, is the capture of solar radiation. As Farrington Daniels, who will come to be known as the father of solar energy application in this country wrote a decade ago: "There is no gamble in solar energy use; it is sure to work. It has been demonstrated that solar energy will heat, cool, generate power, and even convert salt water to fresh. The only problem before us is to do these things cheaply enough to compete with present methods."

That was 10 years ago. In the 10 years since those words were written, no one has challenged them and meanwhile, the economic barrier has vanished before our eyes—with soaring fuel prices, improved solar capture technology, and the intensified awareness of the environmental cost of fossil fuel extraction and combustion and of the hazards of nuclear power generation.

As environmental responsibility is the central theme in the research, the education, and the applied programs of the Cary Arboretum, it is fitting that this building, one of the principal nerve centers of creative work and coordination at the entire Arboretum, the seat of its research laboratories, its library, its plant specimen collection, its horticultural planning and records, and its business and administration, should stand a paradigm to that principle. I have dwelled on energy, but I could as well have pointed out the many design innovations incorporated to conserve energy, as well as to enhance the human environments within the building, to assure the efficient use of space, and to present an architectural statement befitting this institution and the community of which it is a part.

We are living in a time of crisis agendas and need now to cross over to the concept of long-range planning, the dividends from which we may never enjoy but which will assure an enjoyable world for the generations which follow. This change to long-range planning will require major changes in public attitudes. The needed technological capability is ours. We have the requisite scientific, humanitarian, and futuristic viewpoints in our society. What we need now is a sense of trust, a sense of understanding, a sense of cooperation—a deep concern and interest in what is going to happen to all of us rather than just what's going to happen to me or to you. That spirit pervades the Cary Arboretum of the New York Botanical Garden, and I am sure you will see that it is reflected in the plans and the reality of this exciting building.

SPEECH BY MRS. L. LEE STANTON, TRUSTEE

I have been thinking of what was the initial impulse that has resulted in this happy occasion today. What was the first moving force that has brought all of us here now. It was Mary Cary's love for this land and for everything that grew on it.

After Mary's sudden death, we Trustees were responsible for carrying out her wishes for property: that it be always preserved in its entirety as a natural resource. There were various ways this might have been done, many suggestions were made to us and a number from distinguished organizations with worthy schemes. But we felt that the New York Botanical Garden project for a research arboretum, combined the most wise preservation of the land, with the real possibility of making a permanent, lasting benefit to the environment for people far beyond these boundaries.

SPEECH BY CONGRESSMAN HAMILTON FISH, JR.

It's a pleasure to be with you today to participate in the groundbreaking ceremony for this important new project. As a resident of Millbrook, the occasion is a particular pleasure to me. I have had the honor of participating in such ceremonies in other areas of this district I represent, but this is the first time for me in my own home town. And my thanks, Mr. Cabot, to the New York Botanical Garden for their commitment to our community.

A $2 million project at any time would be important for our township as well as for our county. At this time of high unemployment, projects such as this are needed to strengthen and stimulate our economy and it is doubly so. But in a broader sense, in this age of dwindling energy resources, in marking the start of construction of this 28,000 square foot building, we are doing more than simply *breaking* ground for one more building. We are in a very real sense, participating in the dawn of what could well be the energy wave of the future. Although some individual homes have solar heating equipment, I believe that this is the very first building of its size in our part of the country designed to utilize solar heat and heat pumps for its total heating requirement.

Let me speak for a moment about solar energy, and this is touched on briefly in terms of the waste in terms of money, of the sun's energy. Each year the sun pours 3,600 quintillion BTU's of energy upon the earth, and that is about 18,000 times the amount needed to meet the world's demand for mechanical energy and heating. At many points it can be tapped to fuel electric power, to warm our homes and to drive our industry. This ladies and gentlemen is the opportunity and the promise before us.

The energy shortage was dramatized by the impact of the Arab oil embargo in 1973 and early 1974. The facts were, however, that our ability to develop sufficient, clean, pollution-free energy to meet our demands already was declining. Whether the Arabs cut off oil, or at some future date we simply used up the resource, the hard fact was, we were spending our natural energy resources like a profligate running through an inheritance.

Faced with the realization that something had to be done, and done before the oil barrel finally dried up, Congress this past year passed four public laws affecting the solar energy program. The first, the Solar Heating and Cooling Demonstration Act; the second, the Energy Reorganization Act of 1974, also the Solar Research Development Act; and finally the Federal Non-Nuclear Energy Research and Development Act. These four laws, which pertain to solar energy, contain broad authority for the Energy Research and Development Administration to conduct a wide range of programmatic activities related to the goal of ensuring that economically competitive and environmentally acceptable solar energy technologies are available to our nation at the very earliest time for utilization on a commercial scale.

Perhaps expressed another way, will afford a better idea of just how revolutionary this building is—just how much in the forefront it is of technological thinking and design. ERDA, Energy, Research and Development Administration, estimates that power systems based upon solar energy conversion through solar thermal and ocean thermal technology are not expected to be commercially implementable until the mid–1980's. And yet, here we are in a project such as this and the vision and daring of the backers of projects such as this, which will make solar energy available before then. It is for these reasons that I am particularly pleased and honored to be with you. For together here today, we are all participating in the future. Together we are taking a small first step along what will prove, I believe, a long road towards a day of environmentally safe, clean and inexhaustible energy.

Those few who gathered years ago around Thomas Edison and witnessed the first dim glow of the incandescent light bulb, could not possibly envision what the globe would

lead to. Neither can we fully foresee what a full use of solar heating and solar thermal conversion will mean. But we can predict, I believe, it will mean a better and brighter world.

Again thank you for inviting me to be a participant at the start of that bright tomorrow.

SPEECH BY COMMISSIONER OGDEN REID, NEW YORK STATE DEPARTMENT OF ENVIRONMENTAL CONSERVATION

I would like to first pay particular tribute to the Cary Trust. This magnificent effort here at Cannoo Hills of Mary Flagler Cary, I think is going to go down through the generations and I'm sure if she could be here, she would be very happy.

We are all, I think, familiar with some of the research of the Arboretum. But let me just mention the work with Con Ed in trying to do something new and creative about transmission lines. Quite frankly, Dr. Irwin, I would like to see transmission lines underground, but until such time as that becomes a reality, I think what you've done to try and protect the flora and the fauna and take a very hard look at herbicides had made a beginning of much sounder approaches. If you drove in to some of the beautiful valleys here this morning and looked around, you might have seen one of the power lines going right over a ridge line. Well we are just starting to learn, and the Cary Arboretum has helped us to learn that you don't want to run a powerline along a ridge line. That has some problems both to sediment and to the trees and the whole question of erosion.

I think what is happening here at this Arboretum, in terms of forest pathology and the whole concept of urban environment and how we are learning to manage some of the bad habits of man in an urban environment, and how we can come to the rescue of urban trees and how to develop trees that can survive, I think, is very significant and exciting work. And I look forward, as do all those in the Department of Environmental Conservation to working with the Arboretum and the New York Botanical Garden to do some exciting things. I might say, that in a recent chat with Dr. Irwin, he pointed out to me that the Botanical Garden has a plant library that is the largest in the world. But the problem is that many of the plants are not able any more, on this planet of ours, to keep up with environmental change. That should say something it seems to me to all of us, and I might say also that we've got a problem in this state called acid rain. It has something to do with sulfate emissions and Bob Low, who is here as Administrator, EPA, New York City, and is really cleaning up your air in New York City and doing a great job at that, and I both know that we've got to worry about what we're putting upstairs in terms of a variety of emissions. But the interesting thing about all this is that the early warning signals in the environment are our plants and our flora and our fauna. And when fish can no longer stay in Colden Lake in the Adirondacks because the pH content has gone too acid, it starts to mean that our flora and fauna and wildlife are the early warning indicators for all of us. And accordingly, I think, that the work that is going on here is going to be very significant in the days ahead and if plants can't survive, chances are we're not going to do such a good job of survival either.

Let me say that the Department of Environmental Conservation is also trying to do a few things to protect plants. As you know, a law was passed by the state legislature last year that sets up a protected plants category. We've listed 34 thus far that are vulnerable, like trillium and like the mountain laurel, and we're today considering a number of others through a panel of some 28 botanists and to those of you in the audience today, you might let me know, if you are inclined, whether any of the following ought to be included in the endangered plant species: Rosewood, White Adder's Tongue, Cuban Switch Grass, Slender Sea Oat, Northern Wild Rice, Smooth Bell Wart, Coastal Sweet Fern, Southern Wild Ginger, Perennial Glass Wart, Monk's Hood, Sweet Bay, or Wild Hydrangea. They are all applicants for being considered as endangered plants.

Finally, let me say just a word today about energy, because it seems to me we're particularly concerned about that. It seems to me that we are starting slowly but starting nonetheless to understand that there are finite limits to our planet, to our environment, and to our energy sources. The thought is occurring, I think, also, that it is possible to have irreversible environmental damage. In just this past week I've been concerned with saying a word or two about the SSI. That particular aircraft not only burns three or four times more jet fuel than existing planes, but it holds the possibility along with some other things we're doing, of creating irreversible damage to the stratosphere. And accordingly, I think, we've got to learn as we progress, not only should we avoid environmental damage on the one hand, but hopefully to develop cleaner sources of energy as well. Solar energy is certainly one. Tidal power may be another. Wind power is one that we could do much more with. I'm hopeful that in the State of New York we can develop a pilot plant on coal liquefaction and coal gasification. And I think that there are possibilities also of developing some of our natural resources in this State, hopefully, without any environmental damage. We have, for example, some 500 billion cubic feet of natural gas in Lake Erie. The Canadians have sunk over 700 wells and so far as I know, with no serious environmental damage. But, be that as it may, the kind of work that will go forward here I think is exciting. Let me mention one or two figures that you may not have noticed. Once this facility is moving forward, it will use 75% less commercial energy and will use 35% less total energy. It will be particularly scrupulous in the summer time in being planned in such a way that the sun's rays will not overheat and it is also being very thoughtful about what it does in the winter time because there it's going to maximize the heating potential from the sun.

So I think it's precisely this kind of endeavor that is hopeful for this State and indeed for our nation. But above all, I think the Cary Arboretum and the Botanical Garden and the generous efforts of Mrs. Cary in the past, being carried on by the Trustees today, represent a certain harmony because we have a facility that has been designed to minimize in any way, damage to the environment. There are going to be exciting things for the flora and the fauna and with it all you're going to be pointing the way for new leadership, for energy that is clean and hopeful and efficient. And I think that this is an exciting kind of endeavor.

THE ECONOMIC PLIGHT OF AGING WOMEN

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 2, 1975

Ms. ABZUG. Mr. Speaker, while over 40 percent of the work force is female and 25 percent of the heads of households are women, the social security system fails to recognize this fact, treating married women as dependents, even when they have paid equal contributions into the system.

Nearly half of the women over 65 live either below or near the poverty line, due to gaps in social security coverage.

But social security is only part of the economic discrimination against women. Not only are women's earnings notoriously lower than those of their male counterparts, but women are also penalized for their childbearing years, in terms of pensions, lack of day care centers and flexible work schedules.

Representative PATRICIA SCHROEDER of Colorado brought these facts to the attention of the House Select Committee on Aging during its recent hearings in Denver. I compliment my colleague for her very fine statement, which is consistent with her tireless efforts in behalf of the concerns of women. I submit to the RECORD the following testimony by Congresswoman SCHROEDER, which points to past failures and the present needs for serious legislative action to bring greater equity and security to women:

THE ECONOMIC PLIGHT OF AGING WOMEN

I want to thank the Chairman of this Select Committee and its members for coming to Denver today to listen to what we in Colorado believe are the problems facing our aged. It is, of course, important to know what the problems are before proposing or taking remedial action.

But I wonder if there has been entirely too much talk and too little action.

In the year before the last presidential election, the White House Conference on Aging was convened, and solid recommendations to deal with the problems of the aged resulted. These recommendations were duly received with the appropriate rhetorical flourishes standard for political campaigns, and then they were locked away in that White House vault which I imagine is reserved for the reports of similar groups, and particularly, Presidential Commissions.

Politicians in Washington used to be charged with "throwing money at problems." That proved disastrous, so now reports of Presidential Commissions are thrown at the problems. I guess it is less costly, but the problems remain.

With the exception of pension reform, whose major benefits will not be felt for some years, and which does nothing for present retirees, the recommendations of the Conference on Aging have been typically consigned to oblivion. Indeed, groups of elderly Americans are currently being forced to fight to maintain the status quo for special housing programs.

But, while the problems of the elderly may be well known, there is one major aspect that is not normally identified: the particular problems of aging women.

For example, the Pension Reform Act of 1974 failed to include the one provision that women need the most—portability. The White House Conference on Aging broke down the problem of the aging into 19 categories, but not one addressed the specific problems of women. And, meanwhile, the Social Security System continues to function under the outdated assumption of segregated roles of men as "breadwinners" and women as "homemakers."

When over 40% of the work force is female, 25% of the heads of households are women, and divorce rates almost doubled in the past decade, it is time to throw out the 1935 assumption that women are only homemakers, whose earnings are of secondary importance to family income. Especially archaic and dangerous is the notion that all this doesn't matter because women will retain

their "dependent" status into old age, and someone will "take care of them."

Until we recognize and deal with changing reality, women over 65 will continue to constitute the poorest major segment of our society, with nearly half living below or near the poverty line. Because women constitute 59% of our nation's population over 65, and 75% of the population over 75, it is clear that a failure to provide for the needs of aged women quite simply means that the retirement system is a failure—period.

The most recent statistics are appalling. As of March, 1975, there were 12.4 million women 65 and over with a median annual income of $2,375. But stereotypes die hard, and the standard response to the figures is that they are deceptive because surely the vast majority of these women are living with their husbands or other relatives, and therefore are not forced to live solely on their own pitifully inadequate income.

That common assumption is wrong. The Bureau of the Census broke down their March, 1975, figures for me, and they indicate that there are over 5 million American women over the age of 65 today who are living alone with no means of financial support other than their own income. The median income for these women is $2,700 annually—and let me remind you that the official poverty level for an individual is currently pegged at over $2,400.

So, the situation is that over five million women in the country are old and alone, and about half that number are also living their last years in poverty—and very few have enough for more than the necessities of life.

Most of these women have not always lived alone, and most have not always been poor, but their circumstances have rapidly deteriorated with advancing age. What has happened to them is not inevitable, but rather, it is the result of discrimination throughout their lives which strikes its cruelest blows at the end. Given the circumstances surrounding elderly women, perhaps our longevity should be seen in a different light. It may well be no great advantage.

What can be done to help?

Elderly women are poor because of decreasing ability to work, and because of the inadequacy of private and public pension benefits which are the major sources of income in old age. Of course, these same problems affect men, but they apply to women to a much greater degree. Let me point out a few of the problems that apply specifically to women:

The major problem, of course, is that sex discrimination in employment turns into sex discrimination in retirement. Exclusion from "man-paying" jobs follows women into old age. Median earnings for women are less than half of a man's, and whether it is a private pension plan, or social security, it is on earnings that a benefit formula is based. Since women typically earn lower wages, they also earn lower pensions. Essentially, then, until we deal with sex discrimination in employment, there will always be a severe problem.

But there are other major factors involved. In the private sector, employers are still not required to have pension plans. It is for those low-paying jobs to which women have been traditionally consigned, that employers generally do not provide pension benefits. For those women who do work for employers with pension plans there is a vesting problem. Even under the Pension Reform Act, it usually takes 15 years for a pension to vest fully. Although more and more women are in the labor force, the responsibilities of family life often interrupt employment. Our society has traditionally encouraged such interruptions through emphasis on the role of women as homemakers, and the lack of institutional alternatives such as day care centers or flexible work weeks.

What this means is that women are much less likely than men to work for the same employer long enough to have a pension vest. Add to this the still traditional situation wherein the male is transferred by his employer to a different location. His wife accompanies him. The man continues to work for the same company but the woman most probably has to change employers and loses years towards a vested pension. The conclusion is that while portability of pension rights is important for everyone, it is essential for women. And we don't have it.

Now, let's take a look at Social Security. It is well known that women's social security taxes do not buy as much protection as a man's. But these discriminatory provisions, based on the archaic assumptions I mentioned previously, are in the process of being struck down by the courts. But there are many other problems.

For example, women are punished for motherhood by the public as well as the private retirement system. The periods that women are out of the job market for child rearing show up later in reduced benefits. The benefit formula averages out earnings, so that every year out for child raising is not disregarded, but rather counts for zero. If women had the same "work" lives as men (that is no time taken out for motherhood) it is estimated that only 11% as opposed to 24% would receive minimum benefits; and twice as many would receive the highest. As long as women have more years of zero earnings than men, even the full elimination of wage and job discrimination will leave benefits lower for women.

In this context, it is incredible that there are no credit provisions for time spent for labor in the home. But the Social Security Administration would probably reply that the "mother" is covered by the system—that's why "dependency" benefits were added in 1939. Let's look at that assertion.

First of all, there is a matter of principle. The government is fond of saying that the underpinning of the social security system is that it is an *earned* retirement benefit. That is why the people support it; and it is important to the wage earner that he (or she) contributed to the system. Well, the concept of having earned the benefits should equally apply to the homemaker—the issue of independence is involved.

But, there are real economic pitfalls to the "homemaker as dependent" provisions of the law. There is no coverage for homemaker disability. What happens if she has an accident? If someone has to be hired to replace her services, the impact is the same as a wage earner losing a salary.

If the benefits follow the "breadwinner" what happens with a divorce? A homemaker's rights to social security don't "vest" until 20 years of marriage. What happens to a woman who becomes divorced in her forties or fifties after nineteen years of marriage?

What about the widow whose benefits cease when the youngest child reaches 18, until she reaches 60? The homemaker at 50 faces very difficult handicaps in finding a job because of her age, sex, and lack of "recent job experience." In fact, not only is it difficult for women to find a job in their fifties, it is also difficult for women to keep their jobs after fifty. Studies show us that women are much more often forced into early retirement than are men.

In my view then, our public retirement system—Social Security—helps to reinforce the economic impact of sex discrimination, and punishes women for their traditional roles in society. And in her old age, a woman gets the big pay-off—abject poverty.

There is legislation before the Congress now to deal with the problems regarding social security—but none have been seriously considered by the Ways and Means Committee. Portability provisions for private pension plans passed the Senate, but failed in the House during the last Congress.

Mr. Chairman, I have clearly not addressed myself to all the problems of the aged; nor even to all the problems of aged women. But I think I have identified some problems which we know how to solve, if we have but the will.

LET'S GET THE RAILROADS MOVING AGAIN

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 2, 1975

Mr. PICKLE. Mr. Speaker, the most energy efficient mode of transportation available remains in many, many instances, the train. Yet United States use and development of trains, particularly for passenger purposes lags not only behind other industrial countries but also behind many developing countries as well.

Mr. Orren Beaty, president of the National Association of Railroad Passengers recently wrote an article in the Friends of the Earth newsletter explaining many of the problems and potentials of railway use in this country.

Although the issues involved are extremely complex, especially when we get into the issues of finding funds for and assessing responsibility for maintaining good tracks, the article gives a good introduction to the issue, and I insert a reprint in the RECORD at this time:

LET'S GET THE RAILROADS MOVING AGAIN

(By Orren Beaty)

Freight hauling is vital in a major industrial and heavy agricultural nation like ours. Railroads can do the job better, more reliably, with less air pollution, and with better fuel-use efficiency than any other mode of transport. With Amtrak's new, more reliable and comfortable passenger equipment now being built, trains can obtain the higher load factors that will make railroads the most energy-efficient transporter of people as well as freight. Both accomplishments are possible using existing facilities. Little, if any, additional land would have to be ripped from fields and forests or cities and towns to build new freeways or truckways or whatever.

Preserving railroads generally, and passenger trains in particular, however, is not an easy job, partly because government policy for the past 50 years or so has favored every other mode of transportation. While the railroads have built and maintained their own tracks and roadbeds and paid state taxes on them, the government (federal, state, and local) has built highways for the trucks and buses—as well as for millions of passenger cars—and has built canals and dredged rivers for barges that haul increasing amounts of freight while paying nothing in user charges. Federal and local governments have also spent billions of tax dollars building and maintaining airports, operating traffic control ssytems, and providing special weather services for commercial airlines and private pilots.

Since 1920, the United States Railway Association has determined, governments in this country at all levels have spent about $400 billion on transportation. Railroads have received less than one percent of that money. The federal government provides as much as a billion dollars a year in support of air travel and much more for building and maintaining highways. Gasoline, excise, and other use taxes pay only part of the costs. The railroads maintain their own tracks and roadbeds (inadequately), and often pay dis-

criminatory taxes while tortoise-like regulatory agencies deny them some efficiencies.

THE ROCKY ROAD

Railroads have had their ups and downs since their heyday before World War I. One decline was slowed by World War II, but when peacetime reduced the heavy military traffic, both passengers and freight, the decline resumed. Then the first heavy impact of an unbalanced national transportation policy hit passenger trains and, incidentally, prompted the formation of the National Association of Railroad Passengers to combat train discontinuances. The impact was greatest in the northeast, where financial collapse of the giant Penn Central in June, 1970, touched off a wave of railroad bankruptcies.

One emergency action followed another to prevent the collapse of the northeastern rail carriers from derailing the entire national economy. Now, in the fall of 1975, Congress and the Administration are in the final phases of a planned restructuring of both the ownership and the physical plant of railroads stretching from St. Louis and Chicago on the west to Boston and the Chesapeake Bay area on the east. Billions of dollars will be involved, but even this heavy expenditure will not do the job unless additional steps are taken to guarantee that dilapidated tracks and roadbeds are brought up to high standards and kept there.

Without better and safer tracks, the fine, fast new equipment Amtrak is putting into service will have to continue running at restricted speeds, unable to provide the expanded, reliable service that will lure Americans from their private cars.

The situation is different in many of the world's other important industrial nations, and even in some of the developing countries.

It may be no surprise to learn that passenger trains in France and Japan daily attain speeds of 125 and 130 miles per hour respectively. One can ride the 320 miles between Tokyo and Osaka at an *average* speed of 101 mph including stops, and the 360 miles between Paris and Bordeaux at an average speed of 90 mph. The surprise may come with knowledge that developing countries are catching up with European standards, while Europeans themselves are preparing for a further increase in train speeds by constructing new rights-of-way for the exclusive use of passenger trains.

France is planning a new line between Paris and Lyon to be built to 185-mph standards, although it will be operated initially at 155 mph. The trains that use it will be compatible with the existing rail network, over which they will run to reach the stations of Paris, Lyon, and more distant points. The Ministry of Transport has calculated that the line will save at least 100,000 tons of oil annually because the traffic diverted from air and automobiles will more than offset the increased energy consumption of the faster trains.

Perhaps because of similar calculations, construction of Italy's new 155-mph Rome-Florence line continued on schedule through last year's economic crisis. New lines are also planned in Germany and elsewhere in Europe.

Japan now has a total of 663 miles of high-speed line in service, the most recent segment having opened last March; 534 additional miles are under construction, and the country is aiming for a network totaling 4,300 miles. The "Shinkansen," as it is called, made a profit of approximately half a billion dollars in the 12 months that ended on March 31, 1974, even after allowing for depreciation and interest payments.

THE UNITED STATES LAGS BEHIND

Iran has purchased some French Turbotrains of the same design that Amtrak now operates on the Chicago-St. Louis and Chicago-Detroit runs. Reportedly sold out two to three days in advance, these Iranian trains average 74 mph on one 308-mile segment of their 574-mile Teheran-Mashhad route. And Argentina expects to operate 100-mph trains by 1977.

Unfortunately, with all the environmental advantages good rail passenger service brings, service in the United States today is generally much slower than in the foreign examples. The average scheduled speeds of all American trains, according to the timetables, is less than 50 mph.

Primarily because of its love affair with the superhighway and private car, the nation that normally prides itself on its industrial accomplishments must import French Turbotrains and Swedish electric locomotives, and is unable to run even those at speeds of which they're capable because of deplorable track conditions.

The New York-Washington Metroliners provide the one US service that international speed surveys acknowledge. Its fastest schedule calls for an average of 75 mph over the 224-mile route, including four intermediate stops. But Metroliners are limited to a top speed of 105 mph, schedules are not reliably maintained, and the ride is frequently rough. The Federal Railroad Administration has just announced a two-year program to restore the tracks to their 1969 condition and a 120-mph speed limit.

Congress, in writing the Regional Rail Reorganization (RRR) Act to salvage the bankrupt northeast railroads, mandated the establishment of genuine high-speed service over the entire Boston-Washington corridor. It called for upgrading the track to standards that would permit non-stop New York-Washington running times of two hours instead of the present three, and Boston-New York non-stop trips of 2.75 hours instead of four.

The Administration has taken its time implementing this mandate. An interim program to restore previously existing speeds is also in progress on the Boston-New York run, where the fastest trip is now at an average of 58 mph, but the Administration has yet to express a commitment to attaining the goals of the law.

On the bright side, there is substantial evidence that Americans, like their European and Japanese counterparts, will patronize good service when it is provided. Surprising ridership increases are being realized on clean, reliable trains operated at relatively slow speeds. The French Turbotrains operating between Chicago and Detroit, which achieve an overall average of only 50 mph and do not exceed 70 mph, drew 90 percent more passengers in June of 1975 than in the same month of 1974. In contrast, the system-wide trend in 1975 is toward reduced riding as a result of the recession, compared to last year's greater use during the energy crisis.

NO NEED TO WAIT

It seems there is no need to wait either for 100-mph tracks or for the futuristic types of vehicles our government has been playing with for the past decade while other countries were improving service. Citizens can reasonably demand the immediate restoration of service wherever adequate tracks exist and reasonable ridership levels are foreseen. Tracks can then be improved as needed.

Amtrak's network has grown steadily, in fact, since the quasi-public corporation began operating a skeleton system on May 1, 1971. Routes have been added either as a result of the direction of Congress or where states have taken advantage of Section 403 (b) of the Amtrak law, which enables states to get new service by agreeing to pay two-thirds of the cost. The Administration advocates changing this arrangement to a 50-50 basis to reduce the state share; then states would be forced to pick up half the losses or to lose the service. Successful 403(b) programs involving more than one route are sponsored by Illinois, Michigan, and New York; Minnesota participates to a lesser degree.

Under Section 403(a), Amtrak is empowered to initiate new routes on its own, and 403(c) requires the corporation's board to initiate at least one experimental route per year. Amtrak recently made its first use of 403(a) by adding a Dallas section to its Chicago-Houston "Lone Star."

THE BIG PROBLEM: LACK OF TRACK

One problem delaying restoration of passenger service is the absence of adequate track in many of the most promising corridors; such as across heavily populated Ohio and Indiana. Even though Indianapolis was served by two north-south routes in Amtrak's basic system (Chicago-Cincinnati-Washington and Chicago-Louisville-Florida), no such service is provided now because deteriorating tracks have forced the rerouting of these trains to other railroads which bypass Indiana's largest city. Beginning October 1, Cleveland will once again have intercity service—one daily Boston-New York-Chicago round-trip—but service will be about five hours slower than it was ten years ago, and Cleveland still awaits logical links to Pittsburgh and the Columbus-Dayton-Cincinnati corridor.

The RRR Act provides for upgrading most of the mainlines needed for Midwest services, and there is hope that passenger trains will be able to attain 80 mph on many of these routes within five years—about the time when foreign services will be approaching 155 mph!

Aggressive efforts by a growing number of states that want good rail passenger service are being aided by private organizations of railroad enthusiasts. The efforts of Illinois, Michigan, New York, and Minnesota have obtained new routes. Massachusetts had one 403(b) service for awhile and wants to restore it. Pennsylvania, Ohio, Wisconsin, Florida, and California are looking for new services. State and regional groups, such as the Northeast Transportation Coalition, the Northeast Corridor Rail Action, and associations of railroad passengers in a number of states—Ohio, Michigan, Florida, Georgia, and Texas—have been in the forefront of such projects: There are about 20 active state or regional groups, along with NARP, doing the necessary groundwork that could lead to expanded and improved service.

In addition, a number of local associations of commuter riders are working on making better use of existing railroad facilities. The states of Maryland, Pennsylvania, New Jersey, New York, Massachusetts, and Illinois have been progressively involved. In many cases, the quickest method to bring fast rail transit service to the suburbs is to make the greatest possible use of existing railroad facilities and to operate what is traditionally known as "commuter rail" service. This method is cheaper and involves less community disruption than the construction of separate exclusive-use tracks for a rapid transit system. Since the tracks are already in place, trains can run farther from the central city, minimizing the number of automobiles converging on individual stations.

COMMUTING IN TORONTO

Toronto, Ontario, provides the most dramatic example of a commuter rail system built from scratch. Service in two directions from downtown Toronto was inaugurated on Canadian National Railways tracks only two years after the decision to institute it was made. Fifteen thousand trips per day were being handled three months after the line opened, and that in a low ridership month for commuter operations.

Such opportunities in the United States have been neglected because of the combined pressure of private railroads not anxious to have to "bother" with more passenger trains

and of the special interests that stand to benefit from construction of massive suburban rapid transit systems. (This is not to say that no more subways should be built, but that railroad facilities should be more closely examined for the provision of service to the suburbs.)

Not only is the Toronto example unlikely to be repeated in this country, but several existing commuter rail services may be lost within the next year as a result of the RRR Act. These services are not presently subsidized by state or local governments, generally because they extend beyond the boundaries of transit districts for the metropolitan areas they serve. Since the RRR Act envisions somewhat hopefully that ConRail (Consolidated Rail Corporation), the new operating entity that will succeed Penn Central and the smaller northeast bankrupts, will be profitable, ConRail will not maintain commuter services at its own expense. It can be expected to discontinue them if subsidy arrangements cannot be made, probably by February 1976, when ConRail is scheduled to begin operations.

SUBSIDIZE COMMUTERS

We agree that ultimately these services will have to be supported by transit authority subsidies from the states or localities involved. However, our experience indicates that in an area where rail services have not previously been subsidized, it takes time to develop the political climate and the legal and funding capabilities. Since most of the attention of planners and the public in the northeast has been focused on freight, many of the people who would be working to save these trains are unaware that the services are in jeopardy.

Therefore, we urge Congress to amend the RRR Act to provide a 100 percent federal subsidy for the ConRail commuter lines for a year or two to give interested local groups and governments time to preserve badly needed services.

We also support massive federal efforts to upgrade mainline inter-city trackage. The railroads can't or won't do it, and without improved tracks, Amtrak can't provide the fast, reliable service the nation needs. We prefer public ownership of the tracks, with the private-enterprise railroads and Amtrak paying user fees to cover the costs after the initial rehabilitation. This procedure would protect the taxpayers' investment.

If Congress or the Administration can come up with a better method for better tracks for an intercity rail passenger network, we will support it. We demand action on some reasonable plan, however, before we have no trains left. The next few months are a time for important decisions in the transportation field.

NATIONAL SAFETY COUNCIL SAYS AMERICA NEEDS THE HIGHWAY TRUST FUND

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 2, 1975

Mr. SHUSTER. Mr. Speaker, the prestigious National Safety Council, a nongovernmental, nonprofit, public service organization chartered by the Congress to work in all aspects of accident prevention and safety, has urged Congress to preserve the highway trust fund. Following is a portion of their testimony given before the Surface Transportation Subcommittee on September 23:

NEED FOR HIGHWAY TRUST FUND

Customarily the National Safety Council refrains from discussing Congressional financing devices for safety programs, because the Council does not purport to any expertise in Federal fiscal and budget policy. However, our concern with the Highway Trust Fund is quite a different matter, because its operation inheres in the very effectiveness of the two highway safety programs we have discussed—the driver-oriented State and community highway safety program under Section 402 and the road-oriented Federal-aid highway construction program. I must frankly say to this Committee that, without the Highway Trust Fund, I fear for the continued viability of both of these necessary highway safety programs.

1. For Driver-Oriented Safety Programs. The 91st Congress was the first to make provision for Trust Fund financing of Section 402 programs, P.L. 91-605. Since then, increased Trust Fund support was absolutely essential to the achievement of even the modicum of action programs now financed with Federal, State and local funds. The pre-Trust Fund experience is a clear and unhappy demonstration that, without Trust Fund financing, Section 402 would be starved to the point of virtual standstill. Therefore, the National Safety Council strongly urges that the Highway Trust Fund be continued in its present form in order to provide this absolutely essential financing for Section 402 programs.

2. For Road-Oriented Safety Programs. The same situation prevails in the road-oriented safety programs which are of such vital importance to highway and traffic safety. The Highway Trust Fund has shown itself to be an effective and publicly acceptable mechanism for constructing and upgrading the roads which are so essential to the American life style and to increasing safety and vehicular mobility. Highways deteriorate with usage and age, and once-safe roads can become hazardous with time and changed circumstances. The road program requires the continued Federal leadership and financing assured by the Highway Trust Fund. Therefore, in the interest of highway safety and saving lives, the National Safety Council strongly urges extension of the Highway Trust Fund beyond the October 1977 expiration and that the Federal-aid highway program be continued in its current form and at no less than its current level of financing, in order to achieve a more acceptable degree of traffic safety on the roads and highways of the nation.

WHY CONSERVATIVE LAWYERS ARE HARD TO FIND

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 2, 1975

Mr. McDONALD of Georgia. Mr. Speaker, we have all seen how assiduously leftist activists within the legal profession work tirelessly to force their views into law. Many have wondered why there are so few lawyers of different outlook. A possible explanation has come to hand, in the form of a lawsuit by the administration of the Delaware Law School against an official of the American Bar Association. The trials and tribulations of a "conservative" law school, in seeking accreditation, are detailed in the complaint; if true, these allegations indicate a distinct hostility toward "freedom of speech" when it is not "liberal." In this century, Americans have witnessed a transition away from a constitutional republic toward a runaway mobocracy. Key to this transition has been the defeat of the principles of constitutional law at the hands of those who espouse social law. Unless there is a rebirth of the concepts of constitutional law, our system will not survive. This rebirth will require the teaching of the principles of constitutional law in America. In our schools of law, to date, unfortunately, this dangerous trend has not been reversed.

[In the U.S. District Court for the District of Delaware, Civil Action No. 75-]

COMPLAINT

(John H. Tovey, plaintiff, *v.* Arthur A. Weeks, defendant)

(A jury trial is demanded)

FOR A FIRST CLAIM

4. At all times relevant hereto, over three-quarters of the states in the United States have provided, either by court rule or otherwise, that no graduate of a law school could take the bar examination and become a lawyer in that state unless the school from which he had graduated was, at the time of graduation or before, placed on the approved list ("accredited") by the House of Delegates of the American Bar Association, whereby the American Bar Association has exercised delegated governmental power.

5. At all times relevant hereto, almost all students attending the Delaware Law School came from and intended to practice law in states requiring graduation from an A.B.A.-approved law school to become lawyers, thereby rendering a degree from a non-approved law school worthless for the practice of their profession.

6. On information and belief, at all times relevant hereto, the House of Delegates of the American Bar Association has only approved law schools upon a favorable recommendation of the Council of the Section of Legal Education and Admissions to the Bar (hereinafter called the "Council"), finding that the law school applying for approval substantially complies with the "Standards for Approval of Law Schools".

7. On information and belief, at all times relevant hereto, the Council has generally, although not always, required a favorable finding by its Accreditation Committee, in order to make a recommendation for approval to the House of Delegates.

8. On information and belief, at all times relevant hereto, the Accreditation Committee has generally, although not always, required a favorable finding by an inspection team in order to make a favorable recommendation to the Council that the law school was meeting the Standards for Approval.

9. At all times relevant hereto, when a law school applied for approval, it became the function of the Consultant on Legal Education to the American Bar Association, a paid employee of the Council who, prior to December 31, 1973 was Millard H. Ruud, and subsequent thereto was James P. White, to select a team to inspect the law school and write a report of inspection to the Accreditation Committee and Council, stating the condition of the school, and whether it substantially complied with the Standards for Approval, which report is given great weight in determining whether the school will be recommended for approval by the Council.

10. On information and belief, during the fall 1973, Rudd, White, and a majority of the Council and its Accreditation Committee were politically "liberal", and knew that the founder and then Dean of the Delaware Law School, Dr. Alfred Avins, as well

as a majority of its Board of Trustees and many faculty including the plaintiff, were politically "conservative."

11. On information and belief, during the fall 1973 and continuing to date, Ruud, White, E. Clinton Bamberger, now the Chairman of the Council, Harold G. Reuschlein, now the Chairman of the Accreditation Committee, and sundry other members of the Council and Accreditation Committee not now known to the plaintiff, entered into a wrongful plan or understanding to fraudulently manipulate the inspection process and accreditation process in order to delay A.B.A. approval of the Delaware Law School beyond the period of time when it had in fact substantially met accreditation standards used to approve other small law schools, in order to place pressure on the law school, its trustees, and the law students and their parents, to eliminate then Dean Avins, "conservative" faculty, including the plaintiff, and "conservative" trustees, especially if deemed to be in agreement with Dean Avins, from positions of influence in the school, because of political hostility to the aforesaid "conservatives."

12. On information and belief, in pursuance of said wrongful plan or understanding, sundry overt acts were carried out, a schedule of which is annexed to this complaint, and made part of this complaint.

13. On information and belief, the aforesaid Council and Accreditation Committee members, and Ruud and White, well knowing that the first class of the Delaware Law School was scheduled to graduate in June 1975, and that it was absolutely indispensable for the school to be recommended for accreditation by the July 1975 meeting of the Council if the students were to be allowed to take the July 1975 bar examinations in their respective states, further entered into a wrongful plan or understanding in Fall 1974, to discriminatorily and falsely find that the school was not meeting the Standards for Approval in February 1975, in order to compel the Board of Trustees of the Delaware Law School to affiliate or merge with a college or university, particularly Widener College, to gain approval by July 1975, in order by said affiliation or merger to eliminate the existing Board of Trustees or at least diminish its influence by swamping them with new trustees.

14. Pursuant to the aforesaid wrongful plan or understanding, and as a result of the fraudulent manipulation of the inspection and accreditation process, and in order to obtain accreditation by July 1975 and avoid grave injury both to the law school, as by withdrawal of students upon failure of accreditation, and to the students themselves, the Board of Trustees of the Delaware Law School was compelled to vote to affiliate or merge with Widener College, and to turn the said law school, previously an independent and a non-stock corporation, into a stock corporation with one share of stock of a par value of one dollar, and to issue said share of stock, representing the whole property in the law school of a value of over one million dollars, to Widener College for one dollar.

15. On information and belief, during the academic year 1974–75, officials and trustees of Widener College, Pennsylvania, desired a law school and studied starting one, but concluded that it could not afford one financially, unless it was able to "capture" free of charge, the Delaware Law School, and utilize the work done by Dr. Avins, the founder, which in turn could only be accomplished by delaying the accreditation of Delaware Law School so that the American Bar Association officials could put pressure on the graduating students, to in turn press the trustees of Delaware Law School, to affiliate with Widener in return for accreditation, in violation of printed Standards for Approval of Law School.

16. On information and belief, defendant Weeks, in the Fall 1974 and thereafter, entered into a wrongful secret understanding with the President and sundry officials and trustees of Widener College and White sundry accrediting officials of the American Association, which understanding or agreement provided that the Board of Trustees of the independent Delaware Law School would be forced to affiliate or merge, and thus swamped with new trustees or eliminated entirely, by Widener, and Dr. Avins would be divested of his influence over the school which he had founded, and conservative faculty identified with Dr. Avins including plaintiff would not have their contracts renewed, all as desired by liberals in the A.B.A. accreditation process, that Widener in return would receive a going law school of a value of over one million dollars for one dollar, and defendant Weeks would either receive a new contract as law school dean from Widener College at a salary over one and one half times his salary at Cumberland Law School, his previous place of employ, or if he went to Jackson Law School in Mississippi, he would be guaranteed the accreditation of that law school by the American Bar Association.

17. On information and belief, officials of Widener College well knew of the fraudulent manipulation of the accreditation process by American Bar Association officials, and the reasons therefor, as aforesaid, when contracting to affiliate or merge with the Delaware Law School, and when receiving the said share of stock, and acted in concert with and as agents of the aforesaid A.B.A. officials in carrying out their purposes.

18. On information and belief, the aforesaid manipulative and fraudulent practices of A.B.A. accreditation officials resulting in the issuance of stock to Widener College in interstate commerce constituted the promotion by these officials of securities fraud in violation of Section 10(b) of the Securities Exchange Act of 1934, 15 U.S.C. sec 78(j) (b), and 17 C.F.R. sec. 240.10b-5, of which defendant had knowledge and intended to promote, in order as previously stated to insure the termination of obstacles to defendant's elimination of plaintiff from his position at Delaware Law School.

19. The founding Dean of the Delaware Law School, Dr. Alfred Avins, first employed the plaintiff, and had he remained Dean, or had the Delaware Law School trustees not been compelled to affiliate or merge with Widener College, the plaintiff would have been continued in his employment for the Summer Session 1975 at the law school, and would have had his contract renewed for academic year 1975–76, and have received a permanent, tenured contract for that year or thereafter, but instead defendant Weeks, pursuant to the aforesaid plan, did not renew plaintiff's contract for summer session 1975 and academic year 1975-76 or provide a tenured contract for plaintiff, as he had a reasonable expectation of receiving, pursuant to Dr. Avins' recommendation, whereby defendant unlawfully defeated plaintiff's reasonable expectation of a new or renewed contract.

JOHN H. TOVEY, Esq.,
Plaintiff pro se.
FRANKLIN LAKES, N.J., *August 15, 1975.*

WAYNE COUNTY COMMISSIONER SPEAKS ON ECONOMIC DEVELOPMENT LEGISLATION

HON. CHARLES C. DIGGS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 2, 1975

Mr. DIGGS. Mr. Speaker, on September 23, 1975, the Honorable Roscoe Bobo, chairman of the Board of Commissioners for Wayne County, Mich., testified before the House Public Works Subcommittee on Economic Development concerning economic development legislation. I believe his testimony, submitted on behalf of the National Association of Counties, is an important statement on an issue of importance to all Members, and I would commend it to the attention of my colleagues:

STATEMENT OF ROSCOE L. BOBO

Mr. Chairman and members of the Subcommittee:

My name is Roscoe L. Bobo, Chairman, Board of Commissioners, Wayne County, Michigan. I appreciate the opportunity to testify today before this distinguished Subcommittee on behalf of the National Association of Counties. We in county government have a high regard for the work of this Subcommittee and for your continuing attention to the economic development needs of the nation.

My testimony will deal principally with three matters:

1. An extension of the Public Works and Economic Development Act of 1965 when it expires next year.

2. The need for a prompt House-Senate conference on HR 5247 Emergency Public Works legislation . . . and

3. Problems encountered by counties in the implementation of the new title X Job Opportunities Program.

Let me take a moment to familiarize the Subcommittee with the current economic situation in Wayne County. Located in Southeastern Michigan, Wayne County contains 2.6 (two-point six) million people residing in forty-three communities. The largest of these communities is the City of Detroit with 1.4 (one-point four) million people.

Chief among our problems is unemployment brought about by the current recession.

Countywide, our unemployment level is slightly over sixteen percent.

Even in the best of recent times, unemployment in our county has persisted at eight to ten percent. Within the City of Detroit, and within the core of Detroit, these percentages have been twice and three times the countywide figure.

I stress these grim facts, Mr. Chairman, to point out the tremendous need of Wayne County and its citizens . . . for Federal assistance.

As for the matters pending before this Subcommittee, I now address the issue of Extension of the Public Works and Economic Development Act of 1965.

The National Association of Counties supports the proposed three-year extension of this Act. The grant and loan program for local economic development provides a proven and successful approach to the problem of persistent and substantial unemployment. It ought to continue without change.

Wayne County has participated in the Economic Development Act program for some time. Our county formulated a county-wide overall economic development plan. This plan has served as the basis for application for Economic Development Act funds by Detroit and smaller communities. Through County planning, we have been able to approach economic development on a comprehensive, regional basis.

Regarding Emergency Public Works Legislation, we wish to strongly urge prompt consideration by a House-Senate Conference Committee of HR5247. The House version of this legislation authorizes a 5 billion dollar program of grants to state and local governments to combat unemployment through the construction of needed public facilities.

The Senate amended HR5247 to provide $3.85 (three-point-eight-five) billion in anti-

recession assistance. This would include $2.125 (two-point-one-two-five) billion for public works activities and $1.7 (one-point-seven) billion in anti-recession grants to state and local governments with unemployment rates in excess of six percent.

County governments believe it is essential that the Congress promptly approve a package of public works and anti-recession assistance to help them to cope with the current emergency.

A public works program would greatly assist in creating jobs.

The anti-recession—or counter-cyclical—assistance program would save jobs in the public sector and minimize local tax increases or service cuts.

In Wayne County, we need public works funds to assist us in the construction of a county jail program that will cost about 30 million dollars. We are required to build this jail by court order. Construction of this jail could begin within 90 days. Unless federal assistance is forthcoming, the only way we can comply with the court order is to reduce other services such as support for our County General Hospital.

Wayne County is projecting a deficit for this fiscal year of approximately 10 to 12 million dollars. We have already transferred nearly four million dollars from our Capital Fund to offset this deficit.

We desperately need the 8 million dollars to which the County would be entitled under the anti-recession proposal. We therefore urge that any final public works bill include a provision for an anti-recession—or countercyclical—grant program.

Finally, regarding Implementation of Title X Job Opportunities Program, counties are concerned over the manner in which this is being implemented. The purpose of this program—as the Subcommittee knows—is to combat unemployment with labor-intensive activities. Under the program, the Department of Commerce is authorized to fund projects submitted by other federal agencies.

The latest round of funding for the program included the release of $375 million in August. The Economic Development Administration administers the program. Economic Development Adm. set up an extremely tight time frame. Together with the lack of written instructions and procedures, this time frame made it nearly impossible for counties to apply for these funds.

On August 19, Economic Development Administration notified other federal agencies that funding under Title X was available and that applications must be received by EDA by September 15. The agencies in turn were to notify their clients—counties, cities and states—that funding was available.

You can imagine the time needed to transfer this information to state and local governments as well as the internal agency deadlines needed for the federal agencies to comply with EDA's September 15 deadline. What resulted was that counties had only a few days with which to prepare and submit applications, if they could do so at all. All of this leads us to question whether the Administration is serious in spending these funds to fight the recession.

Let me say in closing, Mr. Chairman, that the recession as it affects counties is not over. We desperately need federal assistance.

We need emergency assistance such as that contained in a combined public works—countercyclical program to help us deal with the current situation of excessive unemployment.

We also need federal assistance embodied in the basic Economic Development program to help stem persistent structural unemployment.

We urge your prompt action on these matters.

"RAILWAY AGE" COVER STORY FEATURES BUD SHUSTER'S VIEWS ON RAILROAD TRUST FUND

HON. THAD COCHRAN

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 2, 1975

Mr. COCHRAN. Mr. Speaker, the September 29 issue of Railway Age features an indepth interview with Congressman BUD SHUSTER of Pennsylvania, ranking minority member of the Public Works Surface Transportation Subcommittee.

I commend this thoughtful article to my colleagues' attention:

RAILROAD TRUST FUND: TWO VIEWS

(By Luther Miller, editor of Railway Age)

Examine the bios of Asaph H. Hall and Bud Shuster and you find some striking similarities. They are young (early 40's). They are brainy (Hall is a Phi Beta Kappa out of Dartmouth, where he earned B.A. and M.S. degrees; Shuster earned his Phi Beta key at the University of Pittsburgh, and went on to pick up an M.B.A. at Duquesne and a Ph.D at American University). And they are key figures in the shaping of Ford-Administration transportation policy (Hall heads the Federal Railroad Administration; Shuster is the ranking Republican member of the Transportation Subcommittee of the House Public Works Committee—which now has jurisdiction over mass transit as well as highways, and hopes soon to bring railroads under its wing).

But on one key transportation issue, Hall and Shuster are split. Hall, speaking for the Ford Administration, is anti-trust fund. He approves the concept of user charges "where appropriate"—but he would have the monies accruing therefrom go into the general fund, with transportation needs being met from that source.

Shuster not only wants to keep the Highway Trust Fund, which President Ford plans to phase out. He also wants trust funds for railroads and mass transit, and perhaps for barges.

Railway Age recently talked with both of these men about how they feel railroad and other needs should be financed—and about the problems which have led even the most conservative Republicans (and Democrats) to come around to the thinking that some kind of Federal aid must be provided—and fast. Excerpts from the interview with Administrator Hall start on p. 18; the exchange with Congressman Shuster starts on p. 26.

RAILROAD TRUST FUND

Back home, in the Ninth District of Pennsylvania, U.S. Rep. Bud Shuster is known as a good friend of railroads—so much so that railroad workers at Altoona recently took a full page ad in a local paper to thank him for his help. In Congress, Shuster is known as a good friend of highways: he has sharply attacked the Administration's plan for busting the Highway Trust Fund. Railway Age recently discussed this seeming anomaly with Shuster, the ranking Republican on the Transportation Subcommittee of the House Public Works Committee.

RA. Rep. Shuster, why do you oppose the Ford Administration's plan for restructuring—"busting," if you will—the Highway Trust Fund? As I understand it, part of the rationale is that this would free for other transportation purposes monies now dedicated to the building of highways and more highways. . .

SHUSTER. No. That is a widespread assumption. However, there is absolutely not one sentence, not one word, in the Administration's proposal which would redirect Trust Fund money to other modes of transportation. Rather, the Administration's proposal is that three of the four cents of the Federal gasoline tax be diverted from the Highway Trust Fund and put into the general revenues. Not one penny is allocated to any other form of transportation. Now if one wants to conjecture, I suppose that the money could go into other forms of transportation, or it could go into foreign aid, or defense or whatever one would like to fight for. There is absolutely nothing in the Administration's proposal which indicates that part of those funds will go to other forms of transportation.

RA. Yet, the impression was left that this diverted money would be earmarked for other modes. . .

SHUSTER. That is not the case. The Administration's proposal is that the three cents would go out of the Highway Trust Fund and into the general treasury. It would not be earmarked in any fashion. To simplify it, I say three cents. Actually, that third cent would go into the Federal general treasury unless the states enacted a one-cent gasoline tax which could go into the state general treasury. But still there's nothing at all which says that one cent would have to go for transportation purposes. What it *boils* down to is three cents in general treasuries.

RA. Then you want to keep the Highway Trust Fund as it is?

SHUSTER. Not as it is. In fact, I agree with the principle put forward by the Administration that there are too many categories in the Highway Trust Fund. There's something like 34 pockets into which Trust Fund money goes—so much for bridges, so much for high-hazard areas, so much for urban and rural areas. That could be reduced down to maybe six or 10 categories.

Furthermore, I am quite prepared and anxious to expand our horizon in the Congress, to look not simply at highways or mass transit or barges or railroads or airplanes, but to look at a more integrated transportation system. My objection is that we should not destroy the one single most successful transportation funding mechanism we have in America—the Highway Trust Fund—and the fairest, too, I might add, embracing the principle that he who uses pays for it. Instead of destroying that one successful mechanism, and pouring the money down the bottomless rathole of government spending, we should keep the Trust Fund and we should expand it to include either other trust funds or one trust fund with categories within the trust fund. What we need is the trust fund concept applied to mass transit and to railroads and to waterways.

RA. Would you personally prefer a single trust fund?

SHUSTER. It's semantic. It doesn't make any difference so long as you carefully define and allocate the portions—it doesn't matter if you have four different pies structured at certain sizes to go to four different transportation modes, or whether you have one pie and certain slices structured to go to the various modes.

I think it is quite important that there be definition as to where the money comes from and where the money goes, rather than one big pot that the Congress gives to the Secretary of Transportation and hopes that he somehow allocates it in accordance with the national priorities.

RA. The Highway Trust Fund monies come, of course, from the highway users. That would not always be possible in the case of other modes, would it?

SHUSTER. The mass transit part of it would be quite difficult, I will quickly say. But I am unwilling—and maybe this is just because the equity philosophy dies hard with

me—I am unwilling to say it is totally impossible over the long run.

As to the railroad trust fund, Governor Shapp for example has proposed a 5% surtax on freight. Now that is a very onerous burden to lay on the railroads. I think it would just never work. It would not work because what they're saying is we're going to increase the cost of one mode of transportation by 5%, and this simply would tend to make the railroads less competitive than they are today. So I think that idea as proposed is a very bad one.

However, back off and look at this question in terms of what I like to call parity. The key, the trick, is to achieve parity among the various modes. And you do not hurt the railroads, if you put a 5%, or whatever the percentage might be, surcharge on all freight hauled by the railroads if you put the same surcharge on trucks and barges at the same time. To me, that's one of the keys to raising the necessary funds to revitalize America's railroads as well as to provide the increased funding that's necessary for other modes of transportation. I argue that contrary to the proposal to destroy the Highway Trust Fund, the cold hard evidence indicates that we need increased funding for America's highways, for America's mass transit and certainly for America's railroads.

RA. But as you said, this mechanism obviously wouldn't work for mass transit. . .

SHUSTER. In the short run, the money couldn't come from mass transit. If one puts a tax on mass transit there's the great argument that you drive the riders away. That's very true. But again if you look at parity, and if you put a parking tax in metropolitan areas to keep parity there between automobiles and mass transit, then you do not drive people away from mass transit. Selling this idea I think would be enormously difficult, and yet as I say I die hard at eliminating the concept of the user paying. It's the fairest form of tax there is. . . .

Now if there is a surtax on trucks, I could see a portion of that—and I know the truckers would scream like pigs—but I could see a portion of that going to highways and a portion of that going to mass transit.

RA. Some Highway Trust Fund money is, of course, already available for mass transit use. . . .

SHUSTER. Yes. The Highway Trust Fund is really a misnomer today. It's the Surface Transportation Trust Fund. All of the money in the urban system part of the Highway Trust Fund, which is about $900 million a year, now under the law can be spent in urban areas on either highways or mass transit. So under the Trust Fund there is a substantial amount, hundreds of millions of dollars, made available for that.

RA. One proposal in Congress would impose a tax on all freight users of diesel fuel, including of course the trucks, to create a railroad trust fund. Do you see any logic in that?

SHUSTER. It's really similar to what I have just mentioned I think. I think it would be more palatable to the truckers to let the railroad tax go to the railroads and let some of the truck tax go to mass transit.

RA. Your constituency is in a great railroad area of Pennsylvania, around Altoona. In fact, the railroad workers out there recently took a full page newspaper ad to commend you publicly for what you had done for them and for the Penn Central. You are therefore familiar with our railroad problems. . .

SHUSTER. Very familiar. In fact, it's sort of interesting that while I serve on the Public Works Surface Transportation Subcommittee which has responsibility for all forms of surface transportation except railroads, my first love is clearly the railroads. The fact is that the Congressional Reorganization Act of last year, which created the new Surface Transportation Committee which I am on and which now has everything except railroads, originally went to Congress with the recommendation that the new committee also include railroads. It was only, I understand, in order to get enough votes to pass the whole Congressional Reorganization Act, which included 20 different committees, that an agreement was struck with Harley Staggers of Interstate and Foreign Commerce to let him keep railroads. I think almost nobody around here believes that railroads will stay there forever. So I look forward to the day when my first love will join my other loves.

RA. Talk about a railroad trust fund has been revised due mainly to railroad troubles in the Northeast and Midwest. As the representative of an area very importantly involved, what do you think of the Final System Plan for restructuring the Penn Central and the other bankrupts, and for funding the new railroad, ConRail?

SHUSTER. I think that the USRA approach is a lousy approach. It's like Abraham Lincoln speaking of democracy: It's the worst form of government ever devised by man, but man has never devised a better one. So, while my view of the USRA approach is that it is lousy, it happens to be the only game in town. It is the least bad approach that I have seen yet. I therefore vigorously support it.

It's very instructive to me to watch my own educational process over the months and then watch the educational processes of others who just by the nature of things didn't become familiar with the situation as early as some of us did. When I first saw the USRA plan my reaction was, it's a lousy plan and there's got to be a better alternative—controlled liquidation, for example. After poring through the Preliminary System Plan, and trying to find alternatives, I really couldn't have come up with anything better. So I became a kicking, reluctant advocate.

RA. Do you think this plan will get through Congress?

SHUSTER. Yes. I think Congress will go through the same evolution as I have and others closer to it have. A typical member, who has not been on a committee or had a particular interest in railroads, will begin to look at the committee report when it comes out finally and say, this is a terrible plan; he will beat his breast and figure out how he's going to oppose it. And then as he studies it and studies it and looks at it, and looks at the alternatives, and the lack of real alternatives, and looks at the time factor—which is so vital—I think he will come around.

RA. Aren't Congressmen from the West, for example, apt to say, "The Northeast isn't our problem, why should we pay to bail them out?"

SHUSTER. The answer to that is that our railroad system is a national railroad system. If people in the West, the Midwest, the South look where their freight flows to and from, they will see that we are not a nation made up of regions that are self-contained, but rather a nation whose commerce flows nation-wide.

RA. Do you think the time will arrive when we are going to have either totally nationalized railways or permanently-subsidized railways?

SHUSTER. It's possible. I certainly hope that time doesn't come. I see the USRA/ConRail approach as the last hope against that eventuality. If ConRail does not succeed, we're going to have nationalization.

RA. The Administration says it will go along with the Final System Plan and the additional funding required only if it gets at the same time some rather fundamental and wideranging deregulation reforms. Is this a reasonable approach in your view?

SHUSTER. I suppose it's blackmail of a sort. I'd like to see some fundamental changes as far as regulation is concerned. But I think the two should stand on their own merits; I don't particularly like seeing the two tied together.

THE UNITED STATES IS BEHIND OTHER NATIONS IN ENERGY CONSERVATION

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 2, 1975

Mr. BROWN of California. Mr. Speaker, I was somewhat surprised to discover in a news article from the October 1 edition of the Washington Star that the United States, which has been preaching energy independence, is ranked near the bottom of the Western nations in its efforts to conserve energy. I know that we have not been doing as much as we should or could in the area of energy conservation, but I did not think we were so backward that we are ranked 14th out of 18 nations in the International Energy Agency.

Mr. Speaker, this is inexcusable, and while I have leveled many criticisms at the administration for its failure to adopt effective energy conservation policies, I must, in all honesty, charge the Congress with some responsibility for its failure to adopt any mandatory energy conservation measures, even while it criticizes the administration's short-sighted energy policies, making it a legitimate target of criticism.

I do not want to belabor the areas in which we can save energy. This was done in detail on July 14 during a Special Order on Energy Conservation that I organized. If anyone is interested in specific energy conservation strategies, I would call their attention to pages 22635 to 22653 in the CONGRESSIONAL RECORD.

At this time I insert in the CONGRESSIONAL RECORD the article from the Washington Star:

U.S. RANKS NEAR BOTTOM IN ENERGY-SAVING EFFORTS

(By Roberta Hornig)

The United States ranks near the bottom of a list of oil-consuming nations' energy conservation efforts since the 1973 Arab oil embargo, the 18-nation International Energy Agency says.

Ironically, the agency is the brainchild of Secretary of State Henry A. Kissinger, who conceived it as a consumer solidarity "energy action group" to counter economic pressure from the oil-producing nations' cartel.

Further, Kissinger's philosophy, stated several times, is that the agency's success depends upon the United States leading the way in reducing worldwide demand for oil.

The United States' poor report card is contained in the first review of conservation programs by member nations between the time of the oil embargo, imposed in the wake of the 1973 Arab-Israeli war, and last June 30.

This review, some of it marked "secret" and other parts "confidential," is circulating among several government agencies, including the State and Treasury Departments. It also is being reviewed at the IEA's headquarters in Paris for a presentation at a meeting scheduled later this month.

Summing up its opinion of U.S. conserva-

tion efforts to date, the IEA says: "The American program must overcome an extremely high per capita historical energy consumption pattern and as such must be comprehensive and strong to be effective. At the present time, it is neither."

Current U.S. efforts, the agency review group complains, "depend almost entirely on voluntary programs, research and development and public education."

The final, public version of the report is expected to avoid an explicit ranking of the IEA member nations' conservation performance. But the draft review in circulation lists countries in the order that the agency believes their conservation programs have been successful.

The United States ranks fourth from last, just above Belgium, Norway and Austria. At the top of the list for best performance are the United Kingdom and Sweden.

Specifically, here is what the report has to say about the programs initiated by the IEA members:

United Kingdom—"Clearly . . . has one of the most comprehensive conservation programs . . . at the present time." The British have reversed their price control policy, have introduced a 25 percent gasoline tax and have revised electricity prices to bear more heavily on larger consumers.

In its analysis of U.S. performance so far, the IEA says the best program is President Ford's $2-per-barrel tariff on imported oil "which has the effect of raising all petroleum prices by 20 percent."

The IEA analysis says that the executive branch "has proposed a fairly comprehensive conservation program" but that it has not yet been passed by Congress.

It goes on to list major deficiencies in the "current U.S. situation" which, the analysis says, include almost no taxes on gasoline or other energy products to curb use, no incentives or standards to reduce auto miles traveled and electricity rates that are lower for consumers which use more power, such as industries.

In general the analysis favors the White House program and blames Congress for inaction.

The review committee, made up of members from each of the IEA countries, apparently follows the Kissinger—and the White House—theme that higher prices are the best way to go to curb consumption.

While staying away from specific recommendations for conservation, it recommends for "serious consideration" several measures for strengthening national conservation programs.

The most dramatic of its proposals is to increase taxes "significantly" on "certain fuels" to encourage conservation. But it recommended measures such as gasoline taxes, which Ford explicitly has ruled out.

Other measures recommended range from pricing energy at "competitive market levels" to enforcing speed limits to changing the rate structure of electricity so that higher costs are borne by business and industrial users.

Sweden—". . . a very comprehensive and potentially effective program" has been adopted. The new program includes a goal of reducing energy growth from its historic 4 to 5 percent a year level to 2 percent until 1985 and to zero growth from 1980 onward. Sweden also has imposed new taxes on electricity and gasoline, raising prices by 10 and 5 percent.

Denmark—A new program is being developed which will give the country "an even stronger program than now exists." The review particularly lauds a provision involving conservation in heating buildings, where 50 percent of the country's energy is used. Already in effect are a heating consultative service for homeowners, funds for insulating homes, doubled electricity rates for most consumers and the banning of autos in some city centers.

Italy—Its conservation program is not finished, but measures already implemented "make it a very noteworthy program." The report cites a 50 percent increase in gasoline taxes, and changes in the electricity rate structure.

Ireland—". . . fairly strong . . . although . . . not as comprehensive as that of several countries discussed above." The report cities gasoline tax increase resulting in a price rise of 30 percent and new building codes to require better insulation of buildings.

Turkey—". . . almost impossible to evaluate or compare with other countries because of the low energy intensity of its economy." The IEA report says that as Turkey's economy grows energy consumption will have to grow as well. But it praises the country for a program that includes major energy taxes, reduced street lighting, rearrangement of working hours to avoid peak times and make maximum use of daylight, higher auto sales taxes, programs to substitute coal for oil, and mandatory reduced heating levels for all residential and public buildings.

Germany—The German program "could be substantially strengthened" but that its oil consumption declined by 10 percent in 1974 over the previous year, more than any country of similar size and industrial intensity, the draft report says. It says Germany's program includes a significant conservation budget, a fuel oil tax and an auto excise tax geared to engine sizes.

Spain—The report mentions "impressive goals" of reducing dependency on foreign oil from 79 percent to 44 percent by 1985. The most dramatic provision of its program is rationing of home fuel oil to 80 percent of 1973 levels.

Japan—". . . extremely difficult to evaluate." In some areas, the review says, Japan is heavily dependent on voluntary appeals. But its program does include energy efficiency goals to be set by industry, development loan for energy conservation improvements and a change in the electricity rate structure to charge less to smaller users.

Canada—". . . faced with the challenge of reversing the adverse trend of a very high and increasing level of consumption . . ." The Canadian program so far, the review panel says, will do little to reverse this trend. The program, however, includes mandatory appliance labeling, high insulation standards for residential construction and expanded public education.

New Zealand—The country has "introduced several excellent conservation initiatives, but improvements . . . are possible." The program includes a gasoline tax increasing prices by 25 percent, and taxes aimed at energy-using recreation, such as non-commercial flying and private boating.

Switzerland—"No comprehensive energy conservation program as yet . . ." The IEA draft says Switzerland's most effective measure so far is increased prices, particularly by raising gasoline and diesel fuel prices by roughly 10 percent, and new speed limits.

Netherlands—In the process of passing a program through Parliament. The draft report says "it does not appear that it will be one of the IEA's most comprehensive programs." It says the program does include major government subsidies for encouraging insulation in existing buildings and a public campaign to conserve in all other areas.

For Belgium, Norway and Austria, the three nations ranked below the United States, the review committee says, in effect, that conservation could be improved considerably. Luxembourg, the 18th IEA member, was not included in the list.

MULTIPLE SCLEROSIS CANNOT DIM HIS SPIRIT

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 2, 1975

Mr. VANIK. Mr. Speaker, a rather extraordinary man by the name of Ralph Keating, a constituent of the 22d Congressional District of Ohio, which I am pleased to represent, has been the subject of a recent very well-deserved article in the Catholic Universe Bulletin of Cleveland.

I have known Mr. Keating for many, many years. He is a person of extraordinary strength, character, and talent. Having suffered for many years as a result of multiple sclerosis, he has nevertheless been active in a vibrant part of our community.

For 38 years Ralph Keating worked for the Western Union Telegraph Co. and was a member of the NBC orchestra for a long period of time.

We are all so fortunate to have Ralph Keating among us, so active and such a fine example for everyone in and out of public service.

Our whole community wishes Ralph Keating a long and continued active and productive life.

An article from the Catholic Universe Bulletin of September 19, 1975, about Mr. Keating is as follows:

[From the Catholic Bulletin, Sept. 19, 1975]

MULTIPLE SCLEROSIS CAN'T DIM HIS SPIRIT

(By Diane Steele)

Multiple sclerosis has kept the body of Ralph Keating confined pretty tightly to a wheelchair these past 19 years. But his spirit—now that's a different matter.

Daily, on the telephone or through the power of a postage stamp, he moves out to acquaintances and many strangers in need.

Where there is loneliness, he puts friendship.

Where there is sorrow, he puts love.

Where there is a financial need, he sends assistance.

Where there is frustration, he sends confidence.

Where there is no hope, he supplies it.

Where there is hunger, he finds food.

Keating lives at 13654 Fairhill Rd., Shaker Hts., with his wife, Emma, and full-time male nurse, Jimmy.

From his wheelchair, Keating makes it his job to write cards daily to 16 to 20 people whose physical condition is worse than his. He also uses the telephone quite frequently to call others and cheer them up.

He is active in Catholic organizations and functions. He was a St. Patrick Hibernian member 25 years and the first wheelchair Holy Name Society president at Our Lady of Peace Parish in 1960.

Keating is an "Eating Out" enthusiast. He follows the U-B listing of parishes sponsoring dinners weekly. Most every week, he's out attending one or another. His favorites are spaghetti dinners at Our Lady of Lourdes Shrine and chicken dinners at St. Helen, Newbury, Notre Dame Educational Center, and St. Edward, Parkman.

More people should support their parish by attending these functions, he said.

Keating regularly sends limited financial aid to priests and nuns, shrines, Catholic Charities, and Parmadale Children's Home.

Is he a money tree? No, said Keating, "I

just have a big heart and an overload of money from my VA claim (his MS stems from a World War II related injury). I can't take it with me, so I try to help out those who need it most."

Whom does he help? Friends of friends, someone he reads about in the newspaper, a referral from a parish priest.

One family he helped with food and money. The father of 10 children was locked out of his job because of a strike. The family had just bought a new home. Keating told them how to get food stamps and unemployment benefits. They were unaware they were entitled to either.

One day Keating called up a local grocery store and had the clerk pack $25 worth of groceries for a proud family who desperately needed nourishment.

Events like this happen every day. Someone needs help. Someone mysteriously or anonymously gets it.

Keating gets many of his contacts from his 38-year career with Western Union Telegraph Co., from the friends of the N.B.C. Orchestra he started in the 1920's, from his political ties as Democratic precinct committeeman in Shaker Heights, and from his strong ties with the Church.

How does a man persevere in a wheelchair? Keating is not filled with a "Pollyanna" attitude, but he does "thank God everyday for being alive" and feels himself fortunate enough to have the energy to help others live happy lives, too.

His theory is to let other incapacitated people know that being confined to a wheelchair is not the end of life—"it is the start of a fuller life."

For his public service achievements, County Commissioners Hugh Corrigan, Seth Taft, and Frank Pokorny presented Keating with a plaque in mid-August.

And Don Campbell, past president of Blood Brothers and Sisters of America, Inc., an organization Keating started to aid hemophiliacs, calls him a "man of indomitable spirit."

It's no wonder.

THE LOWLY POTATO

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 2, 1975

Mr. SYMMS. Mr. Speaker, as the House moves closer to considering consumer protection legislation which will impose further Government regulations upon business, I am mindful of a letter from my constituent, C. L. "Butch" Otter. The letter tells the tale of the lowly Idaho potato and all the burdensome controls and taxes it must bear before leaving the State to appear on our dinner plates. For the benefit of my colleagues, the letter is printed below:

J. R. SIMPLOT COMPANY,
Caldwell, Idaho, September 15, 1975.

Representative STEVE SYMMS,
Room 1410
Longworth Building,
Washington, D.C.

DEAR STEVE: Once again the Federal Government in its obsession with economic regulations is seeking to inundate what few virtues there are left in the practice of free enterprise agriculture. I am speaking, of course, of the misguided legislative purpose of S200 and HR7575.

Any experienced participant in the agricultural community knows that if he over fertilizes the ground from which he hopes to harvest a crop, there most likely will be a resulting sterilization of the ground and subsequently no crop. Government would do well to learn from this example—if it over regulates, the results are more than an even chance the motivation to produce will also be sterilized. Opinion: Government should place into permanent storage (preferably scrap) its regulation (fertilizer) spreaders.

The agricultural community today must produce at full capacity, in order to afford those escalating costs on the items it produces. Bigger and more expensive government, resulting in higher costing equipment, land, fertilizers, chemicals, water and labor, has made survival in the agricultural pursuit an extremely remote possibility.

As a potato farmer, I have noted with interest the amount of costly controls, taxes and regulations that even the lowly potato must try to endure: Land—taxed by federal, local and state units of government and the use of land controlled by all three. Water—taxed and controlled by all three units of government. Equipment—manufacturers of farming equipment controlled by all three units of government including the agencies of OSHA, OEO, etc. Taxed by the federal and state governments. Labor—taxed by all units of government. Controlled by state and federal governments. Seed (potato)—regulated by USDA, FDA, EPA, taxed by federal and state governments. Fertilizers—taxed by all units of government and controlled by the federal agencies of USDA, EPA, OSHA, FDA and others. Controlled also by the State Departments of Agriculture, State Health and Welfare Department, State Environmental Agency. Chemicals—taxed by all units of government. Controlled by the federal agencies of USDA, EPA, OSHA, FDA and others. State control under the Department of Agriculture, State Health and Welfare Department and State Environmental Control Department. Transportation—(to market)—taxed by state, local and federal units of government. Controlled under the federal government by fuel allocations, EPA, OSHA and others. State controlled by Highway Department, EPA and others. Marketing—(fresh market)—taxed by all three units of government. Controlled by the federal agencies of USDA, OSHA, FDA, FTC and others. On the state level controlled by the Department of Agriculture, Health and Welfare Department, Potato Commission and others.

Processing—taxed by all three units of government. Local including taxing authorities of school, fire, police protection, cemetery, city government, recreation, and Potato Commission. Controlled under the federal agencies of OSHA, EPA, USDA, FDA, OEO, Department of Labor, Price Control Board, Immigration Service and many others. State control under the agencies of EPA, Department of Health, Department of Agriculture, Department of Labor, Department of Public Utilities, Department of Special Services, State Insurance of Law Enforcement, State Department of Education, State Department of Employment, Industrial Commission, State Tax Commission and State Potato Commission.

It is frustrating to note that before the potato leaves the state for final consumption, some 48 taxes and 72 controls have already stamped their brand or taken their share of the potato.

The point I hope is made: The agricultural community is already 48 times over-taxed and 72 times over-regulated just on the potato. These are definite symptoms of advancing sterilization. The economic law of diminishing returns is already hopelessly strained and only relaxation of regulations and taxes will promote recovery and thus a lower cost to the consumer whether we are to consider the world market or simply the domestic market.

Another layer of controls and regulations via S200/HR7575 will only stop what little motion is left.

I appreciate your help.

Regards,

C. L. "BUTCH" OTTER,
Vice President.

ASSISTANT TREASURY SECRETARY SIDNEY L. JONES WARNS AGAINST UNSOUND ECONOMIC POLICIES

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 2, 1975

Mr. KEMP. Mr. Speaker, the Assistant Secretary of the Treasury for Economic Policy, Dr. Sidney L. Jones, has made two very important addresses in recent weeks on the dangers of our repeating those unsound economic policies which brought about the inflation and subsequent recession as we continue our present economic recovery.

As Secretary Jones points out, the principal danger now is to so overly concentrate on existing problems and uncertainties that we adopt short-range economic policies which will actually make matters worse months down the road. We must, in fostering a recovery, make sure that we do not sow the seeds of an even worse inflation and recession. As a specialist in economic policy planning, his remarks should be given great weight by the Congress, especially as to tax and expenditure policies.

His remarks before the Luncheon Club in Buffalo and before the annual meeting of the American Accounting Association are as follows:

ECONOMIC POLICY AT THE TURNING POINT

(Statement of Sidney L. Jones, Assistant Secretary of the Treasury for Economic Policy before the annual meeting of the American Accounting Association, Tucson, Ariz., Aug. 19, 1975)

The famous author George Santayana once wrote: "Those who cannot remember the past are condemned to repeat it." Analysis indicates that each repetition requires a higher price to be paid. While public attention is focused on current developments, as the economy moves from severe recession into moderate recovery, the major challenge is to plan beyond existing problems and uncertainties. Economic policies at this turning point must concentrate on the persistent problems of inflation, excessive unemployment, low productivity, capital formation, energy resource development and conservation and international economic instability.

Thirty years ago the Employment Act of 1946 declared the objective of national economic policy to be: "To promote maximum employment, production, and purchasing power" through actions consistent with "other essential considerations of national policy" in ways "calculated to foster and promote free competitive enterprise and the general welfare . . ." Within this general framework specific fiscal and monetary policies have achieved mixed economic and social results with occasional recessions to remind us that economic growth is not guaranteed.

The United States has generally experienced rising output, expanding personal consumption, relatively low levels of inflation and growing employment opportunities. At the same time, the dominant influence of

rising expectations has created a confrontation between two basic economic truths: (1) the list of claims against the national output of goods and services is literally endless; and (2) human, material and capital resources are limited even in the advanced U.S. economy. This obvious contradiction requires a more careful ranking of claim priorities and effective management of economic policies. In particular, we need more stable fiscal and monetary programs which do not overreact to fluctuating economic developments. Over the past decade recession and expansion trends have too often been exaggerated by frequent fine-tuning policy adjustments. It is not so much a problem of deciding what to do as it is one of sustaining basic policies long enough to encourage stable growth and longer-term planning.

I. CURRENT ECONOMIC OUTLOOK

Current policy decisions must begin with an understanding of the background and current status of the economy. During the mid-1960's the simultaneous escalation of public spending for the Vietnam War and various social programs combined with a capital investment boom in the private sector to overheat the economy and create accelerating inflation pressures. That rapid expansion was followed by a relatively mild recession and gradual improvement in reducing inflation. Then a sharp economic recovery from 1971 through 1973 resulted in an annual rate of increase in the "real" GNP of 5.5 percent which was well above the long-term capacity of the U.S. economy to expand real output approximately 4 percent each year. During that same three-year period the average annual increase in the GNP price deflator was 4.7 percent and unemployment declined from 6 percent to 4.6 percent by October 1973 as 7.2 million additional people were employed. The trade deficits of 1971 and 1972 were reversed and a small surplus was reported in 1973. In general, the performance of the U.S. economy was impressive throughout that period but the pace of expansion could not be sustained. The housing and automobile industries began to falter as inflation surged upward early in 1973. Raw material and productive capacity shortages also restricted growth. Finally, the oil embargo declared against the United States in October 1973 disrupted economic activity and created great uncertainties.

In the first quarter of 1974 real output declined sharply at a 7.0 percent seasonally adjusted annual rate. The economy then stabilized temporarily in mid-year before rapidly deteriorating into a severe recession in the fall as residential construction, automobile sales, business investment, and consumer spending all declined. During the last three months of 1974 real output fell at a 9.0 percent seasonally adjusted annual rate and it became clear that economic policies had to focus on reversing the sharp deterioration in output and final sales without abandoning the necessary effort to control the double-digit inflation which had been largely responsible for the serious erosion of home building, consumer spending and business investment.

By yearend 1974 some analysts believed that the sharp deterioration in economic activity would continue leading to a worldwide depression comparable to the traumatic experiences of the 1930's. Others argued that economic recovery would begin long before such catastrophic developments occurred. The Administration based its policy recommendations on analysis that a turning point would occur about mid-year if three fundamental adjustments could be accomplished: (1) the unwanted accumulation of inventories could be cleared out and new orders increased; (2) "real incomes" of consumers could be restored by significantly reducing the level of inflation and initiating tax reductions and rebates; and (3) the "lay-off rate"—the number of workers losing their jobs—could be reduced so that unemployment would stop rising so rapidly and consumer confidence could be strengthened.

During the first quarter of 1975 real output of goods and services continued to decline at a seasonally adjusted annual rate of 11.4 percent but economic conditions were already beginning to shift. During those first three months of 1975 personal consumption, net exports of goods and services and government spending at all levels reported strong gains. Most of the economic weakness was concentrated in the private investment sector where residential construction and business spending declined and a massive turnaround in inventories occurred. During the last three months of 1974 unwanted inventories were accumulated at a seasonally adjusted annual rate of $18 billion. In the first quarter of 1975 the situation was reversed as inventories were liquidated at an adjusted annual rate of $19 billion. Since final sales were basically flat, the severe drop in total output reported during the first three months of this year was a direct result of the large swing in inventories which was a necessary prerequisite for future recovery.

As the spring progressed other signals that an economic adjustment was occurring became evident. The current rate of consumer price increases dropped from the double-digit level of 1974 to a 6 to 7 percent zone and the Tax Reduction Act of 1975 was finally passed in March. As a result, real disposable personal income (stated in constant dollars) increased at a seasonally adjusted annual rate of 21.5 percent during the second quarter of 1975 following five consecutive quarterly declines. This improvement was reflected in strong retail sales. The "lay-off" rate declined steadily throughout the first half of 1975, employment began rising again in April and the average number of hours worked and the amount of overtime increased. As the inventory liquidation cleaned out unwanted stocks new orders turned up in April and industrial production bottomed out early in the summer. Exports continued at a strong pace throughout this period and rising government spending provided anticipated stimulus. The downward slide in new home and automobile sales finally stabilized and modest gains occurred in both sectors by late spring.

Publication of preliminary GNP figures for the second quarter indicates that the sharp decline in real output has ended and that the U.S. economy has entered into the expected recovery period. The level of real economic activity (adjusted to remove the effects of price changes) was basically stable—down only 0.3 percent at a seasonally adjusted annual rate—according to the preliminary estimates which will be revised Thursday. This turnaround represents a major improvement following five consecutive quarterly declines in the real GNP.

While it is gratifying that the turning point was reached sooner than expected and the pace of recovery is somewhat stronger than anticipated, this shift in direction does not mean that everything is now fine. To the contrary, a turning point at the bottom of a cycle represents the worst combination of economic conditions experienced during a recession. It is likely that there will be many more economic disappointments during the coming months as the moderate recovery accelerates. But it is certainly encouraging to note the upward tilt of most economic statistics, particularly: (1) the improvement in employment and the related drop in the seasonally adjusted unemployment rate from 9.2 percent in May to 8.4 percent in July; (2) the increase in retail and wholesale inventories in June in response to several months of strong sales; (3) the second consecutive monthly gain in industrial production reported for July; and (4) the strong upward trend, beginning in March, of the new composite index of twelve leading statistical indicators. These developments provide a necessary foundation for a sustained recovery into 1976 based on rising personal spending which will eventually stimulate a resumption of business investment to meet the demand for goods and services. Although the shape and speed of this recovery is still uncertain, because of the dominant role of inventory adjustments and the continuing problems in the housing and automobile sectors, moderate expansion of economic activity is now clearly underway.

II. ECONOMIC POLICIES

While there is widespread agreement that a moderate-to-strong economic recovery has begun, there is justified concern about its sustainability. The severe recession just experienced clearly demonstrated that the U.S. economy can be constrained by shortages of oil and other industrial raw materials. Consumer sentiment is still fragile and directly dependent upon future employment developments. Business capital investment must be increased if the near-term expansion is to continue and needed productive capacity and future jobs are to be created. Because the immediate pattern of business investment will be largely determined by the strength of personal consumption, it is crucial at *this* stage of the recovery that a surge of new inflation pressures be avoided. Prices are still increasing at an unsatisfactory seasonally adjusted annual rate of 6 to 7 percent. An escalation of current prices—or of inflationary expectations—during the next few months would quickly disrupt both personal and business spending plans which would, in turn, curtail both the strength and sustainability of the recovery. Therefore, current policies must guard against fiscal and monetary excesses which would disrupt the current expansion and complicate the problems of creating a more stable economy.

The fiscal dilemma of rapidly increasing government expenditures and lagging revenues continues to distort economic planning. During the past decade fiscal policies have had to adapt to the surge of spending for the Vietnam War and various social spending programs, the major impact of inflation and the sharp erosion of revenues and increased transfer payments caused by two recessions. From Fiscal Year 1966 through Fiscal Year 1975, Federal budget outlays increased from $134.6 billion to $325.1 billion (Table 1). During that decade the cumulative budget deficit totaled $148.7 billion and the "net increase" in borrowing for various "off-budget" programs excluded from the Federal budget totaled an additional $149.7 billion.

In attempting to respond to the severe recession, the President originally submitted a proposed Federal budget for Fiscal Year 1976 which called for outlays of $349.4 billion and a deficit of $51.9 billion. The mid-session review published May 30 subsequently increased the expected outlays to $358.9 billion and the deficit to $59.9 billion. In a separate action by Congress, their first concurrent Resolution on the budget published May 9 recommended outlays of $367.0 billion and a deficit of $68.8 billion. Whatever the final figures turn out to be it is obvious that another large increase in spending and a record-level budget deficit will occur.

The President also asked for a temporary cut in taxes to help stimulate the economic recovery expected by mid-year. In March the Tax Reduction Act of 1975 was finally passed which provided approximately $20 billion of net tax relief. About $17 billion of the total was allocated to individuals in the form of a rebate on 1974 taxes and temporary reductions for 1975 were provided by increasing the standard deductions, an additional $10 exemption credit, a 5 percent housing

credit and an earned income credit for eligible low-income families. Business tax relief was provided by increasing the investment tax credit to 10 percent and by raising the surtax exemption for small firms. At the same time, the depletion allowance for oil and natural gas was phased out and limitations added in the use of foreign tax credits associated with foreign oil and gas operations. During the next few months important decisions about possible extension of parts of the 1975 tax cuts must be made as the pattern of economic recovery becomes clearer.

The rapid growth of Federal spending during the past decade has increasingly eroded our fiscal flexibility. Many government programs involve an "entitlement authority" which makes the actual outlays open-ended depending upon the eligibility rules and benefit levels established. There has been a tendency to liberalize both guidelines and benefits for Federal retirement, social security and other income maintenance programs are now indexed so that they rise automatically as inflation occurs. Other outlays are required by specific legislation and contractual agreements. As a result, the Federal budget is increasingly committed to the priorities of the past which makes it difficult to respond to current problems and future claims. Approximately three-fourths of the Federal budget is now considered to be "uncontrollable" because of existing entitlements and contractual obligations. In theory, there is no such thing as an "uncontrollable" budget commitment since Congress controls the annual appropriations process. In reality, existing programs are rarely eliminated or reduced and new claims are typicaly "added on" to current outlays. The near-term prospects are for continued increases in outlays and more Federal budget deficits. This trend can either be modified by Congressional action or resources can be transferred from the private sector which would mean a further increase in the role of government in the economy.

A second important problem concerns the proper role of the Federal budget. In preparing the budget plan government officials are actually allocating the human and material resources available and determining the division of responsibilities between the public and private sectors. This is clearly a proper function. However, since the 1930's the Federal budget has been used more and more as a tool for economic stabilization. Increased outlays and resultant deficits are defended by claiming that Federal spending is required to replace private demand during periods of slack.

The size of the Federal budget is then manipulated to meet current economic stabilization goals in this system of economic management. Unfortunately the balance turns out to be asymmetrical, because deficits usually occur during periods of both strong and weak economic activity. Federal budget deficits have been recorded in fourteen out of the last fifteen fiscal years—or forty of the last forty-eight years—and more are expected according to our current five-year projections.

The overall results of using the budget for stabilization purposes are not clear because of the complexity of the total economy and the lagged impact of such policies. But one specific result does seem obvious: The creation of new spending programs during periods of economic slack typically creates a permanent sequence of outlays that continues far beyond the immediate need for stabilization.

Hopefully, increased realism in determining future fiscal policies will result from the recent creation of a Congressional Budget Office which is required to provide overall Federal budget targets for receipts and outlays for the guidance of the new Congressional budget committees. In the past, appropriations have been approved by individual committees so that it was impossible to develop a comprehensive overview of the total impact of the specific legislative actions. Under the new procedures, the two Congressional budget committees will prepare a concurrent Resolution establishing the basic budget goals and identifying their impact on the entire economy. The actions of each appropriation committee will then be combined and compared with the budget committee recommendations before preparing a second concurrent Resolution for Congress to approve. A trial run using these procedures over the past few months for coordinating spending decisions has been encouraging and a new sense of priorities and discipline may well result from this new approach.

The combination of increased government spending and tax reductions has provided extensive stimulus for the economy in moving back to a recovery pattern. Given the severity of the recession, particularly the large increase in unemployment, a sizable budget deficit during the past year was a suitable response. But such fiscal actions must be carefully controlled, even during difficult periods, to avoid more permanent erosion of our future flexibility. Fiscal responsibility is particularly important in providing a necessary balance with monetary policies. The Federal Reserve System is too often required to bear a disproportionate burden in restraining inflation pressures whenever government spending and tax policies create excessive stimulus.

Extensive criticism was directed at monetary authorities during the last few months of 1974 and early 1975 because of the very low rate of growth of the money supply at an annual rate of only 1 percent during the six months period ending January 15, 1975. Since late January the money stock has increased at a seasonally adjusted annual rate of 9.4 percent. Combining these two periods indicates that the money supply has increased about 5 percent over the past year with almost all of the growth occurring during the last few months. Given the volatile nature of short-term monetary developments, a longer-term perspective of monetary policy indicates that officials are moving toward the policy commitment of keeping the money supply growth in the 5 to 7½ percent zone while also giving careful attention to interest rates and other monetary measures. This policy goal appears to be a reasonable target when combined with the existing stimulus being provided by fiscal actions.

III. SUMMARY

Although the recovery is apparently well underway, the next few months are likely to be a turbulent period as fiscal and monetary policies will probably be under intense pressure to respond to specific inflation and unemployment developments. In such a volatile environment, those who advocate more stable economic policies will be considered naive at best and insensitive at worst. Nevertheless, there must be a longer-term perspective in determining policies if we are to ever avoid the "stop-go" results of the past. Recent events clearly demonstrate that the U.S. economy will not function properly with high single or double-digit inflation just as it cannot survive for very long with such excessive levels of unemployment. The constant shifting of policies and resulting uncertainties about the lagged impact of such actions has too often frustrated the basic goal of promoting "maximum employment, production, and purchasing power."

The beginning point in adopting more stable fiscal and monetary policies is a restoration of public confidence in the government's ability and willingness to establish longer-term economic goals. As members of the American Accounting Association you have an important education role in describing how the American economy works and in preserving the integrity of the comprehensive system of financial accounts which provides most of the information required for public and private sector economic decisions. As you fulfill this important assignment, I hope that you will also communicate to your students, business associates and the general public a greater awareness of the productivity and creativity of the U.S. economy when it is allowed to function properly.

TABLE 1.—FEDERAL BUDGETS, CHANGES IN THE UNIFIED BUDGET OUTLAYS, BY FISCAL YEAR, 1961-76

[Dollar amounts in billions]

Fiscal year over preceding year	Federal outlays	Dollar increase	Percentage increase	Surplus or deficit
1961	$97.8	$5.6	6.1	−3.4
1962	106.8	9.0	9.2	−7.1
1963	111.3	4.5	4.2	−4.8
1964	118.6	7.3	6.1	−5.9
1965	118.4	−0.2		−1.6
1966	134.7	16.3	13.8	−3.8
1967	158.3	23.6	17.5	−8.7
1968	178.8	20.5	13.0	−25.2
1969	184.5	5.7	3.2	+3.2
1970	196.6	12.1	6.6	−2.8
1971	211.4	14.8	7.5	−23.0
1972	231.9	20.5	9.7	−23.2
1973	246.5	14.6	6.3	−14.3
1974	268.4	21.9	8.8	−3.5
1975	325.1	56.7	21.1	−44.2

Source: Economic Report of the President, February 1975, table C-64, p. 324, for years 1961 through 1974; 1975 figure published in joint statement of Secretary William E. Simon and Director James T. Lynn concerning "Budget Results for Fiscal Year 1975," July 28, 1975.

Mr. Speaker, the credibility of the Secretary's assertions is greatly reinforced by an awareness of his experiences. A Ph. D. in economics from Stanford University—with doctoral subjects in such diverse fields as finance and banking, industrial management, statistics, marketing, research and development administration, public finance, economic history, economic development, history, and political geography—he has served as a counselor to the Secretary of the Treasury, as deputy assistant to and deputy counselor to the President for economic policy, Assistant Secretary of Commerce for Economic Affairs, and senior economist to the Council of Economic Advisers. He has also taught at the University of Michigan and Northwestern and has co-authored three important textbooks.

SENIOR CITIZENS

HON. DOMINICK V. DANIELS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 2, 1975

Mr. DOMINICK V. DANIELS. Mr. Speaker, because it appears that Congress has been getting more than its share of criticism from professional critics, it is encouraging to receive praise from time to time.

I would like to share with my colleagues a letter I received from my constituent, Mrs. Lillian Allan, expressing gratitude to Congress for its efforts on behalf of all senior citizens.

Mrs. Allan, the president of the Hudson County, N.J. Senior Citizens Council, has over the years become a spokeswoman for the senior citizens of the county and of the Nation as well. Mrs. Allan, whom I deeply admire for her tireless efforts for the Nation's elderly,

is proud to be an older American, to live a productive life, and to be a senior citizen, a title which she assumes with dignity. Older Americans are valuable and must be recognized for their contributions, past and continuing, to society. Mrs. Allan has been instrumental in this awareness.

Mrs. Allan's interest in so many worthwhile causes typifies the deep personal concern she feels for senior citizens. Her interest is not confined to the older persons of Hudson County as many of my colleagues are aware through correspondence with her. For my colleagues who do not know Mrs. Allan, I share with them her letter and her appreciation:

I'm tired of hearing the title of "Senior Citizen" put down. This title carries a story of our Bicentennial heritage. The American immigrants are proud to bear the title of "Senior Citizen." It means that they are citizens of the United States of America, and have earned their right to vote. Senior Citizens have the best voting record on Election Day. They have raised and educated their children. They are the senior members of the family which demands respect and dignity. They are also the backbone of the American family as to religion, education and respect for law and order, as parents, and grandparents.

The names "Senior Citizen" is respected all over the world, as well as the highest officials of city, county, state and federal government of America. The elderly of this generation are organized and ready for action! They read the newspapers, watch current events and government on TV. They now have the *time* to *learn* about their *rights* as citizens, residents and patients in a hospital.

We are grateful to Congress for its efforts in behalf of the Senior Citizens.

Sincerely,

LILLIAN ALLAN,
President.

ON THE DEDICATION OF MARIO BIAGGI LODGE NO. 2339 IN QUEENS, N.Y.

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 2, 1975

Mr. KOCH. Mr. Speaker, the New York delegation in the House of Representatives has 39 Members. We are comprised of Democrats and Republicans, liberals and conservatives. In the course of our work together on behalf of the city and State of New York we try to put aside our philosophical differences and points of view believing that cooperation is in the best interest of our city and State. MARIO BIAGGI and I differ on a whole host of issues because of our philosophical positions, yet on many occasions we vote together in support of issues that transcend liberal and conservative doctrine. And it is my privilege to announce to my colleagues that on Sunday, October 5, MARIO BIAGGI will be honored by the Sons of Italy with the formal dedication of the MARIO BIAGGI Lodge No. 2339 in Queens, N.Y. This is a fitting tribute to one of our colleagues who is a leader of the Italian-American congressional delegation. According to Philip Avelli, venerable of the lodge:

The decision to name Lodge No. 2339 the Mario Biaggi Lodge, was based upon the outstanding achievements of his illustrious career and his deep involvement on behalf of Italo-Americans. He has restored to Italo-Americans the pride and prestige that is rightfully theirs.

Congressman BIAGGI was elected to the House in 1968, following an illustrious 23-year career in the New York City Police Department. During his career, BIAGGI was the recipient of a number of key awards, including the prestigious New York Medal of Honor. He was elected to the National Police Hall of Fame, and has been lauded as one of New York City's most decorated policemen. Following his police career, BIAGGI became a member of the New York State Bar after graduating from New York Law School in 1963.

BIAGGI's election in 1968 made him the first Democrat to be elected from that area of the Bronx in 16 years. He has been returned to Congress on three additional occasions by impressive margins. Because of his police background, he has been dubbed the "Cop in Congress," and has sponsored the law enforcement officers Bill of Rights and the national law enforcement memorial.

But BIAGGI's interests are not limited to law enforcement. As a member of the House Education and Labor Committee, he has become an advocate for a number of worthwhile causes including improving the quality of life for our mentally ill. One of his legislative accomplishments came in 1973 with the passage of the Child Abuse Prevention and Treatment Act, a bill which he worked for since his early days in Congress. He is currently investigating the child care industry in this Nation, and I understand he plans to introduce legislation designed to correct some of the inherent abuses in the present system.

As a member of the newly established Select Committee on Aging MARIO BIAGGI has continued his commitment to improving the quality of life for our older Americans. He has introduced numerous bills which are intended to restore a life of dignity and economic freedom to our elderly. Another significant achievement for MARIO BIAGGI came in 1971 when an amendment he offered to the Mass Transit Act, mandating equal mass transit facilities for the elderly and handicapped became law.

MARIO BIAGGI is recognized among his colleagues as one of the best service-oriented Congressmen. He spends a great deal of his time meeting with and assisting his constituents. His staffs, in New York and Washington, work hard to meet the varied demands of the people of the 10th Congressional District in New York.

And, of course, MARIO BIAGGI is a true son of the Italo-American community and has actively worked on their behalf in Congress. He has waged a number of key battles on the House floor to rid this Nation of the scourge of discrimination, wherever it exists. He has worked to provide the millions of Italo-Americans in this Nation with a voice in the Congress.

It is my privilege to commend MARIO BIAGGI. He is surely worthy of this outstanding honor from the Sons of Italy and on behalf of many of my colleagues here in the House, I extend to him warmest congratulations.

SINAI PEACE AGREEMENT

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 2, 1975

Mr. DERWINSKI. Mr. Speaker, sometime next week before the Columbus Day recess, the House may vote on the resolution to approve the Sinai Peace Agreement.

Unfortunately, many Members will consider this a matter of short-term political expediency. However, in my judgment, we must look at the long range picture of the tragic complications that are inherent in another major Middle East war.

David Hall, former Middle East correspondent and now editorial writer for the Chicago Daily News, discusses in his column of Saturday, September 13, the value of the U.S. role in the Middle East. I found this article to be a very logical and objective study of the situation:

WHY U.S. BELONGS IN MIDDLE EAST

(By David Hall)

Henry M. Jackson, presidential aspirant and U.S. senator, gave a speech before a largely Jewish audience the other night. He lambasted the interim settlement the United States arranged between Israel and Egypt, especially the plan to station U.S. technicians at Sinai Desert warning posts.

Then Jackson uttered the clincher:

"When the issue comes before the Congress I hope to vote to approve the substance of the agreement as it has been presented to the American people."

How's that?

Jackson is trying to play it both ways: To reflect the fears of Americans about a new and deep foreign involvement while supporting the cause of Israel and pleasing the politically powerful Jewish voting bloc.

In his train are politicians left and right, Democratic and Republican. The issue is made for fencestraddling, which politicians find so comfortable. They can bellow about being trapped by the wily Kissinger in a fait accompli. A senator or representative can say the deal is necessary for Israel's continued survival, although he would have preferred something more "long-lasting" and more "durable" than the three-year separation of armies.

Congress will hold hearings. Some tough-sounding questions will pepper Kissinger. He will answer in monotone, citing the smallness of the American personnel commitment and the hope for "a just and lasting peace."

Congress will vote, and as surely as the autumn leaves fall it will vote for the massive aid commitments (perhaps $9 billion over the next three years) and for the technicians.

In back-door fashion, Congress is going to do the right thing at the right time about the Middle East. Reluctantly, it is going to inject the United States in a greater way into an area where U.S. interests are so vital as to bear on national survival itself.

At a time when Soviet influence is waning among Arabs, the United States is establishing itself as the power through which to deal. It's a position that not only Israel, but several Arab states, prefer more than public pronouncements often indicate.

Because congressmen are afraid to face the issue, and because the Ford administration is content to leave well enough alone, the public is not being leveled with as the U.S. role grows. It is not being told that if further

steps away from war are made, and if the United States is to protect the Mediterranean sea-lanes along NATO's southern flank and access to Mideast oil, then American commitments will almost certainly expand.

Little effort is being made to show that the United States, in protecting its interests, can play the morally preferable role of peacemaker. It can protect the existence of Israel, a nation it helped form. It can press Israel, where no other nation can, to consider and respond to the legitimate interests of Syria, Jordan and Egypt in regaining occupied territory, and the unshakable Palestinian case for a national identity in the area.

There is a scenario for Mideast peace that is more ideal. It has the disputing parties, riven by decades of mistrust punctuated by war, coming together under international auspices for a final settlement.

Kissinger's tactic is based on a more realistic understanding of the deep divisions—religious, territorial, historical—that divide Arabs and Jews in Biblical Palestine.

The hostility, the suspicion, the hate will take decades to still. Along the way additional guarantees to both sides, in the form of a big-power commitment, may well have to be interposed. It is not possible to guarantee "peace," in the ethical sense, but it is possible to guarantee against aggression and war, as 30 years of commitment to western Europe and Japan. Unfortunately, those success stories are tarnished by Vietnam. That comparison continues to crop up in the developing Mideast debate, and it is not applicable at all. The correct lesson is: Don't squander U.S. power and prestige where there are no interests at stake and no ties with the overseas people involved.

Sen. Jackson and many of his colleagues pretend they must go along with Kissinger's deal because they have no choice. Perhaps not, but poorer choices could have come their way. It would be better for the American people if policymakers in the administration and in Congress would acknowledge that the Mideast role is growing, but defend more openly the need for that role in serving the national interest.

GINGER ROGERS' BICENTENNIAL GIFT PROGRAM

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 2, 1975

Mr. McCLORY. Mr. Speaker, the celebrated actress of stage, screen, and TV, the beloved Ginger Rogers, is in Washington today where she will be one of the honored guests at the White House banquet being tendered by the President and Mrs. Ford to Emperor Hirohito and his Empress of Japan.

During her brief visit in Washington, Ginger found time to visit with many long-time friends on Capitol Hill, and to renew acquaintances with you, Mr. Speaker, as well as such others of our colleagues as BARBER CONABLE, of New York; FLOYD SPENCE, of South Carolina; JOHN ROUSSELOT, BOB WILSON, and DON CLAUSEN of California; TIM HALL, PHIL CRANE, GEORGE O'BRIEN, ED DERWINSKI, JOHN ERLENBORN, and FRANK ANNUNZIO, of Illinois; JOHN JARMAN, of Oklahoma, SAM DEVINE, of Ohio, and others.

Mr. Speaker, Ginger Rogers is forever reflecting love and concern for her fellow countrymen. In addition to providing enjoyment and entertainment for the tens of millions who have witnessed her performances as an actress, she has blessed many other millions with her personal expressions of love, generosity, and solicitude.

Mr. Speaker, Miss Rogers has proposed a laudable program for our Nation's Bicentennial consisting of a plan of voluntary gifts which may be contributed by our citizens to the Nation in appreciation for the blessings of freedom and opportunity which we enjoy as Americans.

Mr. Speaker, Ginger Rogers' proposal is worthy of appropriate action by the Congress of the United States. It is explained succinctly and beautifully in her own words which follow:

REMARKS BY GINGER ROGERS

There is an idea regarding our Bicentennial celebration which will bless our entire Nation: There is a way in which the enormous national debt burden our Uncle Sam is bearing can be met quickly and our country freed from threat of bankruptcy which is attempting to put fear into the hearts of many of our citizens: Establish a fund which will allow every man, woman, and child of this great Nation to express love and appreciation for the blessings and unlimited opportunities its freedoms afford by sending a monetary gift to Uncle Sam for his 200th birthday.

Everyone regardless of party affiliation participating in sending "Love Currency to Uncle Sam"—this would be evidence to the rest of the world that we are truly one nation indivisible under God having assets to meet all obligations. There is an abundance of wealth in our country.

When our churches get into financial arrears we are reminded of our blessings and gladly make the necessary contributions to balance the church budget. We support willingly that which we love. It is our country which makes our freedom of worship possible and it is now urgent that we devote our best consecrated effort to balance our country's budget.

We don't want to be captured by our own greed as monkeys are sometimes captured. When rice is put through a small opening in a coconut shell and chained to a tree, a monkey will fill his paw so full of rice he cannot withdraw it, and the greedy unwise monkey loses his freedom.

Let us be wiser than the monkeys and let go of some "rice" by placing it in a very right place at the right time instead of hoarding it and allowing Uncle Sam to be harassed and burdened by such an unnecessary heavy debt and threat.

We have a choice. Uncle Sam doesn't have a choice. It is up to us.

Mr. Speaker, I am hopeful that Ginger Rogers' visit to Washington will prove both a source of enjoyment for those of us who had an opportunity to be in her company and also a means of receiving from her and implementing a most worthy program of appreciation for our Nation's Bicentennial.

THE WASHINGTON 500

HON. JAMES G. O'HARA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 2, 1975

Mr. O'HARA. Mr. Speaker, last spring when the Committee on the Budget reported House Concurrent Resolution 218 to the floor of the House, I appended some individual views to that report, indicating my concern that the functional codes which the committee and its able staff were using might become overrigid in their application to actual decisions by the Congress.

It seemed to me then that in our efforts to free ourselves from an unwarranted acceptance of OMB's terminology and initiatives, we should not easily and uncritically accept the terminology and inherent viewpoint of some other arbitrary system.

Since that resolution was agreed to by the House, we have had more than one occasion on which a system of functional analysis which should have been only that has tended to become mistaken for a universally accepted set of legally binding conclusions, with all the policy and fiscal implications that flow from that.

Recently Mr. Roy Millenson, for many years a highly respected minority staff member of the Senate Labor and Public Welfare Committee, wrote a short article for the committee on full funding entitled "The Washington 500." Mr. Millenson says what I was trying to say last April. I include Mr. Millenson's article in the RECORD:

THE WASHINGTON 500

(By Roy H. Millenson)

The Indianapolis 500 is a competitive event in May in which a group of numbered contestants go rapidly about in a circle until one is declared the winner. The Washington 500 is a competitive event, involving not autos but education funding, also kicked off in May, wherein a group of numbered participants also go about rapidly in a circle. But unlike Indianapolis, you can never quite determine who is ahead.

What happened in Washington this May? This May, Congress adopted H. Con. Res. 218, the first concurrent resolution on the budget as prescribed by PL 93-344*, the budget reform legislation enacted just last year. The report on that resolution established within the prescribed overall Federal budget levels dollar limits for 16 functional categories, bearing functional category numbers identical to those appearing in the President's budget submitted last February.** Education comes under the "500" classification, a designation which it shares as a partner with manpower and social services. So much for the status of the Washington 500.

Items in the 500 series are spread across five different appropriations measures. First, at least in our eyes, is the Education Appropriations bill (H.R. 5901) which includes such items as Elementary and Secondary Education (501), Higher Education (502) and Library Resources (503). In Interior Appropriations (H.R. 8773) we find, for instance,

* PL 93-344 bears the formal title of the "Congressional Budget and Impoundment Control Act of 1974". Titles I through IX, the portion with which we are concerned here, has its own title, the "Congressional Budget Act of 1974".

** While neither H. Con. Res. 218, the House and Senate Reports on it or the debates stipulate the period covered, the general understanding is that it is for the 12-month period, July 1, 1975 to June 30, 1976. Although the transition quarter, July 1, 1976 to September 30, 1976 is part of FY 1976, it is not covered by the budget resolution nor is there an indication that it will be covered by any future resolution. The Congressional budget watchdogs have yet to choose to establish controls over the billions to be expended during that 3-month period.

the Corporation for Public Broadcasting (503) and Arts and Humanities (503). The Labor-HEW Appropriations bill (H.R. 8069) is host to Comprehensive Manpower Assistance (504) and the National Commission on Libraries and Information Services (503), to cite two. Treasury-Post Office Appropriations (H.R. 8597) contains, among others, the Committee for Purchase from the Blind and Other Severely Handicapped (505). A search in the HUD Appropriations bill (H.R. 8070) turns up the Smithsonian (503) and HEW's Office of Consumer Affairs (506).

While education is not quite as fragmented as its parent 500 series, education items are found in four appropriation bills. Some example: In addition to the many items in the Education Appropriations bill, we find Indian Education in Interior Appropriations; the Harry S Truman Scholarship Fund and Eisenhower College Grants in Treasury-Post Office; and Office of Education: Special Statistical Compilations and Surveys in Labor-HEW.

Confused? You don't see how clear decisions under the new budget reform law can be made Bewildered by the "Washington 500"? You are not alone.

On June 30, the Comptroller General submitted to Congress a fascinating report with the ho-hum title of "Standard Terminology, Definitions, Classifications, and Codes. Interim Report". It was printed as House Document 94–211. In this report, the Comptroller General concluded that the present functional category system "makes it difficult to perform effective evaluation and analysis using this data" and that comparison of functions is difficult because they are not grouped on a consistent basis.

That there should be a change from the present budget classification structure as utilized in Congressional budget controls is not disputed. How the change should be made is, however, under question. But the House and Senate appropriations and budget committees, the Congressional Budget Office, OMB and the Treasury, the report indicates, do agree on one thing—that change should come slowly and some time after the FY 1977 budget. The term "with all deliberate speed" is not used.

Thus, we are faced with at least one additional year (FY 1977) of Congressional budget controls under the new budget reform law utilizing a classification system which is generally acknowledged as ineffective and with little meaning.

An example of how this can be confusing occurred just this year in the debates over HR 5901, the education appropriations measure, which was variously described as in the area of $700 million, $400 million and $200 million under the budget levels indicated by the Congress. Estimates for the Congressional budget limits on education are based on extrapolations and committee understandings—but not on any figure specifically adopted by the Congress or stated or implied in the conference report. While the report on H Con Res 218, the concurrent resolution on the budget, established limits for the 16 functional categories, it did not break down the figures into the 66 subfunctional categories or the 1,300 appropriation and fund accounts found in the Federal budget.

Congressional budget publications are no help. Take, for example, the "Senate Budget Scorekeeping Report", a weekly publication prepared by the Congressional Budget Office in cooperation with the Senate Budget Committee, which, in its own words, "is designed to provide the Senate with budgetary information relevant to consideration of upcoming legislative action." This report does not even mention the Education Appropriations bill (HR 5901) nor can one discern from the report whether HR 5901 is over or above the Congressional or Presidential budget levels. So much for keeping the Senate abreast of "budgetary information relevant to consideration of upcoming legislative actions."

The only firm conclusion which one can draw is that the Congressional budget procedure under the new reform law, as now practiced, is at best imprecise. And while the sun struggles to push over the horizon, the Washington 500 goes on—with the hope that the changes being readied by Congressional budget staffs will bear fruit.

MAYOR DOROTHY MELOY OF HAMBURG, N.Y.

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 2, 1975

Mr. KEMP. Mr. Speaker, the town of Hamburg, N.Y., has the privilege and honor of being served by the first woman mayor elected in Erie County.

On Sunday, the Buffalo Courier-Express did an article about Mayor Dorothy Meloy describing her outstanding accomplishments precisely as I have come to know them in the years I have worked with her.

I take a great deal of pride in the style and capability with which Dorothy has handled her difficult job—and I know many, many persons in Hamburg join me in wanting to bring to the attention of legislators here the fine example of Mayor Meloy of Hamburg.

At this point, Mr. Speaker, I submit the article from the Buffalo Courier-Express:

HAMBURG'S WOMAN MAYOR JUST 'DOROTHY' TO VILLAGERS

(By H. Katherine Smith)

Dorothy (Mrs. Charles L.) Meloy, mayor of Hamburg, is interested in knowing other women holders of public office. Last spring she met in Hamburg and was photographed with mayor Donna Rodden of Albion. Mayor Meloy is the first woman mayor elected in Erie County.

Asked whether she prefers to be addressed as "Your Honor," "Mayor" or "Mayoress," she replied: "I prefer to be called Dorothy. Most residents of Hamburg know me well enough for that."

The Meloys moved to Hamburg 12 years ago, when Mr. Meloy, an engineer of Bethlehem Steel Corp., was transferred from the Bethlehem Pa. plant to the Lackawanna plant. Before her election to the mayoralty, Mrs. Dorothy Meloy served on the Village Planning Committee Trustees of Hamburg.

She completed her six-year term as trustee last April, just as the previous mayor's term of office expired. Elections to office in Hamburg are nonpartisan. Dorothy Meloy was, therefore, able to enlist support of both registered Republicans and registered Democrats.

She has increased the village police force from 20 to 22 officers and appointed Hamburg's first woman police clerk. Recently, Hamburg voters and their mayor approved a $2 million sewer bond which will cost $60 for every house in the village. The $2 million covers the village's share of the cost of the County South Towns Sewage Treatment Plant.

Mayor Meloy is proud of the village's water treatment plant and of the fact that no water bans have restricted Hamburg residents during the last six years. Throughout the village water is metered. She also takes pride in the new, centrally located senior citizens' housing project.

Dorothy Meloy is legislative chairman of the Erie County Village Officials' Assn. With intense interest, she observes the interaction of her village's government with the state and federal governments. She keeps in close touch with Rep. Jack Kemp.

Every August, Dorothy Meloy attends the Erie County Fair several times. She deems it educational and commends its recognition of a wide range of local talents through its awards.

In her opinion, the Buffalo Raceway gives Hamburg national publicity.

In Augusta, Me.; Bethlehem, Pa. and other cities where she and her husband have lived, Dorothy Meloy was active in the work of the United Presbyterian Church. In Bethlehem, she was secretary of her church's Board of Deacons. In Hamburg, she continues membership in the United Presbyterian Church and its women's association.

The Meloys have a son, Charles L. Jr., a chemist of North Carolina, and a daughter, Ada, a lawyer practicing in New York City. Ada cast her first vote for her mother's election to the Hamburg Board of Trustees.

From her home, a short distance from the Village Hall, Dorothy Meloy walks to work daily. This provides an opportunity to greet and chat with many village residents. Occasionally, she and her husband play golf at the Bethlehem Steel Managers' Club.

Before she was elected to public office, Hamburg's mayor made most of the clothes she wore, including tailored cloth suits and coats. She has traveled throughout this country and in Europe. Since her election as mayor, she is in demand as a public speaker before women's clubs and organizations.

Dorothy Meloy was not impelled by the profit motive to seek public office. Her salary as Hamburg's mayor is $3,600 a year. Interested in good government at all levels, she is glad to have a part in it.

Her affiliations include the Hamburg chapters of the Quota Club and the Business and Professional Women's Club.

DO THE RICH GET FOOD STAMPS?

HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 2, 1975

Mr. RICHMOND. Mr. Speaker, yesterday I submitted the first of three articles about the food stamp program. The articles attempt to correct a good deal of misinformation which has been circulating about the program. Attacks on the program, based on misleading advertisements in the media and inaccurate news stories, have been made by many Members of Congress as well as high-ranking officials in the Ford administration. While it is hard to correct the damage done by a full-page advertisement or an eight-column banner headline, I hope these articles will be read by my colleagues so that any debate on the food stamp program proceeds with the facts and with reason.

These food stamp articles have been prepared by staff of the Food Research and Action Center—FRAC:

ARE HIGH-INCOME HOUSEHOLDS PARTICIPATING IN THE FOOD STAMP PROGRAM?

In light of the Parade Magazine advertisement and the subsequent repetition of its message by numerous public officials, many legislators and their constituents are expressing the concern that the Food Stamp Program (hereinafter FSP) is missing its target. Are the middle class participating in the FSP to any significant degree? Are FSP participants, in fact, in need of such assistance?

Despite statements to the contrary by Cabinet members, media ads, and Senator Buckley, FSP participants are, in large part, the

"poorest of the poor" and not middle class. This is shown in the USDA study prepared pursuant to Senate Resolution 58 and released this summer.

The USDA report shows that 92 percent of all participants are in households with after-tax incomes (but before FSP deductions) of under $7,000 a year; 95 percent in households with incomes under $8,000 a year; 97 percent are in households with incomes under $9,000 a year; and, for statistical purposes, 100 percent are in households with incomes under $10,000 a year. In addition, 45 percent—or nearly half—live in households with incomes under $3,000 a year.

What makes these figures especially striking is the fact, as documented by USDA's participant profiles, that 49 percent of all food stamp participants live in households of five or more persons. Thus, even though large households make up half the food stamp caseload, there still are very few food stamp households with incomes over $6,000 a year, and virtually none with incomes over $10,000 a year.

Indeed, the USDA report—based on its national survey of FSP participants—shows that 97 percent of the households of 7 in the program have incomes under $8,400 a year, and 91 percent of the households of 10 have incomes under $9,600 a year.

Another way to look at this is to see what percentage of families in each income bracket do actually participate in the FSP. Here again, the USDA report demonstrates that food stamps are overwhelmingly used by low-income families. The report shows that 72 percent of those households with incomes below $2,000 a year receive food stamps, and 51 percent of those with incomes under $4,000 a year get stamps. However, only 7 percent of the households in the $5,000 to $10,000 range get food stamps. The percentage of families above $10,000 who get food stamps is, for statistical purposes, zero.

One further set of statistics is especially useful. These figures deal with the incomes of those four-person households which do use food stamps. The USDA report shows that 93.5 percent of all four-person FSP households have incomes under $6,000 a year. 97 percent have incomes under $7,200 a year. The income of the average four-person family on food stamps is $3,456 a year.

In addition, when we look at four-person families which use food stamps—in relation to all four-person families in the U.S.—we find that only the very poor participate in the FSP in any significant numbers. 58 percent of all four-person households with incomes under $3,000 a year participate in the FSP. But in the $6,000 to $10,000 a year range, only 1.6 percent of all four-person households participate in the program. The following chart shows the percentage of four-person families, by $1,000 brackets, in this income range who do receive food stamps:

Income range and percentage of a four-person families in this income range getting food stamps

$6,000 to $7,000	2.7
$7,000 to $8,000	1.3
$8,000 to $9,000	.9
$9,000 to $10,000	.2
$10,000 and up	0

(NOTE.—Much of this material is from the Senate Nutrition Committee's "Who Gets Food Stamps" and testimony before that Committee by Robert Greenstein of the Community Nutrition Institute.)

These statistics show why the USDA report concluded that: "Participants tend to be the poorest of the poor" and that "highest rates of participation are shown by the extremely needy."

One reason for the above statistics and conclusions is based on the construction of the food stamp benefit structure. The higher a household's net income, the more the household has to pay for its stamps and, thus, the smaller the benefit it receives. Households of four that just manage to qualify for food stamps have to pay out $138 in cash each month to get back $162 in stamps. As the USDA report notes: "At the top of eligibility, the program is designed to be only marginally attractive. For this reason, participation is relatively high at the lowest income levels and low at the highest levels."

Therefore, while not all the households using food stamps are below the poverty level ($5,010 for a family of four), virtually all of them are in need of such nutrition assistance. The strength of the program is that it is not limited only to the poorest of the poor (even though they are the ones who most participate), and that it is more than solely a supplement to welfare grants. The program augments participating families' food purchasing power. It measures disposable income for food and, as such, does not penalize the low income working family who might well have the same income available for food as the family forced to live on a welfare grant.

Thus, the program works because it includes in its sphere of food assistance those households needing the help. It does not help all those eligible, but it has become an effective way of getting more food into the hands of those most in need.

GREEK AMERICANS' RIGHTS DEFENDED

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 2, 1975

Mr. WAXMAN. Mr. Speaker, when the issue of lifting the U.S. embargo on arms to Turkey came before the House, Americans of Greek background were deeply involved. Greek-American Congressmen and citizens worked to maintain the embargo. Unfortunately, numerous prominent people in both Government and the mass media raised ugly charges of "dual loyalties." In the course of public discussion, the patriotism of Greek-Americans was impugned and their rights to full participation in discussions of foreign policy in the eastern Mediterranean were called into play.

On August 10, 1975, I addressed a gathering at St. Sophia Greek Orthodox Church in Los Angeles. My remarks focused on the "dual loyalty" issue. I should like to share with my colleagues the ideas I presented on that occasion:

SPEECH AT GREEK ORTHODOX CHURCH

I want to thank you for inviting me to join you at this important gathering. Of course, this is a solemn occasion. You have come together not to celebrate, but rather to mark, with much sorrow, the first anniversary of the major Turkish military activity on Cyprus. I hope it will not be too long before we are together again at a happier event.

Recently, Congress was presented with a Ford Administration proposal to end the arms embargo on Turkey. As you know, last year, in response to Turkish aggression in Cyprus, the United States imposed the embargo on arms shipment. The vote in the House of Representatives on this controversial matter was extremely close. I voted against renewed arms shipment to Turkey.

Although I am a new member of Congress, I have served in the State Legislature and have seen lobbying efforts before. But I must inform you that they were nothing compared to the pressure exerted to get Congress to lift the arms embargo on Turkey. There were invitations to meet with the President at the White House as well as special briefings by Secretary of State Kissinger. I had the extraordinary experience of having the Turkish Ambassador to the U.S. meet with me personally to plead for the lifting of the embargo—an unheard of lobbying by a representative of another government.

TURKEY VIOLATED U.S. LAW

My primary reason for my vote was my strong feeling that the Turkish government must face the full consequences of having violated U.S. law. The Turks used American supplied equipment in their invasion of Cyprus. They knew full well that the equipment was supplied to them for defensive purposes only. American arms to Turkey has never been intended for use on Cyprus on in any other aggressive context. Our military alliance with Turkey has been based solely on the common concern of the NATO partners with the threat of the Soviet Union.

Rather than discuss the details of the events in Cyprus or the history which led up to those events, I decided to focus our attention on the role of Americans with strong ethnic roots in the conduct of our foreign policy.

Many of the proponents of renewed arms sales to Turkey referred repeatedly to a "Greek lobby" which they accused of illegitimately "manipulating" American foreign policy.

SHOCKING SLURS AGAINST GREEK-AMERICANS

Most shocking of all were the comments made by no less a figure than Senator Majority Leader Mike Mansfield. In his recent appearance on "Meet the Press", Mansfield implied that Greek-Americans were guilty of "dual loyalties". When asked if he was concerned about the ethnic factor in the attitudes of such groups as Greek-Americans and Jewish Americans, Mansfield replied, "Yes, because I can only give my loyalty to one country and that happens to be the United States of America. My father and mother were immigrants from Ireland, but my loyalty is not to Ireland—it is to this country—unquestioned."

The charge of "dual loyalties" has not been leveled against Greek-Americans very frequently. I am sure many Greek-Americans were hurt and angered by the aspersions cast on their loyalty to the United States.

ONLY "OLD AMERICANS" FIT TO LEAD?

As a Jew, the so-called dual loyalties problem is most familiar to me. As far back as elemetnary school, I can recall being asked which side I'd fight on if Israel went to war against the United States. Behind this childish jibe lies the same logic on which Senator Mansfield's charges are built. The assumption is that people with sentiments, feelings, knowledge and interest in other parts of the world are second-class Americans whose patriotism and loyalty must be questioned. It is also assumed that the "best Americans"—the people who ought to be allowed to run our public affairs—are those Americans whose ancestors came here so long ago that nobody is quite sure when or from where.

I am in total disagreement with this point of view. Jewish concern about Israel or Greek concern about events in Cyprus are every bit as legitimate as the concerns of union members about labor laws, the concerns of blacks about civil rights, or even oceanfront businessmen's anxieties about the shark problem.

ETHNIC PERSPECTIVE VALUABLE

It is the most fundamental principal of democracy that people with the most knowledge and strongest feelings become involved in any given issue. Who can speak more legitimately about problems in the eastern Mediterranean than Greek Americans with cultural and ancestral roots in that part of the world? Am I to ignore the remarks of my colleagues, Congressmen John Brademas and Paul Sarbanes, just because they are Greek-Americans whose interest in the problems of Cyprus far predates last year's event?

GREEK-AMERICAN FRIENDSHIP AFFIRMED

The Greek community of Cyprus and Greece herself, are not at war with the United States. The very opposite is true. They enjoy and value the friendship and support of the American people and the American government. The same can be said for Israel. When I got old enough to figure some of these things out, I started to tell the playground bullies who asked which side I would take in the war between Israel and the United States that if they weren't so dumb, they'd realize that Israel and the United States were fighting on the same side.

Paul Sarbanes, John Brademas, and the other Greek-Americans who have been involved in "lobbying" against arms to Turkey are as patriotic, loyal, and dedicated to America's best interest as Senator Mansfield or any other American. Nor do I feel that I or any Jews in Congress, because of our concern for Israel, are second rate Americans.

VOTE ON ARMS EMBARGO WON ON THE MERITS

I think it is the duty of every ethnic American to bring to our national undertakings the sensitivities and concerns which only they have. After all, nobody is suggesting a Committee of Greek Congressmen make U.S. foreign policy. If the so-called Greek lobby were wrong in terms of American interests, they would not have gotten 223 votes in the House of Representatives for their position. No matter how cynical or paranoid a man is, he must admit that the Greek minority is too small and too inconsequential politically, to be able to win a major foreign policy battle unless their arguments were valid and solid, strictly from a U.S. standpoint.

I am proud of how hard American Jews have worked in building sympathy for Israel both in Congress and among the general public. I was proud to have been an ally of Greek Americans in the battle over arms to Turkey. When an ethnic minority is wrong on the issues, we can be certain we will be rebuffed by a suspicious and hostile majority. When we succeed—far more often than not—it will be due not merely to political pressure, but also to our having convinced many, many non-ethnics and people with ethnicity different from our own, of the justice of our cause.

I want leaders of the Greek community as well as Greek-American constituents to know how anxious I am to both represent and serve you. I want you to know that in me you have a congressman who deeply admires and respects Americans who maintain ties with the culture and land of their forebears.

UNITED STATES-AFRICA POLICY AND RHODESIAN SANCTIONS

HON. CHARLES C. DIGGS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 2, 1975

Mr. DIGGS. Mr. Speaker, the last full week in September saw two contradictory developments with respect to our country's relations with Africa. In a speech before the Organization of African Unity, OAU, Foreign Ministers on September 23, Secretary of State Kissinger spelled out current U.S. policy toward Africa. He made the following statement on Rhodesian sanctions:

The United States intends to adhere scrupulously to the UN's economic sanctions against Rhodesia. President Ford and his entire Administration continue to urge repeal of the Byrd Amendment and expects this will be accomplished during the current session of Congress.

However, once again, the House of Representatives failed to repeal the Byrd amendment on Rhodesian chrome. Obviously, the administration, despite its conciliatory gesture at the U.N. special session, had done little to overcome the anti-U.N. and anti-Third World sentiments which it had helped nurture with the assistance of the mass communications media—and which contributed to the House's continuing defiance of the U.N. on the issue of Rhodesian sanctions.

For the benefit of greater understanding of overall United States-Africa policy and of the impact of the September 25 vote against repealing the Byrd amendment, I would like to submit for the RECORD the full text of Secretary of State Kissinger's speech before the OAU Foreign Ministers, followed by a commentary on the chrome vote by columnist Anthony Lewis which appeared in the September 29 issue of the New York Times:

ORGANIZATION OF AFRICAN UNITY

(By Secretary of State Kissinger)

Some fifteen years ago Prime Minister Harold Macmillan added a new and durable phrase to the English language when, in speaking of Africa, he said, "The wind of change is blowing through the continent." When the twentieth century opened, western colonialism stood at its zenith. Today, only the barest vestiges of western colonialism remain in Africa. Never before in history has so revolutionary a reversal occurred with such rapidity. Morally and politically, the spread of national independence has already transformed world institutions and the nature of international affairs. Today we feel the winds of change blowing from Africa—and they will affect the course we set for generations to come.

The first official function at which I presided as Secretary of State two years ago was a luncheon here for the representatives of the Organization of African Unity. Since then the world has undergone continuing change—as much in Africa as anywhere else. In Africa, the Portuguese African colonial empire has come to an end. The effects of that on southern Africa are being felt in Rhodesia, Namibia and South Africa, and their full course has yet to be run. Also of great importance, major changes have taken place in the international economy, as reflected in the recent Special Session. The developing nations of Africa, Asia and Latin America are claiming more control over their economic destiny and a greater share in global prosperity.

Africa continues to face enormous problems. The trials of economic development, exacerbated by the problems of the world economy and the exorbitant rises in the price of oil, continue to pose challenges for African nations, despite the progress they have made. The arbitrary boundaries established by the colonial powers left many African countries vulnerable to ethnic strife. Social change and development—as it succeeds—challenges national unity and cultural identity far more profoundly than other nations have experienced. The job of nation-building in Africa is formidable indeed.

The people of this country wish you well, and offer you our help.

There is growing interest in America in African issues and African problems. Traditionally America has been dedicated to independence and self-determination and to the rights of man. We were strong advocates of decolonization since the beginning of the postwar period. The special identification of black Americans with their African heritage intensifies our belief, and our will to demonstrate, that men of all races can live and prosper together.

Because of these ties, and with the economic interdependence of Africa and America becoming increasingly obvious, Americans owe it to ourselves and to Africa to define clearly and to state candidly our policy toward the continent of Africa.

Therefore, today I would like to go beyond the usual toast for occasions such as this and talk with you informally about some of the important issues in relations between the United States and Africa.

America has three major concerns:

That Africa attain prosperity for its people and become a strong participant in the economic order—an economic partner with a growing stake in the international system;

That self-determination, racial justice and human rights spread to all of Africa;

And that the continent be free of great power rivalry or conflict.

The United States seeks neither military allies nor ideological confrontation in Africa. As Adlai Stevenson once said here at the United Nations, "Africa for Africans means Africa for Africans, and not Africa as a hunting ground for alien ambitions."

ECONOMIC DEVELOPMENT

The people of Africa entered the era of independence with high aspirations. Economic development has become both their highest national goal and a symbol of their drive for a more significant role in world affairs.

Much progress has been made. National incomes in Africa have risen rapidly in the last two decades. Africa's overall trade has increased about fourfold in the last 15 years.

But development hopes in Africa have too often been crushed by the cycles of natural disasters and the shocks of worldwide economic instability. No continent suffers so cruelly when crops fail for lack of rain. No continent endures a heavier burden when prices of primary commodities fluctuate violently in response to shifts in the world economy.

The United States has set as one of the fundamental goals of its foreign policy to help lay the foundations for a new era of international cooperation embracing developed and developing countries in an open and durable international system. Africa has an important role in this international system. Our mutual success will determine the nature of political and economic relations in the world over the remainder of this century.

The United States offered a comprehensive practical approach to economic development at the Seventh Special Session. My Government was pleased that our suggestions formed the basis for a highly significant consensus among the developed and developing countries, which we hope will mark the end of a period of fruitless confrontation and misunderstanding.

Our major aims are:

To make developing countries more secure against drastic economic difficulties arising from cyclical declines in export earnings and in food production;

To accelerate economic growth by improving their access to capital, technology, and management skills;

To provide special treatment to improve their opportunities in trading relations;

To make commodity markets function more smoothly and beneficially for both producers and consumers; and

To devote special attention to the urgent needs of the poorest countries.

Our proposals apply to all developing countries. But many of them are particularly appropriate to Africa:

Sixteen of the world's twenty-five least developed countries are in Africa. Our bilateral assistance program is increasingly concentrated on the least developed. Above and beyond our emergency assistance to the

Sahelian drought area, our regular aid appropriation for Africa this fiscal year reflects an increase of about 60 percent over last year.

We expect African countries to benefit particularly from the Development Security Facility which we propose to create in the International Monetary Fund to counter drastic shortfalls in export earnings for economies which are particularly dependent on a few, highly volatile primary commodities.

But stabilizing earnings is not enough. The United States supports measures to improve markets for individual commodities—including coffee, cocoa, and copper—which are so important to Africa.

We also propose to double our bilateral assistance to expand agricultural production.

We will raise our proposed contribution to the African Development Fund to $25 million.

In addition to the proposals we made to the United Nations, the United States has attempted to mobilize international support for a coordinated, long-term development program to provide basic economic security for the Sahelian countries. We have supported this effort already with massive assistance of more than $100 million.

TRADE AND INVESTMENT

The key to sustaining development over the long run is expanded trade and investment. Growing exports of manufactured as well as primary products generate the foreign exchange needed to buy the imports to fuel further development. The United States provides a large and growing market for the products of African countries. Our trade with Africa had grown to about $8 billion in 1974, almost eight times its volume in 1960. The rapid implementation of the United States generalized system of preferences should spell even greater expansion in the years to come.

American private investment has been a valuable source of the capital, management, and technology that are essential to African development. Direct United States investment in Africa has increased more than four times since 1960.

We are encouraged by these striking increases in the magnitude and relative importance of trade and investment relationships between the United States and independent black Africa. We expect this trend to continue, and we will do what we can to assure that it does so.

SOUTHERN AFRICA

Economic progress is of utmost importance to Africa, but at the same time, the political challenges of the continent, particularly the issue of Southern Africa, summon the urgent attention of the world community.

We believe that these problems can and must be solved. They should be solved peacefully. We are mindful of the Lusaka Manifesto, which combines a commitment to human dignity and equality with a clear understanding of what is a realistic and hopeful approach to this profound challenge.

No problem is more complex than the racial issues in South Africa itself. My country's convictions on apartheid are well known. It is contrary to all we believe in and stand for. The United States position has been long-standing, and consistent. We note that the wind of change continues to blow, inexorably. The signs of change that are visible in South Africa must be encouraged and accelerated. We are pleased to see the constructive measures taken by African governments to promote better relations and peaceful change. We believe change is inevitable, and efforts to promote a progressive and peaceful evolution will have our support.

The United States also continues to support the International Court of Justice's advisory opinion of 1971 affirming the General Assembly's 1966 decision which terminated the South African mandate over Namibia. The United States will take no steps that would legitimize South Africa's administration of the territory. We repeatedly have protested violations of the rights of black Namibians by the authorities there.

As I indicated in my address yesterday, we believe that all Namibians should be given the opportunity to express their views freely, and under UN supervision, on the political and constitutional structure of their country. We have expressed this view consistently to South Africa. We will continue to do so. We welcome public statements of South African leaders that they accept the principle of independence and self-determination for Namibia.

For the past decade, Rhodesia has been a major international issue. The maintenance by force of an illegal regime based on white supremacy is of deep concern to African governments and to my Government. Over the past year, the United States has watched with sympathy the attempt to negotiate a peaceful solution in Rhodesia. We have noted, in particular, the statesmanlike efforts of the leaders of African countries—especially President Kaunda, Prime Minister Vorster, President Khama, President Nyerere and President Machel—to avert violence and bloodshed. We would encourage them to continue in their difficult task of bringing the parties together.

The United States intends to adhere scrupulously to the UN's economic sanctions against Rhodesia. President Ford and his entire Administration continue to urge repeal of the Byrd Amendment and expects this will be accomplished during the current session of the Congress.

UNIVERSALITY

The United Nations has tried in various ways to exert a positive influence on change in Southern Africa. I should add, however, that we have opposed, and will continue to oppose, actions that are incompatible with the UN Charter. In particular, we will not retreat from our opposition to the expulsion of any member of the United Nations. We believe this would be contrary to the best interests and effectiveness of this Organization. Universality is a fundamental principle that we stand for in this body. The Charter's provisions for members' full exercise of their prerogatives are another. We do not believe that these principles can be ignored in one case and applied in another. This is why, despite our disapproval of South Africa's policies, we do not believe this Organization can afford to start down the path of excluding members because of criticism of their domestic policies.

FORMER PORTUGUESE TERRITORIES

Since we last sat down together, three more African nations—Mozambique, Sao Tome and Principe, and Cape Verde—have become independent. We welcome them to the United Nations family and we look forward to establishing regular relations with them. We stand ready to assist in their economic development.

But I want to say a cautionary word about Angola. Events in Angola have taken a distressing turn, with widespread violence. We are most alarmed at the interference of extra-continental powers who do not wish Africa well, and whose involvement is inconsistent with the promise of true independence. We believe a fair and peaceful solution must be negotiated, giving all groups representing the Angolan people a fair role in its future.

THE SPIRIT OF COOPERATION

Ladies and Gentlemen, Colleagues:

Twenty years ago there were only three independent African States. Today you comprise more than one-third of the membership of the United Nations. Africa's numbers and resources and the energies of its peoples have given Africa a strong and important role in world affairs.

We do not expect you to be in concert with us on all international issues. We ask only that as we respect your interests, are mindful of your rights and sympathize with your concerns, you give us the same consideration. Let us base our relations on mutual respect. Let us address our differences openly and as friends, in the recognition that only by cooperation can we achieve the aspirations of our peoples.

Let us be guided by the flexibility and the spirit of conciliation which were so evident during the Special Session. Let us replace the sterility of confrontation with the promise inherent in our collaboration. Let us search diligently for areas of agreements, and strive to overcome any misunderstandings.

Strengthening the relationship between the United States and Africa is a major objective of American policy. We support your self-determination, sovereignty and territorial integrity. We want to help you in your efforts to develop your economies and improve the well being of your people. Like yours, our belief in racial justice is unalterable.

The nations of Africa will have a major part in determining whether this will come to pass. America has many ties to Africa and a deep commitment to its future.

It is my profound hope that this session of the General Assembly will be remembered as a time when we began to come together as truly united nations, a time when we earnestly searched for reasons to agree, a time when the interdependence of mankind began to be fully understood.

Ladies and gentlemen, please raise your glasses with me in a toast to the future of Africa, the Organization of African Unity, and the United Nations in a world of peace.

[From the New York Times, Sept. 29, 1975]

FOR WHICH WE STAND

(By Anthony Lewis)

BOSTON, September 28.—The House of Representatives has been reformed: So we read earlier this year. New members have driven the dinosaurs from power and brought a spirit of reason into that once cynical place. The House can at last play its rightful part in making national policy.

Anyone who believes that should look at the Congressional Record for last Thursday, Sept. 25. The House that day debated a bill to repeal an existing law, the so-called Byrd Amendment that requires the United States to buy Rhodesian chrome in violation of United Nations sanctions. The repeal bill lost, 209 to 187.

It was a debate out of what we might have thought was some primitive past. Xenophobia and racism were the inarticulate premises, distortion and bluster the method. The subject was not one to make headlines, but the level of the argument—the contemptible level—told much about the state of the House.

Rhodesia is not a very complicated place to understand. It has a population of 270,000 whites and 5,700,000 black Africans. The tiny white minority has total power. The blacks are barred by law from most of the country's fertile land; few can vote; black workers earn many times less than white. Ian Smith, the Prime Minister who declared Rhodesia independent of Britain 10 years ago, has repeatedly said that the majority will not be allowed to rule "in my lifetime."

A principal opponent of the House bill was Rep. John H. Dent, Democrat of Pennsylvania. He had made a trip to Rhodesia, and he offered his colleagues these profundities:

"His (Ian Smith's) avowed purpose, and we can read this in their constitution if we want to read it, is to educate the blacks in Rhodesia to take over Rhodesia as a government. . . . Is there any person in this room that believes we can have one-man, one-vote, with equality of any kind, when they practice polygamy? . . . It is the only African country before the revolution in that

country that as a part of its economy every black gets paid the same wage as a white."

Rhodesian lobbyists were matched in skill by those for American companies eager to use cheap Rhodesian chrome. The United States has a large chrome stockpile; the Ford Administration had endorsed the bill as consistent with the national security. But the debate was larded with the lobbyists' argument that we would be imperiled if we relied on the main alternative source of chrome, the Soviet Union. Rep. Steven D. Symms, Republican of Idaho, added that the bill would cost American workers "between 2,027,000 to 16,700,000 man-hours as thousands of employes are laid off in the steel industry."

Such arguments would be funny if they had not been made on the winning side of the debate—and if the effects were not likely to be so serious.

It is fair enough to denounce the follies of the United Nations. But we are committed by treaty to observe Security Council resolutions, which after all we have a chance to veto. It will be a little more awkward, from here on, for Pat Moynihan to lecture other U.N. members about their contempt for law and international comity. It is true that awful things have happened in Burundi and Uganda and elsewhere without U.N. sanctions, and true also that sanctions rarely work. But it does not follow that we should stand apart when, for once, the world can agree to do something about a discrete evil. And sanctions are gradually beginning to exert effective pressure for peaceful change in Rhodesia.

The irony is that helping Ian Smith to hold out a little longer will only increase the likelihood of violent change—and damage to Western interests in Rhodesia, in chrome ore and everything else. The South African Government sees that and is desperately trying to arrange a transition to majority rule in Rhodesia. It is more enlightened, more sensible, than the U.S. House of Representatives.

It was especially painful to see some of the names voting Nay on that bill. There were some of the Southerners who were so effective in the Judiciary Committee's impeachment inquiry last year—James Mann, Walter Flowers, Ray Thornton, Caldwell Butler—and two of the Northern Republicans, Hamilton Fish, Jr. and Robert McClory. And two senior New York Democrats, Samuel S. Stratton and James J. Delaney. And a Democrat particularly respected as a lawyer, Richardson Preyer of North Carolina, who in his speech against the bill sounded embarrassed.

Of course the House is not to be judged alone for such a performance. It speaks for the country. Did it reflect us fairly? Is that what we have become after six years of foreign-policy leadership obsessed by power, indifferent to humanity, without scruple of bombs or lives? Or what pressures lead a good man like Richardson Preyer to vote that way?

We should not meddle in another country's affairs, said one Congressman, sounding like Henry Kissinger. But we do meddle, by force and conspiracy. The question is when and how we should express the old American ideals, which still matter to many people in the world.

IMPROVING CONGRESSIONAL OVERSIGHT OF THE CIA

HON. JOSEPH D. EARLY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 2, 1975

Mr. EARLY. Mr. Speaker, today I voted for the amendment offered by Mr. GIAIMO of Connecticut. This amendment would provide that none of the funds in the Department of Defense appropriations bill be available for the Central Intelligence Agency. This amendment was offered for the purpose of determining sentiment within the House as to whether the CIA ought to be subject to improved congressional oversight. This passage of this amendment would enable Mr. GIAIMO to introduce a second amendment which would reintroduce the budget for the CIA by saying that the CIA budget equaled x number of dollars.

I voted for this amendment in order that we might accept the fiscal responsibility that the Constitution confers upon us. I cite article I, section 9 of the Constitution which states:

> No money shall be drawn from the Treasury but in consequence of appropriation made by law.

Second, the Constitution requires that—

> A regular statement and account of receipts and expenditures of all public monies shall be published from time to time.

The CIA seems to be above the law in this respect; presently it is not required to comply with this constitutional mandate.

Let me address the major objection to improved congressional oversight of the CIA. Critics claim that public disclosure of the CIA budget would be useful to enemy intelligence organizations. I submit, that such disclosure would come as no surprise to any enemies of the United States. The fact of the matter is that the governments of the Peoples Republic of China and the Soviet Union know more about the amount of money spent on the CIA than do the American taxpayers. It has even been indicated by people in the CIA that this is not the primary reason for their objections. The real reason being, they would like to continue as an autonomous agency of the executive branch of Government free from congressional scrutiny. I should also like to point out to those fearful of weakening national security that the Atomic Energy Commission has had its lump sum appropriation printed as a matter of public record for some time. This has not led to the disclosure of national secrets, nor has it endangered the security of this country.

As we all know, there has been quite a bit of controversy in recent months regarding the activities of the CIA. In particular, there has been concern with its domestic activities, which have ranged from keeping files on U.S. citizens to the opening of mail of U.S. Presidents. Much of our knowledge of these activities is derived from the investigations of Watergate. I think we all should have learned from Watergate that nothing is more threatening or dangerous to a democracy than unbridled, unchecked, arrogant power. The publication of the budget does not jeopardize national security, but rather it strengthens it by insuring that Congress, through its oversight functions, can eliminate some of the abuses of power which the agency has been guilty of in the past. These abuses, in my judgment, are far more threatening to our system of government than any line item figure.

Other critics of this amendment have pointed out that countries such as the Soviet Union and Red China do not release the amount that they spend on intelligence activities. This is so obvious I fail to understand why they bring it up. These countries do a number of things differently from us. I, for one, would not encourage other members to look to their example for methods of running a government. Ours is an open society, and we should continue to operate under this system to the maximum, consistent with our true security requirements.

In light of these considerations, I think it's time that the total autonomy of the CIA be brought to an end. There must be accountability for all agencies of the U.S. Government. This amendment is a step toward bringing this agency under effective control both executive and legislative. I support this amendment in order that we might exercise greater congressional scrutiny and oversight of intelligence activities. Thereby, keeping in check abuses of CIA powers, in order that we might better protect the rights of U.S. citizens. If this is, in fact, to be a government of laws, we must put an end to the uncontrolled action of the CIA. The Congress must accept its constitutional responsibility by providing for meaningful oversight of our intelligence agency and by making it accountable to the American taxpayer.

HOW A TOUGH JUDGE HANDLES GUN CRIME

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 2, 1975

Mr. KEMP. Mr. Speaker, the two recent attempts on President Ford's life have occasioned some very deep and searching questions about the quality of our crime control systems across the United States, and about the nature of the crimes themselves.

In the past two decades crime has increased in direct proportion to the growing permissiveness on the part of the courts and the lawmakers, who care more about the welfare of the hardened criminal than the safety of his defenseless victim. Only a fraction of the lawbreakers brought to court today are ever convicted, and thousands more escape trial through legal "loopholes" or technical violations in the original arrest.

Mr. Speaker, it is time we began holding criminals accountable for their actions, as the actions of rational human beings who wilfully violate the rights of decent citizens to live free of fear anywhere in America.

I believe that the best way to stop the rampage of violent crime is to impose a severe deterrent upon the criminal to discourage him from committing the crime in the first place. Presently persons convicted of armed robbery are very often put on probation for a first offense—in effect not punished at all. I believe that we must have mandatory sentences for any crime committed with a firearm, so that potential criminals will think twice before attempting to accost innocent citizens at the point of a gun.

That is why I have cosponsored H.R. 8697, a bill to require that any criminal convicted of using a firearm during the course of a felony be sentenced to a minimum of 2 years in prison for a first offense in addition to whatever penalty the judge shall confer, with the penalties increasing proportionately for every subsequent armed criminal offense and without the chance of a suspended sentence.

Mr. Speaker, last Sunday's Buffalo Courier Express included an article on one man who is already carrying out the intent of this bill with considerable success by imposing obligatory stiff sentences on all crimes committed with the use of a firearm, Judge Oliver Green, Jr., of Bartow, Fla. I would like to enter this article into the RECORD for the benefit of all who believe that mandatory sentences for armed felony, rather than arbitrary gun control, is the most effective deterrent to violent crime:

JUDGE TOUGH ON GUNMEN

(By Pat Leisner)

BARTOW, FLA.—Oliver Green Jr. is a judge with a fancy for guns and an intolerance for misuse of them.

An active member of rifle and pistol clubs, he is known for his collection of 40 to 50 firearms and his stiff sentences for armed wrongdoers.

"I am a gun enthusiast. I consider it my prime hobby," Green said.

"I am disappointed with what people do with guns and I crack down on it. How to deal with the element of people who misuse it is my problem and I deal with it sternly."

Green, 42, frequently sends armed robbers to jail for life when they appear before him in Polk County Circuit Court. It doesn't matter if the weapon used was only a water pistol.

"That's immaterial," said Green. "If a person has a gun and commits a felony, that's fine with me. He's treated as such—even if it's plastic."

Under Florida law, a person can be charged with armed robbery if the victim fears for his life, the judge explained. If the victim believes the weapon is real, the armed robbery charge may apply.

First offenders are shown no mercy and a sentence of probation for a gun-toting stickup man is out of the question. A 10-year minimum is more like it when Green is on the bench.

"I would like to preserve for law-abiding people the right to bear arms in their defense and defense of their home," said the crew-cut father of three daughters. "And I would like to preserve the right of sportsmen. To do this, I feel severe penalties should be dealt to those who misuse firearms."

One man convicted of three armed robberies pulled two life sentences and 50 years. The reason he only got half a century on the third charge was because a visiting judge handled it.

Green worries about the growing use of guns in crime.

"The place is going hog-wild. Look at what happened to President Ford," he said.

If the two accused assassins of Ford were convicted and brought to him for sentencing, Green said, they would be put away for life in a maximum security prison with no hope of ever being free again.

HOUSE OF REPRESENTATIVES—*Friday, October 3, 1975*

The House met at 10 o'clock a.m.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

He looked for a city which hath foundations, whose builder and maker is God.—Hebrews 11:10.

Almighty Father, we who come from different backgrounds and are members of different groups, lift our hearts unto Thee in this, our morning prayer. Thou art our Father and we are Thy children. Help us to find our oneness in Thee. Forgive the misunderstandings, the suspicions, and the ill will which separate us from one another. Purify our hearts and help us to walk together in the ways of Thy word and in the spirit of true fellowship. In this higher realm of the spirit may we transcend our differences, be ready to share our best thought, and work together for the sake of our country to build on Earth the city of God; in Thy holy name we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 9600. An act to rescind certain budget authority recommended in the message of the President of July 26, 1975 (H. Doc. 94-225), transmitted pursuant to the Impoundment Control Act of 1974.

The message also announced that the Senate agrees to the amendments of the House to a bill of the Senate of the following title:

S. 2375. An act to extend the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, for 3 months.

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 7706. An act to suspend the duty on natural graphite until the close of June 30, 1978.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 7706) entitled "An act to suspend the duty on natural graphite until the close of June 30, 1978," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. LONG, Mr. NELSON, Mr. MONDALE, Mr. HATHAWAY, Mr. CURTIS, Mr. FANNIN, and Mr. HANSEN to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 49) entitled "An act to authorize the Secretary of the Interior to establish on certain public lands of the United States national petroleum reserves the development of which needs to be regulated in a manner consistent with the total energy needs of the Nation, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. CANNON, Mr. STENNIS, Mr. SYMINGTON, Mr. NUNN, Mr. GARY W. HART, Mr. JACKSON, Mr. METCALF, Mr. HASKELL, Mr. THURMOND, Mr. WILLIAM L. SCOTT, Mr. TAFT, Mr. HANSEN, and Mr. BARTLETT to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 3979) entitled "An act to authorize appropriations for the Indian Claims Commission for fiscal year 1976," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. JACKSON, Mr. METCALF, Mr. ABOUREZK, Mr. MCCLURE, and Mr. BARTLETT to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 286. An act to authorize additional judgeships for the U.S. courts of appeals.

PERSONAL EXPLANATION

(Mr. FUQUA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FUQUA. Mr. Speaker, on Thursday, October 2, 1975, because of a long-standing dental appointment, I missed three rollcall votes. I would like the permanent RECORD to show that on rollcall No. 573 I would have voted "no"; on rollcall No. 574 I would have voted "yes"; and on rollcall No. 575 I would have voted "yes."

CONFERENCE REPORT ON H.R. 8070, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT—INDEPENDENT AGENCIES APPROPRIATION ACT, 1976

Mr. BOLAND. Mr. Speaker, I call up the conference report on the bill (H.R. 8070) making appropriations for the Department of Housing and Urban Development, and for sundry independent executive agencies, boards, bureaus, commissions, corporations, and offices for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Clerk read the statement.