munist League. I can remember being at parties in 1936 when young Y.C.L. girls told me how heroic they would think me if I joined the Brigade "to fight for Spain and its republican Government." I am not implying that all Brigade members were Communists; they were idealistic young men who thought they were striking a blow against fascism.

But Mr. Nelson doesn't talk about their loss of idealism once they got to Spain and found themselves under the command of Soviet party functionaries. He talks about the Brigade's opposition to Hitler and Mussolini. He doesn't say anything, though, about the Brigade's isolationist policy during those months of World War II when Hitler and Stalin were pact buddies. Only after Hitler turned his armies toward the Soviet Union did the Brigade follow the party line and urge all-out support to Britain and Russia.

PHILIP WASSERMAN,
Rockville Centre, N.Y., Feb. 12, 1975.

THE TAX CUT

HON. ROBERT E. BAUMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 12, 1975

Mr. BAUMAN. Mr. Speaker, the Wall Street Journal of March 5, carried a thoughtful article concerning the tax cut legislation which we hustled through the House recently. It points out that at a cost of $21.3 billion in lost revenues and increased deficits, the economy is likely to receive a maximum of $10 billion worth of stimulation. I would contend that even this so-called boost will be wiped out by the inflation which is certain to follow these massive deficits.

As one who declined to go along with the tax cut legislation I commend this article to the thoughtful consideration of my colleagues:

[From the Wall Street Journal, Mar. 5, 1975]

THE HOUSE TAX CUT

Although the House has improved somewhat on President Ford's proposal for immediate tax-cut stimulation for the economy, the Senate has a lot more work to do on it before anyone can pretend that it is barely adequate for the job. The House bill carries a price tag of $21.3 billion, which is not small change. But for that price, the economy will only get about $10 billion worth of stimulation.

The only certain stimulants in the package are on the 1975 cuts on lower and middle incomes, costing an estimated $8.1 billion, and the doubling, to $50,000, the amount of income on which a business pays the lower 22% corporate tax rate, costing Treasury $1.2 billion. The cut in individual taxes would be more beneficial to the economy if it were applied across the board; a reduction in taxes in the lower incomes implies a higher relative tax on the upper incomes, which can only mean a disincentive to the higher incomes to produce. Still, the net effect is clearly stimulative to supply and demand.

But that's all there is. The House knocked $4 billion off the Ford plan to hand out $12 billion in rebates on 1974 incomes, but given the same monetary policy, the remaining $8.1 billion is no stimulant to production. Treasury has to sell $8.1 billion in bonds—$8.1 billion that would otherwise be going into consumption or investment—in order to give $8.1 billion to last year's workers, so that they can put it into consumption or investment. Because future taxes have to be raised to pay the interest on the Treasury bonds, which the market of course takes into account, the whole exercise does more harm than good.

It is especially discouraging that such awful economics could win the support of both a Republican administration and a Democratic Congress. The only thing that it has to offer over the idea of paying people to dig holes and then fill them up is that the bureaucratic cost of supervision is saved. Otherwise, the economic effect is exactly the same.

Nor do we understand why a Republican administration, a Democratic Congress, business and Labor—and especially labor—believe that an increase in the investment tax credit to 10% from 7% will do this economy any good. It's clear why liberals go along with it: Because President Kennedy first proposed it as an alternative to a single cut in the corporate tax rate, the ITC is an acceptable bone to throw to business. But there's never been any evidence that it acts as a positive stimulus to production; it's merely a subsidy to capital accumulation.

The AFL–CIO should be aghast at the implications of a further hike in the investment tax credit; instead, it is actually supporting the idea. Here we have an economy with more than 8% of the work force unemployed, a figure that no doubt will rise, and unemployed fixed capital probably in the range of 20%, and everyone thinks it would be dandy to give business an incentive to buy new machines instead of using old machines and unemployed workers. Again, if the scheme goes through, Treasury will have to go out and sell $3.9 billion in bonds over the next two years. It then uses the proceeds to effectively pay the business community so that it distorts its decision-making away from existing capital and labor in favor of new plant and equipment.

What it all comes down to is that $21.3 billion in tax cuts would give the economy a decent stimulative boost, but not the way the House has arranged matters. If all the individual tax reductions had been applied to 1975 incomes, across the board, and if all the "benefits" to business had come in the form of reduced corporate tax rates, the package would clearly be cost effective.

The Senate now has a chance to straighten things out a bit. But the only advance sign from Chairman Russell Long of the Senate Finance Committee is that the Senate version will carry a higher price tag. Says Sen. Long: "I think it's fine for the House to spread some joy, but they've got to understand we want to spread some, too." But if the Senate merely hands out more goodies, with no more careful thought to how much bang they're going to get for each buck than the House has given, there's going to be a lot less joy in these tax cuts than the politicians are pretending.

SENATE—*Thursday, March 13, 1975*

(Legislative day of Wednesday, March 12, 1975)

The Senate met at 11 a.m., on the expiration of the recess, and was called to order by Hon. WALTER D. HUDDLESTON, a Senator from the State of Kentucky.

PRAYER

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

O God, our Creator and Ruler, who hast given us the gift of life, bless us this day as we go to the work which lies before us.

We thank Thee for work, and for health to do it. Help us to think clearly and act wisely for the common good. Spare us from impatience, from the quick temper, from focusing on faults, and from tongues tuned to criticism. Keep us steadfast in the things that matter. But deliver us from mistaking our will for Thy will. Grant us in all our labors something of the grace, wisdom, and beauty of the Master, in whose name we pray. 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 assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., March 13, 1975.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. WALTER D. HUDDLESTON, a Senator from the State of Kentucky, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. HUDDLESTON 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, March 12, 1975, be approved.

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

COMMITTEE MEETINGS DURING SENATE SESSION

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

Mr. GRIFFIN. Mr. President, reserving the right to object, at the request of another Senator, I do object.

The ACTING PRESIDENT pro tempore. Objection is heard.

CONSIDERATION OF CERTAIN ITEMS ON THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 25, Senate Resolution 23, and Calendar No. 30, Senate Resolution 61.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

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

DISAPPROVAL OF DEFERRAL OF BUDGET AUTHORITY

The Senate proceeded to consider the resolution (S. Res. 23) disapproving the proposed deferral of budget authority to carry out the comprehensive planning grants program under section 701 of the Housing Act of 1954.

CONGRESS MUST OVERTURN PRESIDENT FORD'S IMPOUNDMENT OF SECTION 701 COMPREHENSIVE PLANNING GRANT FUNDS

Mr. HUMPHREY. Mr. President, today Congress will take a historic step toward restoring the balance of power between the Executive and Congress. For the first time, we will use the authority and procedures provided for in the Congressional Budget and Impoundment Control Act of 1974 to override an attempt by the Executive to unilaterally defer an appropriation made by the Congress for a specific program.

This restoration of "the power of the purse" to the Congress is the most important single step toward restoring the constitutional power of the Congress that has been taken in decades. As a strong believer that this balance is crucial to the preservation of our liberty and the responsiveness of our system of government, I will remember today's action as a landmark of sorts in the years to come.

Today, we will pass Senate Resolution 23, which I introduced with Senator MATHIAS and several additional colleagues on January 21. At this time, 40 Senators have joined us on this important impoundment override resolution.

Senate Resolution 23 will disapprove the President's proposed deferral of $50 million in HUD section 701 comprehensive planning grant money. If allowed to stand, this deferral would mean a cut of 50 percent from the level of funding appropriated by the Congress for this important purpose. It is urgent that we act today to assure full funding of this crucial program.

Mr. President, to permit this deferral would mean the gutting of an important ongoing program that is relied upon by thousands of communities, urban and rural, large and small, all over the country. This would be a severe injustice and would have a devastating impact on their ability to provide effective services to our citizens. As I see it, the $50 million budget savings the President would gain by this proposed impoundment of appropriated funds is a penny-wise and pound-foolish decision.

During the past decade the responsibilities of State, local, and regional government units have increased dramatically. There is no question that these responsibilities will continue to expand in the years ahead. As this occurs, the necessity for better quality and more widespread planning becomes ever more indispensable.

The 701 comprehensive planning and management program has, since its enactment in 1954, has served as a continuing source of Federal assistance for comprehensive planning by States, counties, cities, and regional organizations. It is the only Federal program which allows recipients to plan in a comprehensive manner.

Over the years Congress has enacted a number of specific planning programs for transportation, economic development, health, and the like. However, something is needed to tie all of these narrowly focused planning programs together to allow for planning in a coordinated, comprehensive manner—in a manner that will be most productive, getting the most bang for the taxpayer's buck. It is a budget-saving program in the true sense.

It is a matter of grave concern to me that this country's commitment to urban and rural planning, as a conscious process of government at every level, seems to be weakening, despite the fact that the crisis resulting from unplanned growth and development is deepening throughout the United States, and being brought to our attention in bold type on the front pages of our Nation's newspapers. In terms of the number of dollars expended by this country in community development and housing assistance, the comprehensive planning and management assistance program, 701, has been relatively small. Over the years increasing demands have been made on this relatively static program, and it has not kept pace with either the growth of demand for planning funds from our communities or the intensification of urban and rural problems with which planning must deal.

The number of eligible recipients of these small amounts of funds has continually increased over the years, far outreaching funds available for even past clients. And, this situation gets worse every time the administration recommends the use of 701 funds as a replacement for additional new planning assistance programs—for example, rural development planning, coastal planning, disaster assistance, and the like.

Mr. President, the people have begun to demand a voice in the decisions affecting their environment. They have demanded that proper consideration be given to the economic and social development of this Nation. Planning, therefore, is crucially necessary, if we are going to seriously address ourselves to the many varied programs being proposed for the orderly growth and development of our Nation.

From a congressional point of view, the existence of planning requirements, as a condition of Federal financial assistance, makes eminent good sense. Planning requirements are a form of insurance designed to protect and make most useful the Federal dollars provided for local projects. The planning requirements simply say "These things that we are helping to finance must fit together in a well-thought-through manner and must be of long-range benefit to our citizens." Planning assistance makes this objective achievable.

One of the major reasons for expanding the comprehensive planning program, rather than cutting it as the President proposes, is to assist State and local governments in protecting the investment the Federal Government makes in the wide variety of Federal programs in which they participate.

Comprehensive planning assistance of 701 has had broad and successful application across this country, and I do not believe its track record of accomplishment warrants the proposed gutting. 701 has become a glue to coordinate all functional or more specialized planning and program development. It has provided a coordinated management framework, it helps produce policy and decisionmaking documents and tools, and it has served as a measure for community values.

As a checkpoint of accomplishment, 701 has worked and served as an administrative tool for long-term decisionmaking, and long-term policy and goal formation, and it has saved American taxpayers billions of dollars, by preventing waste and improving the quality of decisions.

As I said before, the 701 program has assisted States, counties, and cities of all sizes. It has fostered regional cooperation throughout the country, both on a metropolitan and nonmetropolitan basis, and it has funded economic development districts, and Indian tribal councils.

Mr. President, I am, of course, most familiar with the importance of 701 planning grants in my own State of Minnesota. But, I am sure that use throughout the Nation follows a similar pattern.

In Minnesota, these planning assistance funds support the activities and staff of the State planning agency, the metropolitan council in the Minneapolis-St. Paul area, the major cities of Minneapolis, St. Paul, and Duluth, the metropolitan planning agencies in Duluth-Superior, Rochester, St. Cloud, and Fargo-Moorhead, and regional development commissions in each of the 12 regions in Minnesota. In all, 21 organizations in Minnesota are affected by the availability of HUD 701 planning assistance funds. Every level of government, every citizen, benefits from the program. Every citizen in Minnesota would be affected adversely by the proposed deferral.

Minnesota has made great progress in establishing areawide regional planning. Regional planning development commissions have now been formed in each region of our State. These regional development commissions represent the beginning of a successful effort by local governments to work together to plan those services which they, as local governments, could not provide individually. The 701 planning assistance funds have provided the initial support that has made this possible. To remove that financial support at this crucial stage in their development would be a serious setback and could be the death knell for this crucial activity.

Many States, and some local governments, have now begun the process of developing land-use plans. In many areas, this has taken place with HUD planning funds. This is the case in Minnesota.

While the State has now enacted legislation to deal with land use, and has appropriated moneys for specific land-use activities, the State planning agency, the metropolitan council in Minneapolis-St. Paul, and the 12 regional development commissions in Minnesota, are all counting heavily on the availability of HUD 701 planning moneys to allow them to continue their important land-use planning activity.

Finally, moneys made available for this planning program to the State planning agency have enabled it to acquire a competent staff to provide technical help to local and regional governments, to assist them in establishing an effective planning program, to help them manage, and to provide them with information, such as population estimates and forecasts. We must pass Senate Resolution 23 and permit this important assistance to continue at least at the present level.

Mr. President, Senate Resolution 23 has received strong support from mayors, Governors, and county officials from throughout the country. I have received hundreds of letters urging me to do all I can to see that my resolution is enacted promptly.

Therefore, I am delighted that both the Senate Budget Committee and the Senate Appropriations Committee have acted favorably and rapidly on this resolution. The unanimous support of the Senate Budget Committee, and strong support in the Appropriations Committee, are clear indications of the essential need for this planning program throughout the country.

Mr. President, I want to publicly thank my colleague from Maryland (Mr. MATHIAS) for his excellent leadership on this issue. Without his able assistance, it is unlikely that we would be able to pass this measure today. I am sure that all those who believe in this program and understand its significance share my gratitude to Senator MATHIAS for his important contribution.

Mr. President, I urge all of my colleagues to join me in supporting this essential program.

DECISION TO SPEND SECTION 701 FUNDS THIS YEAR MAKES LITTLE SENSE

Mr. PROXMIRE. Mr. President, the resolution we are considering today, Senate Resolution 23, commits us to spending another $50 million on comprehensive planning grants in this year of the big budget deficit to no good purpose. The administration was right in asking for a deferral of $50 million in the section 701 comprehensive planning program and we are wrong in overriding their decision. Here are a few reasons why I am convinced we are making a big mistake.

First, there is more than enough money available for comprehensive planning. Despite the fact that the administration's proposal would reduce the obligation of funds under the program from $75 million in fiscal 1974 to $50 million in fiscal 1975 there is no reason in the world why planners and planning agencies would suffer. Let me explain why.

States as well as metro and nonmetro areawide planning groups would receive more than they did last year—that is right—they would get more cold cash despite the recommended deferral than they did in fiscal 1974. How is this possible? Simply because large cities and urban countries and localities would be eliminated from the program, thus saving $29.5 million.

But what happens to the planning effort in these urban areas? Does it go down the drain? Not at all. Cities can easily dip into the massive amounts of new community development block grant money first made available late last year. These urban localities have an enormous $2.2 billion to distribute in fiscal 1975 and a proposed $2.55 billion to parcel out among their various projects in fiscal 1976. If comprehensive planning cannot claim a modest $30 million out of these vast sums why should the Congress give this part of the program such a high priority? General revenue-sharing funds are also available for this sort of program.

Congressman BOLAND in the course of House hearings on the deferral of section 701 funds made the point in this way. He indicated that the city of Boston is going to receive $32,108,000 in community development funds in 1975 and another $28,749,000 in 1976. In 1974 Boston got $150,000 under the section 701 comprehensive planning grant program. Why in the world cannot Boston use part of its new community development money to pay its planners? If the city is not willing to pick up the tab, why should the Congress, but that is exactly what we will be doing if we pass Senate Resolution 23 to disapprove the administration's deferral.

Second, we are virtually committing ourselves to breaking the Housing and Urban Development budget submitted by the administration to the Congress for fiscal year 1976 if we pass Senate Resolution 23. If we approve this legislation, we are forcing HUD to spend $100 million on comprehensive planning grants in fiscal 1975 instead of $50 million this year and $50 million next year. No new budget authority has been requested for the section 701 program in fiscal 1976. The assumption was that the deferral would be adequate to continue the program.

Obviously, we are not going to spend the full $100 million this year and provide no money next year. There will be intense—probably successful—pressures to add $100 million to the fiscal 1976 budget for this program if we override the $50 million deferral. This may seem small potatoes in the face of a budget deficit estimated at a low of $52 billion that could easily go to $69 billion or above. But if we start to treat items of this considerable magnitude with disdain, the deficit will be even more frightening than the most pessimistic among us predicts.

Third, this money does not help the underprivileged or the unemployed. It does not alleviate the economic woes that many of our constituents are facing. It goes to pay the salaries of well educated, articulate planners who make a very good living from their profession. These men have the knowledge and the skill to lobby quite effectively for the section 701 program as many of us can attest to by the mail and the phone calls we have received on this issue. But let us not fool ourselves into thinking that this program combats recession. It does not.

Fourth, there is no hard evidence that these planning dollars are being wisely used. Maybe they are, maybe they are not. But the results simply are not in. There are very substantial questions in my mind as to the effectiveness of these expenditures. Are they simply a way of bolstering city hall payrolls or are they producing results? We should answer these questions before we sink even more dollars into the program, recognizing, of course, that the cities themselves can provide community development funds for the program if it is doing a job in their area.

For all these reasons I am compelled to oppose this resolution despite the fact that it received a strong vote of approval in both the HUD-Independent Agencies Appropriations Subcommittee, which I chair, and the full Appropriations Committee. For me to do otherwise would be fiscally irresponsible.

NEED FOR COMPREHENSIVE PLANNING FUNDS

Mr. JOHNSTON. Mr. President, today the Senate has an opportunity to override the President's deferral of $50,000,000, appropriated by the Congress for comprehensive planning grants to States and localities in fiscal year 1975. Senate resolution 23 disapproves the proposed deferral of budget authority to carry out the comprehensive planning grants under section 701 of the Housing Act of 1954. This is deferral D75–107, transmitted by the President to Congress on November 26, 1974.

The President had originally requested $110 million dollars for section 701 comprehensive planning grants in his fiscal year 1975 budget. The Senate had concurred in this appropriation and following a conference with the House agreed to a final figure of $100 million dollars. The President has not begun actions to defer spending of $50 million of that program, carrying the balance of $50 million over into fiscal year 1976 in which fiscal year he has asked for no additional funding.

This action will have a serious effect on the States, cities, counties and regional governments who need this assistance to plan and manage a myriad of programs in urban and rural areas throughout the country. The 701 comprehensive planning program is the only continuing source of Federal assistance for comprehensive planning for States, counties, cities and regional governments and is crucial for assisting these governments in developing and implementing long-range plans for rational growth in the future.

We have seen urban and regional planning grow rapidly in both breadth and depth over the last 40 years. We have gone from an early period when the state of the art was principally concerned with the spatial composition of cities to the present where the scope of planning has been broadened to include considerations of many social, economic and political factors that affect the process of growth or change as well as the basic physical parameters of form, space and natural resource development capability.

We have seen the emergence of an institutional base for urban planning in this country. It has been encouraged through Federal legislation. The landmark Housing Act of 1954, including section 701, provided the first and still continually evolving program for the assistance of planning activities on the parts of States, local government and metropolitan areas throughout the country. This limited first enactment was amended and expanded through each of the succeeding Congresses and has resulted in a steady refinement of the

actual and potential "clientele" eligibile for planning grant-in-aid funds under the original legislation. In addition to each of the Housing Acts and their added scope of responsibilities for comprehensive planning, several other substantive pieces of legislation, including the Federal-Aid Highway Act of 1962, as amended, the Urban Mass Transportation Act of 1966, the Intergovernmental Cooperation Act of 1968, the Clean Water Act of 1972, the Rural Development Act of 1972 and others, have all added considerable impetus to the importance of comprehensive planning and its various interrelated aspects and in fact have required conformance with comprehensive planning. Each enactment reflects the determination of the Congress to bring urban and regional planning more strongly to bear as a tool for governmental problem solving.

The planning structure that has emerged is specifically geared to increasing the decisionmaking capacity of elected public officials. Any legislation that strengthens this structure and positions the planning functions in direct relation to increased political decisionmaking capacity should be endorsed by Congress.

As we have stated before, planning is not an end in itself. It is a means to an end—to the end of more informed and more effective political decisionmaking.

The concerns of planning and of planners are as broad as the concerns of those elected to govern—of the chief executives and the legislative bodies.

Planning assists those who are elected to govern in their establishing goals and targets, in the ordering of priorities, in the mixing of programs and the allocation of resources to achieve identified desired ends, and the evaluation of results. The planner's role is inexorably tied to the development, the application, and the evaluation of public policy and the identification of the public interest.

The administration has suggested that cities and counties would not be adversely affected if these funds were deferred and these same governments could use other Federal funds—such as those in the Housing and Community Development Act of 1974—for the same purpose. In fact large cities, urban counties and localities would not receive financial assistance for planning. The Housing and Community Development Act of 1974 is clear on the distinction between community development planning and comprehensive planning. Block grant funds for community development under title I of that act are in fact limited to the formulation of community development plans—a functional activity. Community development block grant recipients cannot use their funds to do comprehensive planning previously carried out with 701 assistance. Title IV does strengthen the comprehensive planning process, but the impoundment of the 701 funds would not be fully replaced from these other sources.

As a final point, it is critically important that the planning work that is being done across our Nation be done with the deep commitment of government officials. All of the planning reports in the world are of no value unless the recommendations of this work can be implemented. The difficulty in implementation is in part the reason that some people support the deferral of these funds. We should recognize that implementation of large-scale plans is not easy, but it has been done in some areas, and we must continue to do our best. We should use as our model those governments that have been successful in implementing plans—not those governments which have not done so well. Whether or not these funds will have been well invested will depend upon the work that State and local government officials do to bring alive the planner's efforts. I have great faith that our State and local government officials can accept that challenge, and that this Federal expenditure will prove to have been a sound one.

Mr. WILLIAMS. Mr. President, I rise in support of Senate Resolution 23 which would disapprove the President's proposed deferral of $50 million in HUD section 701 comprehensive planning grants. I have cosponsored this measure because I feel that this deferral would severely undermine a successful program which is important to thousands of communities across the Nation.

The funds which are devoted to the 701 planning program are well spent. Unplanned growth has blighted our landscape for the past several decades. Numerous studies have demonstrated that our urban sprawl is tremendously costly, economically and environmentally. It is wasteful in terms of land use and energy consumption. The 701 program provides a vehicle to our communities to combat this kind of waste by planning for orderly growth.

New Jersey, which is the most densely populated State in the Nation, has perhaps suffered more than many areas from urban sprawl. But our State and our communities are making efforts to confront the problems. The demand for 701 funds in my State has been great. In fiscal year 1974, the State's Division of Local Government Services, which has administrative responsibility for the 701 grants to New Jersey's municipalities, received requests for $2.3 million, but only $450,000 was available.

I feel very strongly that we need the kind of tools that the 701 program can provide. This program enables our State and local governments to formulate short-term and long-term policies and goals. A reduction in the funding level for this program would drastically restrict the ability of these units of government to carry out ongoing planning processes.

I urge my colleagues to join me in supporting Senate Resolution 23.

The resolution (S. Res. 23) was agreed to, as follows:

Resolved, That the Senate disapproves the proposed deferral of budget authority to carry out the comprehensive planning grants program under section 701 of the Housing Act of 1954 (numbered D 75–107), set forth in the special message transmitted by the President to the Congress on November 26, 1974, under section 1013 of the Impoundment Control Act of 1974.

DISAPPROVAL OF PROPOSED DEFERRAL OF BUDGET AUTHORITY TO CARRY OUT THE HOMEOWNERSHIP ASSISTANCE PROGRAM

The Senate proceeded to consider the resolution (S. Res. 61) disapproving the proposed deferral of budget authority to carry out the homeownership assistance program under section 235 of the National Housing Act.

Mr. WILLIAMS. Mr. President, Senate Resolution 61 would disapprove the President's proposed deferral of approximately $260 million for the section 235 housing program. In the Housing and Community Development Act of 1974, Congress specifically authorized the use of these funds for the continuation of homeownership assistance to lower income families.

I have cosponsored Senate Resolution 61 because I am convinced that the termination of this program, especially under the current economic climate, is unjustified and shortsighted. There have undeniably been some disappointments in the 235 program. On the whole, however, the program has been quite successful. It has provided an opportunity for thousands of low-income families to own their own homes. The social benefits of this program are immeasurable. It builds housing, and it also brings with it a pride of homeownership and a sense of community responsibility.

The proposed deferral of these funds is particularly untimely. The housing industry is in the midst of a depression. Unemployment in the construction industry is now 15 percent. This represents 664,000 persons across the country. In my home State the estimates of the unemployment rate range up to 30 percent. In December the annual housing starts level dropped to an 8-year low of 868,000 a decline of more than 60 percent since October of 1972. New Jersey has experienced a similar downturn in housing starts, and the construction of new homes is proceeding at a rate which is estimated to be less than one-third of that which is necessary to meet the needs of our citizens.

The National Housing Conference estimates that the funds which the President proposes to defer could produce as many as 240,000 additional units of housing for lower income families. This housing is urgently needed. The release of the section 235 funds can alleviate serious hardship, and it can relieve unemployment and stimulate our economy. I urge my colleagues to support Senate Resolution 61.

HOMEOWNERSHIP ASSISTANCE PROGRAM

Mr. PROXMIRE. Mr. President, as chairman of the Committee on Banking, Housing and Urban Affairs, and the Subcommittee on HUD-Independent Agencies of the Committee on Appropriations, I am glad to speak in support of Senate Resolution 61 to disapprove the proposed deferral of budget authority for the section 235 homeownership assistance program.

Both the Banking, Housing and Urban Affairs, and the Appropriations Committees overwhelmingly approved this resolution. Their approval stems, I think,

from two strongly held views concerning this resolution.

The first is the view that homeownership assistance is badly needed at this time in order to generate employment in the depressed housing industry. It is estimated that restoring the homeownership program now will result in some 200,000 new housing starts, requiring 400,000 man years of work. At a time when housing starts have fallen 60 percent below national housing goals and construction unemployment has risen to disastrous levels, a Federal homeownership assistance program can play a major role in returning the housing industry, and the general economy, to good health.

The second strongly held view is that the Congress authorized and appropriated funds for homeownership assistance, and the President, having signed the measures, should therefore carry out the laws.

Mr. President, you will remember that in January 1973, the administration, without consulting the Congress, suspended the homeownership program along with all other major HUD programs. Approximately $264 million in appropriated section 235 funds were impounded at that time.

In August 1974, after 18 months of HUD-imposed housing stagnation, the Congress revised and reauthorized the homeownership program, specifically authorizing the use of the impounded funds during this year. This was a key part of the agreement between the Senate and House conferees.

Yet, in October 1974, despite the new housing law, the President proposed to continue the impoundment of homeownership funds.

Many in the Congress are outraged at the administration's refusal to carry out the housing law. Last week, the House of Representatives refused to agree to the further impoundment of section 235 funds, as requested by the President. Passage of Senate Resolution 61, before us today, would make absolutely clear to the administration that the Congress demands that the housing laws be carried out.

The Executive is already on notice that it is violating the Impoundment Control Act by continuing to impound homeownership assistance funds. According to a recent determination by the Comptroller General, the administration was required to allocate the available section 235 funds last Saturday, March 1. I have contacted Comptroller General Staats regarding this apparent violation of law, requesting action under Public Law 93–344. I have been informed that GAO is in the process of notifying the Office of Management and Budget of this violation. I anticipate early legal action by the Comptroller General to secure implementation of this program, in accordance with procedures established by the Impoundment Control Act.

Senate Resolution 61 supplements and supports the pending action of the GAO. Prompt passage of the resolution would make clear that the Congress expects the homeownership assistance program to be implemented regardless of whether it requires congressional disapproval of a proposed deferral, or nonapproval of a proposed rescission.

Accordingly, I urge the Senate to adopt the measure.

The resolution (S. Res. 61) was agreed to, as follows:

Resolved, That the Senate disapproves the proposed deferral of budget authority to carry out the homeownership assistance program under section 235 of the National Housing Act (numbered D75–48), set forth in the special message transmitted by the President to the Congress on October 4, 1974, under section 1013 of the Impoundment Control Act of 1974.

Mr. TOWER. Mr. President, today the Senate has agreed to two proposals to disapprove the President's request to defer spending until fiscal year 1976. Senate Resolution 23 mandates spending $50 million of section 701, comprehensive planning funds, and Senate Resolution 61 mandates spending about $260 million of section 235, housing funds, until next fiscal year.

My plea today is not to question the substance of these programs. The section 701 program has been very beneficial to cities in Texas and across the country. The section 235 program has met with success under certain circumstances, but no one can doubt it has had its share of problems. No, my plea today goes much further than these two programs and the $300 million expenditure they represent. My plea is that we in the Congress realize what we are doing today.

When the fiscal year 1976 budget was presented to Congress, it anticipated a deficit of $52 billion. This assumed that the Congress would agree with the President's rescission and deferral message sent to us on November 26, 1974. That message provided that about $17 billion, which had already been appropriated, be deferred and rescinded. If we do not agree with this proposal, it is likely that the fiscal year 1976 deficit will be increased by $17 billion, to $69 billion. And the end is not in sight.

I do not say that we should necessarily adopt all the budget cuts that the President proposes. The Congress can itself decide which programs should be cut and by how much.

My fear, Mr. President, is that our intentions will not be translated into action. I really do not know if Congress will discipline this economy by reducing expenditures in different areas. It is very unpopular to cut spending today. The pressures on Senators and Congressmen to spend more in these recessionary times are great. And, as I said before, there is much merit in many of the programs contained in the President's rescission and deferral message. What deeply concerns me, however, is how much the fiscal year 1976 deficit might be.

A deficit of $52 billion is staggering. A potential deficit of $69 billion is shocking. And many economists predict that, depending on what the Congress does on tax and energy legislation, the deficit could approach $50 to $100 billion for fiscal year 1976. This is incomprehensible.

There is no question that individuals and communities will suffer as a result of cuts in Federal programs. I would submit, however, that any discomforts that would be experienced by these cuts are far more palatable than the discomforts we would experience should we incur a deficit of $80 billion or more for fiscal year 1976.

At some time, the deficit will have to be repaid. At some time, we will have to face this issue. What will happen is that we will force the Treasury to go into the capital markets to finance this debt. When this is done, two things will occur. We will rob the private sector of much-needed capital funds which can be used for industrial expansion and housing production. And of those funds that are left, the interest rates will be pushed constantly higher. The alternative is to print more money, which could rekindle inflation the likes of which we have never seen. In my opinion, that is not an acceptable alternative.

Mr. President, I would like to submit for the RECORD, today's editorial in the Wall Street Journal entitled "Crowding Out." I think it clearly states the gravity of our current economic condition. One of the conclusions reached by the editorial is that should we run a deficit in fiscal year 1976 of $70 to $80 billion, it could severely restrict recovery, particularly in the housing industry. As ranking member of the Banking, Housing and Urban Affairs Committee, I have been and continue to be deeply concerned about the future of our economy. As ranking member of the Subcommittee on Housing and Urban Affairs for several years, I have become intimately concerned about the housing industry in this country. The housing industry is dependent on a strong economy. If the economy suffers, housing production suffers. Unless Congress exercises more control over Federal expenditures, the recovery of our economy will continue to be more of a hope or expectation than a reality.

I ask unanimous consent that the editorial may be printed in the RECORD.

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

[From the Wall Street Journal, Mar. 13, 1975]

CROWDING OUT

Understanding the economy in 1975, unfortunately for those of us with enough on our minds already, requires an understanding of an esoteric economic debate over something called "crowding out."

Treasury Secretary Simon sounded the first guns in this debate by warning that financial markets cannot finance both the huge federal deficit and the needs of private borrowers. Some economists have described his fear as "hysterical." In a letter to The New York Times, six prestigious liberal economists said the problem would be handled through an "accounting identity." But in recent weeks, independent analyses have been conducted by Norman B. Ture, a Washington-based consulting economist, and Allan H. Meltzer of Carnegie-Mellon University. Each reports that, until he got the numbers down, he could not believe things are as bad as they are.

The crux of the matter is that when the federal government borrows to cover its deficits, it competes with private borrowers who need funds to invest in plant construction and housing. Both government and private needs must be met from the savings pool, which consists of business savings (profits

plus depreciation and other "capital consumption allowances"), personal savings and inflows of foreign funds. Allowing for special factors and statistical error, the two totals will always be the same; this is the "accounting identity."

The problem is that if you plug some reasonable 1975 projections into this equation, it is very hard to get the totals to come out equal. This suggests that as the heavy government borrowings come on stream in the second half, the economy may well be in for some type of severe shock now only dimly foreseen. A typical projection, with calendar year 1974 as a base, would look something like this:

[Billion dollars]

1974

Invest.	+	Deficit	Eq. Bus. Sav.	+	Per. Sav.	+	For. Inv.
208.9	+	5.9	Eq. 136.5	+	76.7	+	3.6

Total 214.8. Eq. total 216.8.

1975

205	+	70	Eq. 150	+	80	+	10

Total 275. Eq. 240.

Eq. means equals.

First, a word about the estimates. Private investment may fall off more rapidly, but so may corporate profits. Personal savings may be higher if the savings rate rises but will be lower if personal income falls. The net inflow of foreign funds may increase, but the above estimate already provides a tripling in a year's time. The estimate of a $35 billion gap is essentially a conservative one, and the question is, how will this gap be closed?

Part of the gap—and in a sense the whole debate is over how much—will be filled by the Federal Reserve System's purchase of federal debt by in effect printing up new money. Over the course of a normal year, the Fed will buy federal securities, thus injecting reserves into the banking system and making the money supply grow. It's easy enough to calculate roughly the relationship between the Fed's purchases and money growth. At a 6% growth in the narrowly defined money supply, the Fed would buy about $7 billion in new federal debt. If the Fed closes the gap by buying the whole $35 billion, the money supply would grow by about 30% over a year's time.

Before we go one sentence further, let everyone understand that money growth anything like the latter figure will not only rekindle inflation, but will make interest rates go up, not down. As soon as lenders and borrowers see that kind of money growth coming, they will start to crank higher inflation estimates into their calculations. Mr. Ture expects the Fed to monetize the bulk of the deficit, for example, and talks in terms of a prime rate of 20% by the end of 1975.

If the Fed pursues reasonably moderate money growth, the deficits will still make interest rates rise, though not so astronomically. The normal operations of the market would balance the equation through higher interest rates, discouraging borrowing and encourageing savings and foreign inflows. But with a $35 billion gap to close, this implies interest rates that still might be high enough to cause severe problems.

A drop in business investment below $205 billion implies a much deeper economic decline than so far predicted. Even the pessimistic predictions of the Council of Economic Advisers looked for a small increase, not decrease, in private investment.

Alternatively, the $80 billion in personal savings is based on a savings rate of 7.9% of a disposable income of $1.049 billion. Over the last 25 years, the savings rate has ranged from 4.9% to 8.2%. To generate an extra $35 billion it would have to leap to an implausible 11%.

Finally, the interest rates necessary to force savings up and investment down by such an amount might themselves be high enough to prevent a recovery. The effect on the housing sector, in particular, is entirely predictable.

The long and short of the analysis is that somewhere between a federal deficit of $50 billion and a federal deficit of $80 billion the string snaps. To maintain the "accounting identity," you are all but forced to assume the economy will unwind in one way or another. You can make the same kind of analysis not through the National Income Accounts as above, but through a different "flow of funds" methodology. Salomon Brothers did this earlier in the year, coming to this conclusion:

"The consequences of a U.S. budget deficit substantially greater than the nearly $50 billion estimated by us for calendar 1975 should be clearly recognized. Such a deficit could be reasonably financed only if the economic contraction this year is much greater than we expect. Otherwise the budget deficit would either lead to a vicious struggle for funds between private borrowers and the government, or the Federal Reserve would have to supply funds without regard to its long-range responsibilities. In any event, a larger than expected deficit would threaten economic recovery, despite the best intentions of government, by crowding out medium to lower rated borrowers, many of whom are already in peril, and mortgage borrowers as well, thus aborting recovery in housing activity."

Last week Walter W. Heller, a valued member of our Board of Contributors, cited the Salomon Brothers analysis as reason not to worry about crowding out. But by now the Salomon Brothers analysts are well aware the deficit for calendar 1975 will be far above $50 billion. The St. Louis Fed puts the calendar year deficit at $62 billion merely on the basis of administration proposals, which included (on a fiscal year basis) $16 billion in expenditure reductions and a tax cut of only $16 billion.

But suppose for a minute that Mr. Heller is right about 1975 and that the gap is filled by a happy combination of events. Suppose money growth is moderate, and the Fed takes up some debt. Falling inflation means lower interest rates, and suppose this effect is powerful enough that non-destructive rates can balance the supply and demand for funds. There still remain two problems.

One is simply that private borrowers will still be crowded out, that private investment will decline. In other words, because of the huge deficits, we have a lower rate of capital formation and thus slower economic growth in future years. Assuming that the deficits cannot be reduced, this is the smallest price we can possibly pay.

The final problem is 1976, or whenever recovery does get under way in earnest. At that point, the investment needs of business and housing will go up, not down. If the government is by then still running $70 billion deficits, this will call for an even more impossible-looking increase on the savings side of the ledger. At that point, high deficits will again threaten to abort the recovery. This destruction of capital formation, excessive monetization of debt and aborting of real growth is essentially what has already happened in Great Britain.

Yet Congress goes its happy way, adding to expenditures, increasing tax cuts, charting bills that discourage saving instead of encourage it, secure in the knowledge that there is a recession on, and in that case Dr. Keynes always assured them that budget deficits are a free lunch. Didn't he?

HOUSING AND PLANNING DEFERRALS

Mr. MATHIAS. Mr. President, I am pleased to join my colleagues in support of the two resolutions before us today, disapproving proposed administration impoundments of funds for comprehensive planning and subsidized housing, Senate Resolution 23 and Senate Resolution 61.

Consideration of these resolutions presents the Senate with an historic opportunity. This will constitute the first exercise of our power, under the terms of the new Budget Reform Act, to disapprove, by a majority vote of one House of Congress, the deferral by the executive branch of the expenditure of funds already authorized and appropriated by prior acts of Congress. As my colleagues well know, this procedure provides a sensible and orderly process for the congressional review of executive impoundments, and is a welcome improvement over the pattern of confrontations and court battles which such executive actions have invited in recent years.

The two programs whose funding would be restored by these resolutions are both of great interest and concern to me: the section 235 subsidized housing program and the section 701 program for comprehensive planning grants to local and regional governments throughout the land. As the ranking Republican member of the Senate Appropriations Subcommittee on HUD, I have been a longtime supporter of both these programs and was, therefore, pleased to join in sponsorship of both these resolutions before us today.

It is my hope that the approval of Senate Resolution 61 will, once and for all, bring about the release of the $264 million of impounded funds for the section 235 subsidized housing program. I have consistently opposed the impoundments which have brought this much-needed program grinding to a halt for the past 3 years. It is especially crucial now, given the depressed state of our housing industry and the extreme shortage of housing units available to lower income families, that these funds be released and the program be resumed without further delay.

The section 701 program is also a terribly important one for all State, regional, and local governments seeking to develop coherent, rational plans for housing and community development.

My continued support for it is not solely based on the theoretical value of planning, but, more importantly, on what this program achieves. It is the only general program which supports planning, coordination and improving governmental management capacities of State, regional, and local units of government. It provides the resources to hold together in a coordinated and comprehensive fashion policies, plans, and programs that have a single focus and are mission oriented.

To a large extent, the 701 program provides the process and opportunity to assess the degree to which specific functional policies and plans are compatible with the general or overall goals and objectives of governments below the Federal level.

It also supports and is supplementary to the Department of Housing and Urban Development's housing and community

development programs. For example, it provides the only Federal resources for States to develop comprehensive State development and housing policies and programs. It has played a critical role in my own State of Maryland in establishing the justification for, and State legislation to support, State programs to finance low- and moderate-income housing. Through the requirement of an annual housing element, it provides a framework at the regional level for the development of local housing assistance plans which are a condition precedent to cities and urban counties receiving community block grant entitlements.

The benefit of this program is clearly evidenced in the Washington metropolitan area. In this region, the Metropolitan Washington Council of Governments has developed a fair share housing program which has been used by the local governments in the metropolitan area, and HUD, for distributing available low- and moderate-income housing subsidies within the region. The fair share formula is based on the concept of providing equal housing opportunity for all income groups throughout the region and to provide low- and moderate-income workers the opportunity to live within the communities in which they work.

There is no question in my mind but that the 701 program makes sense; it especially has value in periods of austerity such as we now confront. The whole process of governmental policies and decisionmaking must now, more than ever, be based upon a sound and prudent management of our natural and financial resources. We must avoid duplication and insure that projects and programs are cost effective. It is imperative that we do not reduce our national commitment and available resources to aid and assist State, regional, and local governmental agencies in carrying out these vital planning, coordination and management functions. It is for these reasons, Mr. President, that I have cosponsored Senate Resolution 23 and urge that we act promptly today on this vitally needed resolution to restore the deferred $50 million to the 701 program.

In addition, I would like to commend to the attention of my colleagues a number of communications I have received from State, regional, and local officials in Maryland stressing the importance of this program to their particular areas.

I ask unanimous consent that copies of these letters be printed at this point in the RECORD.

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

METROPOLITAN WASHINGTON
COUNCIL OF GOVERNMENTS,
Washington, D.C., December 4, 1974.

Hon. CHARLES MCC. MATHIAS, Jr.,
Old Senate Office Building,
Washington, D.C.

DEAR SENATOR MATHIAS: I am writing to solicit your help in connection with a matter which has the gravest potential consequences for the Council of Governments, and, indirectly, for the cities and counties of the Washington Area.

Last Tuesday, as you know, the President sent up a message containing a series of proposed budget rescissions and deferrals amounting to approximately $4½ billion.

Among the programs proposed for partial deferral was the "701" planning program, administered by HUD, which is the major federal program funding this and more than 200 other councils of governments across the country. The President asked that $50 million of the $100 million appropriation for FY 1975 be deferred. We understand that the administration will also propose that the program be carried at the same reduced $50 million level in FY 1976.

If the Senate or House do not quickly adopt a resolution rejecting the proposed $50 million reduction in the 701 appropriation, it will have the most profound implications for our COG. The 701 program has been called the "glue" which holds the programs of councils of governments together. It is one of the few multipurpose federal programs available to us—one of the few which is flexible, and which underwrites regional human services programs. It is, in effect, the COG version of federal revenue sharing.

In our COG, at the present time, the 701 program is helping to underwrite implementation of the Fair Share Housing Program—which has brought our area a bonus of more than 1,500 badly-needed low and moderate cost housing units; it is helping to develop a cooperative and urgently-needed metropolitan growth policy; it is building an areawide consumer protection network, a cooperative regional energy information center, and several programs in the field of environmental protection. It underwrites programs in nine different COG departments.

The proposed deferral would mean a probable cut in our budget of some $300,000. It would severely curtail a number of our programs, including the housing, consumer protection and metropolitan growth programs, for which there are no alternative sources of funding. It would compel us to lay off between 10 and 15 members of our staff. It would be a severe setback for metropolitan cooperation in the Washington Area.

We are writing to you not only to apprise you of this critical information, but to ask whether you would be willing to sponsor a resolution in the HUD Appropriations Subcommittee to put the Senate on record in opposition to this deferral. We understand that such a resolution would have the support of Senator McClellan, Senator Brooke, Senator Stevenson, and others.

The matter is of some urgency because our current HUD grant expires December 31, and failure of the Senate or House to act on the proposed deferral would mean program and staff cutbacks for us beginning almost immediately. I understand, also, that the President has advised the Senate that unless it acts by December 16, he will begin to implement the cuts on that date.

We continue to be grateful for your help and support.

Very truly yours,
WALTER A. SCHEIBER,
Executive Director.

REGIONAL PLANNING COUNCIL,
Baltimore, Md., February 3, 1975.

Senator CHARLES MCC. MATHIAS, JR.,
Old Senate Office Building,
Washington, D.C.

DEAR SENATOR MATHIAS: The Regional Planning Council passed the enclosed resolution at its January 1975 meeting and on behalf of the Council I urge full and timely support of it. Your immediate attention is requested regarding full restoration of the $100,000,000 HUD 701 Planning program budget for F.Y. 1975. These funds are urgently needed if state, areawide, and municipal planning programs in Maryland are to continue to provide planning services to their residents. Passage of Senate Resolution 23 would insure restoration of the proposed $50,000,000 budget cut for F.Y. 1975.

Your concern and attention to this matter is greatly appreciated.

Sincerely yours,
MILTON H. MILLER, *Chairman.*

Enclosure.

[Regional Planning Council, Baltimore, Md.]

RESOLUTION

Urging full restoration of comprehensive planning funds under section 701 of the Housing and Community Development Act of 1974 for fiscal year 1975 and urging continuing funding for the "701" program in ensuring fiscal years for State, areawide and local planning programs

Whereas, the Regional Planning Council is the areawide planning agency representing and comprised of local governments in the Baltimore Metropolitan Area; and

Whereas, since 1968, the Regional Planning Council has received "701" planning funds from the Department of Housing and Urban Development to aid in the provision of vitally needed planning and management services for communities in the Baltimore Region; and

Whereas, the continuing provision of "701" funds will substantially assist the local governments in the Baltimore Region to carry out these vitally needed planning and management programs; and

Whereas, on November 26, 1974, the President of the United States proposed a deferral of $50,000,000 in the HUD 701 program, a proposal clearly detrimental to the activities of local, regional and state planning agencies; and

Whereas, plans for allocating FY 1975 planning funds by HUD may not only seriously impair the planning programs of all eligible recipients, but may totally eliminate funding for urban counties, cities over 50,000, other cities and localities, thereby threatening to eliminate the planning and management capabilities built up by these municipalities through HUD 701 assistance.

Now, therefore be it resolved, by the Regional Planning Council at its 132nd meeting held on this 24th day of January, 1975 that the Council urges full restoration of the $100,000,000. HUD 701 budget as appropriated for FY 1975 by the Congress of the United States; and

Be it further resolved, that the council urges continuation of HUD 701 funding into FY 1976 with new and sufficient appropriations and continuing HUD allocation of 701 funds in a balanced manner among eligible state, areawide and local recipients in 1975 and thereafter.

MARYLAND
DEPARTMENT OF STATE PLANNING,
January 31, 1975.

Hon. CHARLES MCC. MATHIAS, Jr.,
Old Senate Office Building,
Washington, D.C.

DEAR SENATOR MATHIAS: I want to thank you for co-sponsoring S.R. 23 on January 21, 1975. The State of Maryland and its many jurisdictions have been using HUD "701" assistance for preparation of basic comprehensive plans, zoning ordinances and subdivision regulations. As local planning has become more sophisticated, these funds have been used for the preparation of functional plans as well as improving management techniques which are vital in directing the affairs of local and State governments.

The $50 million deferral in "701" funds proposed by the Administration would severely limit the work that the State, local units of government and regional planning agencies can perform in preparing plans which have become important tools for decision-makers in guiding development and improving governmental operations.

Again, I am very appreciative of your support on this matter and I truly believe that all the citizens of the State of Maryland owe you a great deal of gratitude for co-sponsor-

ing S.R. 23 and for all the other exemplary services you have rendered to this State.

If I or my staff can give you any additional data which would be helpful in preparing material for the support of your resolution, please do not hesitate to call upon me.

With best regards.

Sincerely,

VLADIMIR WAHBE.

CITY OF BALTIMORE,
PLANNING COMMISSION,
January 23, 1975.

Hon. CHARLES MCC. MATHIAS, Jr.,
U.S. Senate,
Old Senate Office Building,
Washington, D.C.

FEDERAL "701" PLANNING GRANT REDUCTIONS TO LARGE CITIES AND COUNTIES

DEAR SENATOR MATHIAS: I am enclosing a table showing how the Federal Department of Housing and Urban Development plans to completely eliminate "701" planning grant funds to large cities and counties in response to the President's deferral of $50 million (one-half) of the current F.Y. 1975 appropriation for this program. This table was included in a report from the American Institute of Planners describing the Administration's plans to cut back or eliminate these grants to large cities.

Since these funds were made available to Baltimore and other large cities three years ago, we have hired a large staff and committed both our office and the Mayor's Office to develop planning programs upon which rests the hope of many residents and businesses for improving their city. We are currently preparing an application for over $500 thousand in "701" planning funds to continue such programs as:

(1) neighborhood district planning with citizens organizations

(2) economic development planning with industries and firms

(3) multi-service center development planning with neighborhood organizations and non-profit groups

(4) planning for central business district development and revitalization

(5) management planning in the Mayor's Office

A descriptive summary of our past and proposed use of these funds is attached. If HUD eliminates these planning grant funds for large cities in order to comply with the President's deferral, or if they reduce the amount of funds for cities after Congress restores these funds, we will have serious problems. We will not be able to continue planning programs for neighborhood residents and the City's businesses and industries. We may also be forced to lay-off professional and other staff at a time when unemployment is already too high. Furthermore, this may violate Sec. 401(a) (3) and (4) of Title IV of the "Housing and Community Development Act of 1974" which specifically provides for funding to cities with population in excess of 50,000 and to urban counties as defined in the Act.

I have written to you before to request your support for restoring the deferred "701" funds and appreciate your response and efforts in our behalf. I would urge that you continue to do everything possible to assure the passage of an impounding resolution to restore full funding during the 94th Session of Congress.

I would like to further request your assistance in assuring that Baltimore and other large cities will be able to obtain these grant funds in the future. HUD's deferral plan eliminating large cities is alarming, particularly because HUD is claiming that Community Development Revenue Sharing Funds are available to cities for general planning as a "701" substitute when CDRS funds are clearly not intended for this. HUD has also prepared a "planning rationalization study" which will probably recommend consolidation of other Federal Agency planning grant programs under the HUD "701" grant proning grant programs are not directly availgram in F.Y. 76. These other Federal planable to cities and we fear that the "701" program will be used to provide funds to state and regional agencies at the expense of large cities.

In addition to asking your support in resolving the F.Y. 75 funding problem, I would appreciate your advising me of HUD plans for future funding under the "701" program as it may affect Baltimore as a large metropolitan area central city. This will be greatly appreciated.

Sincerely,

LARRY REICH, *Director.*

BALTIMORE CITY DEPARTMENT OF PLANNING

SUMMARY OF FISCAL YEAR 1975 "701" FEDERAL PLANNING AND MANAGEMENT FUNDS USE AND FISCAL YEAR 1976 PROJECTED NEED

Program	Fiscal year— 1975 grant	1975 spending	1976 need
Utilities and environmental planning. (Involves planning for and coordinating water and sewer projects, environmental impact studies, and capital funding programs.)	$6,716	$14,000	$40,000
Housing strategy planning. (Planning for maximum utilization of Federal and local funds for housing and related services.)	7,733	12,000	12,000
Economic development planning. (Planning for industrial and commercial redevelopment and development projects including utilities, highways, and other services utilizing various funding programs to improve job opportunities and increase the city's tax base. Includes harbor development, industrial development plans for Canton, Russell Street-Carroll industrial area, Fort Holabird industrial park conversion, etc. Also includes community business district improvement programs with local merchants and community associations.)	34,265	36,000	50,000
Mayor's office planning and management program. (This includes funding for the mayor's office of development coordination for operational and funding coordination of major city development projects, many of which are federally supported. It provides for the development of an overall city policy for coordinating city programs with those of the region's local jurisdictions, the State, and with Federal agencies; also funds annual revision of the city's overall development program (ODP).)	89,198	151,000	163,000
Comprehensive planning and management	55,142	107,000	110,000
Municipal information system	$23,409	$20,000	$29,000
Overall program design	10,644	24,000	24,000
Multiservice center planning. (Involves development of facility plans and programs for implementation of neighborhood multiservice centers. Past grants have resulted in the development of approximately 12 such centers and work is underway of 9 more. Several additional ones are being proposed for funding, and in 1976, funds must be provided for a component of this effort which was previously funded under the now defunct Model Cities program.)	19,057	19,000	125,000
Residential district planning. (Provides for the continued placement of professional planners in the community to work with community organizations and elected council members in resolving problems involving the provision of city, State, and Federa programs and services.)	35,506	64,000	70,000
MetroCenter central business district planning. (Provides the staff to coordinate the planning of projects and overall development programs for the central business area of the city and the Region. Projects around the harbor, the State office complex, prospective downtown rapid transit station areas, the University of Maryland complex and other areas are all involved in this program.)	10,853	35,000	40,000
Total	233,725	[1] 332,000	500,000

[1] Includes a carry over of $98,000 of fiscal year 1974 "701" funds for combined use with $233,725 of fiscal year 1975 grant. These funds will all be used in fiscal year 1975 and none will be available to carry foward into fiscal year 1976.

CITY OF BALTIMORE,
PLANNING COMMISSION,
Baltimore, Md., January 27, 1975.

Hon. JAMES T. LYNN,
Secretary, Department of Housing and Urban Development, Washington, D.C.

Attention: David O. Meeker, Assistant Secretary for Community Planning and Development, Reduction or Elimination of HUD "701" Planning Grant Funds to Large Cities

It is with some alarm that I have recently been made aware of your proposals to eliminate "701" funding to large cities such as ours to compensate for the deferral of F.Y. '75 funds ordered by the President. I understand that this is being proposed with the presumption that large cities will use Community Development Revenue Sharing Block Grants to fund programs previously supported with "701" funds.

Nothing could be further from the truth inasmuch as the CDRS program is a substitute for previous categorical grant programs for Urban Renewal, Housing Assistance (FHA, FNMA, etc.), Public Housing, Water and Sewer Grants, Open Space, etc., and is not intended as a replacement for general planning. This is clear in the Housing and Community Development Act of 1974 which established a separate Title IV, for the "701" Planning Grant Program and cities have responded by excluding general planning from CDRS applications, particularly to the extent that they have been supported with "701" funds. The prior elimination of Model Cities Funds and impoundment of other categorical grant funds, along with a CDRS formula which discriminates against most large cities, has put great pressure on Baltimore and other cities to use CDRS funds, for those other programs which have had their funding eliminated or held back.

We are currently working with our elected representatives in Congress to have the deferred F.Y. '75 "701" funds restored and I am greatly concerned about this effort on the part of your Department and perhaps the Administration to eliminate large cities from the "701" grant program, either under your deferral plan or a full appropriation. I am further disturbed by reports that HUD, through such efforts as your "planning rationalization study" which would consolidate other Federal Agency Planning Grant Programs under HUD's "701" Program, plans to deal primarily with state and regional agencies as opposed to working directly with the large metropolitan area central cities as you have in the past.

We have no objection to working with the state and regional agencies but it would be

unfair to force us to compete for funds allocated to them when their tendency is to use them for their own programs which are much too general and have limited direct application to the problems of cities. Unfortunately, it is a fact of life in the present effort of cities to overcome the problems of suburbanization, that we (the cities) must chart out our own course in dealing with state and regional programs and must play a leadership role in doing this. State and regional agencies are slow and often reluctant to respond to the needs of center cities and we cannot afford to give up our direct funding relationship with HUD while waiting for this problem to be resolved.

I respectfully submit this matter of utmost concern to Baltimore and other large cities with the hope that we will strengthen our direct relationships rather than dilute or weaken them. I am enclosing copies of letters to our Congressional delegation and others on this matter and would appreciate your responding at your earliest convenience. I am working with the Planning and Management Department of A.I.P. and with other concerned organizations on this matter and hope that we might meet with you and members of your staff to personally discuss this alarming situation.

LARRY REICH, *Director*.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, I have no desire for further time.

The ACTING PRESIDENT pro tempore. Does the Senator from Michigan desire recognition?

Mr. GRIFFIN. I do not.

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

CONTROLLING THE CANCER OF NUCLEAR PROLIFERATION

Mr. SYMINGTON. Mr. President, 6 years ago, in considering the Treaty on the Non-Proliferation of Nuclear Weapons, we feared a world in which nuclear-armed countries would abound, a world in which the tons of plutonium produced by "peaceful" nuclear plants might be diverted to military uses, a world in which nuclear wars could be triggered in every corner of the globe.

We ratified the Non-Proliferation Treaty in hope of preventing such a world, but today its specter appears closer on the horizon.

Some nations appear less constrained in discussing nuclear arms ambitions than they did 6 years ago. And the states which supply nuclear technology to the rest of the world export atomic reactors and fuel as they do wheat, soybeans, and carrots.

Just 2 weeks ago the Defense Minister of Turkey, reacting to the U.S. arms embargo, boldly announced that his country has "plans to manufacture atom bombs." And not so long ago President Qadhafi of Libya observed:

> Soon the atom will have no secrets for anybody. Some years ago we could hardly procure a fighter squadron. Tomorrow we will be able to buy an atom bomb and all its parts. The nuclear monopoly is about to be broken.

More than 50 countries today have nuclear reactors. Not including the five nuclear powers—United States, U.S.S.R., Great Britain, China, and France—and India, which just recently exploded an atomic device, about 30 countries possess "weapons-quantities" of plutonium or highly enriched uranium which could be used in a bomb development program; and more than half of these have refused to ratify the Non-Proliferation Treaty.

We have been told that these countries lack the scientists and the sophisticated chemical reprocessing facilities necessary for separating fissionable material from reactor fuel waste.

However, we have also learned that the production of nuclear material for bomb-making does not require an elaborate commercial reprocessing plant; that a country intent upon nuclear weapons development could build its own plant, hire foreign scientists and within a year achieve the desired results. Some nations may already have built such facilities and begun to covertly produce and stockpile nuclear explosive devices.

The International Atomic Energy Agency may be able to "detect" possible diversions of nuclear fuel in reactors in 32 countries which have come under its inspection as a result of "terms of trade" set by exporting nations. But the Agency is often unable to inspect other indigenous facilities which could be used to build a bomb. India's nuclear program is a prima facie example of how nuclear explosive efforts can co-exist with "inspected" nuclear programs.

Moreover, the Agency would be unable to prevent "detected" diversions from occurring. A country planning to use Agency-inspected facilities for a weapons-building program might seek to evade Agency detection or simply refuse to allow Agency surveillance to continue.

Only 10 to 20 pounds of plutonium is necessary for making an atomic bomb with the same destructive power as the one dropped on Hiroshima. Yet today, close to 90,000 pounds of plutonium have been produced by commercial nuclear power plants—not including amounts used for the nuclear weapons programs of the Big Powers.

Five years from now some half-million pounds of plutonium may be commercially available throughout the world. As the amount of plutonium grows internationally so does the risk of its diversion from peaceful uses to weapons-development programs.

Worldwide diffusion of nuclear fuel also increases the opportunity for theft by criminal groups. The United States has improved security on its nuclear materials, but there will always remain much uncertainty on the potential strength and sophistication of armed zealots who might attempt nuclear theft.

We should be particularly concerned with the possibility of piracy of nuclear materials while in transport or in a foreign country where security measures might not be so effective as in the United States. And it is not inconceivable that an international black market in stolen nuclear materials—or even complete nuclear weapons—could develop.

Once nuclear fuel has been acquired other "parts" for bomb-making could be purchased through regular commercial sources. Atomic physicist Theodore Taylor has said repeatedly since 1966 that an individual without extensive background in nuclear science could build a nuclear explosive device by following directions found in publicly available documents. Moreover, according to Dr. Edward Teller, a scientist who helped develop the atomic and hydrogen bombs, between 100,000 and 1 million people now have the basic information to assemble nuclear weapons.

Furthermore, in regard to thermonuclear explosives, which would be much more difficult to build than fission explosives, Dr. Taylor has confirmed the following situation. Given appropriate knowledge, some of which is still classified, and the required amounts of nuclear materials, multimegaton thermonuclear explosives could conceivably be secretly assembled and prepared for use.

But perhaps less difficult than building a nuclear bomb would be stealing or "seizing" one.

The United States has some 7,000 "tactical" nuclear weapons stockpiled in European countries and thousands more in other countries around the world and aboard U.S. ships.

Reports during the past year have indicated that some of these weapons may not be well protected against potential nuclear thieves—especially those who may have the armed capability and intelligence information necessary to overcome security systems protecting these weapons.

The mere presence of such large numbers of nuclear weapons around the globe provides an ever-present risk of seizure—not only by criminal groups but host governments themselves. A change in government, or government policy, in a country where U.S. nuclear weapons are stored could lead to a takeover of these weapons. It is no secret that during the Cyprus crisis, which persists to this day, the United States has been concerned with the security of its nuclear arsenals in Greece and Turkey.

Security of nuclear weapons is not only a problem for the United States, also for France, Great Britain, the Soviet Union, the People's Republic of China—or any other country which has nuclear arms. Indeed all nations take the risk that the security and potential use of these weapons may be affected by the political stability of the countries that possess or store them.

It is ironic that the United States, which in the first instance sought to limit membership in the nuclear weapons club, has made possible, through its sharing of atomic technology, additional membership in that fearsome club.

President Eisenhower's Atoms for Peace plan in 1953 has resulted in an expanding web of nuclear cooperation agreements, today involving some 30 countries and two international organizations. France, Canada, Sweden, the Federal Republic of Germany, Great Britain, and the Soviet Union have joined the United States as exporters of nuclear reactors; and Japan, Sweden, and other countries may soon join this group.

Because nuclear export is a booming international business with much competitive bargaining, recipient countries can take advantage of the free market's best deal which often carries with it less stringent safeguards on nuclear material.

After India blew open the door to membership in the nuclear club, by diverting her peaceful technology to the manufacture of atomic explosives, other countries considering nuclear ambitions watched to see what impact this would have on the policies of the nuclear exporting nations.

In less than a month the United States proposed to sell reactors to Egypt and Israel. Yet only a cease-fire separated them from renewed war. Neither country had ratified the nonproliferation treaty, although Egypt had signed it.

Only in response to widespread congressional and public reaction to the proposed reactor agreements did the United States insist upon greater "safeguard" and security measures. Neither Israel nor Egypt has so far accepted the proposal.

Now France has stepped into America's place with her own proposal for selling Egypt a reactor. France is not a member of the Non-Proliferation Treaty. While France insists that a high level of "safeguard" and security conditions have been placed on her deal with Egypt, we hope this is so, for injection of nuclear technology into the Middle East—or any other area of confrontation—is a very risky business.

Iran—which is already buying billions of dollars of U.S. military hardware—has most recently negotiated the purchase of six to eight large nuclear power reactors from the United States; and, according to previous reports, has bought two reactors from France and two from West Germany. By 1985, Iran, reportedly, is planning to have 20 to 25 nuclear plants. This would give her a potential, if she had access to reprocessing facilities, to produce at least 800 or 1,000 atomic weapons per year.

To her credit, Iran along with 83 other countries has ratified the Non-Proliferation Treaty and undoubtedly desires to adhere to that commitment. However, we cannot ignore the fact that should developments imperil security in her region, Iran could feel pressed to consider exercising the option under article X to withdraw from the Treaty. Article X, we might add, has been of concern to many who view it as example of the treaty's inherent weakness.

There are other disturbing scenarios. If India pushes nuclear weapons development, Pakistan may feel impelled to do the same.

Additionally, India may now want to export her nuclear-explosive technology for "peaceful purposes." No doubt it was coincidence that 5 days after the Indian explosion Argentina signed a pact for "nuclear cooperation" with India.

Interestingly, one of the most distinguished journalists of Argentina, Mariana Grondona, writing in the December 18 edition of La Opinion, had this to say:

> Now with India the Atomic Powers are six in number. They would like to remain six. If we came to be the seventh, we would of course like to see no more than seven. The last one to arrive tries to close the door. That is only natural. But why should the door be closed in our face?

And if Argentina, which like India has neither signed nor ratified the Non-Proliferation Treaty, were to develop a nuclear weapons capability, would not her rivals for pre-eminence in South America want the same?

In the Far East, we should note that Japan already has some 70 nuclear power reactors scheduled for operation within the next 10 years—which would mean a potential capability to produce thousands of atomic bombs per year. We know that Japan has a "nuclear allergy" and constitutional prohibitions against nuclear weapons development. She is also actively considering membership in the Non-Proliferation Treaty. But if nuclear proliferation continues and the balance of power in East Asia changes, this country might feel pressures to join the nuclear weapons club.

So much for the present and possible future. Now, what can be done to prevent nuclear arms from spreading like a cancer throughout the world?

Coordinated international action is essential. To that end, who will take the lead? If there is not action, and soon, the problem may become irresolvable.

This May the parties to the Non-Proliferation Treaty will be meeting in Geneva to review the treaty's operation. The review conference provides a not-to-be-missed opportunity for the administration to initiate actions designed to cope with these changing realities of the nuclear threat.

Nuclear suppliers might usefully meet in advance of the conference to discuss measures to regulate better the distribution of nuclear materials. Such a meeting should include France and West Germany despite the fact that both remain outside the treaty, for they are becoming major suppliers of nuclear goods.

Universal accession to the Non-Proliferation Treaty and membership in the International Atomic Energy Agency would seem to be a first step toward coping with nuclear weapons proliferation. Toward this end, we should also examine the possible security guarantees that could be given to insecure nations as an alternative to their going nuclear, and encourage the establishment of nuclear-free zones—areas of the world where nations would renounce their intention to make or store nuclear explosive devices.

We should also consider linking certain programs and trade privileges to membership in the Non-Proliferation Treaty and subscription to International Energy Agency "safeguards." Membership could be rewarded not only by "nuclear cooperation," as envisioned by the treaty itself, but by other economic benefits as well.

A proposal for improving the international regulation of fissionable materials—one which has received wide support in the arms control community—calls for an international agreement that nuclear assistance by any State, whether or not party to the treaty, should go only to States which have agreed to accept International Atomic Energy Agency safeguards on all their nuclear programs.

Additionally, countries supplying nuclear fuel should consider a comprehensive plan to serve as enrichment, reprocessing and/or leasing stations for world fissionable materials. These stations could supply limited necessary amounts of fissionable materials in exchange for all reactor fuel waste, or lease nuclear fuel rods on a megawatt/day basis.

A system of leasing is favored by Dr. Harold Agnew, director of the Los Alamos Scientific Laboratory, who suggests that after the contracted number of days the nuclear rods would be returned to the supplying station. Dr. Agnew says:

> If a country simply wants power, then such a plan should present no problem; if they had something else in mind then we should know it at the outset.

We might also seriously consider the pros and cons of at least a temporary, internationally agreed "freeze" on further reprocessing of plutonium, pending the establishment of an effective system of international safeguards.

In addition to more effective controls on the use of nuclear fuel, we should devise an international system of protection for these materials; and, in this regard, consider broadening the function of the International Atomic Energy Agency to include setting security standards and implementing other international actions for nuclear materials security. At the least, the Agency could exercise periodic surveillance over nationally-operated security systems with a view toward recommending improvements in those systems and providir g assurances to other nations concerning prevalent conditions of security.

Furthermore, it would be prudent for the United States and any other country which stores nuclear explosive devices in foreign lands to consider the potentiality that they may fall into the hands of criminal groups and be used for blackmail or hostage purposes. We should review our policy of placing thousands of tactical nuclear weapons abroad; we could withdraw the great bulk which are not required for international security purposes, and insure that the rest are adequately protected.

Finally, the nonnuclear countries remind us of article VI of the Non-Proliferation Treaty which requires the nuclear powers to undertake effective measures to put an end to their arms race. Whether measures responsive to this requirement have been taken remains at best an open question.

In the next phase of the Strategic Arms Limitation Talks (SALT), the United States should seek to negotiate reductions in nuclear weapons and restraints in qualitative improvements. If we fail to do this, we will further diminish any hope that other nations will refrain from seeking their own nuclear weapons.

A distinguished former diplomat from a nonnuclear country said recently at a conference in France, sponsored by the Carnegie Endowment and the Arms Control Association:

> If we had known in 1968 how little the nuclear powers would do over the next six years to meet their end of the Non-Proliferation Treaty bargain by controlling their own arms race, I would have advised my government not to sign the Treaty.

Clearly, the performance to date of the Soviet Union and United States in

negotiating arms control agreements leaves much to be desired.

At the same time, if we are going to assist nations to take full advantage of the expanding uses of nuclear energy, we must have nothing to fear from its continued diffusion. We cannot allow nuclear "plowshares" to be beaten back into swords.

Now again we are at a critical juncture of history. In 1946, if the Soviet Union had been more cooperative, we could have adopted Bernard Baruch's plan to destroy all atomic bombs and place nuclear technology under strict international control. Today, in a far more complex nuclear world, it may no longer be feasible to achieve complete nuclear disarmament.

What can be achieved, however, are more effective ways to prevent the spread of nuclear weapons. This goal should be placed at least as high as any other on our foreign policy agenda and should be the subject of the highest level of international negotiations.

Toward this end, and in an effort to generate greater awareness and better understanding of the various problems involved in controlling nuclear arms proliferation, the Subcommittee on Arms Control, International Organizations and Security Agreements, of which I am chairman, will be holding special hearings on March 17 and 19.

The hearings will examine some of the issues which are likely to arise at the Non-Proliferation Treaty Review Conference in May, as well as possible U.S. initiatives at the conference and other steps to advance nonproliferation.

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

CONTINUED ASSISTANCE TO SOUTHEAST ASIA

Mr. MORGAN. Mr. President, I have asked for time this morning to state some views on a very pressing issue that confronts this Nation. I would say for the record and for those who may be listening that this matter is now being discussed in various meetings throughout the Capitol and probably will be for some time to come. But I felt compelled to make my recommendation a part of the record because for several days now the President of our Nation and our very distinguished Secretary of State have been trying to impress upon the people of this Nation, and especially upon Congress, the urgency of rendering additional aid to small countries in Indochina.

The President, who is the leader of our foreign policy, like several Presidents before him, has seen fit to recommend aid to various countries. I have to assume that those gentlemen have far more knowledge on which to base their recommendations than do so many of the editorial writers and commentators that I have heard from time to time.

We all know, Mr. President, that the war still goes on in Indochina, in spite of the fact that the United States has withdrawn its forces and in spite of the Paris Peace Agreement signed more than 2 years ago.

I am convinced that how we handle the question now before us, the question of whether to provide aid necessary to resist the Communist onslaught, is going to have a tremendous impact on our position in the world in the years to come.

When we were still in Vietnam there were those who argued that we should prepare the people of the South to defend themselves and that we should withdraw. Well, we did withdraw, and now one thing seems very clear to me: continued American aid to South Vietnam is essential to enable the South Vietnamese to do the job we have trained them to do—which is to defend their freedom.

A lot of talk has surfaced to the effect that we have fulfilled our obligations and have no responsibility to provide further help. I cannot agree in view of the facts of the situation.

For example, since the Paris Peace Accords were signed, North Vietnamese troops have infiltrated into the south until today this force numbers 300,000—80,000 more than when the Peace Agreement was approved. The North Vietnamese have also expanded their armament stockpiles, built airfields, tripled the size of their armor in the south, while shelling population centers and overunning 11 district towns which were uncontestably held by the South Vietnamese at the time the cease-fire was agreed to.

Our South Vietnamese allies by contrast, have generally lived up to the Paris Agreement. They have consistently called for implementation of the Paris Accords calling for internationally supervised elections. They have also cooperated fully with the International Commission of Control and Supervision which is supposed to monitor cease-fire violations. The response to their actions has been continued aggression by the North, backed by Soviet SAM missiles, heavy artillery, and other equipment.

Because of continued Communist military aid to the Hanoi regime, North Vietnam, in the years since the Peace Accords were signed, has been able to create, in the words of Maj. Gen. John Murray, former Defense attaché in Saigon, "the strongest, best positioned and best-supported military machine it has ever fielded in South Vietnam."

While we continued to——

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

Mr. MORGAN. I will yield after I have completed my remarks, Mr. President.

While we continued to give substantial assistance to South Vietnam in the first 15 months after the peace agreement was signed, the ARVN troops were able to hold onto their territory and outposts. Yet in the last couple of months, due to inadequate supplies, they have had to withdraw from dozens of outposts, while scores of other outposts have been overrun. It would be the height of folly in my opinion after having lost 50,000 men in Vietnam and many of them my friends and neighbors from North Carolina, and spent over $150 billion there to prevent a military takeover by Hanoi, to guarantee the success of aggression because we refused to provide the necessary arms with which to prevent it.

I do not think we should be so quick to forget that we told the South Vietnamese we would assist them if they would fight for themselves. Now for the last 2 years that they have demonstrated that willingness, it appears we are ready to turn our backs on them.

The apparent lack of concern about the future of the South Vietnamese and the Cambodians and their ability to resist is alarming but to tell you the truth it is not really surprising. The national media long ago made up their minds about what ought to happen in Southeast Asia and their coverage has consistently been designed to reinforce their viewpoint. Let me give you an illustration.

One morning this week a professor from one of our universities came by to see me and expressed his opposition to the granting of further aid to Cambodia and South Vietnam. He said that based on what he had seen on CBS television, he was convinced that "our ravaging of these countries is inexcusable." It was rather ironic that he should make such statements to me on this morning, for just a few minutes before I had read a column in the Philadelphia Inquirer by John D. Lofton, Jr., which appeared February 28, 1975. The column was entitled "There Was No Time for Saigon's Side."

Mr. Lofton pointed out in his column that, when Mr. Tran Van Lam, the president of the Republic of Vietnam's Senate, appeared before the National Press Club to present his country's cause for continued military aid, neither the CBS, NBC, or ABC news networks bothered to give any coverage to his plea. It seemed, according to Mr. Lofton, who made inquiries of each network, that they were all too busy covering and I quote again "heavy news" assignments of the day.

Well, let us look and see what "heavy news assignments" preempted the plea made by South Vietnam's counterpart to Henry Kissinger. It appears that CBS was covering the sentencing of the Watergate defendants and "chasing reactions" to the sentencing. They were reporting on a speech in Pittsburgh by convicted Watergate conspirator Jeb Magruder as if we had not heard enough already. And then there was a story about Bebe Rebozo's plans to turn the former Florida White House into a monument to Richard Nixon.

According to Mr. Lofton, on NBC the same night there was a story about a woman in Hesperus, Colo., who owns a coal mine and is fighting with the Government about it.

The rationale behind the NBC blackout of Mr. Lam's talk was that it is normal and not out of the ordinary that an official of a government should make such a pitch for his government.

Yet it was perfectly acceptable to NBC on their Sunday night program "The Loyal Opposition" to present the views of two of my distinguished colleagues, who oppose aid to these countries and who contend that the killing will stop

if we withdraw from the picture and permit the Communists to prevail.

It is interesting to me that some Members of the U.S. Congress, including one noted "Dove," who have gone to Southeast Asia during the last few weeks and seen for themselves the determination of our allies, have modified their position and now believe we should honor our commitment to aid the South Vietnamese and Cambodians in their own struggle for freedom. It is tragic that the entire Congress and equally important the American public cannot view firsthand what they did. Perhaps we would see more concern for the plight of two nations fighting for their very existence against ever increasing odds with the prospect of seeing American promises of help proved empty and hollow.

I would also like to examine another tragedy related to the Vietnam conflict—the status of our MIA's. This question only serves to further illustrate the callousness of North Vietnam and her unwillingness to live up to her agreements. Under article 8(b) of the Paris Peace Accords, the parties to the agreement are charged to:

. . . Help each other to get information about those military personnel and foreign civilians of the parties missing in action, to determine the location and take care of the graves of the dead so as to facilitate the exhumation and repatriation of the remains, and to take any such other measures as may be required to get information about those still considered missing in action.

The obligations of that language are obvious. Other sections of the Paris Peace Accords may be subject to interpretation, but nothing is vague about article 8(b). In spite of this fact, however, the North Vietnamese have never allowed the United States to examine crash sites or graves in contested territory in either South or North Vietnam. This has frustrated the final accounting necessary to resolve the fates of our missing men.

No doubt Hanoi hopes to exploit this issue for all it can. Hanoi probably expects that it will either extract further concessions from us that it could not win on the battlefield in exchange for information on our MIA's, or that we will in time write off our missing personnel as of little consequence. We must demonstrate that the North Vietnamese are wrong on either count. The United States must demonstrate that we will not permit Hanoi to rewrite the Paris Peace Accords at their pleasure.

There certainly is every reason to believe that a number of our servicemen may still be alive. On various occasions, the enemy issued propaganda releases and photographs of official armed services ID cards of Americans, noting that they had been taken prisoner. After the Paris Peace Accords were signed, however, a number of the names of the servicemen alluded to before were not on the official lists released by Hanoi. The North Vietnamese certainly know whether these men are alive or dead. We must continue to place pressure on them and their Communist allies until they clarify the status of our valiant missing men.

I was disturbed recently when visits by members of MIA groups indicated that there is a wide mistrust by MIA families of officials of our Government with whom they have worked, and I think we, in the Senate, should be ever vigilant.

Mr. President, there have been in recent times a goodly number of editorials on this subject, but there are those who contend that killing is taking place and that this killing would stop if we would only withdraw our aid.

Let me quote from an article written by Mr. Patrick J. Buchanan that appeared in a syndicated column either this week or last week. He said:

During the 1968 Tet offensive in the city of Hue, the occupying Viet Cong units, death lists in hand, traveled the city street by street and literally decimated the population. There is no reason to believe it would be otherwise for the Nation, and the victims will be those of tens of thousands of officers, soldiers, civil servants, teachers, priests, village chiefs, and senior government officials who made the grave historical error of casting their lots with the United States.

Another editorial in the San Diego Union on the 28th of February had this to say:

Some of the same members of our Congress who would have us turn our back on our commitment to Southeast Asians would be aghast at the suggestion that we reconsider our commitment to the survival of Israel. That would be an invitation to another war in the Middle East. The hoped-for negotiated settlement there is based on a balanced of a power which the United States has committed itself to maintain.

If such commitment becomes questionable——

The ACTING PRESIDENT pro tempore. The Senator's 15 minutes have expired.

Mr. ROBERT C. BYRD. How much time does the Senator need?

Mr. MORGAN. I would say 15 minutes.

Mr. ROBERT C. BYRD. How much time remains for Mr. MANSFIELD under the order?

The ACTING PRESIDENT pro tempore. Ten minutes remain under the order.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Mr. MANSFIELD's remaining time be allotted to Mr. MORGAN.

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

Mr. McGOVERN. Mr. President, reserving the right to object, the reason I will not object, I hope it would be with the understanding that the Senator will allow us some reasonable time to respond to some questions on the argument that he has been making here this morning. It is an old argument, but we need to have some questions, I think, raised at a time when we are nearing a decision once again on whether to make still another new commitment to Vietnam. So, with that understanding, I would not object to the request for additional time.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. MORGAN. Well, Mr. President, I would like to finish my remarks. If I have time I will yield and, if not, I will ask for time and complete it tomorrow morning.

Mr. McGOVERN. Mr. President, then I will have to object to another 10-minute request for time unless there is an understanding that at least half of that time be reserved for colloquy.

Mr. MORGAN. I will be happy to do that——

Mr. ALLEN. Mr. President, will the Senator agree to yield me 1 minute before he yields to the distinguished Senator from South Dakota?

Mr. MORGAN. Mr. President, I will if I get any time to yield.

Mr. GRIFFIN. Mr. President, will the Senator agree to yield to me for 30 seconds so that I can commend him on his statement today?

Mr. MORGAN. Mr. President, if I have any time to yield I would be delighted.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that this colloquy not be charged to the Senator's time.

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

Mr. ROBERT C. BYRD. Mr. President, does the Senator now have the time?

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

Mr. MORGAN. Mr. President, I was reading from an editorial in the San Diego Union dated February 28 of this year. It said:

If such commitments will become questionable—

Referring to the commitments to the Middle East—

what becomes of the 20-year standoff between North and South Korea? Why should the Soviet Union be impressed by the North Atlantic Treaty Organization, whose defense of Western Europe is based on a U.S. commitment? Another appropriation of aid for Cambodia and South Vietnam does not mean that either of those countries is going to win the long war that each has been fighting against Communist aggressors. However, it will signal to the Communists that they are not going to win either, and it is a principle which must prevail if there is to be any hope for a negotiated peace in Southeast Asia.

South Vietnam and Cambodia pinned their future on the word of the United States when the Paris Agreements were signed in 1973. We cannot go back on our word to them without causing both our friends and potential enemies to question the defense commitments of the United States which are now the cornerstone of world peace.

Now briefly, Mr. President, from the Omaha World-Herald on March 2, let me read just three or four questions:

Let us pay some attention to Defense Secretary Schlesinger as he says that the probability is extremely high that Cambodia can survive with American aid. What if they are right, as we hope they are, but a rebellious Congress refuses to spend the emergency aid money to find out? What if we let Indochina go down the drain and then discover that the word of the United States is no longer believed by the other nations of the world? What if the price for turning our backs on Indochina is so high that the foreign policy of the United States unravels in the Eastern Mediterranean, the Mideast, perhaps in Western Europe?

The answers to these questions involve very high stakes. It seems to us that the sums the President is asking for, the amount of military aid involved, is small indeed compared to what America might lose by abandoning those it has supported in Indochina.

Let us suppose that Congress goes along with the President, as we hope it will, but that he proves to have been mistaken. Let

us assume that the beleaguered governments of Cambodia and South Vietnam have been supplied with the emergency aid but that no negotiations are possible and victory goes to the Communists.

Will the United States have reason to regret its steadfastness. We think not. Our country will have fulfilled its moral obligation at the cost of a few hundred millions in emergency aid.

If we dump the Indochinese at this critical juncture, we can lose much and never know if our help might have saved them.

If we support them, we shall know. They will have a fighting chance. In our opinion, the United States will have done the right thing.

Mr. President, I have other comments, but I am glad to yield to the Senator from South Dakota.

Mr. McGOVERN. Mr. President, I appreciate the Senator yielding to me.

Mr. ALLEN. Will the Senator yield to me for just I minute because I would like to make my remarks before the Senators engage in colloquy.

Mr. McGOVERN. The Senator from North Carolina has the floor.

Mr. MORGAN. I agree to yield.

Mr. ALLEN. I just want to express my appreciation for the distinguished Senator's eloquent speech.

One of the greatest Senators ever to serve in the U.S. Senate is the Senator's predecessor, the distinguished Senator from North Carolina, Mr. Ervin.

Naturally, there has been interest and concern as to the caliber and character of Mr. Ervin's successor here in the U.S. Senate. I might say that those concerns can well be placed at rest because I feel that the distinguished Senator, with his patriotism, his dedication, and his sense of honor, certainly prove him to be a worthy successor of the distinguished Senator from North Carolina, Mr. Ervin.

I commend the Senator on his address.

Mr. MORGAN. The Senator from North Carolina is most grateful.

Mr. GRIFFIN. Will the Senator yield to me briefly?

I want to join in commending the distinguished Senator from North Carolina a very thoughtful statement. Even those who might not agree with him 100 percent should recognize the scholarship and the effort here, that well-organized effort which the Senator from North Carolina is making.

I, for one, subscribe to his views and salute him for articulating the position very effectively that he has taken on the floor.

Mr. MORGAN. The Senator from North Carolina is most appreciative.

Mr. McGOVERN. Mr. President, I think the Senator from North Carolina knows that I fundamentally disagree with his whole posture here this morning and have disagreed with that position now for some 12½ years. But without getting into a debate of my own views, I would like to put two or three questions to the Senator that I am wondering if he has thought about.

The Senator makes the argument that one of the reasons we have to continue pouring American treasure and aid into Vietnam and Cambodia is that the other side has violated the Paris Peace Agreement and that our side has kept faith with the agreement.

I wonder if the Senator is aware of the fact that two of the basic provisions in the Paris Peace Agreement were that the government of Saigon was to release all political prisoners, and that as of today our most experienced observers out there tell us that there are some 200,000 political prisoners being held in the jails of Saigon, most of them non-Communist prisoners, many of them students, religious leaders, journalists, teachers, and others who have been critical to the government.

That is one clear violation of the Paris Agreement.

I wonder if the Senator is also aware that the Paris Agreement called for a transitional government to be formed called the Council of Reconciliation that would set the stage for an election and that that council would be composed of three parts, representatives of the Saigon government; representatives of the Vietcong forces, or the so-called provisional revolutionary group; third, of neutralist elements, and that General Thieu asked for a resolution to make neutralism a crime of treason, and then I note it is impossible under those circumstances to implement the Council of Reconciliation.

Does that not seem to the Senator to be a clear case of violation of the terms of the Paris Peace Agreement?

Mr. MORGAN. Mr. President, I would say to the Senator from North Dakota that I do not doubt that he holds those beliefs sincerely.

What I would say to the Senator from South Dakota is that I doubt the validity of the facts in his statement. It is easy to say, Mr. President, that there are 200,000 political prisoners. It is easy for a visitor to go and interview a prisoner in a jail cell and come back and state to the American public that he is a political prisoner.

I noticed last week that some psychiatrist had interviewed prisoners here in this jail in Washington and said that it was unfit to have humans confined in.

It is natural that one would expect those who are in prison, Mr. President, to be critical of those who are confining him.

Ambassador Martin tells us that they have not investigated cases that substantiate their findings. I doubt, Mr. President, the correctness of the facts which I am sure the Senator holds sincerely, but I would add——

Mr. McGOVERN. Senator, I am taking the word——

Mr. MORGAN. If the Senator will allow me to complete my answer, I would say also, Mr. President, if there are some political prisoners there, that the Thieu government is not perfect. But if there are, I would remind the Senator that we held a good many people in camps in this country during World War II, 300,000 Japanese, and many of them were loyal Americans.

We look back on it and we see that is a sorry day in the history of this country.

Mr. President, I do not pretend that the Thieu government is the ideal government. I am sure there is corruption there, as I pointed out to the Senator earlier today, but I also am sure that our Government is not perfect.

What we need to do is work to improve both of them. I am sure that the Thieu government has not cooperated as fully, as competely, with the others in carrying out the Paris Peace Accords as they should, but there is no question about the arms and ammunition and the men that have been supplied by North Vietnam into that area.

Mr. McGOVERN. Well, on that point which the Senator stressed, the flow of external aid to the insurgent side, is the Senator aware there is competent testimony taken by the Foreign Relations Committee——

The ACTING PRESIDENT pro tempore. The additional time granted to the Senator from North Carolina has expired.

(At this point in the proceedings, by unanimous consent an order was entered for the transaction of routine morning business, as will hereinafter appear.)

Mr. MORGAN. I was just going to say, Mr. President, I will be glad to continue the colloquy on another morning.

Mr. McGOVERN. Mr. President, if I can be recognized, I would like to just make a couple more points.

The Senator from North Carolina and I were talking at the end of the previous period about the flow of external aid to the enemy side.

We have competent testimony taken by experts who have been out to Southeast Asia many times, who are authorities in the field and have watched the course of that war for many years, who have told us that over the last year the aid coming into the enemy side is somewhere between 10 and 20 percent of the volume of aid supplied by our Government.

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

Mr. McGOVERN. The other side has no aircraft, they have no motorized weapons carriers, they have none of the sophisticated equipment we have been flying, helicopters, they are completely outmanned in terms of heavy artillery.

The United States has poured some $7 billion in aid into Cambodia and Vietnam since the Paris Peace Agreement was signed.

I think it is quite clear that while there may be some external aid coming to the enemy forces, the amount of aid we have supplied, as has always been the case in the last 12 or 15 years, is coming in at a considerably larger volume.

I would just like to ask the Senator this question: If we could not turn events to suit our purposes out there with 550,000 American men on the ground, does the Senator really hold out any hope that the continued costly flow of American weapons out there is really, in the long run, going to make any difference, other than to fuel the continued killing of people on both sides?

Mr. MORGAN. Mr. President, in aning. If we could not turn the tide, Senator stated something about competent testimony. I do not know who the witnesses were. The facts the Senator cited do not agree with the information that comes to me from the Defense Department and from the State Department, those in this Government who are charged with the responsibility of knowing. If we could not turn the tide, Senator and Mr. President, with 500,000

men, I think, to a large degree, it is because the troops did not have the full, wholehearted support of their Government back home.

There were critics who said when the Paris Peace Accords were signed that the South Vietnamese could not hold out 6 months, but they have held out 2 years, and they did very well so long as we gave them the amount of aid that our experts in Government felt was necessary.

I do not know who else to look to, Mr. President, if I cannot look to the duly constituted authorities in this country.

I can read the newspapers, I know that, but until the Secretary of Defense and the Secretary of State and my President have been fully discredited, I must look to them for reliable information.

Mr. McGOVERN. Mr. President, I can appreciate the Senator's tendency to rely on the predictions of our top officials, but I would only remind him that our track record of accuracy has not been very good.

Way back in 1963, the first year I was in the Senate, the then Secretary of Defense, who is a brilliant, capable, and patriotic man, said publicly that he was confident the war would be over before Christmas, and that was some 12 years ago.

There have been repeated predictions going clear back to the time when the French were doing the same thing out there we are now trying to do, predictions about light at the end of the tunnel, the Senator knows all the phrases.

I would only suggest to the Senator that sometimes it is worthwhile to check the prophecy of the bureaucracy downtown against the observations of those who have no ax to grind, other than try to get at the truth.

I have the feeling, I can say to the Senator, that what is going on here today on the part of some of our top officials is not geared so much to saving lives in Cambodia and South Vietnam as it is saving faces at the Pentagon and downtown.

Mr. MORGAN. Will the Senator yield?

Mr. McGOVERN. Yes, I yield.

Mr. MORGAN. Mr. President, I do not impute that to the leaders of my country. I would say to the Senator that there were predictions made in 1963, 1964, 1965, and 1966 and I think there were errors of judgment. But I think perhaps one of the many reasons that our predictions did not come true was because of continuing debate in this country that we would cut off aid at a given time, and then the Communists felt that if they could hold out for that given time they would achieve victory.

And I am afraid, Mr. President, that is exactly what is going to happen.

Mr. McGOVERN. Just one more question, if I may.

The Senator made reference to the mission of Congressmen, and I think one Senator who went to Cambodia and Vietnam recently and came back with a modified view. Is the Senator aware of the fact that their total time in Cambodia was 6 hours?

Suppose a visitor were to come to Washington—would the Senator think that even an American coming to Washington for the first time, for 6 hours, would be in a very good position to recommend the future course for this city?

How can an American Congressman arriving in a complicated battlefield situation such as the siege of Phnom Penh or Saigon come back and advise us on what our course ought to be?

Mr. MORGAN. Mr. President, I answer that by saying that I raised the same question many years ago when Members of Congress went there. Also, in my years as a lawyer, the first thing I did when I was employed to defend a case or represent a client was to go to the scene of the accident or to the scene of the crime, so that when I heard testimony, I could relate that testimony to what I had seen on the site.

I do not think that the Congressmen who modified their position did it solely on the basis of a week's observations. I think they were able to see there what they had been hearing so much about in Congress, and then they were able to discern the truth—to separate the chaff from the wheat, so to speak.

Surely, they were not experts. But I wish all Members of Congress would take the time during the recess to go and look for themselves; and then if they came back and voted against additional military aid to Cambodia and to Vietnam, I would willingly accept their judgment.

Mr. McGOVERN. Mr. President, a minor point: We are going to be asked to vote very shortly on providing additional armament for Cambodia particularly. I hope that every Senator will keep in mind that all that is going to accomplish is to prolong the killing, to prolong the agony, and simply to delay for a few days the inevitable. I hope it will be rejected.

ROUTINE MORNING BUSINESS

The following order was entered during the foregoing colloquy:

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business for not to exceed 15 minutes, with statements limited therein to 5 minutes each. I would hope the Senator from Florida would have at least 2 minutes of that time.

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

"CAP'N BOB" GRAY

Mr. STONE. Mr. President, yesterday, my predecessor's predecessor as secretary of state of Florida died at the age of 93—the Honorable R. A. Gray, affectionately known as "Cap'n Bob Gray."

Just yesterday, I was adressing a group of junior high school students in the Capitol. The prevalent question was, What is good about this Government; what is good about politics?

The answer is: The life of R. A. "Cap'n Bob" Gray, a man who served in office more than 50 years without the first blemish on his name or character; a man who believed in prompt, effective, courteous service as his motto in office; a man who really originated government in the sunshine, through more than 50 years of never closing the door to his office. In fact, his Christmas cards used to be a picture of Mr. Gray seen from the outside corridor, through the open door; and the message was always, "Greetings from the office with the open door."

He befriended me when I sought the office of secretary of state, and we kept that friendship alive with almost weekly dinners together.

I believe that those, particularly our young people, who ask themselves, "Is there honor in Government?" could well look to the life of this wonderful man for complete reassurance that this is a wonderful Government, a wonderful system, a wonderful country.

Mr. President, I ask unanimous consent to have printed in the RECORD the eulogy published in today's Tallahassee Democrat, by the Honorable Malcolm Johnson, the editor.

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

CAP'N BOB GRAY

(By Malcolm Johnson)

R. A. "Cap'n Bob" Gray, 93, died at 2 a.m. today at Tallahassee Memorial Hospital after a brief illness.

Gray was Florida's Secretary of State for 31 years, between 1930 and 1961 when he retired. He had held the post longer than any other Secretary. On learning of his death, former Governor Millard Caldwell, with whom Gray had served on the Cabinet, commented: "Cap'n Bob can be regarded as a first class citizen. He did a good job, he was always dependable. He was a fine public servant."

Gray was born in 1882 on the Gaines Plantation in Grady County, near the Georgia-Florida line, the son of a Methodist preacher.

When he was six months old, his parents, the Rev. and Mrs. W. J. Gray, moved to Florida where his father preached in several communities in Wakulla, Gadsden, and Liberty counties.

Captain Bob attended school in a one-room log schoolhouse. Three quarters of a century later he would recall. "We moved around a lot, usually around Christmas. In the new place, the books were different. My father would say it cost so much to move we couldn't afford the books. I had to study looking over my deskmate's shoulder."

Gray's political career began early as Clerk in the House of Representatives and in the Senate. He was elected to the Legislature from Gadsden County in 1911 and during his first session he successfully sponsored two major measures which still are law. One provided uniform textbooks for Florida schools; and the other set up the "harmless error doctrine" which prohibits overturning lower court judgments for technical flaws.

He was a newspaper manager for a few years in Tallahassee and Live Oak, but went into government for good as Secretary to Governor Park Trammell. When Trammell went to the U.S. Senate in 1917, Gray went to Washington with him as secretary.

In his spare time, he studied law at Georgetown University but his legal education was interrupted for service in World War I as a captain in the War Department offices.

He never became a lawyer, but he was recognized as an authority on the Florida Constitution. He was author of a textbook on Florida civil government which was studied by a generation of pupils in state schools.

He held numerous honorary degrees from universities and colleges, including the LLD degree from Florida Southern College, granted in 1943 and an LLD from the University of Florida in 1964.

Gray was married on December 3, 1903, to

Grace Mullins of Bartow. She died in 1955. They had no children.

Gray was a Mason, having taken both York Rite and Scottish Rite degrees, and a member of the Shrine. He was Past Master of Jackson Lodge No. 1, and a member of the Elks, Woodmen of the World, Grotto, Moose, Knights of Pythias and the Order of the Eastern Star where he served as Worthy Grand Patron.

He was a Methodist and served on the official Board of his Church for 40 years. He was a trustee of Wesleyan College in Macon and served as Chancellor of Florida Southern College in Lakeland.

He was a charter member of the Tallahassee Rotary Club and a past president. He was executive chairman of the Tallahassee Centennial celebration in 1924.

July 30, 1972, was celebrated as "R. A. Gray Day" in Tallahassee, honoring more than 60 years of service to the city and state.

Funeral services are set for 2 p.m. Saturday at Trinity Methodist Church with burial in Oakland Cemetery.

Officiating will be the Reverend Ed Norman of Trinity and Dr. Ed Hartz of Florida State University.

Culley and Sons Funeral Home is in charge of arrangements.

(At this point Mr. BUMPERS assumed the Chair.)

CHANGE OF REFERENCE—S. 1127

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that the Committee on the Judiciary be discharged from the further consideration of S. 1127, a bill to amend title VII of the Civil Rights Act of 1964, to make certain changes in the procedures established for determining violations of the provisions of title VII, and that the bill be referred to the Committee on Labor and Public Welfare.

Mr. GRIFFIN. Mr. President, reserving the right to object—and I shall not object—I just observe for the record that it is my understanding that bills relating to this particular title of the Civil Rights Act have been referred in the past to the Committee on Labor and Public Welfare, not to the Committee on the Judiciary, and that the request made by the Senator from Kentucky on behalf of the leadership is in accordance with past practice. So there is no objection.

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

QUORUM CALL

The PRESIDING OFFICER. Is there further morning business?

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

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

APPOINTMENT BY THE VICE PRESIDENT

The PRESIDING OFFICER (Mr. BUMPERS). The Chair, on behalf of the Vice President, pursuant to Public Law 91-452, appoints the Senator from Pennsylvania (Mr. HUGH SCOTT) to the Commission on the Review of the National Policy Toward Gambling.

MESSAGES FROM THE HOUSE

At 11:03 a.m., a message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House has passed the bill (H.R. 4481) making emergency employment appropriations for the fiscal year ending June 30, 1975, and for other purposes, in which it requests the concurrence of the Senate.

The message also announced that the Speaker has appointed Mr. NIX, chairman, Mr. WRIGHT, Mr. GONZALEZ, Mr. UDALL, Mr. BADILLO, Mr. RYAN, Mr. CHARLES WILSON of Texas, Mr. ROUSSELOT, Mr. TALCOTT, Mr. CONLON, Mr. GUYER, and Mr. LAGOMARSINO members of the U.S. Delegation of the Mexico-United States Interparliamentary Group on the part of the House.

The message further announced that the House has agreed to the resolution (H. Res. 241) expressing disapproval of proposed deferral D75-81, as set forth in the message of October 31, 1974, and transmitted to Congress by the President under section 1013 of the Impoundment Control Act of 1974.

The message also announced that the House has agreed to the resolution (H. Res. 242) expressing disapproval of proposed deferral D75-82, as set forth in the message of October 31, 1974, and transmitted to Congress by the President under section 1013 of the Impoundment Control Act of 1974.

The message further announced that the House has agreed to the resolution (H. Res. 243) expressing disapproval of proposed deferral D75-83, as set forth in the message of October 31, 1974, and transmitted to Congress by the President under section 1013 of the Impoundment Control Act of 1974.

The message also announced that the House has agreed to the resolution (H. Res. 244) expressing disapproval of proposed deferral D75-84, as set forth in the message of October 31, 1974, and transmitted to Congress by the President under section 1013 of the Impoundment Control Act of 1974.

The message further announced that the House had agreed to the resolution (H. Res. 245) expressing disapproval of proposed deferral D75-81, as set forth in the message of October 31, 1974, and transmitted to the Congress by the President under section 1013 of the Impoundment Control Act of 1974.

The message also announced that the House has agreed to the resolution (H. Res. 246) expressing disapproval of proposed deferral D75-86, as set forth in the message of October 31, 1974, and transmitted to the Congress by the President under section 1013 of the Impoundment Control Act of 1974.

At 5:07 p.m., a message from the House of Representatives by Mr. Berry announced that the Speaker has appointed Mr. KASTENMEIER, Mr. PATTISON of New York, Mr. HYDE, and Mr. KINDNESS members of the National Commission on Individual Rights on the part of the House.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

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

REPORT OF THE COMPTROLLER GENERAL

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on improving productivity through better management of maintenance operations in Europe, Department of the Army (with an accompanying report); to the Committee on Appropriations.

Report on Rescissions and Deferrals, March 1975

A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a cumulative report on fiscal year 1975 rescissions and deferrals, March 1975 (with an accompanying report); to the Committee on Appropriations, the Committee on the Budget, the Committee on Agriculture and Forestry, the Committee on Commerce, the Committee on Armed Services, the Committee on Labor and Public Welfare, the Committee on Banking, Housing and Urban Affairs, the Committee on Interior and Insular Affairs, the Committee on the Judiciary, the Committee on Foreign Relations, the Committee on Finance, the Committee on Government Operations, the Committee on Aeronautical and Space Sciences, the Committee on the District of Columbia, the Joint Committee on Atomic Energy, and the Committee on Public Works, jointly, pursuant to order of January 30, 1975.

REPORT OF THE FOUNDATION OF THE FEDERAL BAR ASSOCIATION

A letter from the Secretary, The Foundation of the Federal Bar Association, transmitting, pursuant to law, an audit report of the foundation for the fiscal year ending September 30, 1974 (with an accompanying report); to the Committee on the Judiciary.

PROPOSED RICE ACT OF 1975

A letter from the Under Secretary of Agriculture, transmitting a draft of proposed legislation to establish improved programs for the benefit of producers and consumers of rice (with accompanying papers); to the Committee on Agriculture and Forestry.

PROPOSED EXTRA LONG STAPLE COTTON ACT OF 1975

A letter from the Under Secretary of Agriculture, transmitting a draft of proposed legislation to establish an improved program for the benefit of producers and consumers of extra long staple cotton (with accompanying papers); to the Committee on Agriculture and Forestry.

REPORT OF THE FARM CREDIT ADMINISTRATION

A letter from the Governor, Farm Credit Administration, transmitting, pursuant to law, the 41st annual report of the Farm Credit Administration and the Cooperative Farm Credit System (with an accompanying report); to the Committee on Agriculture and Forestry.

NATIONAL POWER SUPPLY REPORTS

A letter from the Chairman, Fderal Power Commission, transmiting, for the information of the Senate, a task force report on energy sources research, and an advisory committee report on research and development for the electric utility industry (with accompanying reports); to the Committee on Commerce.

REPORT ON CIGARETTE SMOKING ACT

A letter from the Chairman, Federal Trade Commission, transmitting, pursuant to law, a report pursuant to the Public Health Cigarette Smoking Act (with an accompanying report); to the Committee on Commerce.

MARINE MAMMAL PROTECTION RESEARCH AND DEVELOPMENT

A letter from the Secretary of Commerce relating to public hearings on Marine Mammal Protection Act research and development (with accompanying papers); to the Committee on Commerce.

EXIMBANK LOAN TO BRITISH AIRWAYS

A letter from the President and Chairman, Export-Import Bank of the United States, submitting, pursuant to law, a statement with respect to a direct credit of $111,900,000 to British Airways, the United Kingdom; to the Committee on Banking, Housing and Urban Affairs.

EXIMBANK LOAN TO KOREAN ELECTRIC CO.

A letter from the President and Chairman, Export-Import Bank of the United States, regarding direct credit and guarantee in connection with the export sale of goods and services for the construction of a nuclear powerplant by the Korean Electric Co.; to the Committee on Banking, Housing and Urban Affairs.

REPORT OF THE EXPORT-IMPORT BANK

A letter from the President and Chairman, Export-Import Bank of the United States, transmitting, pursuant to law, a report of the actions taken by the Export-Import Bank during the quarter ended December 31, 1974 (with an accompanying report); to the Committee on Banking, Housing and Urban Affairs.

APPORTIONMENT SCHEDULE OF THE CONSUMER PRODUCT SAFETY COMMISSION

A letter from the Chairman of the Consumer Product Safety Commission transmitting, pursuant to law, a copy of the Commission's fiscal year 1975 apportionment schedule (with an accompanying report).

Mr. JOHNSTON subsequently said: Mr. President, I ask unanimous consent that a communication from the U.S. Consumer Product Safety Commission, relating to the Commission's fiscal year 1975 apportionment schedule, be jointly referred to the Committees on Commerce and Labor and Public Welfare.

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

REPORT OF THE WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

A letter from the Chairman of the Washington Metropolitan Area Transit Authority transmitting, pursuant to law, its quarterly report dated March 1975 (with an accompanying report); to the Committee on the District of Columbia.

REPORT OF THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE

A letter from the Secretary of Health, Education, and Welfare transmitting, pursuant to law, a report on student enumeration (with an accompanying report); to the Committee on Finance.

REPORTS OF THE COMPTROLLER GENERAL

Two letters from the Comptroller General of the United States transmitting, pursuant to law, two reports entitled "Improving Productivity Through Better Management of Maintenance Operations in Europe"; and "National Attempts to Reduce Losses from Floods by Planning for and Controlling the Uses of Flood-Prone Lands" (with accompanying reports); to the Committee on Government Operations.

PROPOSED LEGISLATION BY THE U.S. WATER RESOURCES COUNCIL

A letter from the Chairman of the U.S. Water Resources Council transmitting a draft of proposed legislation to revise membership of the United States Water Resources Council (with accompanying papers); to the Committee on Interior and Insular Affairs.

REPORT OF THE DEPARTMENT OF THE INTERIOR

A letter from the Director of the Bureau of Mines transmitting, pursuant to law, a report on the status of the mineral industries (with an acompanying report); to the Committee on Interior and Insular Affairs.

PROPOSED LEGISLATION BY THE DEPARTMENT OF THE INTERIOR

A letter from the Assistant Secretary of the Interior transmitting a draft of proposed legislation to promote a more adequate national program of water resources research and technology development, and for other purposes (with accompanying papers); to the Committee on Interior and Insular Affairs.

REPORT OF THE DEPARTMENT OF THE INTERIOR

A letter from the Assistant Secretary of the Interior transmitting, pursuant to law, a report on a loan application for Buffalo Rapids Irrigation project, District 1, Terry, Mont. (with an accompanying report); to the Committee on Interior and Insular Affairs.

REPORTS UNDER THE FREEDOM OF INFORMATION ACT

A letter from the Secretary of the American Battle Monuments Commission; a letter from the Executive Officer of the U.S. Arms Control and Disarmament Agency; A letter from the Chairman of the Civil Service Commission; a letter from the General Counsel of the Federal Home Loan Bank Board; a letter from the Administrator of the National Aeronautics and Space Administration; a letter from the Administrator of the National Credit Union Administration; and a letter from the Administrator of the Veterans' Administration; all reporting, pursuant to law, on the activities of their agencies under the Freedom of Information Act (with accompanying papers); to the Committee on the Judiciary.

PROPOSED REGULATION OF THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

A letter from the Executive Secretary to the Department of Health, Education, and Welfare transmitting, pursuant to law, a copy of a proposed final regulation entitled "Noncommercial Educational Broadcasting Facilities Program" (with accompanying papers); to the Committee on Labor and Public Welfare.

PROPOSED LEGISLATION BY THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

A letter from the Secretary of Health, Education, and Welfare transmitting a draft of proposed legislation to provide assistance to local educational agencies which are in the process of eliminating discrimination or minority group isolation among students or faculty in elementary and secondary schools and for other purposes (with accompanying papers); to the Committee on Labor and Public Welfare.

PROPOSED REGULATION OF THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

A letter from the Executive Secretary to the Department of Health, Education, and Welfare transmitting, pursuant to law, proposed regulations for the State vocational education programs (with accompanying papers); to the Committee on Labor and Public Welfare.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

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

A resolution of the Senate of the State of Massachusetts; to the Committee on Agriculture and Forestry:

"RESOLUTIONS MEMORIALIZING THE CONGRESS OF THE UNITED STATES TO REMOVE RESTRICTIONS FOR OBTAINING FOOD STAMPS

"Whereas food stamps have become an important element of the budgets of many elderly persons; and

"Whereas the Congress of the United States has seen fit to prevent those persons receiving SSI benefits, so-called, from obtaining food stamps; and

"Whereas the General Court of Massachusetts has an obligation to memorialize Congress for redress of grievances legitimately brought before said body: now, therefore, be it

"*Resolved*, That the General Court of Massachusetts hereby requests the Congress of the United States to amend the appropriate laws, rules and regulations to permit those receiving SSI benefits to receive food stamps; and be it further

"*Resolved*, That copies of these resolutions be transmitted forthwith by the Clerk of the Senate to the President of the United States, to the presiding officer of each branch of the Congress of the United States and to each member thereof from the Commonwealth."

A concurrent resolution of the Legislature of the State of Arkansas; to the Committee on Banking, Housing and Urban Affairs:

"HOUSE CONCURRENT RESOLUTION EXPRESSING CONCERN AND OPPOSITION TO THE PROPOSED FUEL PROGRAM AS OUTLINED BY THE NATIONAL ADMINISTRATION

"Whereas, the President of the United States presented to the Congress and people of this country a proposed program of dealing with the fuel shortage by establishing a program of increases in fuel prices, and other policies designed to cause a substantial increase in the price of fuel as a means of discouraging use of petroleum fuels; and

"Whereas, the substantial increase in fuel prices that has already occurred is working extreme hardship upon all the people of this country, and especially upon persons living in rural areas who find it necessary to move their farm products and livestock to market by the use of motor vehicles, and is also working hardships upon persons living in rural areas who find it necessary to travel to their jobs in cities and towns on a daily basis; and

"Whereas, the proposed fuel program as outlined by the President will magnify the hardships which have already imposed a terrible burden upon the millions of citizens of this country who depend upon motor vehicles for their livelihood, or for traveling to and from their places of work, and other essential travel; and

"Whereas, it would appear in the better interests of the motoring public that if reduced fuel usage is mandated as a part of national policy, that it would be more desirable to establish an equitable allocation system, limited time operation of retail outlets, or a realistic fuel rationing program, rather than forcing the public to accept too awesome burden of additional increases in fuel prices;

"Now, therefore

"Be it resolved by the House of Representatives of the Seventieth General Assembly of the State of Arkansas, the Senate concurring therein:

"That the Arkansas General Assembly hereby expresses concern and opposition to the fuel program as outlined by the National Administration which is based upon a reduction in fuel usage by substantial increases in fuel prices.

"Be it further resolved that the Arkansas General Assembly respectfully urges the President and the Congress of the United States to consider the establishment of an equitable allocation system, limited time of operation of retail outlets, or a realistic fuel rationing system in lieu of programs that will bring about substantial increases in fuel

prices without any assurances that this program will bring about the desired reduction in fuel consumption.

"Be it further resolved that upon adoption of this Resolution, the Secretary of State of the State of Arkansas shall cause copies hereof to be mailed to the President of the United States, to the Speaker of the House of Representatives, and the President of the Senate of the Congress of the United States, and to each member of the Arkansas Congressional Delegation."

A joint resolution of the Legislature of the State of Maine; to the Committee on Finance:

"JOINT RESOLUTION MEMORIALIZING THE CONGRESS OF THE UNITED STATES TO OPPOSE THE PROPOSED LIMITATION ON COST OF LIVING INCREASES IN FEDERAL INCOME MAINTENANCE PROGRAMS

"We, your Memorialists, the House of Representatives and Senate of the State of Maine in the One Hundred and Seventh Legislature, now assembled, most respectfully present and petition your Honorable Body as follows:

"Whereas, Social Security, SSI, and Federal Retirement Benefits are currently increased automatically as the Consumer Price Index rises; and

"Whereas, this system has allowed retirees and other persons who live on fixed incomes to cope with the staggering ratio of inflation; and

"Whereas, President Ford has proposed placing a ceiling of 5% on annual cost-of-living increases in Social Security, Railroad Retirement, Supplemental Security Income and Civil Service and Military Retirement programs; and

"Whereas, such a limitation is only slightly more than ⅓ of last year's annual rate of inflation; and

"Whereas, more than 150,000 Maine citizens depend wholly or in part on these programs for their income; and

"Whereas, it is wrong to allow inflation to ravage the small means of persons who because of age or infirmity are less able to fend for themselves; now, therefore, be it

"Resolved: That We, your Memorialists, respectfully urge the Congress of the United States to retain full cost-of-living increases to Social Security, Supplemental Security Income, Railroad Retirement and Civil Service and Military Retirement recipients, and to oppose efforts to place a ceiling on cost-of-living increases to these recipients; and be it further

"Resolved: That a copy of this resolution, duly authenticated by the Secretary of State, be transmitted by the Secretary of State to the Honorable Gerald R. Ford, President of the United States, to the Senate and House of Representatives in Congress and to the Members of the United States Congress from the State of Maine."

A joint resolution of the Legislature of the State of Nevada; to the Committee on the Judiciary:

FILE NUMBER 28

"ASSEMBLY JOINT RESOLUTION—Memorializing the President of the United States and Congress to implement and enforce existing federal laws dealing with the problem of illegal aliens and to adopt new remedial legislation such as H.R. 982 of the 93d Congress

"Whereas the presence within the United States of illegal aliens in numbers of inordinate magnitude constitutes a significant continuing negative factor in this great nation's economy; and

"Whereas large numbers of unemployed Americans are unable to obtain gainful employment as a direct consequence of jobs occupied by illegal aliens within the United States; and

"Whereas the illegal alien problem is no longer a regional problem concerning only western and southwestern agriculture but is now adversely affecting the economy of the entire nation; and

"Whereas the Immigration and Naturalization Service of the United States Department of Justice is deficient in the manpower and funding needed to combat this nationwide problem; and

"Whereas existing federal law seemingly condones employment of illegal aliens in that knowing employment of illegal aliens does not constitute harboring and thus is not expressly proscribed; and

"Whereas H.R. 982, introduced in the 93d Congress by Congressman Peter Rodino, constitutes the type of remedial legislation that will, if adopted, greatly ameliorate this problem, which is contributing in substantial part to our national unemployment figure; now, therefore, be it

"*Resolved* by the Assembly and Senate of the State of Nevada, jointly, That the legislature of the State of Nevada respectfully memorializes the President of the United States and the Congress of the United States to commence immediate steps to provide adequate moneys for, and to authorize sufficient augmentation of the manpower of, the Immigration and Naturalization Service of the United States Department of Justice, so that the problem of existing and potential damage to our national economy caused by the presence of illegal aliens in the United States may be successfully combated, and to adopt additional remedial legislation such as H.R. 982 of the 93d Congress; and be it further

"*Resolved*, That copies of this resolution be prepared and transmitted by the legislative counsel to the President of the United States, to the Vice President of the United States as presiding officer of the Senate, to the Speaker of the House of Representatives and to all members of the Nevada congressional delegation; and be it further

"*Resolved*, That this resolution shall become effective upon passage and approval."

A concurrent resolution of the Legislature of the State of Mississippi; to the Committee on the Judiciary:

"HOUSE CONCURRENT RESOLUTION NO. 75

"A concurrent resolution memorializing the Congress of the United States to enact House Resolution 982 which provides that it shall be unlawful for an employer to knowingly hire an illegal alien

"Whereas, it has come to the attention of the public that there are an estimated six million illegal aliens holding jobs in this country; and

"Whereas, unemployment in our nation is growing daily, reaching record proportions with no relief in sight; and

"Whereas, such illegal aliens holding jobs in this country are in direct contravention to the immigration laws of the United States and create a tremendous economic burden on the native and naturalized citizens of the United States; and

"Whereas, Congressman Peter Rodino of New Jersey has introduced House Resolution 982 which provides that it shall be unlawful for a United States employer to knowingly hire an illegal alien; and

"Whereas, statistics shows that if House Resolution 982 were to become law, over one million jobs would become available for United States citizens overnight; and

"Whereas, it is the belief of this Legislature, in view of the bleak economic outlook for our country, that jobs should be created whenever possible to help combat the unemployment crisis; and

"Whereas, passage of House Resolution 982 would speak directly to the pressing unemployment situation and would alleviate somewhat the overall financial problems now before us:

"Now, therefore, be it resolved by the House of Representatives of the State of Mississippi, the Senate concurring therein, That we do hereby memorialize the Congress of the United States to take immediate action towards the final passage of House Resolution 982, authored by Congressman Peter Rodino, which would serve to alleviate the unemployment crisis facing our nation today.

"Be it further resolved, That copies of this Resolution be forwarded to the President of the United States Senate, to the Speaker of the United States House of Representatives, and to members of the Mississippi Congressional Delegation."

A memorial of the Senate of the State of Arizona; to the Committee on the Judiciary:

"SENATE MEMORIAL 1003

"A Memorial relating to Veterans' Day; urging Congress to enact legislation returning observance of Veterans' Day to November 11

"To the Congress of the United States:

"Your memorialist respectfully represents:

"Whereas, the Congress of the United States enacted legislation which changed observance of Veterans' Day from November 11, the date of the armistice ending World War I and the traditional day of observance of that historical event; and

"Whereas, the change of Veterans' Day to the fourth Monday in October for the sole purpose of adding a three-day weekend to the holidays of the year is not a sufficient reason for breaking with tradition, memories, sentiments and history, and the reduction which follows in participation in patriotic ceremonies.

Wherefore your memorialist, the Senate of the State of Arizona, prays:

"1. That the President and Congress give their most earnest consideration to the prompt enactment of legislation which would result in the return of Veterans' Day to the traditional day of observance, November 11, of each year.

"2. That the Honorable Wesley Bolin, Secretary of State of the State of Arizona, transmit copies of this Memorial to the President of the United States, the President of the United States Senate, the Speaker of the House of Representatives of the United States and to each Member of the Arizona Congressional Delegation."

A resolution of the Pacific Conference of Legislators urging extension of social, education, and employment programs and services to the people of Micronesia; to the Committee on Interior and Insular Affairs.

A resolution of the common council of the city of Buffalo, N.Y., relating to the reordering of national priorities and termination of the B-1 bomber program; to the Committee on the Budget.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CANNON, from the Committee on Rules and Administration:

S. Res. 111. An original resolution continuing through May 31, 1975, the authority of Senate committees to pay compensation and make expenditures for inquiries and investigations, and for other purposes; placed on the calendar.

NOTICE OF MOTION TO AMEND RULE XXV

(Submitted on March 12, 1975)

Mr. GRAVEL submitted the following notice in writing:

In accordance with the provisions of rule XL of the Standing Rules of the Senate, I hereby give notice in writing that I shall hereafter move to amend rule XXV of the standing rules.

The purpose of the proposed amendment to Senate Rule XXV is to authorize each

member of the Senate to employ additional assistants to work on matters pertaining to committees on which Senators serve. The particulars of the proposed amendment are as follows:

Resolved, That rule XXV of the Standing Rules of the Senate is amended by adding at the end thereof the following new paragraphs:

"8. (a) Each Senator serving on a committee is authorized to hire staff to assist him in his duties as a member of each committee on which he serves as follows:

"(1) A Senator serving on one or more standing committees named in paragraph 2 shall receive, for each such committee, an amount equal to two times the amount referred to in section 105(d)(2)(i) of the Legislative Appropriations Act, 1968, as amended and modified.

"(2) A Senator serving on one or more standing committees named in paragraph 3; select and special committees of the Senate; and joint committees of the Congress shall receive for each such committee an amount equal to the amount referred to in section 105(d)(2)(i) of the Legislative Appropriations Act, 1968, as amended and modified.

"(b) An employee appointed under this paragraph shall be designated as such and certified by the Senator who appoints him to the chairman and ranking minority member of the committee and shall be accorded equitable treatment with respect to access to the records of that committee.

"(c) An employee appointed under this paragraph shall not receive compensation in excess of that provided for an employee under section 105(d)(2)(i) of the Legislative Branch Appropirations Act, 1968, as amended and modified.

"(d) Payments made with respect to individuals appointed to the office of a Senator under this paragraph shall be paid out of the contingent fund of the Senate on vouchers approved by such Senator.

"(e) Individuals appointed, as employees under this paragraph shall be in addition be employees otherwise authorized to be appointed to the office of a Senator.

"9. (a) Each Senator serving as chairman of any subcommittee or ranking minority member of any subcommittee is authorized to hire staff to assist him in his duties as chairman or ranking minority member of that subcommittee as follows:

"(1) A Senator serving as chairman or ranking minority member of a subcommittee shall receive an amount equal to two times the amount referred to in section 105(d)(2)(i) of the Legislative Branch Appropriations Act, 1968, as amended and modified. If a Senator is serving as chairman or ranking minority member of more than one subcommittee of the same committee he shall be entitled to receive funds under this paragraph for only one such subcommittee but the individuals employed with such funds may assist him in his duties as chairman or ranking minority member of all such subcommittees.

"(2) Such amount shall not be lowered unless done so by agreement of the chairman of the committee, the subcommittee chairman and the ranking minority subcommittee member.

"(3) If funds are authorized for the staff of a subcommittee pursuant to section 133(g) of the Legislative Reorganization Act of 1946, or if funds authorized for a committee under such section are allocated to a subcommittee, then the amounts to which the Senators serving as chairman and ranking minority member of that subcommittee are entitled under this paragraph shall each be reduced by an amount equal to the funds so authorized or allocated.

"(b) An employee appointed under this paragraph shall be designated as such and certified by each Senator to the chairman and ranking minority member of each full committee.

"(c) An employee appointed under this paragraph shall not receive compensation in excess of that provided for an employee under section 105(d)(2)(i) of the Legislative Branch Appropriations Act, 1968, as amended and modified.

"(d) Payments made with respect to individuals appointed to the office of a Senator under this paragraph shall be paid out of the contingent fund of the Senate on vouchers approved by such Senator.

"(e) Individuals appointed as employees under this subsection shall be in addition to staff members otherwise authorized to be appointed to the office of a Senator."

HOUSE BILL REFERRED

The bill (H.R. 4481) making emergency employment appropriations for the fiscal year ending June 30, 1975, and for other purposes, was read twice by title and referred to the Committee on Appropriations.

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. CURTIS:

S. 1173. A bill to amend the Internal Revenue Code of 1954 to increase the exemption for purposes of the Federal estate tax, to increase the estate tax marital deduction, and to provide an alternate method of valuing certain real property for estate tax purposes. Referred to the Committee on Finance.

By Mr. CRANSTON (for himself, Mr. HOLLINGS, Mr. KENNEDY, Mr. MCGEE, Mr. MOSS, Mr. HUMPHREY, Mr. HARTKE, Mr. STEVENS, Mr. TUNNEY, Mr. GRAVEL, Mr. HATFIELD, Mr. JAVITS, and Mr. EAGLETON):

S. 1174. A bill to provide sound physical bases and operational systems for achieving major reductions in the earthquake hazards faced by the population living in regions of the United States of significant seismic risk, and to amend the National Science Foundation Act of 1950 so as to provide for a research program relating to earthquake mitigation, and for other purposes. Referred, by unanimous consent, to the Committee on Commerce; and, if and when reported by that committee, to the Committee on Labor and Public Welfare for not to exceed 30 days.

By Mr. TOWER (for himself and Mr. BENTSEN):

S. 1175. A bill for the relief of Carla K. Finch. Referred to the Committee on the Judiciary.

By Mr. SPARKMAN (by request):

S. 1176. A bill to amend the Foreign Service Buildings Act, 1926, to authorize additional appropriations. Referred to the Committee on Foreign Relations.

By Mr. McGEE (for himself, Mr. ABOUREZK, Mr. BAYH, Mr. BENTSEN, Mr. BIDEN, Mr. BROOKE, Mr. BURDICK, Mr. CANNON, Mr. CASE, Mr. CHURCH, Mr. CLARK, Mr. CRANSTON, Mr. CULVER, Mr. EAGLETON, Mr. FORD, Mr. GLENN, Mr. GRAVEL, Mr. GARY W. HART, Mr. PHILIP A. HART, Mr. HARTKE, Mr. HASKELL, Mr. HATHAWAY, Mr. HOLLINGS, Mr. HUDDLESTON, Mr. HUMPHREY, Mr. INOUYE, Mr. JACKSON, Mr. KENNEDY, Mr. LEAHY, Mr. MAGNUSON, Mr. MANSFIELD, Mr. MATHIAS, Mr. MCGOVERN, Mr. MCINTYRE, Mr. METCALF, Mr. MONDALE, Mr. MONTOYA, Mr. MOSS, Mr. MUSKIE, Mr. NELSON, Mr. PACKWOOD, Mr. PASTORE, Mr. PEARSON, Mr. PELL, Mr. PROXMIRE, Mr. RANDOLPH, Mr. RIBICOFF, Mr. SCHWEIKER, Mr. STEVENSON, Mr. TUNNEY, and Mr. WILLIAMS):

S. 1177. A bill to amend title 13, United States Code, to establish within the Bureau of the Census a Voter Registration Administration for the purpose of administering a voter registration program through the Postal Service. Referred to the Committee on Post Office and Civil Service.

By Mr. HRUSKA (for himself, Mr. CURTIS, Mr. FANNIN, and Mr. YOUNG):

S. 1178. A bill to guarantee all rights under the first amendment to the Constitution to the electronic media and to terminate any discrimination between the print and broadcast media by certain amendments to the Communications Act of 1934 and other provisions of law. Referred to the Committee on Commerce.

By Mr. EASTLAND:

S. 1179. A bill for the relief of Kwan Do Sun. Referred to the Committee on the Judiciary.

By Mr. INOUYE:

S. 1180. A bill for the relief of Miss Etsuko Yamamoto. Referred to the Committee on the Judiciary.

By Mr. MONTOYA:

S. 1181. A bill for the relief of Seymour B. Feldman. Referred to the Committee on Post Office and Civil Service.

By Mr. ROTH:

S. 1182. A bill to amend certain provisions of law relating to the leasing of oil and gas deposits of the United States, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

By Mr. HARTKE (for himself, Mr. ABOUREZK, Mr. BAKER, Mr. BAYH, Mr. BEALL, Mr. BROCK, Mr. BROOKE, Mr. BUMPERS, Mr. BURDICK, Mr. ROBERT C. BYRD, Mr. CASE, Mr. CHURCH, Mr. CLARK, Mr. CULVER, Mr. CURTIS, Mr. EAGLETON, Mr. EASTLAND, Mr. GOLDWATER, Mr. HANSEN, Mr. PHILIP A. HART, Mr. HELMS, Mr. INOUYE, Mr. JAVITS, Mr. MANSFIELD, Mr. MCGEE, Mr. MCGOVERN, Mr. METCALF, Mr. MOSS, Mr. PASTORE, Mr. PELL, Mr. RANDOLPH, Mr. RIBICOFF, Mr. SCHWEIKER, Mr. HUGH SCOTT, Mr. SYMINGTON, Mr. THURMOND, Mr. TOWER, and Mr. WEICKER):

S. 1183. 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 threeunder. Referred to the Committee on Finance.

By Mr. DOMENICI:

S. 1184. A bill to amend the Internal Revenue Code of 1954 to provide for the reduction or deferral of liability for the payment of a part of the Federal estate tax on farms the fair market value of which exceeds the value which such property would have if it were continued to be used as farm land. Referred to the Committee on Finance.

By Mr. CURTIS:

S. 1185. A bill to amend section 13(b)(24) of the Fair Labor Standards Act of 1938 to exempt certain employment in residential treatment facilities for children from homes having an unfavorable home environment, and for other purposes. Referred to the Committee on Labor and Public Welfare.

By Mr. HATHAWAY:

S. 1186. A bill to amend the Outer Continental Shelf Lands Act in order to conduct a comprehensive study of the Outer Continental Shelf, to promote the development of Outer Continental Shelf oil and gas resources, to provide for protection of the environment, to promote competition in the production of oil and gas from the Outer Continental Shelf, to authorize the payment of a portion of the revenue under the act to the coastal States, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

By Mr. JOHNSTON:

S. 1187. A bill to authorize the documentation of the vessel *Bruja Mar* as a vessel of the United States with coastwise privileges. Referred to the Committee on Commerce.

By Mr. BUCKLEY:

S. 1188. A bill to amend title II of the Social Security Act to provide for annual increases in the amount which individuals may earn without suffering deductions from benefits on account of excess earnings, and in a series of steps to lower to age 65 the age after which deductions from benefits are no longer imposed on account of excess earnings. Referred to the Committee on Finance.

By Mr. MANSFIELD (for himself, Mr. METCALF, and Mr. MOSS):

S. 1189. A bill to amend the Public Works and Economic Development Act of 1965 in order to establish a regional impact and development assistance program. Referred to the Committee on Public Works.

By Mr. JAVITS:

S.J. Res. 56. A joint resolution to authorize and request the President to proclaim April 6, 1975, as a day of observance of the 30th anniversary of the liberation of the survivors of the Holocaust. Referred to the Committee on the Judiciary.

By Mr. CURTIS (for himself, Mr. MCCLURE, and Mr. MCGEE):

S.J. Res. 57. A joint resolution to authorize and request the President to proclaim the month of May 1975 as "National Car Care Month." Referred to the Committee on the Judiciary.

By Mr. MCCLELLAN:

S.J. Res. 58. A joint resolution proclaiming the week of May 25 to 31 as "National American Institute of Banking Week." Referred to the Committee on the Judiciary.

By Mr. BARTLETT (for himself and Mr. BELLMON):

S.J. Res. 59. A joint resolution authorizing the President to invite the States of the Union and foreign nations to participate in the International Petroleum Exposition to be held at Tulsa, Okla., from May 16, 1976, through May 22, 1976. Referred to the Committee on Commerce.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CURTIS:

S. 1173. A bill to amend the Internal Revenue Code of 1954 to increase the exemption for purposes of the Federal estate tax, to increase the estate tax marital deduction, and to provide an alternate method of valuing certain real property for estate tax purposes. Referred to the Committee on Finance.

ESTATE TAX LAW REFORM

Mr. CURTIS. Mr. President, I am introducing today a bill which would effect what I believe to be three necessary reforms to our Federal estate tax law. An identical bill has previously been introduced in the House by Congressman BURLESON as H.R. 1793. The number of the Curtis bill is S. 1173. Briefly, the bill would do three things. First, it would increase the Federal estate tax exemption from $60,000 to $200,000. Second, the bill would increase the estate tax marital deduction. Third, the bill would establish a procedure under which certain real estate devoted to farming, woodland, or scenic open space would be valued for estate tax purposes by reference to its value when used for that purpose rather than by reference to its potential value if utilized for other purposes, such as being subdivided and converted into a housing development.

Let me briefly explain the reasons which prompted me to introduce this bill. For many years, we have had a national policy, which I fully support, of encouraging agriculture generally and family farming in particular. For many years, we have been concerned with the exodus of young people from our farms. Fortunately, this trend has begun to reverse itself and we are now witnessing the movement of more and more young people into agriculture in general and into family farming in particular.

It has come to my attention, however, that family farming is increasingly jeopardized by the application of our current Federal estate tax laws to the estates of deceased farmers and ranchers. The problem is quite simple. Farm land, particularly that which is located near centers of population, is becoming more valuable, because of its potential use for nonagricultural purposes. To combat this problem, many States and localities have adopted special assessment laws for real property used for agricultural purposes.

The bill I am introducing seeks to make the Federal estate tax equally responsive to this important problem. As I indicated, the bill increases the basic estate exemption from $60,000 to $200,000. The $60,000 figure has been a part of the law for more than 30 years and the inflation we have experienced during that period warrants such an increase. This increase would be applicable to all estates, as would the increased marital deduction provision of the bill. An increase in the marital deduction otherwise allowable under present law will give recognition to the importance of husband and wife partnerships in farming and other small businesses.

The third provision of the bill applies only to real property devoted to farming, woodland, or scenic open space. Under this bill, such qualified real property could be valued solely by reference to its value as a farm, woodland, or scenic open space. That value could not be increased to reflect the value of the property for some other use, such as a shopping center, office building, or housing development. Three safeguards in the bill prevent any possibility that this special elective valuation rule will be improperly utilized. First, the property must have been actually used for farming or other qualified purposes during the 5 years preceding the individual's death. Second, the property must continue to be used for such qualifying purposes for 5 years from the date an election to utilize this provision is made. If the property does not continue to be used, or if it is sold by the person who inherited it during that period, the higher value will be used and additional estate taxes will be assessed. Finally, the lower value, if elected for estate tax purposes, would also constitute the heir's income tax basis in the property so he or she would derive no special benefit if the property is later sold.

With these safeguards, the bill will effect three needed reforms in our Federal estate tax law, give recognition to the effects of inflation and the importance of husband and wife partnerships in farming and other small business, and further foster our national policy to encourage family farms. The family farm has long played an important role. Its importance is even greater today. We should not let the Federal estate tax, which produces less than 2 percent of our total Federal receipts, endanger its viability.

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

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

S. 1173

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 2052 of the Internal Revenue Code of 1954 (relating to exemption for purposes of the Federal estate tax) is amended by striking out "$60,000" and inserting in lieu thereof "$200,000".

(b) Section 6018(a)(1) of such Code (relating to estate tax returns) is amended by striking out "$60,000" and inserting in lieu thereof "$200,000".

SEC. 2. The amendments made by the first section of this Act shall apply to the estates of decedents dying after the date of enactment of this Act.

SEC. 3. INCREASE IN ESTATE TAX MARITAL DEDUCTION.—

(a) Section 2056(c) of the Internal Revenue Code of 1954 (relating to limitation of aggregate marital deduction) is amended by inserting after "shall not exceed" in paragraph (1) "the sum of $100,000, plus".

(b) The amendment made by subsection (a) shall apply with respect to decedents dying after the date of enactment of this Act.

SEC. 4. ALTERNATE VALUATION OF CERTAIN REAL PROPERTY.—

(a) Section 2031 of the Internal Revenue Code of 1954 (relating to definition of gross estate) is amended by adding at the end thereof the following new subsection:

"(c) ALTERNATE VALUATION OF CERTAIN REAL PROPERTY.—

"(1) IN GENERAL.—If the executor of an estate so elects, the value of any qualified real property included in the estate shall be determined by its value for the use under which it qualifies, under paragraph (2), as qualified real property.

"(2) DEFINITION OF QUALIFIED REAL PROPERTY.—For the purposes of this subsection, the term 'qualified real property' means real property substantially all of which is, and, for the 60 months preceding the date of death of the decedent, has been, devoted to—

"(A) farming (including the production of agricultural commodities and the raising of livestock),

"(B) woodland (including land use for the commercial production of trees and land used for scenic and recreational purposes), or

"(C) scenic open space.

"(3) ELECTION REQUIREMENTS.—An election under this subsection shall be filed with the Secretary or his delegate at such time and in such form and manner as he may prescribe and shall contain, in addition to any other matter, the name, address, and taxpayer identification number of the person to whom the property passes under the terms of the decedent's will or by operation of law.

"(4) REVOCATION OF ELECTION.—If property valued under paragraph (1)—

"(A) is sold or transferred, by or on behalf of the person to whom the property passed, within 5 years after the date on which the return of the tax imposed under this chapter was filed, or

"(B) is converted substantially to a use not described in paragraph (2) within that 5-year period by that person, the election made under this subsection shall be revoked and the difference between the tax actually paid under this chapter on the transfer of the estate and the tax which

would have been payable on that transfer had the property not been valued under paragraph (1) shall be a deficiency in the payment of the tax assessed under this chapter on that estate.".

(b) Section 1014(a) of such Code (relating to basis of property acquired from a decedent) is amended by inserting before the period at the end thereof a comma and the following: "or, in the case of an election under section 2131(c) (relating to alternative valuation of certain real property), the value thereof as determined under such action for the applicable valuation date.".

SEC. 5. The amendments made by section 4 of this Act shall apply with respect to the estates of decedents dying after the date of enactment of this Act.

By Mr. CRANSTON (for himself, Mr. HOLLINGS, Mr. KENNEDY, Mr. MCGEE, Mr. MOSS, Mr. HUMPHREY, Mr. HARTKE, Mr. STEVENS, Mr. TUNNEY, Mr. GRAVEL, Mr. HATFIELD, Mr. JAVITS, and Mr. EAGLETON):

S. 1174. A bill to provide sound physical bases and operational systems for achieving major reductions in the earthquake hazards faced by the population living in regions of the United States of significant seismic risk, and to amend the National Science Foundation Act of 1950 so as to provide for a research program relating to earthquake mitigation, and for other purposes. Referred, by unanimous consent, to the Committee on Commerce; and, if and when reported by that committee, to the Committee on Labor and Public Welfare for not to exceed 30 days.

Mr. CRANSTON. Mr. President, I rise to introduce a bill entitled, "The Earthquake Disaster Mitigation Act of 1975."

Mr. President, I wish to state that this request has been totally cleared on both sides.

I ask unanimous consent that a bill I am now introducing entitled "The Earthquake Disaster Mitigation Act of 1975," be referred to the Committee on Commerce, and that if and when reported, it be referred to the Committee on Labor and Public Welfare for a period not to exceed 30 days.

Mr. WILLIAM L. SCOTT. Mr. President, reserving the right to object, has this been cleared with the leadership

Mr. CRANSTON. Yes, it has.

Mr. WILLIAM L. SCOTT. I withdraw my reservation.

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

Mr. CRANSTON. Mr. President, I am introducing this bill on behalf of myself and the distinguished Senator from South Carolina (Mr. HOLLINGS), who is the primary cosponsor. I am pleased that Senator HOLLINGS and I are also joined in sponsoring this legislation by Senators EDWARD M. KENNEDY of Massachusetts, GALE W. MCGEE of Wyoming, FRANK E. MOSS of Utah, HUBERT H. HUMPHREY of Minnesota, VANCE HARTKE of Indiana, TED STEVENS of Alaska, JOHN V. TUNNEY of California, MIKE GRAVEL of Alaska, MARK O. HATFIELD of Oregon, JACOB K. JAVITS of New York, and THOMAS F. EAGLETON of Missouri.

The broad geographical representation of cosponsors on the Earthquake Disaster Mitigation Act is a good indication of the growing recognition that earthquakes are not just a California problem. In fact, all 50 States are subject to some earthquake-related hazards and a total of 39 have been identified as being in zones subject to moderate and major damage from earthquake shaking. The combined population of these 39 States is 71.5 million—nearly 35 percent of the U.S. population.

Mr. President, this bill is a revision of similar bills I have introduced in previous Congresses, most recently as S. 1473 and S. 1474 in the 93d Congress. The Subcommittee on Oceans and Atmosphere of the Senate Commerce Committee, chaired by my friend and colleague, Senator HOLLINGS, held 2 days of hearings in May of 1973 on these bills and on a similar bill introduced by Senator HOLLINGS, S. 1444. The expert testimony we received at these 2 days of hearings was especially valuable, and focused attention on the need for a more coordinated and comprehensive Federal earthquake program. The bill I am introducing today, I am confident, goes a long way toward meeting this objective.

The Earthquake Disaster Mitigation Act of 1975 will authorize a 10-year, $50 million a year, program to be carried out principally by the U.S. Geological Survey and the National Science Foundation. Its general goals are to seek a better understanding of the causes of earthquakes, to develop from this understanding an operational system for predicting earthquakes well in advance of their occurance, to issue appropriate warnings to the public, to advance earthquake engineering research and its application to hazardous structures, and to improve the human and community response to earthquakes and the threat of earthquakes.

One thing is certain: We will have future damaging earthquakes. San Francisco will have another 1906 earthquake. Los Angeles will have another earthquake, very likely much worse than the San Fernando earthquake of 1971. Boston, Charleston, and Anchorage will be stuck by future earthquakes. They may strike tomorrow, next week, or in a hundred years, but they will come. Our task is to take effective action now to mitigate the destructive potential of these future earthquakes.

In California, a 1973 State report estimated total losses of $21 billion due to earthquake shaking between now and the year 2000 if we make no changes in our existing policies. As many as 10,360 deaths and 40,360 hospitalized injuries have been projected to result from an 8.3 magnitude earthquake on the San Andreas Fault near San Francisco. In addition, as many as 30,000 deaths could occur in the San Francisco bay area as a result of earthquake-induced dam failures. These figures are obviously not absolute predictions, but they indicate the extent of human suffering and the breadth of the disaster that could befall whole regions if we do not take some effective action now.

Mr. President, I ask unanimous consent that three charts showing, first, property damage from major U.S. earthquakes since 1865; second, lives lost in major U.S. earthquakes since 1811; and third, casualties and damage in the United States from tsunamis since 1900 be printed in the RECORD at this point.

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

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

TABLE 1—*Property Damage in Major U.S. Earthquakes in Millions of Dollars (Actual), 1865–1971*

Year	and locality:	Damage
1865	San Francisco, Calif	0.5
1868	San Francisco, Calif	.4
1872	Owens Valley, Calif	.3
1886	Charleston, S.C	23.0
1892	Vacaville, Calif	.2
1898	Mare Island, Calif	1.4
1906	San Francisco, Calif	24.0
	Fire loss	500.0
1915	Imperial Valley, Calif	.9
1918	Puerto Rico (tsunami damage from earthquake in Mona Passage)	4.0
1918	San Jacinto and Hemet, Calif	.2
1925	Santa Barbara, Calif	8.0
1933	Long Beach, Calif	40.0
1935	Helena, Mont	4.0
1940	Imperial Valley, Calif	6.0
1941	Santa Barbara, Calif	.1
1941	Terrance-Gardena, Calif	1.0
1944	Cornwall, Canada-Massena, N.Y	2.0
1946	Hawaii (tsunami damage from earthquake in Aleutians)	25.0
1949	Puget Sound, Wash	25.0
1949	Terminal Island, Calif. (oil wells only)	9.0
1951	Terminal Island, Calif. (oil wells only)	3.0
1952	Kern County, Calif	60.0
1954	Eureka-Arcata, Calif	2.1
1954	Wilkes-Barre, Pa	1.0
1955	Terminal Island, Calif. (oil wells only)	3.0
1955	Oakland-Walnut Creek, Calif	1.0
1957	Hawaii (tsunami damage from earthquake in Aleutians)	3.0
1957	San Francisco, Calif	1.0
1959	Hebgen Lake, Mont. (damage to timber and roads)	11.0
1960	Hawaii and U.S. West Coast (tsunami damage from earthquake off Chile)	25.5
1961	Terminal Island, Calif (oil wells only)	4.5
1964	Alaska and U.S. West Coast (tsunami damage from earthquake near Anchorage—includes earthquake damage in Alaska)	500.0
1965	Puget Sound, Wash	12.5
1966	Dulce, N. Mex	.2
1969	Santa Rosa, Calif	6.3
1971	San Fernando, Calif	553.0
	Total	1,862.1

TABLE 2.—*Lives Lost in Major U.S. Earthquakes, 1811–1971*

Year	and *locality:*	*Lives Lost*
1811	New Madrid, Mo	Several
1812	New Madrid, Mo	Several
1812	San Juan Capistrano, Calif	40
1863	Hayward, Calif	30
1872	Owens Valley, Calif	27
1886	Charleston, S.C	60
1899	San Jacinto, Calif	6
1906	San Francisco, Calif	700
1915	Imperial Valley, Calif	6
1916	Puerto Rico (tsunami from earthquake in Mona Passage	116
1925	Santa Barbara, Calif	13
1926	Santa Barbara, Calif	1
1932	Humboldt County, Calif	1
1933	Long Beach, Calif	115
1934	Kosmo, Utah	2

1935	Helena, Mont	4
1940	Imperial Valley, Calif	9
1946	Hawaii (tsunami from earthquake in Aleutians)	173
1949	Puget Sound, Wash	8
1952	Kern County, Calif	14
1954	Eureka-Arcata, Calif	1
1955	Oakland, Calif	1
1958	Khantask Island and Lituya Bay, Alaska	5
1959	Hebgen Lake, Mont	28
1960	Hilo, Hawaii (tsunami from earthquake off Chile coast)	61
1964	Prince William Sound, Alaska (tsunami)	131
1965	Puget Sound, Wash	7
1971	San Fernando, Calif	65

TABLE 3.—CASUALTIES AND DAMAGE IN THE UNITED STATES FROM TSUNAMIS, 1900-71

Area	Year	Dead	Injured	Estimated damage (thousands)
Hawaii	1906			$5
American Samoa	1917			(1)
Hawaii	1918			100
Puerto Rico	1918	40		250
Hawaii, California, American Samoa	1922			50
Hawaii	1923	1		4,000
Do	1933			200
Hawaii, Alaska, west coast	1946	173	163	25,000
Midway Island, Hawaii	1952			1,200
Hawaii, west coast	1957			4,000
Hawaii, west coast, American Samoa	1960	61	282	25,500
Alaska, west coast, Hawaii	1964	22	200	104,000
Alaska	1965			10

[1] Damage reported, but no estimates available.

S. 1174

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) this Act may be cited as the "Earthquake Disaster Mitigation Act of 1975".

(b) The Congress hereby finds and declares that—

(1) thirty-nine States are wholly or partly areas of high and moderate seismic risk, including, but not limited to, Alaska, California, Hawaii, Illinois, Massachusetts, Missouri, Montana, New York, Nevada, South Carolina, Utah, and Washington;

(2) a large portion of the population of the United States lives in such areas of seismic risk;

(3) highly developed urban areas such as Anchorage, Boston, Charleston, Los Angeles, Memphis, Salt Lake City, San Francisco, San Jose, Seattle, and their surrounding areas are especially vulnerable to the hazards of earthquakes;

(4) loss of life, destruction of property, and economic disruption caused by future earthquakes can be substantially reduced by implementing improved construction practices, land use controls, earthquake prediction and warning techniques, emergency preparedness plans, and redevelopment practices;

(5) implementation of earthquake mitigation capabilities requires extensive education of the population regarding earthquake phenomena and measures that can be taken to reduce earthquake hazards to individuals and to communities;

(6) there is a scientific basis for hypothesizing that in at least some seismically active regions of the United States major earthquake risk can be moderated by earthquake control;

(7) seismological research in the United States has developed to the point where a determined and well-funded research program in earthquake prediction could provide data adequate for the design of an operational prediction capability to predict accurately the time, place, magnitude, and physical effects of earthquakes within ten years; and

(8) earthquake mitigation procedures reduce public exposure to other natural and man-made hazards, such as extreme winds, accidents, explosions, landslides, progressive collapse, and fire, through the implementation of better land use practices, improved construction methods, and emergency preparedness procedures.

(c) The Congress hereby declares that it is the purpose of this Act to—

(1) support a strong and coordinated national program in earthquake mitigation to reduce the loss of life, property destruction, and economic and social disruption resulting from earthquakes and associated phenomena through the development of—

(A) economically feasible design and construction methods for building earthquake resistant structures of all types, and for the identification and repair of existing hazardous structures;

(B) an operational program for predicting damaging earthquakes and their physical effects in the seismically active regions of the United States;

(C) procedures for integrating data and information about seismic risk with on-going land use planning and regulation activities;

(D) procedures for identifying, evaluating and accurately characterizing seismic hazards in earthquake-prone regions;

(E) improved understanding of the social and economic consequences of individual and community decisions on earthquake-related issues, emphasizing risk control, pre-event planning, issuance of warnings, provision of emergency services, rescue, recovery and redevelopment; and

(F) methods and procedures for the control or alteration of seismic phenomena and their effects on existing structures; and

(2) implement the Earthquake Disaster Mitigation Program by educating the population of the United States about earthquake phenomena and measures to mitigate their effects, assist public officials in developing sound regulations, and assist the professions in developing sound technical procedures.

SEC. 2. (a) The Director of the Geological Survey, in consultation with the National Science Foundation, shall develop and carry out a program of research and implementation in the areas of tectonics, seismology, and geology necessary to achieve the purposes of this Act. Such program shall include, but not be limited to—

(1) development of an operational system for predicting damaging earthquakes in the seismically active regions of the United States;

(2) development and placement of instruments and networks of instruments necessary to collect appropriate data;

(3) seismicity studies throughout the United States;

(4) evaluation of methods that may lead to the development of a capability to modify or control earthquakes in selected regions of the United States;

(5) zonation and microzonation for seismic risk of the entire United States—considering tectonic environment; seismicity; fault location; intensity, location, and return time of expectable earthquakes; and

(6) preparation of seismic risk analyses useful for emergency planning and community preparedness.

(b) In carrying out that part of such program related to research purposes, and in expending a significant portion of the funds appropriated pursuant to this Act for such purposes, the Director shall utilize the services of qualified personnel in institutions of higher education and public entities or organizations (other than the Geological Survey) and private entities or organizations concerned with seismic risk and seismic mitigation research.

SEC. 3. The Director of the National Science Foundation, in consultation with the Geological Survey, shall develop and carry out a program of research and implementation in the areas of engineering, planning and social science necessary to achieve the purposes of this Act, which shall include, but not be limited to—

(1) advancing basic earthquake engineering and earthquake disaster mitigation research;

(2) developing information in engineering seismology as it relates to destructive ground motion and hazards to urban communities;

(3) developing more accurate and reliable methods of earthquake engineering analysis for all types of structures and for a variety of ground conditions;

(4) developing improved methods, based upon the seismological and geotechnical characteristics of the region, of assessing the earthquake risk at all types of locations, especially densely populated areas;

(5) developing more reliable and economical methods of earthquake-resistant design and improved criteria for earthquake-resistant construction, measuring the cost of protection against the benefit of prevented damage and loss of life, with priority given to dams, hospitals, schools, public-utility and public-safety structures, high occupancy buildings, buildings necessary for emergency operations, and other structures especially needed in times of disaster;

(6) developing methods that enhance community preparedness for earthquakes; and

(7) developing procedures for the rehabilitation of damaged areas through—

(A) the restoration of individual physical and emotional health, employment, and standard of living;

(B) the maintenance and restoration of a functioning community; and

(C) the application of such procedures and methods that can decrease community vulnerability to future earthquakes.

SEC. 4. The Director of the Geological Survey and the Director of the National Science Foundation, jointly, shall—

(1) establish an advisory committee composed of representatives of the research community (including the design professions), and Federal, State and private users of the products of this program to review periodically the progress, implementation and coordination of the earthquake mitigation program and to recommend to the Directors, through periodic written reports, appropriate modifications in the conduct or emphasis of the program authorized by this Act;

(2) establish an information dissemination mechanism to make available in a timely manner information developed pursuant to this Act, including instrumental data which may be of interest to other researchers, design and analysis data and procedures which may be of interest to the design professions and to the construction industry, and to report periodically to the Congress, Governors in States of significant seismic risk, and other interested Federal, State and local officials;

(3) prepare and submit within 90 days of the end of each fiscal year an annual report to the Congress describing the progress of the program and achievements in earthquake mitigation;

(4) establish a joint program to evaluate, synthesize and present, through appropriate educational programs, the knowledge developed pursuant to this Act to decrease vulnerability to earthquakes as well as to other natural and man-made hazards in a manner suitable for use by public officials and interested professionals engaged in earthquake disaster mitigation activities; and

(5) assist the States in carrying out their responsibilities under section 201 of the Disaster Relief Act of 1974 by making readily available the results of research conducted pursuant to this Act.

SEC. 5. The Director of the Geological Survey and the Director of the National Science Foundation, or their designees, shall

meet periodically and shall take such other steps as may be necessary to ensure that the programs authorized pursuant to this Act are fully coordinated, complementary and responsive to user needs and requirements.

SEC. 6. For the purposes of this Act, the term "United States" when used in a geographical sense means the States, the District of Columbia, the Commonwealth of Puerto Rico, and all the territories and possessions of the United States.

SEC. 7. (a) To carry out the purposes of section 2 of this Act, there is authorized to be appropriated for the fiscal year ending June 30, 1976, the sum of $25,000,000, and for each of the following nine fiscal years, the sum of $25,000,000.

(b) Section 16 of the National Science Foundation Act of 1950 is amended by adding at the end thereof the following:

"(c) To enable the Foundation to carry out its powers and duties under section 3 of the Earthquake Disaster Mitigation Act, there are authorized to be appropriated to the Foundation for the fiscal year ending June 30, 1976, the sum of $15,000,000, and for each of the following nine fiscal years, the sum of $25,000,000.".

By Mr. SPARKMAN (by request):

S. 1176. A bill to amend the Foreign Service Buildings Act, 1926, to authorize additional appropriations. Referred to the Committee on Foreign Relations.

Mr. SPARKMAN. Mr. President, by request I introduce for appropriate reference a bill to amend the Foreign Service Buildings Act, 1926, to authorize additional appropriations.

The bill has been requested by the Department of State and I am introducing it in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when it is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill be printed in the RECORD at this point, together with the letter from the Assistant Secretary of State for Congressional Relations to the President of the Senate dated February 27, 1975.

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

S. 1176

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4 of the Foreign Service Buildings Act, 1926 (22 U.S.C. 295), is amended—

(1) by redesignating subsection (h) as subsection (i) and by inserting immediately after subsection (g) the following new subsection:

"(h) In addition to amounts authorized before the date of enactment of this subsection, there is hereby authorized to be appropriated to the Secretary of State—

"(1) for acquisition by purchase or construction (including acquisition of leaseholds) of sites and buildings in foreign countries under this Act, and for major alterations of buildings acquired under this Act, the following sums—

"(A) for use in Africa, not to exceed $865,000 for the fiscal year 1977;

"(B) for use in the American Republics, not to exceed $2,450,000 for the fiscal year 1977;

"(C) for use in Europe, not to exceed $6,725,000 for fiscal year 1977;

"(D) for use in East Asia, not to exceed $875,000 for the fiscal year 1977;

"(E) for use in the Near East and South Asia, not to exceed $8,005,000, of which not to exceed $3,985,000 may be appropriated for the fiscal year 1976;

"(F) for facilities for the United States Information Agency, not to exceed $3,745,000 of which not to exceed $2,800,000 may be appropriated for the fiscal year 1976;

"(G) for facilities for agricultural and defense attache housing, not to exceed $420,000 for the fiscal year 1977; and

"(2) for use to carry out the other purposes of this Act for fiscal years 1976 and 1977, $71,600,000, of which not to exceed $32,840,000 may be appropriated for fiscal year 1976," and

(2) by striking out paragraph (2) of subsection (i) as so redesignated by paragraph (1), of this Act, and inserting in lieu thereof the following new paragraph:

"(2) not to exceed 10 per centum of the funds authorized by any subparagraph under paragraph (1) of subsections (d), (f), (g), and (h) of this section may be used for any of the purposes for which funds are authorized under any other subparagraph of any of such paragraphs (1)."

DEPARTMENT OF STATE,
February 27, 1975.

Hon. NELSON A. ROCKEFELLER,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: The Department of State encloses and recommends for your consideration proposed legislation to amend the Foreign Service Buildings Act of 1926, as amended (22 U.S.C. 292–301) to provide authorization for appropriations for the Buildings Program for fiscal years 1976 and 1977.

The authorized levels sought by this bill are $23,085,000 for the capital program and $71,600,000 for the operating expenses of the program for fiscal years 1976 through 1977 under the combined Regular Dollar appropriation (Acquisition, Operation and Maintenance of Buildings Abroad) and the Special Foreign Currency Program.

The Department of State has been informed by the Office of Management and Budget that there is no objection to this proposal from the standpoint of the Administration's program.

A letter similar in content is being sent to the Speaker of the House.

Sincerely,

ROBERT J. MCCLOSKEY,
Assistant Secretary for Congressional Relations.

By Mr. McGEE (for himself, Mr. ABOUREZK, Mr. BAYH, Mr. BENTSEN, Mr. BIDEN, Mr. BROOKE, Mr. BURDICK, Mr. CANNON, Mr. CASE, Mr. CHURCH, Mr. CLARK, Mr. CRANSTON, Mr. CULVER, Mr. EAGLETON, Mr. FORD, Mr. GLENN, Mr. GRAVEL, Mr. GARY W. HART, Mr. PHILIP A. HART, Mr. HARTKE, Mr. HASKELL, Mr. HATHAWAY, Mr. HOLLINGS, Mr. HUDDLESTON, Mr. HUMPHREY, Mr. INOUYE, Mr. JACKSON, Mr. KENNEDY, Mr. LEAHY, Mr. MAGNUSON, Mr. MANSFIELD, Mr. MATHIAS, Mr. MCGOVERN, Mr. MCINTYRE, Mr. METCALF, Mr. MONDALE, Mr. MONTOYA, Mr. MOSS, Mr. MUSKIE, Mr. NELSON, Mr. PACKWOOD, Mr. PASTORE, Mr. PEARSON, Mr. PELL, Mr. PROXMIRE, Mr. RANDOLPH, Mr. RIBICOFF, Mr. SCHWEIKER, Mr. STEVENSON, Mr. TUNNEY, and Mr. WILLIAMS):

S. 1177. A bill to amend title 13, United States Code, to establish within the Bureau of the Census a Voter Registration Administration for the purpose of administering a voter registration program through the Postal Service. Referred to the Committee on Post Office and Civil Service.

POST CARD VOTER REGISTRATION ACT

Mr. McGEE. Mr. President, on September 21, 1971, I first introduced in the Senate of the United States a post card voter registration bill. Now for the third time, 3½ years later and after 8 days of hearings since 1971, 3 cloture votes in 1973, and a decisive 57 to 37 Senate vote for the bill in 1973, I am again introducing a post card voter registration bill.

It should be noted that 51 Senators join me as cosponsors. These 51 Senators represent 74 percent of the 50 States. The Senators who are cosponsoring post card voter registration this year occupy all points in the political spectrum and cut across party lines. In short, post card voter registration is an idea whose time has come. It is my hope and belief that it shall become the law of the land and that the 1976 elections, as a result of this law, will be highlighted by the largest number of new registrations in our history.

A special note of thanks should be made to my colleagues who have joined me on the bill. Especially noteworthy were the efforts made by Senators KENNEDY and CRANSTON to secure cosponsors. In 1971, the post card voter registration bill was introduced with 15 cosponsors. The dramatic increase in the number of cosponsors should provide all of us with an index to the winds of change that are moving through the Congress and the country.

Those changes are not only occurring in the Senate and in the House of Representatives, but are occurring in our home States. Since 1971, four States have adopted post card voter registration. In the last 3 months, another half dozen States are considering post card voter registration in their State legislatures.

In Minnesota, which adopted post card voter registration in 1974, we find that registration in Minneapolis increased in 1974 by about 10 percent over comparable previous election years. In New Jersey, in the first 6 weeks of implementing its post card voter registration law in 1974, we find a threefold increase in the number of registrations compared to 1970, the last comparable offyear. In Maryland, we find that implementation of post card voter registration in Baltimore and Montgomery County increased registration five times.

So, post card voter registration does work. What is more, it costs less than the old systems of registration. And, the strawman of fraud often raised about the post card registration system simply does not exist. Clearly, it is time for the country as a whole to put into operation not only what is good government, but what is best in government.

Very briefly, the post card voter registration bill does the following things:

First, the bill would enable qualified electors to register to vote in Federal elections via post card voter registration forms.

Post card registration forms, contain-

ing the appropriate State law registration requirements, would be delivered to postal patrons no later than 30 days immediately prior to any Federal election.

Qualified voters would mail post card registration forms to State or local election officials, who would continue to control the registration process.

State and local election officials would receive from the Federal Voter Registration Administration 100 percent of the cost of processing the cards.

Post card voter registration forms would also be available in ample quantities in post offices and appropriate Federal, State, and local government offices.

Second, the bill would give a financial incentive for the States to adopt the post card registration system for State and local elections. If adopted, the Federal Voter Registration Administration would pay 130 percent of the cost of processing the cards.

This incentive payment would provide local election officials with financial assistance needed to cope with present registration burdens.

Third, the bill would strengthen antifraud efforts.

Federal assistance would be available to State or local officials for fraud prevention.

The bill authorizes action by the Attorney General against the registration of individuals not qualified.

The bill provides criminal penalties for violations.

Fourth, the bill would create a Federal administration to collect, analyze, and publish information concerning elections and to provide assistance to State and local officials concerning the post card registration system.

The need for post card voter registration on a national basis is strikingly apparent. Turnout in our national elections is so appallingly low that one is hard put to decide whether it is a crisis or a mystery. Whatever it is, it is a fact that in 1972, 62 million voting-age Americans did note vote. Of the more than 77 million total votes cast for President, the President received 47 million votes. This means that the President was elected by roughly one-third of the potential voting population.

Since 1960, the percentage of Americans participating in Federal elections has steadily decreased. Moreover, the United States has the worst voting turnout record in the world—less than 55 percent in the last election. Australia votes 94 percent of its voting-age citizens; West Germany, 85 percent; Britain, 80 percent; Japan, 74 percent. Our country is the only country in the world that puts the burden of registration on the citizen rather than the Government.

It needs to be emphasized, however, that the chief thrust of the post card voter registration bill is not that it is a cure-all for increased numbers of people voting. Instead, post card voter registration opens the gate to the process of participation that is so inherent in the act of voting. Critics of post card voter registration often fail to recognize that the question of why people do not vote is not the first question to be asked. Instead, the first question to be asked is why they do not register. The second question that arises, then, is why registrants fail to vote after they register. Of course, the fact is that once they are registered, the chances of participation increase very significantly.

Nine out of ten registered Americans vote, but only six out of ten voting-age Americans vote. Before voter registration laws were adopted in the United States beginning in 1876, 80 percent of our citizens voted. By 1924, however, voter participation had dropped to less than 50 percent.

STATE LAWS OBSTRUCTIVE

Such an abysmal condition in a nation that takes great pride in its democracy exists because the registration laws in the various States are a hodgepodge of obstacles put in the way of the voter. Such obstacles have little, if anything, to recommend them. When one adds to these obstructive registration laws too many election officials who are more concerned about their own convenience than that of the prospective registrant, you have, to put it bluntly, a scheme that results in disenfranchisement on a massive scale.

At best the registration laws in the various States are outmoded and simply inappropriate for a highly mobile population. At worst registration laws can be construed as a deliberate, if not malign, attempt to disenfranchise eligible voters who desperately need entry into the decisionmaking processes of our country. These are those whose income is low, those who belong to minority groups, and senior citizens whose physical ability to get to registration centers has been greatly reduced by age.

To put the matter another way, the effect if not the intent of registration laws is to interfere with the most basic proposition of a free society. That is, we must have full and viable participation in the democratic process. "We the people" does not mean we some of the people. "We the people" does not mean 40 million voting-age Americans left out of the balloting system because they are not registered.

The registration process in State after State is largely the blame for our dismal record. A Gallup poll in December of 1969 stated:

> It was not a lack of interest, but rather the residency and other registration qualifications that proved to be the greatest barrier to wider voter participation in our nation.

The League of Women Voters in a study published in 1972 stated:

> Millions of American citizens fail to vote not because they are disinterested but because they are disenfranchised by the present election system.

The National Municipal League came to a similar conclusion.

REGISTRATION INCONVENIENCES

In some Western States many ranchers must travel over 100 miles to register. Seventy-six percent of the country's voting jurisdictions have no Saturday or evening registration in nonelection months. Pennsylvania closes its registration books 50 days before an election; California, 54 days; Rhode Island, 60 days. In only 23 States is absentee registration permitted. Missouri, until 1973, had six different registration systems for cities, depending on size. Very few States have laws for time off from work to register or, more importantly, to vote. Only 16 States allow registration on weekends, and many of these allow just one weekend a year.

Aside from the inconvenience, to put it mildly, to the applicant, current registration is outrageously expensive. David Dinkins, president of the Board of Elections for New York City, testified before the Senate Committee on Post Office and Civil Service that an intensive voter registration effort sponsored by the city in 1972 cost the city $8 per new registrant. Nothing in the post card voter registration bill contemplates that kind of expense.

Most people who are not registration agents and who have attempted to get people to register to vote—whether at the precinct level, the State level, or the national level—know that the registration process is much more difficult to deal with than the descriptions cited above. But even more, they are outraged by the arguments made by many opponents to post card voter registration. The chief argument of these opponents is the argument of fraud. The fraud arguments are essentially nonsense.

Texas has practiced registration by mail for 30 years and has experienced little or no registration fraud. Randall B. Wood, former director of elections for the State of Texas, testified:

> The old bugaboo of fraud simply could not be raised in Texas very well because the experience over those 30 years had generally disproved that registration by mail was any more susceptible to fraud than any other registration system.

North Dakota has no registration at all and, according to a study by Professor Omdahl of the University of North Dakota, no formal complaint of fraud has been filed in the State since registration was repealed in 1951. Mr. Dinkins testified:

> We do not see fraud as presenting any problem at all. . . . If anything, we can tighten things up a bit.

Post cards are used in Great Britain, and there is no fraud. Fraud does not seem to appear with any significant frequency in those countries where the responsibility of registration is an active charge upon the government and not upon the citizens.

FRAUD ARGUMENT CRITICIZED

Not only is the fraud argument outrageous, it is also tiresome. The fraud argument makes an unchecked assumption about people. The assumption is that people have a predilection for fraud. Thus, some registration officials assume that each applicant is likely to commit fraud, and therefore, must be eyeballed by a registrar. There is nothing to support such an assumption. We do not find fraud a significant factor in our income tax returns which are filed and mailed with an unwitnessed signature. There are any number of transactions we make in this country which involve the use of an unwitnessed signature, and

very little fraud is witnessed in these transactions. Checks and job recommendations are cases in point. The point is that if people were as prone to fraud as opponents of the post card voter registration bill hold, society would be in chaos.

Basically, it is profoundly cynical for a public official to look with such suspicion upon the electorate. We do not find the electorate engaging in political burglary and lies involving the most sacred and important part of our system—that is, the election process.

The greatest fraud lies in making an obstacle course out of voter registration and the resultant failure to encourage full voter participation. In any event the post card voter registration bill does not lend itself to fraud. On the contrary, it adds another tool to fraud detection by providing Federal assistance to local officials should the suspicion of fraud arise. If penalties have any bearing on the prevention of fraud, then the post card voter registration bill adds another weapon in the overkill arsenal of local registration agents. The bill provides for a $10,000 fine or 5 years imprisonment or both. But we must ask ourselves why an eyeball system makes for less fraud than does a signature system. If the eyeball system is so great, then we all ought to be taken in front of an Internal Revenue agent when we fill out our income tax forms.

It is the fashion these days to worry over who has jurisdiction over issues, both large and small. That is, who shall decide foreign policy? Who shall decide the fate of tape recordings? The Congress? The courts? The President? In short, who has sovereignty? But the great fact is that the people are finally sovereign. Yet it is meaningless to affirm the people's sovereignty if we deny sovereignty to great portions of our citizens by antiquated voter registration laws.

Mr. KENNEDY. Mr. President, I am pleased to join Senator GALE MCGEE as a cosponsor of the far-reaching legislation on post card voter registration being introduced in the Senate.

I particularly commend Senator MCGEE for his outstanding leadership and persistence on this measure. It is a solid tribute to his effective leadership that more than half the Senate now joins in sponsoring this important legislation.

Like Senator MCGEE, I have been deeply committed to this issue for the past 4 years. In the past Congress, we came close to getting this measure to the President. In fact, the Senate succeeded in breaking a filibuster in 1973 to pass the bill, only to see the bill defeated by a narrow margin in the House of Representatives.

This year, the prospects for successful enactment are the best they have ever been. My hope is that the House and Senate will pass the bill this year by a substantial and veto-proof margin, so that this important reform in voter registration can be in place in ample time for the 1976 elections.

Our current voter registration laws are a scandal and a national disgrace. Every year, millions of voters are forced to run the gauntlet of a registration system that jeopardizes the most basic right of all in a democratic society—the right to vote. Countless potential voters become dropouts from the polls, their right to vote destroyed by the unreasonably burdensome requirements of registration that operate in almost every State.

The defects of the present system are legion—they go by names like early closing deadlines for registration, unreasonable hours for registration, inaccessible registration offices, and too-frequent purges of registration rolls. The burdens are almost endless.

Post card registration can change all that. At a single stroke, it can end the burdens and inequities that now exist in our archaic modern voter registration system.

Obviously, post card registration is not the complete answer to America's serious problem of voter apathy. Many other factors are also present, beginning with Watergate and the serious disillusionment of many citizens with the quality of their Government and other basic social institutions.

We cannot solve all those problems now. But with post card registration we can achieve a major reform, a reform that will be another milestone in the long and difficult effort to open up government to real participation by the people. By ending the morass of voter registration, we can open up the processes of government and make government more responsive to the people.

One last word. In the election held in Northern Ireland in February 1974, amid all the bombs and bullets, amid all the tragic bloodshed and destruction of that violent conflict, fully 76 percent of the eligible voters went to the polls to cast their ballots for their political leaders. In the Presidential election of 1972 in the United States, only 55 percent of the eligible voters went to the polls. Therein lies one dramatic measure of the extent to which our own country falls short of the name democracy. In my view, post card registration can help to close the gap, and I hope the Congress will approve it.

Mr. CRANSTON. Mr. President, I am proud to join today with Senator MCGEE in reintroducing the Voter Registration Act.

This legislation, as Senator MCGEE has explained in his introductory remarks, will serve to enfranchise millions who have not voted because they were not registered to vote.

At the time of the 1974 general election, 14,496,000 Californians were of voting age. Of that number, 9,650,800 were registered to vote and 6,936,665 actually voted. In other words, less than half of the voting age population of the State of California went to the polls.

Almost 5 million of the Californians who did not go to the polls could not go to the polls because they had not registered to vote. Some were too old or too sick to go out and register. Some were too poor to afford the cost of transportation to a place to register. Some lived in places where public transportation was inadequate between their homes and registration centers.

The bill we are introducing today would give these people and others who have not registered to vote the opportunity to participate more fully in our democratic system of government by providing the alternative of registering to vote by mail.

In the last Congress, we had a tough battle against opponents of post card registration who feared that registration for those who commit fraud.

We successfully convinced a two-thirds majority of our colleagues that those intent upon fraud would commit fraud under any system of registration. Further, we placed in the bill tough penalties for those who commit fraud.

By a vote of 67 to 32, we secured a cloture vote almost 2 years ago. Unfortunately, the bill met with less success in the other body and did not become law in the 93d Congress.

With a national election upon us in 1976—the same year that we renew our commitment to the democratic form of government with the celebration of our country's Bicentennial—I think it is fitting to establish new ways to insure the universal suffrage of the American people. When our country was founded almost 200 years ago, one of the guiding principles was that those who are governed have the right to a choice in the government.

We have fought wars to gain for ourselves and for people of other nations the right to choose how and by whom we are governed. Ironically, this precious right is not now being exercised by many American people. I think that our own reaffirmation of the sacredness of the principle demands that we insure that the American people have every opportunity to exercise their voting rights. One effective way to accomplish this is to pass the Voter Registration Act into law.

In the 1972 general election more than 139 million Americans were old enough to vote. Of that number, only 77,718,550 voted in the Presidential election. We are all acutely aware of the catastrophic results of the Presidential election. We are also painfully aware that confidence was lost in other elected officials.

I think that passage of the Voter Registration Act is a good way to restore the confidence of the American people that their votes are important to the success of the democracy—and that we welcome their active participation in the voting process.

Further, I believe that by expanding the number of participants, we add the judgement of that many more people to the electoral process thereby further safeguarding against the election of those who are not fit for offices of public trust in the first place.

We now have a total of 51 cosponsors on this legislation. May I encourage the other 49 Senators to join in supporting the Voter Registration Act.

VOTER REGISTRATION BY MAIL

Mr. WILLIAMS. Mr. President, I am pleased to join with the distinguished chairman of the Committee on Post Office and Civil Service, Senator MCGEE, in sponsoring a bill to establish a national program of voter registration by mail. This bill is identical to the one which

passed the Senate by a wide margin last year, but which never received final congressional approval. It is a significant attempt to curb the decline in voter participation that has become characteristic of recent American elections.

Testimony at hearings by the Committee on Post Office and Civil Service in 1973 underscored the fact that voter participation in the United States is among the lowest in the Western World, falling behind Great Britain, West Germany, and Canada. In 1960, some 64 percent of Americans of voting age actually cast their ballots. But by 1972, the proportion had dropped to 55 percent. There were 62 million other Americans who simply did not vote in the election. A poll done by the Daniel Yankelovich firm showed that three-fourths of those who failed to vote in the 1972 election would have done so if they had been registered.

One major reason for our low participation is the maze of obstacles that States have erected in the paths of those who wish to register. State voter registration restrictions are not just inconvenient, but in some cases, are deliberately designed to prevent eligible individuals from participation in the political process.

Stories abound of registrar's offices open only during working hours when few can register, or so inaccessible that only the most determined citizen is willing to devote the energy and expense necessary to avail himself of a basic citizenship right. Woodrow Wilson said that freedom exists only when the citizens take care of their government. In our free and democratic society, we cannot continue to allow our citizens' involvement to be blocked by arbitrary and unreasonable barriers.

The legislation I cosponsor today is of particular importance to me because my own State of New Jersey has clearly shown that voter registration by mail is a responsible, effective method of opening the doors to greater citizen participation in the electoral process.

Since August 1974, when the New Jersey Legislature under the progressive leadership of Gov. Brendan Byrne, enacted a registration by mail law, New Jersey's experience has served as an example of the success of such a program. In the 6 weeks prior to the November 1974 election, 135,935 persons in New Jersey registered to vote. Two out of every three new voters have preferred the mails to in-person registration since the law was enacted. New Jersey officials are confident that this percentage will increase as more people become aware of the new registration procedure and as more registration forms are circulated.

Not only has the number of persons registering to vote in New Jersey risen dramatically but the percentage of registered voters participating in elections has also increased. New Jersey has two State and one national election between each Presidential election. Between 1964 and 1968, each of the off-year elections showed a consistent decline from one election to the next, in the percentage of participating voters. The same pattern of decline occurred between 1968 and 1972. However, in 1974, when the nationwide percentage of those who went to the polls dropped to near 38 percent, the percentage of New Jersey's voters who went to the polls increased over the percentage who voted in 1973.

A survey conducted by the New Jersey Department of State indicates no evidence of voter fraud through the use of registration by mail. This refutes the principal argument of those who oppose this system. In one New Jersey county, 409 persons who had registered by mail were rejected. On election day, the Public Advocate brought a class action against the county board of elections on behalf of the 409 rejected voters. Fifty-four of the rejected voters appeared in court that day and in each case, the judge granted them emergency authorization to vote and found no basis for the action of the board of elections in rejecting their registration forms.

In short, registration by mail in New Jersey operates efficiently and economically. It has insured that a greater number of our citizens are able to participate in the process that governs their lives. What has been successfully instituted to benefit the citizens of New Jersey should be enacted for the benefit of all Americans.

It has been said that if we are not willing to apply new remedies we can expect new evils. It is incumbent upon us to seek new remedies for the decline of citizen participation in our democratic system. Let us take steps to insure that the ability of the American people to influence their government at every level is strengthened. This legislation is one of these steps, and in my judgment, a most important one.

Mr. MONTOYA. Mr. President, an important characteristic that distinguishes a democracy from a more repressive form of government is a democracy's quest for full and viable participation by the country's citizens in the electoral process. Unfortunately, as voter trends indicate, voting participation in the United States has been steadily declining since the adoption of voter registration laws. For example, from 1966 to 1972 the percentage of the eligible electorate that bothered to vote declined from 61 to 55 percent.

As many public opinion polls demonstrate, the single most important cause of the low level of voting participation in the United States is the problem of voter registration. Many eligible voters have encountered discouraging obstacles in trying to comply with various State registration laws, as well as in trying to find a convenient voter registration location. Nine out of ten of those Americans who are registered to vote actually do vote, but less than 6 out of 10 voting age Americans vote.

Hopefully as a solution to this problem, I am pleased to cosponsor with Senator McGEE, a bill which will establish a national voter registration system by post cards. The bill will establish uniformity in our registration laws, at least with regard to Federal elections, and in addition, it is likely that States would use the post card system in State and local elections, because the States that comply with the Federal registration standards will receive reimbursement payments.

The cost of this program over the next 5-year period would be approximately $30 million.

A special problem unique to some segments of our population is that, under some electoral laws, voter registration forms are only printed in English. Since the purpose of this bill is to increase voter registration, it would only be logical for the proposed post card system to have non-English forms, as well as forms that are printed in English. In order to have any appreciable effect on this group of people, this aspect of the bill must be mandatory rather than voluntary.

Mr. President, it is imperative that this bill become law before the 1976 Presidential election. To insure that our next President is truly elected by all of the people, I would hope that the Senate will act quickly and in a positive manner on this bill.

Mr. HUMPHREY. Mr. President, it is my great pleasure to join in sponsoring the Voter Registration Act. As an original cosponsor of the first proposed introduced in the 92d Congress, it is gratifying to note that the bill submitted today has garnered 51 cosponsors. My good friend and distinguished colleague, Senator McGEE, deserves the highest commendation for his vigilance in pursuing enactment of this proposal, which will make great strides toward full participation by all eligible voters in our political system.

The bill we introduce today is identical to legislation passed by the Senate in the 93d Congress. The vote 2 years ago was 57 to 37. It is my fervent hope that we will be able to move expeditiously to repeat our action, and that our distinguished colleagues in the House will see fit to follow suit.

The Voter Registration Act would establish within the Bureau of the Census a Voter Registration Administration for the purpose of administering a voter registration program through the Postal Service.

It is designed to improve the shockingly low percentage of voter participation in Federal elections over the last half-century. Very simply, it would allow citizens to register to vote by filling out a post card to be mailed directly to local registration agents.

This process would help to remove the remaining obstacles to insuring the right of every qualified citizen to vote in Federal elections, and it would have the beneficial effect of encouraging the States to adopt standard requirements and procedures.

The bill represents an acknowledgment by the Congress that low voter registration figures indicate more than mere apathy on the part of our citizens. These figures also represent the difficulty many of our citizens have in registering to vote.

We must say to our people—to the handicapped, the elderly, college students away from home, to those who live in rural areas away from the courthouse, to every American in every corner of every State: "You have a right to vote, and we want you to vote."

Mr. President, during the debate 2 years ago on this same bill, I said:

> I am still of the old-fashioned idea that there should be no taxation without representation. And there is not any representation unless a person can vote.

I am still old-fashioned 2 years later.

Those of us in public life generally devote a great deal of rhetoric to the subject of participatory democracy. We have worked to open the election system. We like to emphasize the fact that the American political system proves that free people can govern themselves. The Congress and the States have made great strides in expanding the franchise. We have opened the doors of self-government to minorities, to women, to youth. Yet, for one reason or another, a high number of our people have not yet walked through those doors.

A free society cannot require its citizens to vote. But it is imperative that we mandate the abolition of any obstacles to their participation. And that is what this bill seeks to accomplish.

Mr. President, we are approaching the 200th anniversary of the birth of our Nation. Great pains are being taken to remind our citizens of our heritage. I can think of no more fitting way to honor our history and enhance our hopes for the future than by reaffirming our dedication to universal suffrage and our determination to make it a reality.

Speaking on the right of election, an early American said:

> It is the common fate of the indolent to see their rights become a prey to the active. The condition upon which God hath given liberty to man is eternal vigilance; which condition if he break, servitude is at once the consequence of his crime and the punishment of his guilt.

Freedom requires that public officials work as relentlessly to insure full participation in our political system as we do to exercise the responsibilities that are bestowed upon us by that system.

We owe our citizens our best efforts. I am confident that we will meet this challenge and enact this important legislation.

By Mr. HRUSKA (for himself, Mr. CURTIS, Mr. FANNIN, and Mr. YOUNG):

S. 1178. A bill to guarantee all rights under the first amendment to the Constitution to the electronic media and to terminate any discrimination between the print and broadcast media by certain amendments to the Communications Act of 1934 and other provisions of law. Referred to the Committee on Commerce.

Mr. HRUSKA. Mr. President, on behalf of myself, my colleagues, the Senator from Nebraska (Mr. CURTIS), the Senator from Arizona (Mr. FANNIN), and the Senator from North Dakota (Mr. YOUNG), I send to the desk, with the request that it be appropriately referred, a bill to guarantee to the public the rights and benefits conferred by the first amendment to the Constitution by assuring its application to all media—print and electronic—and by amending certain portions of the Communications Act of 1934 and other provisions of law.

The purpose and intent of the bill here introduced are to render the rights, benefits and assurances of the first amendment equally applicable to both printed and electronic media. The bill's purpose and intent are to achieve a "fully free press" and to do away with a partially free press.

This can and should be done without in any way infringing upon the right and necessity of the Government to grant licenses to establish and operate radio and television stations. Without such licenses and the allocation of frequencies made possible by them, there could be no operative broadcasting system in our country. The Government's constitutional capacity to do so is well established. It is not disputed.

The real difficulty arises when the law and regulations venture into undue, harmful and unnecessary Government interference as to substance, content, access by others to the airwaves, and programing generally. More complete comment on the nature, causes and solutions of such difficulties will follow later in these remarks.

Mr. President, the bill is a simple one, insofar as its mechanics is concerned. But it deals with comprehensive, vital and far-reaching aspects of our national life.

Let me emphasize again its objectives and its thrust.

It really builds upon propositions which are firmly entrenched in our consciousness.

It is predicated on the idea that the people as a whole retain their interest in free speech by radio and their collective right to have the medium function consistently with the ends and purposes of the first amendment.

It is the right of the viewers and listeners, not the right of the broadcasters, which is paramount. This has its parallel in the right of the reader being paramount to any fancied right of the editor or publisher of the print press. Justice Holmes put it well by writing in one of his dissents: "Speech concerning public affairs is more than self-expression; it is the essence of self-government."

This bill subscribes fully to the purpose of the first amendment as being to preserve an uninhibited marketplace of ideas in which truth will ultimately prevail, rather than to countenance monopolization of that market, whether it be by the Government itself or a private licensee.

Further, it is the right of the public to receive suitable access to social, political, esthetic, moral and other ideas and experiences which is crucial here. That right may not be constitutionally abridged by either Congress or by the FCC.

Mr. President, the point is that the paramount right of the viewers and listeners is not available to them via electronic media today. The public is being denied that "uninhibited market place of ideas in which the truth will ultimately prevail." That denial is by reason of the right of access via the fairness doctrine to broadcasting time which makes such a marketplace impossible to create, let alone preserve.

There does not exist in sufficient degree and fullness that kind of "speech concerning public affairs" and officials which is a part of self-government itself. There is lacking, because of regulation of broadcasting, that "expert scrutiny of Government" to which Mr. Justice Potter Stewart referred in his recent Yale Law School speech. The restrictions placed on broadcasting and penalties for violation thereof have exacted their toll. That part of the press consisting of broadcasting cannot possibly mean today the "organized expert scrutiny of Government."

Those restrictions and regulations tend to convert the broadcasting media into a neutral marketplace of ideas instead of a marketplace of ideas in which the truth will ultimately prevail.

The deficiencies just referred to spring from the so-called fairness doctrine, which is a part of the regulation and limitation placed on broadcasting press.

But there are other burdens placed on it as well which render it far from being a fully free press. They include: First, equal time and station use charges provisions affecting candidates for public office; second, ban on cigarette advertising; third, the requirement that radio and television carry free public service advertisements and fourth, limitations on editorializing and supporting or opposing candidates for public office.

Not a single one of these four restrictions is imposed on the print media. It is earnestly contended that such discrimination is not needed; in fact, it is harmful to the public as well as to the industry.

There can and there should be a fully free press—applicable to all forms of media, broadcasting and print form alike.

In order to secure to the people of the United States the full benefits of the first amendment, it is necessary that there be a repeal of certain regulatory, supervisory, and suppressive statutes now directed at the electronic media—the radio, the television, and the broadcaster.

The necessity is to put electronic media on a parity with the print media—for the very compelling reason that the same principles and applications of the first amendment can and should apply to both.

Such equal applications will redound to the benefit of the public at large because it will result in the widest possible dissemination of information from diverse and antagonistic sources which is held to be essential to the welfare of the public—*Associated Press* case, 326 U.S. 1 (1945).

Such equal treatment will more nearly achieve the purpose of the first amendment than the present system of laws which treat the electronic media as second class citizens, subject to the domination of a bureaucracy which, acting in the name of the public, bases vast, particular, and detailed powers of regulation on the basis of very general, enabling legislation.

Two fundamental concepts must be scrutinized in depth for a proper and judicious consideration of this bill.

First. The Constitution: what it prohibits, what it requires. Notably, of course, its first amendment which pro-

hibits laws "abridging the freedom of speech, or of the press."

Second. National policy as expressed in statute form. Congress has in the past selected and enacted certain alternatives which have been available as being in conformity with the Constitution. In the process of that selection, Congress rejected other alternatives, equally available and equally in conformity with the Constitution.

Careful analysis and review of present laws should be made. As against present conditions, are the choices of legislative courses now operative the wisest and most desirable?

The general enabling law as implemented by the FCC should be examined as to the results it has produced. The inquiry should be: Does the present system "preserve an uninhibited marketplace of ideas in which truth will ultimately prevail?" Or does it actually interfere with the creation and maintenance of that kind of marketplace, in that fears of the penalties of a possible violation of the fairness doctrine actually result in a sterile factual product, devoid of any expression of ideas, experiences, comment, or evaluation?

There is a strong, widely held belief shared by this Senator, that it is this latter counterproductive result which is imposed upon America's viewers and listeners. It is the purpose of this bill and presentation to document that belief. It is our hope that such demonstration will lead to a discard of a number of present statutory and regulatory requirements, which should be replaced by provisions of a forward looking, progressive thrust—one which will truly approximate more complete achievement of a truly, fully free press and its benefits as envisioned by the first amendment.

It is not enough for defenders of the present system to say: The Supreme Court has held that the Government is permitted to put restraints on licensees; and to say further that the existing restraints have been upheld as to Constitutionality by the Supreme Court.

Unhappily that is the attitude of too many proponents of the status quo. They seek thereby to freeze the present pattern notwithstanding many recent developments in technology, in public thinking, and in legal as well as social values.

Mr. President, the Supreme Court has indeed held that the Government is permitted to put restraints on licensees in and it is true that the Court has held as constitutional the restraints presently imposed.

But it is equally true, Mr. President, that the Supreme Court has not held that the Government is required to impose restraints of a definite, certain kind or fashion and no other. There are alternatives as to degree, type, and condition. Congress possesses the right and the option to discard the present provisions, to replace them with new provisions—subject of course to the requirement that the true purpose and objective of the first amendment not be breached.

In fact, if the Congress concludes that the present system actually emasculates and obstructs the goal of the first amendment, it will be under heavy compulsion to engage in serious, expeditious efforts to improve the situation by early, suitable action.

The Supreme Court invited this kind of inquiry in the *Red Lion* case (395 U.S. at 392).

The opinion at that point recited the argument by opponents of the obligation for expression by speakers who need not pay for time and whose views are impalatable to licensees. Those opponents say that if such obligation is imposed." Then broadcasters will be irresistibly forced to self-censorship and their coverage of controversial public issues will be eliminated or at least rendered wholly ineffective."

The Red Lion opinion states on this point:

> Such a result would indeed be a serious matter, for should licensees actually eliminate their coverage of controversial issues, the purposes of the doctrine would be stifled . . .
>
> At this point, however, as the Federal Communications Commission has indicated, that possibility is at best speculative . . . And if experience with the administration of these doctrines indicates that they have the net effect of reducing rather than enhancing the volume and quality of coverage, there will be time enough to reconsider the constitutional implications . . .

Mr. President, the time to reconsider constitutional implications has been reached.

First. The Red Lion decision is 6 years old. A consideration of the many examples of chilling effect and actual deterioration of quality of coverage on controversial issues indicated later in these remarks should prompt action by Congress.

Second. Congress should make inquiry and judgment on its own. It should not rely on the indication of 6 years ago that the possibility of such deterioration or elimination of coverage is speculative. A congressional committee inquiry would provide a better forum for unrestrained, uninhibited disclosure and searching consideration than one before a Commission holding life and death powers over witnesses; a Commission understandably interested in guarding the jurisdiction and powers it enjoys.

The Red Lion opinion goes on to say that if present licensees "should suddenly prove timorous, the Commission is not powerless to insist that they give adequate and fair attention to public issues."

Mr. President, the Supreme Court has spoken in answer to that point more recently and effectively. In 1974, 5 years after Red Lion, it decided the Miami Herald case (418 U.S. 241).

It involved a Florida statute granting a political candidate a right to equal space to reply to criticism and attacks on his record by a newspaper.

The Supreme Court struck it down as violation of first amendment guarantees of a free press.

Granted that the Miami Herald case involved a newspaper. But it is so firm in its tone and forceful in its logic as to invite congressional inquiry to decide whether its first amendment considerations should overcome the basis for the so-called fairness doctrine as applied to broadcasting.

Further comment on this decision is contained later in these remarks.

To summarize briefly: A congressional inquiry in depth is timely—and in fact urgent—on the subject of present law and regulations as to broadcasting:

First. Does the present system "preserve an uninhibited marketplace of ideas" under the fairness doctrine?

Second. Does the present system eliminate or badly impair the volume and quality of coverage on controversial issues, and therefore stifle the purpose of the fairness doctrine and the first amendment?

Third. Are there alternatives to the present system which will better assure the people of America that they will retain their interest in free speech by radio and television, and retain also their collective right to have that medium function consistently with the ends and purposes of the first amendment?

Fourth. Are there better alternatives to retain, as paramount, the rights of listeners and viewers, as opposed to those of the broadcaster or even of the Federal Communications Commission?

Fifth. What implications and applicability to broadcasting are inherent in the Miami Herald case?

Sixth. What is the place of a fully free press in America, as opposed to one half free and the other half not free?

SUMMARY OF BILL

Mr. President, my bill would make a number of significant changes in the present laws affecting broadcasting licensees.

First. It would repeal Section 315 of the Communications Act of 1943, including the equal time and station use charges provisions affecting candidates for public office.

Second. It would eliminate many of the most onerous and least fair requirements imposed on licensees by the so-called fairness doctrine. In my view, matters involving fairness should be ethical, not legal considerations for each member of the electronic and printed press. To mandate ethics by force of law is a breach of first amendment rights.

Third. My bill would end the ban on cigarette advertising on radio and TV which does not apply to newspapers, magazines, billboards, or other forms of communication.

Fourth. It would prohibit the armed services or the Postal Service from discriminating between broadcasting and the press in such a way that radio and TV stations are compelled to carry free public service announcements while local newspapers are paid for advertisements.

Fifth. It would permit all broadcasting stations to engage in editorializing and to support or oppose candidates for public office.

These are the principal features of my bill. I shall touch on them later in greater detail.

HISTORY OF BROADCAST REGULATION

In the past 50 years we have witnessed the development of a modern telecommunications system in this country. Broadcasting today fills a role similar to the press in a free society, yet radio and television broadcasting stations are not accorded the full autonomy or freedom enjoyed by newspapers. Broadcasting, unlike the printed press, is licensed and regulated by the Federal Government.

Regulation of the electronic media began in 1934 when the Congress granted to the Federal Communications Commission broad authority to supervise the broadcasting industry and power to grant, revoke or renew broadcasting station licenses as "public convenience, interest or necessity" might dictate. The historic justification for Government control of broadcasting was that the scarcity of broadcast frequencies within the radio spectrum made it impossible for everyone to utilize the airwaves. Therefore the FCC was empowered to allocate the limited number of available frequencies to certain privileged persons while excluding others from operating broadcasting stations.

"PUBLIC INTEREST" STANDARD OF FAIRNESS

The language of the Communications Act and subsequent interpretations of it by the Commission and the courts have failed to provide a precise definition of the "public interest." The FCC, however, has held to the view that a licensee is a "fiduciary" or "public trustee" charged with the responsibility of operating his broadcasting facilities for the benefit of all. Accordingly, the broadcaster must devote adequate air time to the discussion of problems of public concern in his community of license. The licensee must also present all sides of any given controversial topic discussed, free of charge if necessary. In the view of the FCC, broadcasters who avoid coverage of public issues, who fail to cover these issues adequately and fairly, and who do not offer a reasonable opportunity to spokesmen for views contrary to those held by the licensees, violate their public trust, and may lose their licenses.

Mr. President, this interpretation of the "public interest" standard was formalized by the Commission years ago and later sanctioned by the courts, notably by the Supreme Court in the controversial Red Lion decision in 1969. This FCC policy became known as the fairness doctrine. In my view, this is a misnomer, since the results have not been very fair to broadcasters or to the public.

From the beginning there has been considerable controversy over the meaning and application of the fairness doctrine and the standards that the average broadcaster must meet to avoid the ultimate penalty of forfeiture while pursuing a lawful business enterprise.

Questions have been raised over the doctrine's interpretation. For instance, what is a "controversial issue of public importance." For that matter, what isn't?

SOME EXAMPLES OF "CONTROVERSIAL ISSUES"

The Commission once ruled that cigarette smoking was a controversial issue, so it forced licensees to air antismoking messages to balance the cigarette commercials. At one point station managers, at the FCC's urging, tried to broadcast anticigarette announcements in specified ratios to cigarette advertisements at different time periods of the broadcast day. This regulation led ultimately to the decision by Congress to ban all advertising of cigarettes and little cigars on radio and TV.

One Federal court held that since air pollution is controversial, licensees that carry gasoline commercials must also broadcast messages promoting low-octane gas for low-powered automobiles.

Recently the major television networks declined to carry TV commercials by the Mobil Oil Co. showing that firm's concern for ecology because the networks feared that they and their affiliate stations might have to present free spots produced by environmentalist groups.

I learned from Nebraska broadcasters some of the difficult problems a local licensee can run into under the "fairness doctrine." On one local TV children's program the hostess asked a young guest what he did to keep his teeth healthy. The lad responded that he brushed his teeth twice a day, visited his dentist for regular checkups, and drank fluoridated water. Soon afterwards the station received a letter from a citizens group demanding equal time. The manager agreed reluctantly, and a spokesman appeared a few days later on the same children's show to do "much more a 'commercial' against fluoridated water than what the child did on behalf of it."

I am reminded, too, of the vegetarian group that petitioned Nebraska broadcasters for free public service announcements denouncing meat as the cause of world starvation. Many stations were airing messages produced by the Department of Agriculture where meat is mentioned as one of four basic food groups. Broadcasters in my part of the country have been considering running announcements encouraging people to purchase Nebraska beef in the hope that they would help the State's industry and the economy generally. But a petition from a vegetarian group seeking free broadcast time has made them stop and consider whether they should get involved in such a public service campaign and in the resulting burdensome consequences of the "fairness' doctrine.

As part of President Ford's WIN campaign, many broadcasters around the country planned to run a series of 10-second announcements on ways for Americans to fight inflation. The National Advertising Council prepared a spot campaign for broadcasters featuring money-and-energy-saving tips for housewives based upon some of the White House's suggestion. In no time several Members of Congress were preparing to petition the FCC for equal access to oppose the WIN program if these messages were broadcast. As a result, many broadcasters canceled their antiinflation campaign rather than be forced to carry "Don't WIN" announcements.

A Nebraskan wrote me earlier this year of listening to "rebuttal" night during a period prior to election in Chicago. The announcement by WBBM-TV on the previous evening was one encouraging people to vote. The letter goes on to say:

> The night I was watching was the rebuttal night created by Section 315. For 60 seconds I watched a man on the picture tube tell me and all others watching that it was not (Repeat NOT) our duty, obligation to vote—that the Constitutional rightists were wrong in even suggesting such a thing. . . . It was quite apparent to me that WBBM-TV would not have wasted this 60 second of time on this statement had they not been in fear of retribution by Section 315 . . .

This certainly is within the purview of the Miami Herald opinion when it stated:

> The clear implication has been that any such compulsion to publish that which reason tells them (editors) should not be published is unconstitutional.

Shall a Bureau's notion of what is fair be allowed to override the first amendment?

These are a few examples of the nonsense which the so-called fairness doctrine has brought us.

Other problems are presented, too. What is a reasonable opportunty for contrasting viewpoints? How many different opinions must a licensee put on the air? Who should be given time to present the other side of the issue? When should these spokesmen be able to present their views and how much broadcast time should they receive?

The logical extension of such a doctrine is that anyone and everyone must be assured of automatic free access to the airwaves virtually whenever they please. Yet the Communications Act stipulates that broadcasters are not to be common carriers.

EQUAL TIME AND SECTION 315

Then there is the so-called equal time provision in section 315 of the Communications Act. This corollary of the fairness doctrine provides that if a broadcasting station permits a legally qualified candidate for public office to use its facilities, it must afford equal opportunities to all other candidates for the same office in the use of its facilities. The rule applies to all qualified candidates, or their designated representatives, for all Federal, State and local offices. The rule has been suspended only once, in 1960, when the Congress permitted the televised Nixon-Kennedy debates, although there were efforts to modify or suspend it in the 1964, 1968, and 1972 Presidential campaigns.

Mr. President, most observers agree that the effect of section 315 has been to stifle rather than promote free expression and to prevent rather than encourage exposure of differing points of view. By providing fringe candidates the same opportunities as significant candidates, this provision inhibits extending of free time to major candidates. The voters thus cannot utilize their most effective method of judging among candidates. The equal opportunities rule, like other aspects of the so-called fairness doctrine operates to the detriment of a public seeking to become well informed. This is contrary to the best intentions of its framers. Both rules are counterproductive. Instead of getting varying and diverse views and evaluations of opposing candidates or issues, the public often gets none at all.

WHY "FAIRNESS DOCTRINE" IS NO LONGER VALID

In light of these serious problems, I question the value or necessity of retaining the fairness doctrine on the legislative books.

For one thing, fairness is itself difficult to define and harder to police, without invoking Government censorship and control of programing content. Fairness, like beauty, is in the eye of the beholder.

News departments of the networks or of local broadcasting stations cannot be forced to be fair. The most that can really be hoped for is accuracy and completeness in reporting the news and a higher degree of professionalism. Most newsmen have become more professional and sincerely try to be objective, just as their radio and TV news organizations have grown more sophisticated in coverage of public issues.

Time and technology have eroded whatever basis ever existed for the fairness doctrine. The argument that spectrum scarcity requires fairness regulation is no longer valid. The development of broadcasting has created more than 5,000 channels to be utilized for communications purposes. There are five times as many broadcasting stations as daily newspapers in America—approximately 9,100 AM, FM, and TV stations to slightly more than 1,700 daily newspapers. In recent years the number of operating radio and television stations has grown dramatically while the number of daily newspapers has decreased. Today, in 92 of the top 100 television markets there are 3 or more television stations.

Mr. President, in my home city of Omaha there are four television stations and a dozen radio stations, in addition to one major daily newspaper. Many smaller communities have at least one local broadcast outlet, though they may have no daily newspaper.

A person living in any of these Nebraska communities or in virtually any section of this country can pick up on his radio or television receiver a wide selection of broadcasting stations. With the advent of cable, his choice of available programing has become even greater.

In considering the total media picture, one should not overlook magazines and other periodicals in addition to newspapers, radio, TV, and cable television. The truth is that the public has fully available to it many alternative sources of information and numerous shades of opinion from which it can make its own judgments.

The reason there are not more radio and television stations is economic, not technical. The same, of course, is true for newspapers. Yet no one suggests that fairness obligations should be imposed on newspapers. One State statute which attempted to do that was struck down last term by the Supreme Court in the Miami Herald case.

Even if the scarcity argument is valid, the Government should not be able to compel a broadcaster to surrender his constitutional rights in exchange for the privilege of using a frequency.

The argument that the electronic media must be treated differently than the printed media because the impact of radio and TV is much greater than that of newspapers is also not persuasive. Constitutional guarantees are no less effective because one medium of communication happens to reach more people than another.

Broadcasters, in my opinion, should not be saddled with a legal duty to make time available to spokesmen for contrasting views or controversial public issues. Newspapers are not required to provide balance, to present differing opinions, to give space to political candidates they oppose editorially or even attack in print, and they do not face possible forfeiture for failing to be fair.

This is not to say that the press is or should be above the law. The media, including broadcasters, are still subject to libel laws, obscenity statutes, antitrust regulations and to all other laws affecting commercial business. In addition, broadcasters are federally licensed, and to retain their privilege to broadcast they must operate in the public interest and their performance must be periodically reviewed by the Government.

Because the Commission, in considering a license renewal application, must carefully examine the broadcaster's overall service record during the preceding term, including the station's coverage of public issues and political contest and importance to local communities, there is no need for the FCC to apply the fairness doctrine on a case-by-case basis. It is unhealthy for Federal regulators to keep looking over a licensee's shoulder and make subjective judgments as to whether the broadcaster has been fair on each occasion.

CHILLING EFFECT

The "chilling effect" on broadcast journalism produced by the fairness doctrine has led many critics to suggest that the FCC has the "power to regulate by lifted eyebrow." Fearful of the consequence of a fairness complaint in its license file, or worse, having its license renewal application denied by the Commission, the licensee tends to avoid taking positions on controversial issues. The FCC is cast into the censor's role, even though Congress, when it set up a broadcast regulatory agency, explicitly withheld from the Commission the power of censorship—or as stated in section 326 of the Communications Act the authority to "interfere with the right of free speech by means of radio communications."

As Justice Douglas stated in his concurring opinion in CBS against the Democratic National Committee, a recent fairness case:

> The Fairness Doctrine has no place in our first amendment regime. It puts the head of the camel inside the tent and enables administration after administration to toy with TV or radio in order to serve its sordid or its benevolent ends.

The FCC has not indicated its willingness to do anything about the fairness doctrine or the thicket of complex and arbitrary rules, regulations, policy statements and decisions which have grown up around it. As late as July of 1974, the Commission reiterated its commitment to fairness requirements by stressing once more that it regards strict adherence to the doctrine, including the affirmative obligation on licensees to provide coverage of issues of public importance, as "the single most important requirement of operation in the public interest—the 'sine que non' for grant of a renewal license."

In the absence of action by the FCC, the Congress has a constitutional duty to eliminate those laws which abridge the rights of free speech and free press and to vest in all media the benefits of these constitutional rights.

OTHER DISCRIMINATORY PRACTICES

The Congress should also look into other Federal laws and policies which, in their application, have resulted in unreasonable and unfair discrimination between the broadcast and print media.

There is, for instance, the ban on cigarette advertising over radio and television. Tobacco products are legal and their sale is permitted. They can be advertised in newspapers, magazines, billboards and elsewhere. It was once thought that TV advertising made smoking attractive to many unsuspecting healthy viewers and the ban on such advertising would help to eliminate a dangerous habit. The truth of the matter is that cigarettes and cigars still sell briskly while smoking continues unabated. If the Congress wants to take positive action against this national health problem it should outlaw the advertising of all tobacco products on all media. But there are no persuasive reason for applying restrictions to broadcasters alone.

Serious reservations arise concerning the advertising policies followed by certain organizations of the Federal Government toward the broadcast media.

It is current practice for the armed services and Postal Service to purchase advertising space in newspapers while compelling broadcasters to broadcast free public service announcements. I strongly favor extensive military recruitment campaigns for I believe they help to increase enlistments in the Nation's volunteer army. But it is the better view that if the armed services utilize news media for advertising for manpower recruitment, they should pay for such advertisements, regardless of which media that they use.

There is no valid reason for banning noncommercial broadcasting stations from editorializing as newspapers do and commercial licensees are strongly urged to do as part of their service to the community.

THE PROBLEM FACING LOCAL BROADCASTER

The complicated and cumbersome rules and regulations I have discussed have created an unfortunate situation for broadcasters. The administrative burden of carrying them out falls principally upon local licensees, threatened with possible costly litigation and even forfeiture. Small station operators are especially vulnerable since they lack the manpower and financial resources of the networks to fight fairness complaints.

Enactment of the proposed measure would enable station personnel to devote greater attention to comprehensive coverage of news events and public affairs. Local broadcasters would have greater freedom and flexibility in covering im-

portant issues and political candidates, thereby enhancing public enlightment.

SECTION-BY-SECTION SUMMARY

Let me summarize the provisions in this bill, section by section.

First. Section 309 of the Communications Act would be amended to bar the FCC from requiring licensees to set aside broadcast time for particular purposes or persons or from controlling programing content. Broadcasters should have complete control over their programing formats. As licensees they are given a public trust to serve the needs and interests of their communities in a responsible manner, as they deem best. No Government agency should be able to act as a censor or to tell local broadcasters what they can or cannot put on the air or give any person or group an automatic right of free access to the airwaves for any purpose whatever.

Second. Section 312 of the Communications Act would be amended to prevent the Commission from revoking a station's license or construction permit because the licensee did not provide access to candidates for Federal office. Licensees, under the "public interest" standard of the Communications Act, already devote considerable time to coverage of political races which are of greatest interest and significance to their respective service areas. Broadcasters should not have to sell air time to every qualified candidate, no matter when the request is made. Under section 312 licensees are forced far in advance of an election to reserve available time for political candidates who may never use it to the disadvantage of those who may later want to use it. Section 312, in my view, causes a lot of confusion for broadcasters and has worked to the detriment of candidates, and thus to the electorate.

Third. Section 315 would be repealed. It contains the requirements of "equal opportunities" and lowest unit rate charges for uses of station facilities by political candidates. Repeal would encourage the broader discussion of important National, State, and local issues. Candidates would be afforded the benefits of greater use of TV, thereby cutting down significantly on campaign costs. The Commission staff and local broadcasters would be freed of additional administrative problems.

The lowest unit charge provision as now provided by section 315 is unfair and punitive. It places the broadcaster in a position different from the other media with which he must compete directly for advertising revenues. Broadcasting stations have a limited amount of time to sell, whereas newspapers and magazines normally have no restrictions on the amount of space they can devote to advertising.

Fourth. Section 326 barring FCC censorship would be amended to enable licensee to air public issues without being required to provide balance or present contrasting viewpoints.

Fifth. Section 399 of the Communications Act would be repealed. Henceforth noncommercial educational broadcasting stations would be permitted to editorialize and to support or oppose candidates for public office. Licensees would no longer be required to keep recordings of broadcasts containing discussion of public issues.

Sixth. Section 6 of the Federal Cigarette Labeling and Advertising Act would be repealed. Section 3 of the bill would permit the advertising of cigarettes and little cigars on radio and TV.

Seventh. Titles 10 and 39 of the United States Code relating to the Armed Forces and Postal Service would be amended so that when these Government agencies utilize the media for promotional purposes, the broadcasters, like newspapers, would be paid for the advertisements they carry.

TIME FOR RE-EXAMINATION

Mr. President, the measures which I am proposing should remove any vestiges of discrimination between the broadcast and print media that have resulted from Federal laws and policies. If enacted, my bill would eliminate the kinds of problems I described earlier and make it easier for a local broadcaster to run his business and serve his community better without the constant fear of losing his license.

On the eve of our Nation's Bicentennial anniversary it is fitting that the Congress should reexamine and reassess, in light of the first amendment, those rules and regulations of the FCC and other Federal agencies and those sections of the Communications Act of 1934 and of the United States Code governing broadcast licensees. It is appropriate that, as we prepare to celebrate our national heritage of liberty, we should reassert our trust and confidence in our cherished democratic institutions, most notably the free press—both the printed and the electronic press.

I believe that this bill will serve as a worthwhile basis for reexamination of the fairness doctrine and for comprehensive review and reform of those laws affecting the communications media in America.

I trust that the Congress will give prompt and careful consideration to this legislation. I look forward to hearings on these important matters during the 94th Congress.

Mr. President, it is observed that the bulk of this bill is the concern of the Committee on Commerce. However, there are two sections which relate to points of concern of the Committee on Armed Services and the Committee on Post Office and Civil Service.

It may be well, that after reference of this bill to the Committee on Commerce, to suggest that it ask for such subsequent and supplemental reference to the other two committees as it seems wise, at a time following the Commerce Committee report being filed.

Mr. President, this bill has features not contained in—some features which are not contained in—the bill which was introduced by the senior Senator from Wisconsin.

It is not an effort to displace it. My bill is not an effort to run competition with that measure proposed by the Senator from Wisconsin, but rather to supplement it and, hopefully, to strengthen it.

I have asked the Senator from Wisconsin to permit me to become a cosponsor of his bill, and he has graciously consented to do so, for which I thank him.

Mr. President, I ask unanimous consent that the text of the bill which I hereby introduce and send to the desk be printed in the RECORD at this point.

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

S. 1178

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 "Fully Free Press Act of 1975".

AMENDMENTS TO COMMUNICATIONS ACT OF 1934

SEC. 2. (a) Section 309 of the Communications Act of 1934 is amended by inserting at the end thereof the following:

"(i) Nothing in this Act shall be understood or construed to require that broadcasting time be set aside for any purpose or purposes or to any person or persons, or to grant to the Commission jurisdiction over the content of any matter broadcast."

(b) Section 312(a) of such Act is amended by inserting "or" at the end of clause (5), striking out the semi-colon and "or" at the end of clause (6) and inserting in lieu thereof a period, and striking out clause (7).

(c) Section 315 of such Act is repealed.

(d) Section 326 of such Act is amended by inserting "(a)" after "SEC. 326", and by inserting at the end thereof the following:

"(b) Nothing in this Act shall be understood or construed to grant to the Commission the power to require any licensee to develop programming specifically designed to provide balance to points of view previously broadcast or to require any licensee to make broadcast time available to spokesmen for contrasting views on controversial issues of public importance presented on his station.

(e) Section 399 of such Act is repealed.

AMENDMENT TO FEDERAL CIGARETTE LABELING AND ADVERTISING ACT

SEC. 3. Section 6 of the Federal Cigarette Labeling and Advertising Act (14 U.S.C. 1335) is repealed.

AMENDMENT TO TITLE 10, UNITED STATES CODE, RELATING TO THE ARMED FORCES

SEC. 4. Section 503 of title 10 of the United States Code is amended by inserting at the end thereof the following: "In any advertising for the purpose of such campaigns such Secretary shall not discriminate between print and broadcast media in a way that would provide compensation to one for its services and not the other."

AMENDMENT TO TITLE 39, UNITED STATES CODE, RELATING TO THE POSTAL SERVICE

SEC. 5. (a) Chapter 4 of title 39 of the United States Code is amended by inserting at the end thereof a new section as follows:

"§ 413. Advertising

"The Postal Service may use any form of advertising deemed appropriate in order to provide necessary communication with the public. In any such advertising the Service shall not discriminate between print and broadcast media in a way that would provide compensation to one for its services and not the other."

(b) The table of contents of such chapter is amended by inserting at the end thereof the following:

"413. Advertising."

By Mr. ROTH:

S. 1182. A bill to amend certain provisions of law relating to the leasing of oil and gas deposits of the United States, and for other purposes. Referred to the

Committee on Interior and Insular Affairs.

Mr. ROTH: Mr. President, today I am introducing legislation to assure greater efficiency and effectiveness in the Federal Government's practices on leasing public lands for petroleum and natural gas exploration and development and to recognize State's interests in the value of recovered resources.

More specifically, this legislation would amend certain sections of the Mineral Leasing Act of 1920 (30 U.S.C. 181) and the Outer Continental Shelf Lands Act (43 U.S.C. 1331) to First, assure timely exploration and production on public leases; Second, increase the minimum royalties payable for production of oil and natural gas from public leases; Third, provide that at the Government's discretion such royalties shall be payable by the lessee in oil and natural gas for nationwide emergencies, national strategic stockpile or sale to refineries in short supply; Fourth, establish an energy resources and technology trust fund to improve energy research and development programs; and Fifth, include a provision for adjacent State(s) to share in lease rentals and royalties. A section-by-section summary of this legislation is appended as an exhibit.

Mr. President, the Supreme Court of the United States now has under consideration United States against Maine, a case wherein 12 Atlantic Coast States, including my State of Delaware, are contending that they, not the Federal Government, own the seabed rights to minerals, oil and natural gas off their respective coastlines. Should the court uphold the title contentions advanced by these States, major modification in Federal OCS statutory and administrative provisions would be needed.

However, if the Supreme Court adopts the position advocated by the Justice Department that the Federal Government ownership rights in OCS minerals and natural resources are superior to those of the 12 States, the Department of Interior has announced its intention to move forward rapidly in leasing large tracts of Atlantic coast seabed for oil and natural gas exploration and development. It is because of this latter contingency, that I introduce this legislation today and request it be given the earliest possible consideration.

Mr. President, in the past months all Americans have felt the severe impact of this Nation's energy crisis in terms of the cost of our dependence on imported oil and how that cost has weakened our economy both in terms of inflation, recession and unemployment. In the years to come the energy resources on public onshore and offshore lands will play a major role in increasing our supply of domestic oil and natural gas allowing us to become less reliant on foreign sources of energy.

The American people own the bulk of the Nation's remaining fossil fuel resources, including an estimated 35 percent of the oil and gas, 50 percent of the coal and 85 percent of the oil shale. The manner in which these resources are managed in the next few years is critical to our continued strength and independence.

The present system for management of the Nation's energy resources on public lands is not effective, a situation which I believe is due primarily to inadequate management attention by the Department of Interior in their leasing practices with the oil industry. In a recent letter to my office the Comptroller General, reported that only 4.8 million acres of the 72 million total acres of public onshore lands leased to industry by the Interior Department contained producing wells and that of the total 103,500 onshore wells drilled on public leased lands, about 91 percent were nonproducing. When questioned about this situation by the GAO, Interior officials stated that they did not have statistics or studies on why the great majority of onshore wells were nonproducing.

Based on this report, I immediately directed correspondence to the Department of Interior requesting a complete explanation. In summary, the Interior response stated that most of these onshore leases were issued under current legislative authority without competitive bidding on areas considered geologically marginal for profitable oil and natural gas recovery and that, in any event, equipment and supplies necessary for drilling operations were in short supply. In light of this, I was told Interior had concluded that no useful purpose would be served by a requirement that exploration and drilling operations be initiated by the leasee.

I fail to understand how a policy designed to contract away oil, gas, and mineral rights on the public lands for long periods of time with little or no obligation or incentive to develop its resources by the lessee is of any benefit to the public interests. On the other hand, it is quite understandable that many allegations from responsible sources are being advanced that oil companies are withholding producing of oil and gas from leases on public land waiting for improved price and market conditions to develop. I view these allegations with the utmost seriousness since, in my opinion, it would be intolerable for domestic oil already under production leases to be withheld from the market when the American public is being dealt such staggering blows by skyrocketing prices of foreign oil.

Mr. President, the pace at which Federal lands are opened for oil and natural gas recovery can play a key role in determining the overall rate of energy growth, the mix of fuels, and the degree to which the Nation must rely on imported fuels. Environmental values must be protected in the process to assure usefulness of coastal zones and open space to future generations. There is also a question of assuring that a fair return will be provided to the public for these resources.

The legislation I am introducing today seeks to assure that the Department of the Interior carries out its multipurpose responsibilities with respect to Federal lands. It will lay a firm foundation for the Federal Government's development of energy resources on public lands.

Briefly, this measure will increase royalties payable by lessees for oil and gas on public lands. The bill will assure that development of these resources is carried out in a proper fashion by requiring lessees to formulate highly specific work plans. The bill allows royalties to be paid in oil and gas, and allows the Secretary of the Interior to use this oil and gas to meet domestic needs or store them for strategic purposes. The bill creates an energy resources and technology trust fund to finance expanded Federal research, development and demonstration projects, programs to encourage private energy research and development, improved knowledge of mineral resources in the public domain, and an improved energy information system.

Mr. President, the need for immediate consideration of this legislation by the Congress is critical. As I noted earlier, the Department of Interior has made clear its intention to move quickly with a major public land leasing program on the Atlantic Outer Continental Shelf as soon as a decision in United States against Maine is handed down—assuming the court rules against the contentions of title by the 12 Atlantic Coast States. While I support an aggressive program to develop our national supplies of energy and thereby relieve our dependence on foreign petroleum, I view with great alarm the prospect that so large a proportion of our potential future domestic energy resources could be committed to industrial exploitation under so poorly a managed system as that now used by the Interior Department.

The bill I am introducing today would help rectify this problem in several key areas. First, it would raise the royalties paid to the Federal Government from competitive and noncompetitive oil and gas leases on public lands from 12½ percent to 25 percent. This amendment will insure that the Federal Government and adjacent State governments receive an adequate return from energy resources on public lands for the longest period of time.

But increased revenues will be of little help unless development of oil and gas on public lands is carried out in an intelligent fashion. This bill includes provisions to resolve this problem. Section 2 requires the Secretary of the Interior to promulgate regulations requiring each bid submitted to contain a work program for the geophysical exploration and exploratory drilling and the development and production of oil and gas from the leased land, and a detailed schedule as to the time period within which drilling operations shall commence.

This provision will go a long way toward improving not only the way in which resources are developed, but the information the Federal Government has available to it. A report on Outer Continental Shelf Development, Energy Under the Oceans—exhibit II—observed that:

The overall effect of (a) lack of adequate date for making important decisions for Outer Continental Shelf development seems to be that (the Department of the) Interior reacts to industry initiative rather than acting on the basis of its own "systematic and

efficient plan of geologic study, resource appraisal, and leasing of the Outer Continental Shelf."

The bill I am introducing will resolve this problem by providing the funds to enable the Department of the Interior to make the necessary inventory of the Federal domain.

One major problem encountered during the 1973–74 Arab oil embargo was the lack of a strategic reserve of oil and gas for the United States to use to cushion the impact of the embargo. Without this reserve capacity, we immediately felt the impact of the embargo and our economy was threatened. While we have not experienced a foreign oil embargo during this current winter, the lack of stability in the Middle East and the uncertainty of future demands by the OPEC countries requires that we provide responsive authorities to deal with this potential crisis. The legislation I am introducing will take a major step toward resolving this problem.

The bill authorizes the Secretary of the Interior to require royalties to be paid in oil and gas. While this provision is in the present law, this bill would also authorize the Secretary to either sell royalty oil and gas, or reserve it in the form of strategic reserves or stockpiles to be used in the national or public interest.

Another important facet of this provision is that it empowers the Secretary, upon application from a refinery, to sell royalty oil when he determines that sufficient crude oil is not available on the open market to such a refinery. The Secretary can also prorate royalty oil among such refineries in the area in which the oil is produced. The royalty oil is to be sold at not less than the market price at private sale. These provisions will enable the United States to overcome some of the crude oil supply problems encountered last summer when some refineries were forced to close because of a lack of crude oil supplies.

Additionally, if we are to achieve energy self-sufficiency we must begin now to promote energy research and development in both the public and private sectors to make us less reliant on nonrenewable energy resources. If no new source of funding is provided, other necessary Government activities will suffer or research and development itself will lag.

The bill I am introducing today would help resolve these problems. First, the bill creates a funding mechanism to insure that moneys are available to meet future energy research and development needs. The bill would establish a trust fund in the Treasury known as the "Energy Resources and Technology Trust Fund." The bill requires the Secretary of the Treasury to manage the trust fund and report to Congress each year on its financial condition, although the Secretary of the Interior or the Administrator, ERDA, would recommend the amounts needed from the fund to meet anticipated expenditures.

Moneys would be withdrawn from the trust fund, as provided by appropriation acts, for expenditures to carry out an energy research and development program. This program would be submitted by the Secretary of the Interior to the Congress within 180 days of enactment and require detailed plans for carrying out over a 5-year period, the following programs:

A program for conducting, assisting, and fostering energy research, development and demonstration, coordinated with other public and private energy research and development efforts, in order to provide for alternative sources of energy, with particular emphasis on renewable energy sources, and to provide new and improved technologies for the supply, use and conservation of energy;

A program to encourage widespread early participation by industry in such research, development and demonstration, with particular attention to participation by smaller companies and businesses;

A program to further establish the nature and extent of energy mineral resources located upon or within the public lands of the United States, including the Outer Continental Shelf, together with research and development in geological, environmental and other sciences and technologies relevant to such a program; and,

A program for timely collection, analysis, and publication of information concerning the energy mineral resources of the public lands of the United States and the operations of lessees with respect to the mining thereof.

The bill requires that the trust fund will be used for up to 75 percent of the funding for programs described in a, b, and c above, and 25 percent for the program described in paragraph d. In addition, none of these programs can be carried out until after the expiration of the 30-day period during which time, Congress can examine the plans.

In 1969, the oil spills in the Santa Barbara Channel highlighted the environmental damage that can result from oil drilling along the Outer Continental Shelf. Since that time, several reports have indicated that a major problem has been the failure of the Government agencies to continually supervise the development of oil and gas leases. This bill will resolve this problem by requiring the Secretary of the Interior to report every 6 months on the compliance of lessees with their work plans and drilling schedules to Congress. These reports will have to include information on the number of wells covered, the number in production, the rate of production, the number and identity of wells not producing, reasons for failure to produce, and an assessment of the Secretary regarding the validity of the reasons for not producing. This latter provision will alert the Congress and the public to oil and gas wells that are being withheld from production.

Finally, the bill I am introducing today will add a new section to the Outer Continental Shelf Lands Act to provide that 50 percent of all rentals, royalties, and other sums paid to the Secretary of the Interior of the Navy under any lease shall be paid to the adjacent coastal State. At present, the States only receive income under the Submerged Lands Act. This provision in the bill I am introducing will increase revenues to the States and enable them to carry out effective programs to deal not only with the increased development that results from Outer Continental Shelf oil and gas leasing, but also to undertake studies to identify areas which should be preserved or otherwise protected.

Mr. President, before closing my remarks introducing this legislation it is important that I make one point clear to my colleagues both in the Senate and the House. This bill entitled the Energy Resources Expansion Act is submitted today as an essential first step to bring an efficient management policy and discipline to our current public lands leasing statutes. It is not introduced as a panacea to all the major issues involved in the exploration and development of our Nation's oil and natural gas resources on the Outer Continental Shelf.

The administration's 1975 program to expand substantially the leasing of public lands for oil and natural gas development, especially on the Atlantic Outer Continental Shelf, is of great concern to me and the people I represent in the State of Delaware.

I understand and support the need to develop and initiate as quickly as practicable major programs to increase our Nation's supplies of domestic energy and I fully agree with many initiatives proposed by the President to meet this goal. I do not think, however, that full consideration has been given to all economic, social, and environmental aspects of the proposal to open major oil and gas tracts on the Atlantic Ocean Shelf.

Issues which have not been adequately considered include: a. what are the key features of a comprehensive and balanced national energy program and when can we expect a coordinated plan for implementation to be prepared and initiated; b. what is the role of OCS development in our overall national energy policy; c. what procedures have been developed to assure full and open participation and cooperation in the OCS decisionmaking process at all levels of government and for each citizen; d. is the state of our national economy particularly in terms of technology, capital, materials and skilled and unskilled labor, such that a program of expanded OCS leasing is appropriate and timely; e. have all impacts on the economy and environment of each region, State, and local community adjacent to proposed OCS development been identified and given adequate evaluation and are mechanisms in place to continually monitor changes in these factors as development is undertaken and proceeds; f. have adequate provisions been made, including revenues, to assure development of a balanced coastal zone management capability at the State and local government level to properly evaluate OCS impacts and adjust programs accordingly; and g. have alternative programs to extensive OCS development for increasing our domestic supplies of oil and natural gas for current areas committed to energy production been fully explored such as secondary recovery for public and private onshore tracts?

Mr. President, I am aware that legislative proposals have been introduced to

the 94th Congress addressing some of these questions I have raised above. I commend my colleagues for these recommendations and will give them my closest personal attention along with other alternative programs which I have under study.

Mr. President, in order to make the text of my bill available to Senators and other interested parties, I ask unanimous consent that the full text be printed in the RECORD, along with a section-by-section summary and other pertinent exhibits.

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

S. 1182

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) Congress hereby finds and declares that since the energy mineral resources of the United States constitute an increasingly important resource from the use of which the public is entitled to benefit, it is the policy of Congress that the leasing of the oil and gas deposits of the United States shall be so administered as to—

(1) increase the royalties from such leases;

(2) assure orderly exploration and development of such public mineral resources;

(3) protect the environment from undesirable effects of exploration, development, and production operations;

(4) promote competition in development of oil and gas resources; and

(5) provide reserves for national security and other emergency needs.

(b) This Act may be cited as the "Energy Resources Expansion Act".

SEC. 2. (a) Subsection (b) of section 17 of the Act entitled "An Act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain", approved February 25, 1920, as amended (30 U.S.C. 226 (b)), is amended (1) by designating the existing text as (b)(1); (2) by deleting "12½" and inserting in lieu thereof "25"; and (3) by adding at the end thereof the following new paragraph:

"(2) The Secretary of the Interior shall issue general regulations implementing the leasing procedure provided by this subsection and section 8 of the Outer Continental Shelf Lands Act (43 U.S.C. 1337). Such regulations shall define the general terms of the lease and shall contain provisions requiring each bid submitted under this subsection or such section 8, on or after the effective date of this paragraph, to contain a work program for the geophysical exploration and exploratory drilling and the development and production of oil and gas with respect to lands covered by such bid, and a detailed schedule as to the time period within which drilling operations shall commence. Such regulations shall further provide for the inclusion within any lease issued hereunder a provision pursuant to which the Secretary shall have the right to require increased production under such lease for purposes of national security or other emergency needs. Such bid shall further contain a verified statement as to the minimum amount of funds intended to be expended by the bidder in carrying out such work program. Such work program, schedule, and verified statement contained in any such bid shall be included as a part of any lease issued on the basis of such bid."

(b) Section 17(c) of such Act of February 25, 1920, as amended, is amended (1) by designating the existing text as (c)(1); (2) by deleting "12½" and inserting in lieu thereof "25"; and (3) by adding at the end thereof the following new paragraph:

"(2) The Secretary of the Interior shall issue general regulations implementing the leasing procedures under this subsection. Such regulations shall define the general terms of the lease and shall contain provisions requiring each application for a lease under this subsection, submitted on or after the effective date of this paragraph, to contain a work program for the geophysical exploration and exploratory drilling and the development and production of oil and gas with respect to lands covered by such application, and a detailed schedule as to the time period within which drilling operations shall commence. Such regulations shall further provide for the inclusion within any lease issued hereunder a provision pursuant to which the Secretary shall have the right to require increased production under such lease for purposes of national security or other emergency needs. Such application shall further contain a verified statement as to the minimum amount of funds intended to be expended by the applicant in carrying out such work program. Such work program, schedule, and verified statement contained in an application shall be included as a part of any lease issued on the basis of such application.".

(c) Section 17(d) of such Act of February 25, 1920, as amended, is amended (1) by designating the existing text as (d)(1); and (2) by adding at the end thereof the following new paragraph:

"(2) Notwithstanding any other provision of this Act, in any case in which the Secretary determines that there has been a substantial failure on the part of any lessee to comply with such work program or drilling schedule contained in any such lease issued on or after the date of the enactment of this paragraph, the Secretary may terminate such lease.".

(d) Section 17 of such Act of February 25, 1920, as amended, is amended by adding at the end thereof the following:

"(k) Notwithstanding any other provision of this Act or the Outer Continental Shelf Lands Act, the Secretary of the Interior is authorized to include in any lease issued pursuant to this Act or the Outer Continental Shelf Lands Act, on the basis of regulations promulgated by him, provisions determined by him to be necessary to promote the maximum efficient recovery of crude oil and gas under sound conservation, economic, and engineering principles, and to provide for increased production for purposes of national security or other emergency needs.

"(l) Notwithstanding any other provision of this Act or any other law, all leases issued pursuant to this Act or the Outer Continental Shelf Lands Act shall contain a condition that in no case shall any such lease be extended beyond its primary term unless oil or gas is being produced in paying quantities.".

(e) Section 36 of such Act of February 25, 1920, as amended (30 U.S.C. 192), is amended to read as follows:

"SEC. 36. (a) All royalty accruing to the United States under any oil or gas lease or permit under this Act or the Outer Continental Shelf Lands Act, on demand of the Secretary of the Interior, or when required in accordance with subsection (c) of this section, shall be paid in oil or gas.

"(b) Upon granting any such oil or gas lease, and from time to time thereafter during such lease, the Secretary of the Interior shall, except whenever in his judgment it is desirable to retain the same for the United States, including to increase strategic reserves or stockpiles in the national or public interests, offer for sale for such period as he may determine, upon notice and advertisement or sealed bids or at public auction, all royalty oil and gas accruing or reserved to the United States under such lease. Such advertisement and sale shall reserve to the Secretary of the Interior the right to reject all bids whenever, within his judgment, the interest of the United States demands. In cases where no satisfactory bid is received or where the accepted bidder fails to complete the purchase, or where the Secretary of the Interior shall determine that it is unwise in the public interest to accept the offer of the highest bidder, the Secretary of the Interior, within his discretion, may readvertise such royalty for sale; or sell at private sale at not less than the market price for such period, or accept the value thereof from the lessee.

"(c) Inasmuch as the public interest will be served by the sale of royalty oil to refineries not having their own source of supply for crude oil, the Secretary of the Interior, upon application from any such refinery and a determination by the Secretary that sufficient supplies of crude oil are not available in the open market to such refinery, shall, notwithstanding the provisions of subsection (b) of this section, make available to such refinery royalty oil under the provisions of this section for processing or use in such refinery and not for resale in kind, and in so doing may sell to such refinery at private sale at not less than the market price any royalty oil accruing or reserved to the United States under leases issued pursuant to this Act or the Outer Continental Shelf Lands Act. In selling such royalty oil, the Secretary of the Interior may, in his discretion, prorate such oil among such refineries in the area in which the oil is produced. Pending the making of a permanent contract for the sale of any royalty oil or gas as herein provided, the Secretary of the Interior may sell the current product at private sale, at not less than the market price. Any such royalty oil or gas may be sold at not less than the market price at private sale to any department or agency of the United States.

"(d) Subject to the provisions of subsection (c) of this section and section 9(b) of the Outer Continental Shelf Lands Act (43 U.S.C. 1338) all proceeds received by the Secretary of the Interior pursuant to sales of royalty oil and gas under the foregoing provisions of this section shall be deposited by him in the trust fund established by section 4 of the Energy Resources Expansion Act for use in accordance with the provisions thereof.

"(e) Notwithstanding any other provisions of this Act, nothing in this section shall be construed as altering, modifying, or otherwise affecting any provision of law in effect on the date of the enactment of this subsection earmarking or designating certain revenues due the United States from oil or gas leases for use in connection with other specific programs or purposes.".

SEC. 3. (a) On or before the expiration of the one-hundred-and-eighty-day period following the date of enactment of this Act, the Secretary of the Interior, in consultation with the heads of other agencies of the United States whose responsibilities relate to energy research, development, or conservation, shall prepare and submit to the Congress detailed plans for carrying out, during the five-year period following the date of the submission of such plans to the Congress, the following programs:

(1) a program for conducting, assisting, and fostering energy research, development, and demonstration, coordinated with other public and private energy research and development efforts, in order to provide for alternative sources of energy, with particular emphasis on renewable energy sources, and to provide new and improved technologies for the supply, use, and conservation of energy, including conservation in production, conversion, transmission, and transportation;

(2) a program to encourage widespread early participation by industry in such research, development, and demonstration,

with particular attention to participation by smaller companies and businesses;

(3) a program to further establish the nature and extent of energy mineral resources located upon or within the public lands of the United States, including the Outer Continental Shelf, together with research and development in geological, environmental, and other sciences and technologies relevant to such program, including the environmental effects of the mining of such resources and means by which such effects might be kept within acceptable bounds; and

(4) a program for timely collection, analysis, and publication of information concerning the energy mineral resources of the public lands of the United States and the operations of lessees with respect to the mining thereof.

(b) No program contained in any plan submitted to the Congress pursuant to subsection (a) of this section shall be carried out by the Secretary of the Interior until after the expiration of the thirty-day period (excluding Saturdays, Sundays, holidays, and days on which either House of Congress is not in session) following the date on which the plan containing such program was submitted to the Congress under subsection (a) of this section.

(c) Moneys deposited in the trust fund established pursuant to section 4 of this Act shall be available, in accordance with the provisions of that section, for carrying out programs under this section.

(d) Notwithstanding any other provisions of this Act, all functions and duties imposed on the Secretary of the Interior under this section and section 4 of this Act shall, upon the subsequent establishment by the Congress of an agency for research and development in the field of energy, be deemed transferred to that agency.

SEC. 4. (a) There is hereby established in the Treasury of the United States a trust fund to be known as the Energy Resources and Technology Trust Fund (referred to in this Act as the "trust fund"). The trust fund shall consist of such amounts as may be credited to it as provided in this Act or amendments made by this Act.

(b) It shall be the duty of the Secretary of the Treasury to manage the trust fund and (after consultation with the Secretary of the Interior) to report to the Congress not later than the first day of March of each year on the financial condition and the results of the operations of the trust fund during the preceding fiscal year and on its expected condition and operations during each fiscal year thereafter. Such report shall include the recommendations of the Secretary of the Interior as to the amount of revenues needed by the trust fund during the following fiscal year to meet expenditures from the trust fund during such fiscal year. Such report shall be printed as a House document of the session of the Congress to which the report is made.

(c) It shall be the duty of the Secretary of the Treasury to invest such portion of the trust fund as is not, in his judgment, required to meet current withdrawals. Such investments 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 purpose such 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 trust 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 then forming a 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 of the Treasury 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.

(d) Any obligation acquired by the trust fund (except special obligations issued exclusively to the trust fund) may be sold by the Secretary of the Treasury at the market price, and such special obligations may be redeemed at par plus accrued interest.

(e) The interest on, and the proceeds from the sale or redemption of, any obligations held in the trust fund shall be credited to and form a part of the trust fund.

(f) (1) Amounts in the trust fund shall be available, as provided by appropriation Acts, for making expenditures to carry out programs under section 3 of this Act.

(2) Of the amounts in the trust fund, 75 per centum thereof shall be available for carrying out programs under paragraphs (1), (2), and (3) of section 3, and 25 per centum shall be available for carrying out programs under paragraph (4) of section 3.

(g) Unless otherwise provided by law, the trust fund shall terminate upon the expiration of the ten-year period following the date of the enactment of this Act. Upon such termination, amounts remaining in the trust fund at the time of such termination shall be credited to miscellaneous receipts.

SEC. 5. The Secretary of the Interior shall, within the six-month period following the date of the enactment of this Act and each six-month period thereafter, report the compliance of lessees with their work plans and drilling schedule plans to the Congress as to the number of oil and gas wells covered by a lease issued by the Secretary of the Interior in existence during the period covered by such report, the number of such wells in production during such period, the rate of production of such wells during such period, the number and identity of such wells not producing during such period, the reasons for such failure to so produce during such period, and the assessment of the Secretary as to the validity of such reasons. Such report shall also include the results of a physical spot check of the wells covered by such report to determine the accuracy of information so reported.

SEC. 6. (a) Section 8 of the Outer Continental Shelf Lands Act (43 U.S.C. 1337) is amended by deleting "12½ per centum" wherever it appears therein and inserting in lieu thereof "25 per centum".

(b) Section 9 of the Outer Continental Shelf Lands Act (43 U.S.C. 1338) is amended (1) by designating the existing text thereof as subsection (a); and (2) by adding at the end thereof the following new subsection:

"(b) Notwithstanding the provisions of subsection (a) of this section, 50 per centum of all rentals, royalties, and other sums paid to the Secretary or the Secretary of the Navy under any lease on the Outer Continental Shelf issued on or after the date of the enactment of this subsection, which are attributable to that portion of the Outer Continental Shelf adjacent to any State or that portion of the Outer Continental Shelf to which a State by interstate compact has limited itself, shall be paid by the Secretary of the Treasury as soon as practicable after December 31 and June 30 of each year to such State.".

EXHIBIT I

SECTION-BY-SECTION SUMMARY

SECTION 1

Declares that Federal oil and gas deposits shall be administered so as to: (1) increase royalties; (2) assure orderly exploration and development; (3) protect the environment; (4) promote competition in development of resources; and, (5) provide oil and gas reserves for national security and emergency needs.

SECTION 2

Subsection (a)

Amends the Mineral Leasing Act (30 U.S.C. 226) to increase the minimum royalty for competitive oil and gas leases on public lands from 12½ percent to 25 percent. Requires the Secretary of the Interior to promulgate regulations requiring each bid submitted to contain a work program for the geophysical exploration and exploratory drilling and the development and production of oil and gas on the lands covered by the bid, and a detailed schedule as to the time period within which drilling operations shall commence. Authorizes the Secretary to increase production from such leases for purposes of national security or other emergencies.

Subsection (b)

Amends the Mineral Leasing Act of 1920 to increase the royalty for non-competitive oil and gas leases on public lands from 12½ percent to 25 percent. Requires the Secretary to issue regulations requiring each bid submitted to contain a work program for the geophysical exploration and exploratory drilling and the development and production of oil and gas on the lands covered by the bid, and a detailed schedule as to the time period within which drilling operations shall commence.

Subsection (c)

Authorizes the Secretary to terminate leases if it is determined that there has been a substantial failure to comply with the work program or drilling schedule.

Subsection (d)

Adds new section authorizing the Secretary to include in any lease, provisions necessary to promote the maximum efficient recovery of crude oil and gas under sound conservation, economic and engineering principles, and to provide for increased production for purposes of national security or other emergencies. Adds new section providing that all leases issued pursuant to the Act shall contain a condition that in no case shall any such lease be extended beyond its primary term unless oil or gas is being produced in paying quantities.

Subsection (e)

Revises section 36 of the Mineral Leasing Act (30 U.S.C. 192) to provide that all royalties accruing under oil and gas leases, on demand of the Secretary, shall be paid in oil or gas. Authorizes the Secretary to offer for sale all royalty oil and gas accruing or reserved under such leases. Allows the Secretary to retain royalty oil and gas to increase strategic reserves or stockpiles in the national or public interests. Authorizes the Secretary upon application, to sell royalty oil to refineries when he determines that sufficient crude oil is not available on the open market to such refineries. Awards the Secretary discretion to prorate royalty oil among such refineries in the area in which the oil is produced. Requires royalty oil to be sold at not less than the market price at private sale. Proceeds from the sale of royalty oil shall be deposited in the Energy Resources and Technology Trust Fund created in Section 4 of this Act.

SECTION 3

Requires the Secretary of the Interior, after consultation with other energy research,

development, or conservation agencies and within 180 days, to submit to Congress detailed plans for carrying out over a 5-year period, the following programs: (1) an energy research, development and demonstration program providing for alternative sources, emphasizing renewable resources, and providing for improved technologies for supply, use and conservation; (2) a program to encourage early participation by industry in such energy R&D; (3) a program improving our knowledge of energy mineral resources on public lands; and (4) a program for timely collection, analysis and publication of information concerning energy mineral resources on public lands. Provides that none of the programs outlined shall be carried out until after 30 days following their submittal to Congress.

SECTION 4

Establishes a trust fund to be known as the "Energy Resources and Technology Trust Fund." Requires the Secretary of the Treasury to manage the Trust Fund and report to Congress each year on its financial condition. Stipulates the report shall include the recommendations of the Secretary of the Interior as to the amount of revenues needed by the Trust Fund during the next fiscal year to meet expenditures. Authorizes the Secretary of the Treasury to invest monies in the Trust Fund not required to meet current withdrawals. Makes available monies in the Trust Fund, as provided by appropriation Acts, for expenditures to carry out programs under Section 3 of this Act. Authorizes 75 percent for funding for paragraphs (1), (2) and (3) of Section 3, and 25 percent for paragraph (4). Provides that the Trust Fund shall terminate after a ten year period.

SECTION 5

Requires the Secretary of the Interior to report every six months on the compliance of lessees with their work plans and drilling schedules plans to Congress; the reports shall include information on the number of wells covered, number in production, the rate of production, the number and identity of wells not producing, reasons for failure not to produce, and an assessment of the Secretary as to the validity of such reasons.

SECTION 6

Adds clarifying language to make certain provisions of the Outer Continental Shelf Lands Act (43 U.S.C. 1338) consistent with this Act. Provides that 50 percent of all rentals, royalties, and other sums paid to the Secretary of the Interior or the Navy under any lease on the Outer Continental Shelf shall be paid to the adjacent coastal state.

EXHIBIT II

ENERGY UNDER THE OCEANS: A TECHNOLOGY ASSESSMENT OF OUTER CONTINENTAL SHELF OIL AND GAS OPERATIONS

(By Don E. Kash and Irvin L. White)

EXPLORATORY INFORMATION

As the government official directly responsible for promoting and regulating the development of OCS natural resources, the Secretary of the Interior must attempt to achieve a number of policy objectives. These include conservation, the prevention of waste, and the protection of the environment. The Secretary and his deputies have limited geological and geophysical data upon which to base a number of important decisions such as tract value, land use plans, and environmental risk and safety. In particular, limited data curtail their ability to administer effectively the OCS leasing system. In this section, the problem of evaluating tract value, safety, and lease planning is defined; alternative information-acquisition procedures are analyzed and evaluated; and some desirable changes are suggested.

Information needs

In advance of a lease sale, BLM and USGS are required to make economic, engineering, and geologic evaluations of each tract being considered for sale. The quality of decisions based on these evaluations is related directly to knowledge of the area being considered. According to the Department of the Interior, "in geologically well-known areas, the resources in a province or lease area can be estimated within an order or magnitude, using previous history and projections of trend and environment."[1] (For a detailed discussion of reserve and resource information, refer to Appendix C.)

As lessees, companies are required by the *Code of Federal Regulations* to furnish well logs, cores, core analyses, paleosamples, well tests, production information, and geophysical surveys to USGS.[2] But this information is available only for tracts already leased and being developed. Thus, Interior can only make relatively well-informed decisions on sales involving drainage tracts. (Drainage tracts are tracts from which oil and gas is being drained by production on adjacent tracts.) Industry is not required to share its exploratory information on unleased tracts with USGS; consequently, government data for these tracts is limited to what government has either gathered itself or purchased from industry.

Determining the value of individual tracts on the basis of inadequate data may be less a problem than evaluation of the safety risk of developing the lease. The competitive bonus bid system provides a market mechanism for pitting bidders with good exploratory data and highly refined interpretative capabilities against each other, but there is no similar built-in method for insuring safety without having adequate exploratory data. (The bonus bid system is discussed at length in Chapter IX.)

The principal vehicle for assessing whether a tract can be developed safely is now the environmental impact statement. (Most industry spokesmen do not believe there is a safety problem, but USGS lists safety as one of the reasons it needs exploration data.) As indicated previously, OCS lease sales are considered to be major federal actions with significant impact on the human environment. Consequently, every tract is evaluated to determine what effects its development might have on the environment.

At the present time, the impact statement evaluation does not include an analysis of geologic characteristics which might increase the probability of a development accident—such as Union's blowout at Santa Barbara or the collapse of a Shell platform in the Gulf. In part, this omission may be due to Interior's lack of data from other than industry sources; but it is also due to Interior's policy of treating industry data, whether obtained from lessees or purchased, as proprietary information which can only be disclosed with specific approval of the area supervisor.[3] This means that these data cannot be made public, not even to meet the environmental protection objectives of NEPA. One effect of this may well be to inhibit the effectiveness of the public review process.

The overall effect of this lack of adequate data for making important decisions for OCS development seems to be that Interior reacts to industry initiative rather than acting on the basis of its own "systematic and efficient plan of geologic study, resource appraisal and leasing of the OCS."[4] Interior itself says that "the current pattern is dependent primarily on industry preference."[5] One effect of this pattern is a conclusion on the part of some observers that Interior and the industry work too closely together. This, of course, can be costly in terms of further undermining public confidence in Interior as a vigorous promoter and protector of the public interest.

Under the present system, industry does nominate tracts to be included in the lease sales, but it nominates tracts within an area specified by BLM in its call for nominations. So long as bonus income continues to be a primary motive for holding lease sales, it will be difficult to employ a tract selection system that doesn't call for some initiative on the part of the potential bidders.

WHAT ARE THE ALTERNATIVES?

Two major variables have to be taken into account in considering alternatives to the present system: the first is the procedure for information acquisition; the second is the timetable. We will discuss four procedures that provide information before the lease sale and one procedure that makes information available following the lease sale:

1. Having the federal government, presumably USGS, collect its own data by contract surveys or with its own ships and equipment;

2. Requiring companies to submit their exploratory data and assessments to USGS on a confidential basis;

3. Having USGS collect some of its own data and continue to purchase some data from industry as it does at the present time;

4. Requiring companies to submit all raw seismic data to USGS on a non-proprietary basis in order to be issued an exploration permit and making all data furnished by lessees non-proprietary; and

5. Following the lease sale, the lease could be retracted and the bonus bid returned if, on the basis of information submitted after the sale, it is determined that the risk of developing the tract is considered to be publicly unacceptable.

Assessment of the alternatives

Interior has reviewed the first three of these alternatives in its response to a series of questions it was asked to answer as a part of the energy policy study being conducted by the Senate Interior and Insular Affairs Committee.

Have Government Collect Its Own Data: In brief, the department saw a number of advantages in having the federal government collect its own data, including:

a. These data could be publicly disclosed in publications, impact statements, and for other public purposes;

b. The Department of the Interior could operate on the basis of a systematic and efficient plan of geologic study, resource appraisal, and leasing program; and

c. "A program of regional geologic study of all of the OCS could be planned and carried out on a systematic time basis for the preparation of geologic and resource analysis maps and topical reports."[6]

The sole disadvantage mentioned by Interior was cost. The estimate given for close-spaced seismic data purchased as a part of a small group was $50–75 per mile. Under existing procedures, however, this data could only be made public if the government were the sole purchaser, so that the cost of non-proprietary data is substantially higher.

But there might well be some adverse effect on the service companies that conduct and sell seismic data as well as on the competitive bonus bid system itself. If close-spaced raw data were publicly disclosed, there would be no reason to pay for it any more. Making the data publicly available in advance of the sale might adversely affect competition. However, at the present time most bidders have access to similar exploratory data, and it is the difference in companies' ability to enhance, display, and interpret the raw data that accounts for real competition.

Footnotes at end of article.

Under this alternative the data available to Interior would be much improved both for safety and effective management; however, it should also be pointed out that, with the best seismic data currently available, resource estimates are still not very accurate. Holes would still have to be drilled to determine the actual value of the lease.

Have Companies Submit Data and Assessments: According to Interior's assessment, there are two major advantages to the alternative requiring companies to submit their exploratory data and assessments to the government on a confidential basis. First, the data would be available for the cost of reproducing it; second, "to the extent that individual companies surveyed and appraised the same areas, the sum of their observations and interpretations would represent a broader spectrum of expert opinion than could be provided by a single organization."[7] But these data still could not be publicly disclosed, although Interior suggests that a possible additional requirement might be to place these data in the public domain after some set time.

A Combination of Government and Industry Data: The advantage of having government supplement data acquired from industry with data it collects on its own is that some of the data could be publicly disclosed. This alternative could also give Interior an opportunity to be more systematic with at least a part of its data-acquisition program.

Have Companies Submit Their Pre-Lease Raw Data: The alternative requiring companies to submit all raw seismic data and treating it and all data subsequently furnished by lessees as non-proprietary is the most far reaching of these alternatives. The Public Information Act of 1968 requiring that government agency records be made available for public inspection might have to be amended for this to be an available alternative. Section 552(b) of the Act exempts several categories, including "geological and geophysical information and data, including maps, concerning wells." The Act does not require that these records be withheld, but present Interior policy, as stated in the *Code of Federal Regulations,* restricts their use: geological and geophysical interpretations, maps, and data required to be submitted under this part shall not be available for public inspection without the consent of the lessee so long as the lease remains in effect or until such time as the supervisor determines that release of such information is required and necessary for the proper development of the field or area.[8]

This restrictive information policy enables the leaseholder to have an information advantage over competitors when bidding on adjacent tracts and limits public disclosure of data used in evaluating tracts.

The specific effect of public disclosure in this case depends, as it does in the first alternative, on when the raw data are to be made public. If disclosure is before the lease sale, in the impact statement, it could affect the competitive bonus bid system. However, if we are accurate in our impression that interpretation rather than raw data is the real point of competition, the effect on lease sales would be minimal.

Treating information submitted to USGS by lessees as non-proprietary would be a major change in policy and surely would generate an energetic negative response from industry. In one sense, the basic question is what rights did the leaseholder purchase? It is clear that he purchased a right to find, produce, and transport oil and gas. It is not clear that he also purchased an exclusive proprietary right to the information which he obtains in the process of exercising his other rights—although it might be argued that this has become a customary right.

Have Companies Submit Data After the Lease Sale: The final alternative, requiring the submission of exploratory information by the successful bidder after the lease sale and before development, is similar to the present requirement for submission of structural interpretations of geological and geophysical data for USGS approval of permits to drill. Although this data would support a review process to assess risk, the timing of the review could introduce uncertainty and bias into the possibility of subsequently rejecting a bid. Importantly, this alternative would neither meet information needs for a public review of the lease sale and other government decisions in managing and controlling OCS development nor satisfy information needs for land use and energy planning.

Summary and policy implications

We have chosen to discuss these five alternatives either because they have been considered by Interior or they raise important issues. Many other combinations could have been discussed. However, our purpose has been to indicate that adopting any of these five alternatives (or an alternative involving combinations or variations of these same component parts) could produce numerous second-order consequences. We have noted only a few of these, such as possible effects on the seismic services industry, competitive bidding, and the level of confidence the public has in Interior and the industry. This is a complex system in which any change, such as having government collect its own data or establishing new rules concerning public disclosure, will produce changes in other parts of the system as well.

Some of the changes, such as publicly disclosing raw seismic data in advance of a lease sale, apparently should not affect the competitive bonus bid leasing system since it appears that every company can obtain raw data of comparable quality. If this is correct, logically raw data could be disclosed and competition could continue on the basis of differing capabilities to enhance, display, and interpret data. But this fails to take into account the symbolic importance which the petroleum industry attaches to this aspect of the competitive system. Decision makers, both public and private, have to be aware that this is the case. But if they are to act responsibly, they have to make their decisions on the basis of a broader set of energy-environment issues.

DESIRABLE CHANGES

It would be desirable to supplement present exploration information collection procedures in two ways:

a. In order to acquire exploratory information for regional land use planning for offshore and onshore facilities, the government should contract its own seismic survey.

(b) Before each lease sale, the government should contract for both seismic and subsoil surveys to provide adequate data for assuring that development can be carried out safely. These data should be public information, and as necessary, both the data and analyses should be included in the environmental impact statement.

* * * * *

FOOTNOTES

[1] Interior, *Question and Policy Issues,* p. 72.

[2] Title 30, *Code of Federal Regulations,* Section 250 (30 CFR 250).

[3] OCS Order Number 12, Gulf Coast Area.

[4] Interior, *Questions and Policy Issues,* p. 73.

[5] *Ibid.*

[6] *Ibid.,* pp. 73–74.

[7] *Ibid.,* p. 74.

[8] 30 CFR 250.97.

By Mr. HARTKE (for himself, Mr. ABOUREZK, Mr. BAKER, Mr. BAYH, Mr. BEALL, Mr. BROCK, Mr. BROOKE, Mr. BUMPERS, Mr. BURDICK, Mr. ROBERT C. BYRD, Mr. CASE, Mr. CHURCH, Mr. CLARK, Mr. CULVER, Mr. CURTIS, Mr. EAGLETON, Mr. EASTLAND, Mr. GOLDWATER, Mr. HANSEN, Mr. PHILIP A. HART, Mr. HELMS, Mr. INOUYE, Mr. JAVITS, Mr. MANSFIELD, Mr. MCGEE, Mr. MCGOVERN, Mr. METCALF, Mr. MOSS, Mr. PASTORE, Mr. PELL, Mr. RANDOLPH, Mr. RIBICOFF, Mr. SCHWEIKER, Mr. HUGH SCOTT, Mr. SYMINGTON, Mr. THURMOND, Mr. TOWER, and Mr. WEICKER):

S. 1183. 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. Referred to the Committee on Finance.

DISABILITY INSURANCE FOR THE BLIND

Mr. HARTKE. Mr. President, since becoming a Member of the U.S. Senate I have introduced many bills to serve many purposes and to solve many problems, but the bills of which I am the proudest are those which would help to remedy the difficult problems confronting the blind in their efforts to achieve normal productivity and self-sufficiency.

Over the years I have endeavored to give a voice to the hopes and aspirations of our blind fellow Americans—to the difficulties, discriminations, and disadvantages experienced by them as they strive to lead normal, happy lives and to compete on terms of equality alongside their sighted brothers and sisters. So long as I remain in the Senate, Mr. President, I intend to continue my efforts on behalf of all blind Americans since it is right, and just and since this group, above all, has demonstrated both the will and the capacity to rise from a traditionally subordinate status in society to a new and equal place. Mr. President, the road to equality for the blind has been a perilous one, but they have insisted on marching forward despite the many obstacles which society has erected in their path, often unintentionally.

The bill which I am introducing today with 37 of my colleagues is designed to remove one more of these obstacles, and a substantial one at that. This bill to amend and improve the social security disability insurance program for the blind has already received substantial support in both Chambers of the Congress. In the Senate, Mr. President, the disability insurance for the blind bill has been approved six times. During the 93d Congress no less than 64 of our colleagues cosponsored this legislation and the bill was adopted unanimously.

If adopted, this bill would make it possible for blind people who have worked a year and a half under social security-covered employment to qualify and draw disability benefits so long as they remain blind and regardless of their earnings.

The present law with its more restrictive and discriminatory length of work requirements and its earnings limitations fails to take account of the fact that blind people find it difficult to secure work in a society which has so far not fully opened its doors of opportunity to them. The economic disadvantages of blindness are too often substantial and overwhelming. Employment opportunities available to the blind are usually limited in number and short in duration. Seldom are they able to exercise their full talents and capacities in the labor force but this condition can be remedied by the adoption of the improved disability insurance program.

Presently, those who are blind and receiving social security disability insurance benefits are confronted with the reality that they may lose financially through their efforts at employment. Under the current law, the only true feeling of long-range economic security belongs to those beneficiaries who remain idle rather than productive. This, Mr. President, is clearly not as it should be, and the bill which has repeatedly gained acceptance by our colleagues would correct this inequity by guaranteeing disability insurance benefits to the blind who have worked at least a year and a half.

Mr. President, enactment of this legislation at this time is unquestionably in the best interest of the Nation. The bill as proposed would place maximum encouragement and support behind the efforts of blind persons to be self-supporting. Of course, those who become gainfully employed will pay social security taxes, thus contributing to the fund rather than only draining benefits from it. Also, they will contribute through the payment of income taxes, thus reducing the drain on general revenues. In addition, many of the blind who are recipients of supplemental security income and their families who benefit from various Federal, State, and local welfare programs, will be able to transfer into the improved disability insurance program, thus realizing a cost savings in the welfare category. With the positive incentive factors of the new plan—encouraging employment of the blind—we can anticipate a substantial reduction in welfare payments to the blind over a period of time after enactment of this bill.

Mr. President, for all of these reasons I am today once again introducing my improved disability insurance for the blind proposal, and I commend it to the attention of our colleagues in the Senate. It is my hope, Mr. President, that the 94th Congress can be known as the most important of all Congresses for the blind. It can achieve this distinction if we enact the disability insurance for the blind bill which I am introducing today—a bill which will serve as a true insurance against the adverse effects of blindness.

Mr. President, I ask unanimous consent that the text of my bill together with a factsheet about the bill be printed in the RECORD at this point.

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

S. 1183

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 214(a) of the Social Security Act is amended by adding "or" after the semicolon at the end of paragraph (3), and by inserting after paragraph (3) the following new paragraph:

"(4) in the case of an individual who has died and who was entitled to a benefit under section 223 for the month before the month in which he died, 6 quarters of coverage;".

(b) Section 215(b)(1) of such Act is amended by striking out "shall be the quotient" and inserting in lieu thereof "shall (except as provided in paragraph (5)) be the quotient".

(c) Section 215(b) of such Act is further amended by adding at the end thereof the following new paragraph:

"(5) In the case of an individual who is blind (within the meaning of 'blindness' as defined in section 216(i)(1)), such individual's average monthly wage shall be the quotient obtained by dividing (A) the total of his wages paid in, and self-employment income credited to, all of the calendar quarters which are quarters of coverage (as defined in section 213) and which fall within the period after 1950 and prior to the year specified in clause (i) or clause (ii) of paragraph (2)(C), by (B) the number of months in such quarters; except that any such individual who is fully insured (without regard to section 214(a)(4)) shall have his average monthly wage computed under this subsection without regard to this paragraph if such computation results in a larger primary insurance amount."

(d) Section 216(i)(3) of such Act is amended to read as follows:

"(3) The requirements referred to in clauses (i) and (ii) of paragraph (2)(C) are satisfied by an individual with respect to any quarter only if—

"(A) he would have been a fully insured individual (as defined in section 214) had he attained age 62 and filed application for benefits under section 202(a) on the first day of such quarter, and (i) he had not less than 20 quarters of coverage during the 40-quarter period which ends with such quarter, or (ii) if such quarter ends before he attains (or would attain) age 31, not less than one-half (and not less than 6) of the quarters during the period ending with such quarter and beginning after he attained the age 21 were quarters of coverage, or (if the number of quarters in such period is less than 12) not less than 6 of the quarters in the 12-quarter period ending with such quarter were quarters of coverage; or

"(B) he is blind (within the meaning of 'blindness' as defined in paragraph (1) of this subsection) and has not less than 6 quarters of coverage in the period which ends with such quarter.

For purposes of clauses (i) and (ii) of subparagraph (A) of this paragraph, when the number of quarters in any period is an odd number, such number shall be reduced by one, and a quarter shall not be counted as part of any period if any part of such quarter was included in a prior period of disability unless such quarter was a quarter of coverage."

(e) The first sentence of section 222(b)(1) of such Act is amended by inserting "(other than such an individual whose disability is blindness as defined in section 216(i)(1))" after "an individual entitled to disability insurance benefits".

(f) Section 223(a)(1) of such Act is amended—

(1) by striking out the comma at the end of subparagraph (B) and inserting in lieu thereof "or is blind (within the meaning of 'blindness' as defined in section 216(i)(1)),";

(2) by striking out "the month in which he attains age 65" and inserting in lieu thereof "in the case of any individual other than an individual whose disability is blindness (as defined in section 216(i)(1)), the month in which he attains age 65"; and

(3) by striking out the second sentence.

(g) Section 223(c)(1) of such Act is amended to read as follows:

"(1) An individual shall be insured for disability insurance benefits in any month if—

"(A) he would have been a fully insured individual (as defined in section 214) had he attained age 62 and filed application for benefits under section 202(a) on the first day of such month, and (i) he had not less than 20 quarters of coverage during the 40-quarter period which ends with the quarter in which such month occurred, or (ii) if such month ends before the quarter in which he attains (or would attain) age 31, not less than one-half (and not less than 6) of the quarters during the period ending with the quarter in which such month occurred and beginning after he attained the age of 21 were quarters of coverage, or (if the number of quarters in such period is less than 12) not less than 6 of the quarters in the 12-quarter period ending with such quarter were quarters of coverage, or

"(B) he is blind (within the meaning of 'blindness' as defined in section 216(i)(1)) and has not less than 6 quarters of coverage in the period which ends with the quarter in which such month occurs. For purposes of clauses (i) and (ii) of subparagraph (A) of this paragraph, when the number of quarters in any period is an odd number, such number shall be reduced by one, and a quarter shall not be counted as part of any period if any part of such quarter was included in a period of disability unless such quarter was a quarter of coverage."

(h) Section 223(d)(1)(B) of such Act is amended to read as follows:

"(B) blindness (as defined in section 216(i)(1))."

(i) The second sentence of section 223(d)(4) of such Act is amended by inserting "(other than an individual whose disability is blindness, as defined in section 216(i)(1))" immediately after "individual".

SEC. 2. In the case of an insured individual who is under a disability as defined in section 223(d)(1)(B) of the Social Security Act, who is entitled to monthly insurance benefits under section 202(a) or 223 of such Act for a month after the month in which this Act is enacted, and who applies for a recomputation of his disability insurance benefit or for a disability insurance benefit (if he is entitled under such section 202(a)) in or after the month this Act is enacted, the Secretary shall, notwithstanding the provisions of section 215(f)(1) of such Act, make a recomputation of such benefit if such recomputation results in a higher primary insurance amount.

SEC. 3. The amendments made by this Act shall apply only with respect to monthly benefits under title II of the Social Security Act for and after the second month following the month in which this Act is enacted.

FACTSHEET—IMPROVED DISABILITY INSURANCE FOR THE BLIND

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.

History. The Disability Insurance for the Blind bill, which has passed the Senate six times, was first offered in the 88th Congress by Senator Hubert Humphrey. Senator Vance Hartke introduced the bill in the 90th Congress whereby the House-Senate Conference on Social Security matters made the generally accepted definition of blindness (20/200, etc.) the standard for visual loss under the Disability Insurance Program. Offered again

in the 91st Congress, the Committee on Ways and Means adopted a portion of the proposed Disability Insurance for the Blind bill removing recency of quarters earned in Social Security-covered work requirement making 30,000 otherwise ineligible blind persons eligible for disability benefits. In the 93rd Congress the Senate passed the Disability Insurance for the Blind bill as a floor amendment to H.R. 3153.

Provisions. (1) Allows qualification for disability benefits to the person who is blind according to the generally accepted definition of blindness (20/200, etc.) and who has worked six quarters in Social Security-covered work; (2) continues payment of benefits irrespective of earnings so long as blindness lasts, rather than cutting off benefits if the blind person earns as little as $200.00 in a month, as provided in existing regulations.

What will be accomplished. Enactment of the above provisions will establish eligibility for disability insurance benefits to blind persons who have worked a year and a half in employment covered by Social Security. This eligibility will continue regardless of the earned income of the blind person.

Through such an arrangement, all of the negative incentives which now discourage a blind person from seeking employment will be removed. No secure income will be lost to those who attempt to make themselves productive. Those who make the predictable response of seeking and finding employment will pay into Social Security rather than only drawing benefits as is now the case. Those who find employment will also become tax payers rather than tax burdens. Payments to blind persons from Supplemental Security Income and other public assistance programs will be reduced as the earnings of the blind increase.

Why? The provisions of the Disability Insurance for the Blind proposal recognize the severe financial disadvantages which confront those who are blind. Although most blind persons possess the capacity to be productive in the labor force, their efforts to earn their daily bread are frustrated by a system which rewards idleness with financial security—the certainty of the monthly check. Under existing law, each blind person receiving disability insurance benefits must choose between alternatives which are often unpleasant. First, he may elect to continue receiving regular benefit checks, realizing that even a small amount of income earned through work may jeopardize entitlement to the monthly checks. Second, he may elect to seek employment in the hope that this will be financially advantageous, but realizing that an important measure of security is being cast aside by demonstrating employability to the Social Security Administration. Those who choose the second of the alternatives must be prepared to assume the financial burdens which go with living in a sight-structured society—that is, they must be prepared to spend a certain amount of their income in hiring sight for job related activities such as reading or driving. Also they must be prepared to face a world which has not yet accepted the concept that the blind are able to compete equally with the sighted in terms of their capacity to work. Because of typical employer attitudes toward the blind, the jobs which they get are often short-term, insecure, and low paying. The person who is sighted, with an income of $15,000, will, if he becomes, blind, often be employed at less than half that wage. Seventy percent of the employable blind population is either unemployed or underemployed. This legislation will go a long way toward correcting this inequity.

By Mr. DOMENICI:

S. 1184. A bill to amend the Internal Revenue Code of 1954 to provide for the reduction or deferral of liability for the payment of a part of the Federal estate tax on farms the fair market value of which exceeds the value which such property would have if it were continued to be used as farm land. Referred to the Committee on Finance.

ESTATE TAX RELIEF FOR FARM OWNERS

Mr. DOMENICI. Mr. President, today I want to address myself to a problem affecting many citizens of this land—the farm estate tax. The recent rapid increases in the value of land has meant that higher and higher taxes must be faced upon the death of a farmer or rancher.

As Members of Congress, we are contributing to the disappearance of family farms by failing to grant them relief from the Federal estate tax. Since most farms and ranchers are primarily composed of very illiquid assets and frequently operate with sizable loans or mortgage liabilities, cash with which to pay these death taxes may not be available. In increasing numbers, heirs to a farm or ranch are forced to sell the operation in order to pay the taxes.

Mr. President, one of this country's most valuable assets is the family farm. Not only do family farms produce vital food supplies, but they also represent a way of life worthy of support and preservation. Each time a family farm disappears, we suffer the threat of reduced food production capabilities and we lose traditions of farm life. Furthermore, individuals are often forced to migrate to urban areas which are already burdened with jobless and rootless people. It is in recognition of these facts that I am introducing this legislation.

When the value of real property is determined for purposes of the Federal estate tax, the standard used is "fair market value." This standard is most frequently defined as the "price at which property would change hands between a willing buyer and a willing seller." In many cases, the value of land for development purposes such as housing or shopping center construction is much greater than its value as agricultural property. This is particularly true in urban fringe areas or popular recreation areas where an acre may be worth $800 if used for agriculture but worth $4,500 for development. In such cases, the higher value is used for purposes of the Federal estate tax.

Consider the example of a cattle rancher whose property is located in an area which is near an expanding ski facility. As ranch land, his property may be of moderate value, but for development purposes his property may be worth thousands of dollars an acre. Does Congress really intend that the rancher's heirs be forced to sell a sizable portion of the ranch so Federal taxes can be paid? In situations such as I have described, there may be no excess ranch land and selling any part of it, may severely reduce or even destroy its productive capacity. Regardless of what Congress has intended to be the effect of the Federal estate tax, what I have just described frequently is the end result.

Under present Federal estate tax law, each estate is permitted an exemption of $60,000. One purpose for such an exemption is to protect estates from too burdensome an estate tax. However, the amount was set in 1942 and no longer affords adequate protection in situations where estates are composed of large parcels of land.

S. 1184 would provide that farm and ranch property included in an estate would be valued not on the basis of "fair market value" but on the basis of the value of the produce and similar products grown on the property. For example, the value of an orange grove would be based on its capacity to produce oranges, not on its value as a potential housing development or site for an industrial plant.

In order to guard against the possibility that heirs, not interested in the continued agricultural use of estate property, might benefit from my proposal, I have imposed certain conditions on property which would qualify for relief. For example, land qualifying for this special provision must have been farmed for 5 years prior to the decedent's death as well as for 5 years after the death.

The House Committee on Ways and Means has indicated that it will take up the question of general tax reform later this year. I urge that committee to consider my proposal as a means of granting long overdue estate tax relief to the farming and ranching families of this Nation.

By Mr. CURTIS (for himself, Mr. McCLURE, and Mr. McGEE):

S.J. Res. 57. A joint resolution to authorize and request the President to proclaim the month of May 1975 as "National Car Care Month." Referred to the Committee on the Judiciary.

Mr. CURTIS. Mr. President, increasing awareness of the need for preventive maintenance on the automobiles we drive is a dire necessity if there is to be any substantial reduction in the number of lives we lose each year on our Nation's highways.

National Safety Council statistics indicate that 16,600,000 auto accidents occurred in this country in 1973. Statistics are not yet complete for 1974. In those 2 years, a total of 102,000 persons died as a result of those accidents. That is greater than the population figures in thousands of our small towns.

Obviously, we cannot pass a law to stop the occurrence of auto accidents. I only wish we could. What concerns me is our ability to cut down on those statistics by such simple means as routine car maintenance, and our apparent failure to do so.

In a 1969 report on turnpike accidents, the National Safety Council determined that some kind of vehicle defect was considered a factor in 11 percent of all fatal auto accidents.

In a 1971 study conducted in Louisiana, Montana, and North Carolina, the National Safety Council determined that in all auto accidents in those three States defective tires were a factor in 57 percent of the fatal accidents that occurred and were a factor in 30 percent of all accidents; and that defective brakes were a factor in 11 percent of the fatal accidents that occurred, and were a factor in 31 percent of all accidents.

And since auto accidents are not separately investigated, as in the case of air crashes, for example, we can only assume that actual statistics attesting to the responsibility of defective vehicles or defective or worn-out parts of a vehicle in auto accidents would be much higher.

In other words, accidents are occurring and are causing deaths and serious injuries which may well be preventable by routine auto maintenance.

I am today asking that the month of May be designated "National Car Care Month" in order to increase awareness of the impact of preventive auto maintenance on the health and well-being of our country.

If such a resolution would encourage more Americans to take better care of their cars than they do now, then I would feel safer driving on our highways.

So many expensive repairs can be avoided by much simpler maintenance in the first place.

For example, nearly 90 percent of all tire trouble occurs in the last 10 percent of tread wear. All it takes to check the tread is to place a penny in the tread to check wear. It is much better to replace a worn tire before it has a chance to blow out on a busy highway at high speed.

Regular changing of motor oil and of oil and air filters prevents a lot of stalling in major intersections.

In fact, a lot of simple steps will save a lot of worry.

The Automotive Parts and Accessories Association estimates that more than half of all car engines are operating inefficiently. In a recent test of New York City's Bureau of Motor Vehicle Pollution's 25 department cars, two-thirds of the cars required a new air filter; 62 percent needed new spark plugs; and one-third needed new positive crankcase ventilation, PCV, valves.

The obvious benefits beyond the savings of lives and of wear-and-tear on one's car are the savings of money and energy. Cars properly tuned get an average of 8.2 to 25 percent better gas mileage than cars not properly tuned.

Emission control devices are considered a major factor affecting auto fuel economy. If not maintained, such controls can cut gas mileage up to 25 percent.

Misfiring spark plugs can cut mileage by 10 percent. Spark plugs should be checked every 7,500 miles.

Improper front-wheel alinement can cost another three-tenths of 1 percent miles per gallon.

Failure to give immediate attention to burned-out headlights, brake lights, and turn signals can cost untold highway suffering.

By encouraging routine car care, we are encouraging auto safety habits that will benefit all of us.

In terms of the energy crisis, we have learned over the past couple of years that we cannot continue the wasteful energy consumption practices of the past. Transportation accounts for 25 percent of our total energy consumption. Even a small percentage of savings is therefore significant.

It is important to our Nation's health, also, since more than 54 percent of our annual automobile mileage—1.2 trillion miles—is registered in urban areas.

With the postponement of Federal new-car emission regulations, the burden of cutting down pollution shifts from the auto manufacturer to the consumer-commuter.

In terms of the state of our economy, we are wise to do-it-yourself whatever auto maintenance tasks we know how to perform, and to trust reputable auto mechanics to handle those we cannot.

Mr. President, I believe that setting aside a specific month in which all Americans are made more aware of the desirability and need for effective and regular car care may make a lasting impression on the safety of our Nation's highways, on the quality of the air we breathe, and on the value of our hard-earned money.

I ask unanimous consent to have the joint resolution calling for designation of May as "National Car Care Month" printed in the RECORD.

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

S.J. RES. 57

Whereas latest National Safety Council statistics indicate that 16,600,000 auto accidents occurred in this country in 1973, resulting in 55,800 deaths; and

Whereas 46,200 auto accident fatalities were reported nationwide in 1974; and

Whereas a 1969 report on turnpike accidents estimates 11 per centum of all fatal accidents involve some kind of vehicle defect; and

Whereas auto safety inspection standards are not uniform in all fifty States; and

Whereas car maintenance is as essential a factor in accident prevention as skillful driving; and

Whereas the lag in new-car sales due to the state of the economy this year places greater emphasis on the need for auto maintenance than in the past; and

Whereas awareness of the critical impact of effective car care on the safety of our highways and the conservation of energy will encourage attainment of these goals: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to issue a proclamation designating the month of May 1975, as "National Car Care Month", and calling upon the people of the United States and interested groups and organizations to observe that month with appropriate activities and efforts to maximize road safety by encouraging conscientious care and maintenance of automobiles.

By Mr. CURTIS:

S. 1185. A bill to amend section 13(b)(24) of the Fair Labor Standards Act of 1938 to exempt certain employment in residential treatment facilities for children from homes having an unfavorable home environment, and for other purposes. Referred to the Committee on Labor and Public Welfare.

Mr. CURTIS. Mr. President, today I am introducing an amendment to the Fair Labor Standards Amendments of 1974—Public Law 93-259. The law contains what I believe is a technical problem that, nonetheless, is jeopardizing the operation of a program in Nebraska of rehabilitative care for children assigned to the program by the duly-established courts in the State.

The Nebraska Center for Children and Youth, operated by the Nebraska Department of Public Welfare, has existed since 1887 to take care of children referred to it by any juvenile court in the State.

Obviously, this is an essential program providing not only rehabilitation for young people needing such attention, but also providing the chance of a meaningful life filled with meaningful goals to youths and children who, in most instances, because of home or socioeconomic background, have not had the chance to become self-directed in a way conducive to adjustment in our society.

Let me briefly describe the operation of the program.

The Nebraska Center for Children and Youth consists of a central unit in Lincoln, Nebr., with residency not in excess of 77, and a number of group homes across the State, which care for a maximum of 8 persons per unit.

The central unit features two main programs. First, there is a cottage life program where children reside with a hired couple in a setting to approximate a home environment when living at home is not feasible. Second, there is a special program called control care utilizing a therapeutic treatment environment to reach youth who act out in protest to home or social injustices.

These programs, as well as the operation of group homes, involve total care—24-hour-a-day supervision, responsibility for health care, attitudinal development, religious, moral and social training, as well as the hundreds of administrative details such care entails.

Obviously, this is not an 8-hour-a-day job for any of the couples or individuals employed by the center.

A problem arises in the interpretation of the Fair Labor Standards Amendments of 1974 which I believe should exempt this agency from paying overtime to persons employed in the cottages at the central facility in Lincoln, Nebr., or in the group homes across the State.

I believe the exemption exists in the intent of the law. I believe my amendment is needed in order to clarify it.

It is the position of the Nebraska Department of Public Welfare that section B, exemption 24, part B gives the State the liberty to employ couples in its cottages at the main campus in Lincoln and in numerous group homes over the State without paying overtime because it meets the requirements of said section.

My amendment would clarify the section to avoid a possible ruling that the word or in section B, exemption 24, part A could be intended to mean and.

There does appear to be a question about interpretation.

Conference Report 93-758 ordered to be printed March 28, 1974, states on page 12, section 17, section 13(b), exemption 24, part A:

who are orphans or one of whose natural parents is deceased, or . . .

But Mr. James L. Suntum, Administrator of the Wage and Hour Division of the Department of Labor, contends that the or in part A was a misprint.

What we are talking about is a tremendous cost differential that could seriously impair the quality of a program so important to the State.

I think Mr. Robert M. Rudell, administrator of the Nebraska Center for Children and Youth, states the problem most effectively. In a letter to me, Mr. Rudell writes:

Correspondence to the Administrator of Wage and Hour Division, Department of Labor . . . clearly points out the dollars committed by the people in Nebraska to cottage parents and group home parents. There is a point, however, beyond which we cannot fund programs or in good conscience request the Legislature to support our programs.

Strict interpretations of wage and hour legislation to agencies such as ours presents the possibility of mini-institutions developing over the State. A mini-institution is one where children are cared for on eight hour shifts and a home environment is lost.

In a time when we have in Nebraska greater and greater need for sound treament programs, we find Federal legislation providing us with barriers to sound management objectives.

And Mr. Rudell concludes:

The law has great potential for hardship to children and youth in Nebraska.

Mr. President, clearly it is not the intent of the law to create such hardship. Clearly, those of us who passed the law did not intend to destroy the possibility of total care for our young people who require it.

This amendment would simply clarify the intent of the law, and would save thousands of dollars in Nebraska, and in other States, that are needed to rebuild the lives of children and youths who, somewhere along the line, found they needed a second chance.

I urge speedy action on this amendment as it involves fiscal planning in agencies across the country.

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

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

S. 1185

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 13(b)(24) of the Fair Labor Standards Act of 1938 is amended—

(1) by inserting after "institution" in the matter preceding clause (A) of such section "or by a State";

(2) by inserting the word "or" at the end of clause (B);

(3) by inserting after clause (B) the following new clause:

"(C) who are enrolled in a residential-treatment or community-based facility to approximate a home environment when living at home is not feasible or appropriate,";

(4) by inserting after "institution" the first time it appears in the matter following clause (C) (as inserted by paragraph (3) of this amendment) a comma and the following "or a facility operated by a State"; and

(5) by inserting after "institution" the second time it appears in such matter a comma and the following: "or from such State".

By Mr. HATHAWAY:

S. 1186. A bill to amend the Outer Continental Shelf Lands Act in order to conduct a comprehensive study of the Outer Continental Shelf, to promote the development of Outer Continental Shelf oil and gas resources, to provide for protection of the environment, to promote competition in the production of oil and gas from the Outer Continental Shelf, to authorize the payment of a portion of the revenue under the act to the coastal States, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

Mr. HATHAWAY. Mr. President, today I am introducing a bill to assure the orderly development of our oil and gas resources on the Outer Continental Shelf. It is the same bill I introduced last session, and directs more stringent and intelligent Federal planning prior to leasing of our OCS resources.

To insure effective planning, the Federal Government must have access to the most complete data on the extent of the oil and gas resources to be leased. These are publicly held resources, and by requiring that full information on their extent be supplied to the Government prior to leasing, we can be assured that the public receives a fair return for their value. Additionally, we will have more complete knowledge of our domestic energy supplies.

This bill also provides for greater State and public participation in the decision-making process of leasing, and includes a provision for sharing of the revenues between the Federal Government and the adjacent coastal States which will be impacted by offshore oil and gas development. A strong liability provision is included to insure effective oil spill prevention measures and quick cleanup activities and adequate compensation for any oil discharges which might occur.

It is apparent that we must increase all of our available domestic energy sources. One estimate of these Federal resources in the OCS is 58 to 116 billion barrels of oil and 355 to 710 trillion cubic feet of gas. In 1974 production from existing leases constituted 12 percent of U.S. oil production and 15 percent of gas production. Full development of these supplies in the next several years can make a substantial contribution to meeting our energy needs.

We cannot, however, afford to be unwisely rushed into developing these resources at any cost. Drilling and the development of the OCS have a substantial and potentially adverse impact on other important uses of our ocean resources, as well as a significant impact on the several coastal States which will be affected by offshore leasing. A careful balance must be reached between meeting our energy needs and according full protection to other marine and coastal resources and uses.

The Interior and Commerce Committees are about to begin joint hearings on proposed changes in the present leasing of our offshore resources. Meanwhile, the Interior Department is proceeding with its previously announced leasing plans. Strong State and congressional opposition to these plans has resulted in some modification, but this opposition only highlights the continuing need to make substantive changes in the existing law. I urge the committees and the Congress to give the issues involved a full airing, and to proceed expeditiously in passing legislation which will protect the varied interests concerned with OCS development.

Mr. President, at this time 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. 1186

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 "Outer Continental Shelf Lands Act Amendments of 1974".

The Congress finds—

that it is in the interest of the United States to develop its domestic petroleum resources in order to meet its increasing energy needs, but not at the expense of degrading the environment;

that substantial petroleum resources are located within the lands of the Outer Continental Shelf;

that it is essential for the Federal Government to establish procedures that will allow the development of those resources within a framework of strict environmental safeguards;

that the interest of all United States citizens in these vital matters must be recognized, by providing for public disclosure of information and public participation in the procedures involved in the development of Outer Continental Shelf petroleum resources;

that full and fair competition shall be maintained in all operations on the Outer Continental Shelf lands; and

that a portion of the revenues from such operations shall go to the adjacent coastal States, in return for the efforts undertaken and the environmental risks incurred by these States in the development of Outer Continental Shelf petroleum resources.

SEC. 2. (a) Section 9 of the Outer Continental Shelf Lands Act (43 U.S.C. 1333) is amended to read as follows:

"SEC. 9. DISPOSITION OF REVENUES.—(a) All rentals, royalties, or other sums paid to the Secretary or the Secretary of the Navy under or in connection with any lease on the Outer Continental Shelf for the period beginning June 5, 1950, and ending with the day preceding the date of the enactment of the Outer Continental Shelf Lands Act Amendments of 1974 shall be deposited in the Treasury of the United States and credited to miscellaneous receipts.

"(b) All rentals, royalties, or other sums paid to the Secretary or the Secretary of the Navy under or in connection with any lease on the Outer Continental Shelf for the period beginning with the date of the enactment of the Outer Continental Shelf Lands Act Amendments of 1974 shall be deposited in the Treasury of the United States; and of the amount of the revenues so deposited in each fiscal year which are attributable to that portion of the Outer Continental Shelf adjacent to any State or that portion of the Outer Continental Shelf to which a State by interstate compact has limited itself—

"(1) 60 per centum shall be paid by the Secretary of the Treasury to such adjacent State, to be added to its general funds and to be used for what it deems to be in its best interests, except that for the purposes of this clause (A) if the revenues attributable to a State in any fiscal year amount to $50,000,000 or more in royalties, then rentals bonuses, or revenues other than royalties shall not be included, or (B) if the revenues attributable to a State in any fiscal year amount to less than $50,000,000 in royalties, such revenues other than royalties shall be included in such amount as does not exceed $50,000,000 in total revenues attributable to such State; and

"(2) if the revenues attributable to any one State in a single year exceed $25,000,000, the share of the excess payable to that State

under clause (1) shall be reduced in accordance with the following table:

"Amounts	Percentages
From $25,000,000 to $35,000,000	45
From $35,000,000 to $45,000,000	30
From $45,000,000 to $50,000,000	20
On excess over $50,000,000	10

"(c) Any moneys paid to the Secretary or the Secretary of the Navy under or in connection with a lease but held in escrow pending the determination of a controversy as to whether the lands on account of which such moneys are paid constitute part of the Outer Continental Shelf shall, to the extent that such lands are ultimately determined to constitute said part of the Outer Continental Shelf, be distributed—

"(1) in accordance with subsection (a) if paid before the date of the enactment of the Outer Continental Shelf Lands Act Amendments of 1974, and

"(2) in accordance with subsection (b) if paid on or after the date of the enactment of such amendments.".

(b) Nothing contained in this Act or in the amendments made by this Act shall be construed to alter, limit, or modify in any manner any right, claim, or interest of any State in any funds received before the date of the enactment of this Act and held in escrow pending the determination of any controversy as to whether the submerged lands on account of which such funds are received constitute a part of the Outer Continental Shelf.

(c) Nothing contained in this Act or in the amendments made by this Act shall be construed to alter, limit, or modify any claim of any State to any right, title, or interest in, or jurisdiction over, any submerged lands.

SEC. 3. The Outer Continental Shelf Lands Act is further amended by redesignating sections 15, 16, and 17 as sections 25, 26, and 27, respectively, and by inserting after section 14 the following new sections:

"SEC. 15. STUDY OF OUTER CONTINENTAL SHELF.—(a) Within one year following the date of enactment, the Secretary shall, in consultation with the Council on Environmental Quality, the Environmental Protection Agency, the National Oceanic and Atmospheric Administration, and other relevant Federal agencies, conduct a comprehensive study and collect all relevant data on areas of the Outer Continental Shelf potentially available for exploitation of oil and gas resources, but not yet leased pursuant to this Act. Such study shall include consideration of the following:

"(1) basic geological and geophysical data relating to the presence of oil or gas;

"(2) biological data on marine plant and animal life, sensitivity of all species to changes in the marine environment, and existing pollution conditions;

"(3) oceanographic and meteorological data, including waves, winds, currents, tides, water depth, topographical conditions, and probable behavior of oilspills from given points;

"(4) transportation data, including shipping, pipelines, and any other facilities; and

"(5) other resource use data, including commercial fishing, sports fishing, and boating.

"(b) In conjunction with this study, the Secretary shall consult with other agencies of the Federal Government, including the Department of Commerce and the Department of Defense, to determine other present or projected uses for Outer Continental Shelf areas, and shall cooperate with these agencies in developing use patterns which are not in conflict and which do not impede the production of oil and gas from these areas.

"(c) No leasing shall be conducted on any area of the Outer Continental Shelf until the study of that area required under this section has been completed.

"SEC. 16. DESIGNATION OF LEASING AREAS.—(a) On the basis of the study pursuant to section 15, the Secretary shall—

"(1) Designate priority development areas in the submerged lands of the Outer Continental Shelf, for purposes of leasing pursuant to this Act. These shall be areas in which there is determined to be the greatest potential for development of oil and gas resources and the least risk of environmental damage resulting therefrom.

"(2) Designate areas of critical environmental concern, in which leasing shall be prohibited due to risk of environmental damage, including damage to commercial and recreational activities.

"(b) Before designating any area as available for leasing pursuant to this Act, the Secretary shall—

"(1) make an evaluation of the oil and gas resources available in that area, and shall include in making such evaluation the following:

"(i) information which he directs to be gathered in surveys conducted by the Department of the Interior, using best available techniques, including seismic exploration and subsoil surveys;

"(ii) all data pertaining to that area held by State and local governments and other Federal Government agencies;

"(iii) all data pertaining to that area obtained by private companies under exploratory permits issued by the Department of the Interior: *Provided*, That the Secretary shall require submission, in complete and comprehensible form, of such information held by private companies at the time that an area is placed under consideration for leasing, and shall notify the companies to that effect: *Provided further*, That the Secretary shall have authority, for purposes of this subsection, to sign and issue subpenas for the production of relevant books, papers, charts, and other documents or materials, and, in case of refusal to obey a subpena served upon any person under the provisions of this subsection, the Secretary may request the Attorney General to seek the aid of the district court of the United States for any district in which such person is found to compel such person, after notice, to appear and produce documents before the Secretary: *Provided further*, That no private company shall be permitted to conduct further exploration or to bid for or hold a lease in the designated area unless it submits the requisite information to the Secretary;

"(2) make available to the public all information obtained under subsection (1): *Provided*, That, except as otherwise provided by law or by this Act, individual company data obtained under that subsection shall be kept confidential for a period of one year, except that such information may be disclosed to other persons empowered to carry out this Act solely for the purpose of carrying out this Act or when relevant in any proceeding under this Act;

"(3) hold public hearings in any coastal area where such leasing may have an environmental or commercial effect and provide an opportunity at such hearings for comments from State and local government officials, environmental groups, commercial interests, and other interested persons, on both the area to be designated and the terms of leases to be issued thereon, and make transcripts of such hearings available to the public; and

"(4) obtain the consent of the Governor or Governors of the State or States in which such coastal area or areas are located.

"SEC. 17. ADDITIONAL LEASING REQUIREMENTS.—(a) The Secretary shall make public at least sixty days prior to entering into any lease pursuant to this Act—

"(1) the terms of such lease; and

"(2) information which he has obtained under section 16(b)(1) with respect to oil and gas resources available in the area covered by such lease, in usable and summary form.

"(b) Bids for leases and supporting materials shall be made available to the public upon request.

"(c) The Secretary is authorized to include in any lease issued pursuant to this Act such special conditions as he determines necessary as a result of information obtained pursuant to section 16.

"(d) After consultation with State and local officials and other interested persons in the affected area, the Secretary may stipulate as a condition of entering into any lease that priority shall be given to meeting the needs of that area for oil and gas produced under such lease.

"(e) In order to obtain maximum feasible production of oil and gas from leases issued pursuant to this Act, the Secretary shall—

"(1) prior to entering into any new lease, set standards for drilling and production under that lease, including agreements on timetables and commitment of resources;

"(2) prior to renewing any existing lease, determine that oil and gas is being produced in paying quantities under that lease, or set standards for production within a stipulated period of time not to exceed two years: *Provided*, That failure to comply with these standards shall result in forfeiture of the lease at the end of that period of time;

"(3) conduct a survey and evaluation of the capacity of all wells currently classified as 'producing, shut-in' by the United States Geological Survey, and order production within one year if he determines that production from such a well is technically and geologically feasible and would not violate any environmental requirement imposed by law or regulation: *Provided*, That failure to comply with such order shall result in forfeiture by the lessee of acreage containing such well classified 'producing, shut-in'.".

"SEC. 18. PROMOTION OF COMPETITION.—(a) No lease shall be issued pursuant to this Act unless it has been determined by the Federal Trade Commission and the Department of Justice that issuance of such lease will not involve a violation of the antitrust laws. Such determination shall be made within thirty days after receipt of the request for a ruling. The Federal Trade Commission and the Department of Justice shall prepare a detailed memorandum giving the basis of the determination and shall make such memorandum available to interested parties upon request.

"(b) Within one hundred and eighty days after the date of enactment, the Secretary shall prepare and publish a report with recommendations for promoting competition and maximizing revenues from the leasing of Outer Continental Shelf lands, and shall include a plan for implementing recommended changes. Such report shall include consideration of the following—

"(1) royalty bidding system as compared to the bonus bidding system;

"(2) evaluation of alternative bidding systems not covered under present law;

"(3) measures to ease entry of new competitors; and

"(4) measures to increase supply to independent refiners and distributors.

"SEC. 19. AUTHORITY OF ADMINISTRATOR OF ENVIRONMENTAL PROTECTION AGENCY.—(a) The Administrator of the Environmental Protection Agency, in consultation with the Secretary of the Interior, is authorized to prescribe such regulations as he determines necessary for protection of the environment from operations conducted (including equipment used therein) under leases pursuant to this Act. Such regulations shall include—

"(1) requirements for the use of best available technology, including replacement of existing equipment where necessary;

"(2) provisions for inspections by the Administrator at any time to determine proper compliance with such regulations;

"(3) requirements that a thorough inspection be conducted by the Administrator semiannually;

"(4) provisions for inspections by officials of the State or States affected by operations under a particular lease; and

"(5) requirements for submission of a contingency plan to be implemented in the event of a discharge of oil.

"(b) (1) Any holder of a lease pursuant to this Act and any other person subject to any regulation issued under subsection (a) who fails or refuses to comply with the provisions of any such regulations shall be liable to a fine of not more than $5,000 for each such violation. Each day on which such violation occurs shall be a separate offense. The Administrator may assess and compromise such penalty. No penalty shall be assessed until the holder or other person charged shall have been given notice and an opportunity for a hearing on such charge. In determining the amount of the penalty, or the amount agreed upon on compromise, the gravity of the violation and the demonstrated good faith of the holder, or other person charged in attempting to achieve rapid compliance, after notification of a violation, shall be considered by the Administrator.

"(2) Willful noncompliance with the provisions of any regulations issued under subsection (a) by a holder of a lease pursuant to this Act or by any other person subject to any such regulation shall be considered a crime punishable by a term of no more than one year in prison.

"(c) In addition to the penalty provided in subsection (b), the Secretary may (1) suspend all or part of operations on any lease for violations of regulations prescribed pursuant to subsection (a), and (2) terminate any lease for repeated serious violations.

"SEC. 20. REQUIREMENTS FOR STATE DEVELOPMENT OF CERTAIN LANDS.—(a) In the interests of protecting the navigable waters of the United States no State shall authorize or provide in any way for any construction or development of any kind on or in any land beneath navigable waters, as defined in section 2(a)(2) of the Submerged Lands Act, until it has prepared a report including the following:

"(1) the environmental impact of the proposed action,

"(2) any adverse environmental effects which cannot be avoided should the proposal be implemented,

"(3) alternatives to the proposed action,

"(4) the relationship between local short-term uses of man's environment and the maintenance and enhancement of long-term productivity, and

"(5) any irreversible and irretrievable commitments of resources which would be involved in the proposed action should it be implemented.

Prior to making any such report, the responsible State official shall consult with and obtain the comments of the Secretary of the Interior, the Secretary of Commerce, the Administrator of the Environmental Protection Agency, and the Chairman of the Council on Environmental Quality with respect to any environmental impact involved. Copies of such report and the comments and views of the appropriate Federal, State, and local agencies, which are authorized to develop and enforce environmental standards, shall be made available to the President, the Council on Environmental Quality, and to the public as provided by section 552 of title 5, United States Code, and shall accompany the proposal through the State agency review processes.

"(b) Nothing in this section shall preclude or deny the right of any State or political subdivision thereof or interstate agency to adopt or enforce any standard, limitation, or standard of performance which is more stringent than any required under this Act.

"SEC. 21. LIABILITY.—(a) Notwithstanding the provisions of any other law, and except when the discharge was caused solely by an act of war, the owner or operator of any onshore or offshore facility (including, but not limited to, pipelines, terminals, platforms, and drilling rigs) or vessel engaged in the extraction, production, transportation, or storage of oil from the Outer Continental Shelf lands, in conjunction with the Outer Continental Shelf Lands Liability Fund established under this subsection, shall be strictly liable without regard to fault for all damages, including cleanup costs, sustained by any person or entity, public or private, as the result of discharges of oil from such facility or vessel. Damages shall include, but not be limited to, injury to persons; spoiling of beaches and coastal communities; destruction and injury of sea birds; fouling of boats, fishing gear, piers, and quays; damage to fish, shellfish, and larvae, including loss of income from harvesting of same; risk of fire in harbors and other enclosed waters; and loss of income from tourism.

"(b) Strict liability shall not be imposed under this subsection with respect to the claim of a damaged party if the damage was caused by the negligence of such party.

"(c) In any case where liability without fault is imposed pursuant to this subsection and the damages involved were caused by the negligence of a third party, the rules of subrogation shall apply in accordance with the law of the jurisdiction where the damage occurred.

"(d) Strict liability for all claims arising out of any one incident shall not exceed $100,000,000. If the total claims allowed exceed $100,000,000, they shall be reduced proportionately. The unpaid portion of any claim may be asserted and adjudicated under other applicable Federal or State law.

"(1) The owner or operator of a vessel shall be jointly and severally liable for the first $14,000,000 of such claims that are allowed, and financial responsibility for the $14,000,000 shall be demonstrated in accordance with the provisions of section 311(p) of the Federal Water Pollution Control Act, as amended (33 U.S.C. 1321(p)). The fund shall be liable for the balance of the claims that are allowed up to $100,000,000.

"(c) The Outer Continental Shelf Lands Liability Fund is hereby established as a nonprofit corporate entity that may sue and be sued in its own name. The fund shall be administered under regulations prescribed by the Secretary. The fund shall be subject to an annual audit by the Comptroller General, and a copy of the audit shall be submitted to the Congress.

"(f) There shall be collected from the owner of the oil as produced at the wellhead a fee of 5 cents per barrel. The collection shall cease when $100,000,000 has been accumulated in the fund, and it shall be resumed when the accumulation in the fund falls below $100,000,000. The owner of the oil shall be required to maintain a device suitable for measuring the amount of oil conveyed, for purposes of collecting this fee.

"(g) The collections under paragraph (f) shall be delivered to the fund. Costs of administration shall be paid from the money paid to the fund, and all sums not needed for administration and the satisfaction of claims shall be invested prudently in income-producing securities approved by the Secretary. Income from such securities shall be added to the principal of the fund.

"(h) This subsection shall not be interpreted to preempt the field of strict liability or to preclude any State from imposing additional requirements.

"SEC. 22. NATIONAL PETROLEUM RESERVE.—(a) The Secretary shall, on all lands leased pursuant to this Act, require the establishment and maintenance on a pro rata basis of reserve operating capacity which is able if necessary to produce within ninety days an amount of oil equal to one-fourth of the amount of crude oil imported into the United States during the calendar year 1972.

"(b) For the purpose of this section the Secretary shall—

"(1) require regular reports from each holder of a lease pursuant to this Act with respect to the quantities and location of oil reserves located on such lease and such reports shall be available for public inspection;

"(2) make necessary inspections of leased areas and facilities thereon to determine the accuracy of such reports and other necessary information; and

"(3) perform such drilling and other exploratory work in areas offered for lease as is necessary to determine oil resources available.

"SEC. 23. OUTER CONTINENTAL SHELF OPERATIONS ADVISORY BOARD.—(a) There is established in the Department of the Interior an Outer Continental Shelf Operations Advisory Board. The Board shall be composed of the Secretary or his designee, who shall be Chairman, and ten members appointed by the President, one from the Environmental Protection Agency and the others to represent appropriate State, interstate, and local government agencies in coastal areas, experts in the fields of operations in the Outer Continental Shelf, private industry involved in such operations and organizations or groups demonstrating an active interest in such operations and the environmental effects thereof.

"(b) The Board shall meet at the call of the Chairman or a majority of the members thereof. A majority of the members shall constitute a quorum for the purpose of establishing official positions of the Board.

"(c) The Board shall—

"(1) review the provisions of this Act and the regulations pursuant thereto;

"(2) monitor the enforcement of such provisions and regulations;

"(3) make recommendations to the Secretary for any necessary changes in such provisions or regulations; and

"(4) hold public hearings whenever and wherever appropriate in carrying out its functions.

The Secretary shall forward all such recommendations to the Congress, along with his recommendations with respect thereto, at least annually.

"(d) Members of the Board from Federal departments and agencies and from State and local governments shall receive no additional compensation for their services as members of the Board. Members of the Board selected from the private sector, while serving on business of the Board, shall receive compensation at rates fixed by the Secretary but not exceeding $100 per day, if service on the Board would result in loss of income which would otherwise be earned. All members of the Board, while serving away from their homes or regular places of business, may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently. The Secretary shall make available to the Board such office space and facilities, and such secretarial, clerical, technical, and other assistance and such information and data in his possession or under his control, as the Board may require to carry out its functions.

"SEC. 24. EXTENSION OF BOUNDARIES.—Within one year following the date of enactment, the President shall take appropriate action to delineate, adjudicate, and extend all boundaries for the purposes of this Act. This shall include procedures for settling any out-

standing boundary disputes, including international boundaries between the United States and Canada and between the United States and Mexico, and establishing boundaries between adjacent States, as directed in section 4 of this Act.".

AMENDMENT OF FREEDOM OF INFORMATION PROVISIONS OF TITLE 5, UNITED STATES CODE

SEC. 4. Section 552(b) of title 5 of the United States Code, is amended by inserting "or" after the semicolon at the end of clause (7), by striking out the semicolon and "or" at the end of clause (8) and inserting in lieu thereof a period, and by striking out clause (9).

By Mr. BUCKLEY:

S. 1188. A bill to amend title II of the Social Security Act to provide for annual increases in the amount which individuals may earn without suffering deductions from benefits on account of excess earnings, and in a series of steps to lower to age 65 the age after which deductions from benefits are no longer imposed on account of excess earnings. Referred to the Committee on Finance.

Mr. BUCKLEY. Mr. President, nearly all working Americans are now required to pay into the old age insurance fund established by the Social Security Act. This program was consciously designed as a contributory insurance program, not as a welfare program financed from general revenues. In justice, participating individuals should have the right to their full benefits when they reach age 65, as they have been led to believe by their Government, and they should be able to supplement this income if they are able to do so, without suffering any loss of benefits.

Yet, the earnings limitation of present law function as a "means test" for determining whether one can receive the full benefits to which he or she is entitled. An individual loses $1 of social security payments for every $2 earned over the limit of $2,250. An estimated 2 million elderly citizens and their families are effectively denied additional earned income by this provision.

This unfair situation is compounded by the fact that income from pensions, dividends, and interest are not counted in computing the earnings level. Thus, the burden of this provision falls most heavily on elderly lower income workers, as well as many middle-income citizens, who must continue working or seeking new jobs in order to supplement their social security benefits.

Furthermore, America needs many of the skills and the accumulated wisdom which our senior citizens possess. The present law discourages them from making these skills and this wisdom available to society. The legislation which I am introducing today would eliminate the injustices and disincentives created by the earnings limitation.

The bill I introduce today would phase out the earnings limitation over a 7-year period. It would raise the earnings limitation for elderly social security recipients by $300 a year every year, irrespective of cost-of-living increases, while at the same time progressively reducing the age at which there is no longer any earnings limitation from the present age of 72 to the age of 65 by 1082.

Thus, by 1982 an individual who elects to begin receiving reduced benefits at age 62 will be able to earn more than $4,300 in additional income without losing any of his social security payments, and a person who is 65 or older will no longer have any limitation on the additional income he can earn.

Such a gradual phasing out of the earnings limitation will soften the budgetary effects of its elimination. And since FICA taxes are paid on these additional wage earnings, the budgetary impact will be further reduced.

Mr. President, enactment of legislation such as this is long overdue, particularly in this age of severe inflation. I introduced essentially the same proposal in 1973. Other Members have introduced similar proposals before and since then. The time has come for the Congress to correct this injustice and to guarantee our senior citizens on social security the benefits and opportunities which are rightfully theirs.

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

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

S. 1188

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 203(f)(8)(A) of the Social Security Act is amended by adding at the end thereof the following new sentence: "If, by reason of the preceding sentence, the Secretary is not required to compute and publish in the Federal Register on or before November 1 of any calendar year, he shall nevertheless compute and publish in the Federal Register on or before November 1 of such year (if such November 1 occurs in 1975 or thereafter) a new exempt amount which shall be effective with respect to taxable years in like manner as if such new exempt amount had been computed under the preceding sentence by reason of the occurrance of a cost-of-living computation quarter giving rise to an increase in benefits effective with the preceding month of June."

(b) Section 203(f)(8)(B) of such Act is amended—

(1) in clause (i), by inserting "$300 plus" immediately after "(i)", and

(2) in clause (ii) by inserting "$300 plus" immediately after "(ii)".

(c) The amendments made by the preceding provisions of this section shall be effective in the case of determinations by the Secretary of Health, Education, and Welfare of exempt amounts under section 203(f)(8) during the calendar year 1975 and succeeding calendar years.

SEC. 2. (a) Subsections (c)(1) and (d)(1) of section 203 of the Social Security Act are each amended by striking out "the age of seventy-two" and inserting in lieu thereof "the exempt age (as defined in subsection (j))".

(b)(1) Subsection (f)(1) of section 203 of such Act is amended by striking out "in which such individual was age seventy-two or over" and inserting in lieu thereof "in or after the month in which such individual attains the exempt age (as defined in subsection (j))".

(2) Subsection (f)(3) of section 203 of such Act is amended by striking out "age 72" and inserting in lieu thereof "the exempt age (as defined in subsection (j))".

(c) Subsection (h)(1)(A) of section 203 of such Act is amended—

(1) by striking out "the age of 72" and inserting in lieu thereof "the exempt age (as defined in subsection (j))", and

(2) by striking out "age 72" and inserting in lieu thereof "the exempt age (as defined in subsection (j))".

(d) Section 203 of such Act is further amended by striking out subsection (j) thereof (including the heading to such subsection) and inserting in lieu thereof the following new subsection:

"ATTAINMENT OF EXEMPT AGE

"(j) For purposes of this section—

"(1) the term 'exempt age' means (A) with respect to months after December 1975 and prior to January 1978, age 70, (B) with respect to months after December 1977 and prior to January 1980, age 68, (C) with respect to months after December 1979 and prior to January 1982, age 66, and with respect to months after December 1981, age 65; and

"(2) an individual shall be considered to have been of exempt age during the entire month in which he attains such age."

(e) The amendments made by the preceding provisions of this section shall be effective with respect to months after December 1975 and taxable years in which any month after December 1975 is included.

By Mr. JAVITS:

S.J. Res. 56. A joint resolution to authorize and request the President to proclaim April 6, 1975, as a day of observance of the 30th anniversary of the liberation of the survivors of the holocaust. Referred to the Committee on the Judiciary.

30TH ANNIVERSARY OF THE LIBERATION OF BUCHENWALD

Mr. JAVITS. Mr. President, I introduce a joint resolution to proclaim April 6 as a day of observance to mark the 30th anniversary of the liberation of the survivors of the Nazi concentration camps. It was on April 6 in 1945 that Allied soldiers liberated the survivors of Buchenwald exposing to the world the shameful genocide perpetrated against the Jews of Europe by the Third Reich.

Today we mourn the 6 million Jews exterminated in the death camps and consecrate our thoughts to those who survived the holocaust. As displaced persons, a great many of the survivors found their way to Palestine to try to forget the horrors of the past and to live in dignity in their Jewish homeland. Yet 30 years later those survivors living are still in grave danger threatened by renewed war and by terror. Some who lost their parents in Buchenwald have lost their children in Ma'alot at the hands of Arab terrorists.

We must condemn all atrocities equally vigorously, as we commemorate the liberation of the survivors of the Nazi holocaust.

By Mr. BARTLETT (for himself and Mr. BELLMON):

S.J. Res. 59. A joint resolution authorizing the President to invite the States of the Union and foreign nations to participate in the International Petroleum Exposition to be held at Tulsa, Okla., from May 16, 1976, through May 22, 1976. Referred to the Committee on Commerce.

Mr. BARTLETT. Mr. President, today, Senator BELLMON and I are introducing a resolution authorizing the President

of the United States to invite the States of the Union and foreign nations to participate in the International Petroleum Exposition to be held in Tulsa, Okla., in May of 1976.

The IPE is held every 5 years in Tulsa and is for the purpose of exhibiting machinery, equipment, supplies, and other products used in the production of oil and gas. It is the largest such exhibition in the world. In addition, it brings together buyers and sellers of these products and promotes foreign and domestic trade and commerce.

The exposition affords the United States the opportunity to display to other countries of the world our advances in petroleum development and technology. These countries have been most receptive to the exposition and a large attendance has made it a consistent success.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 2

At the request of Mr. PROXMIRE, the Senator from Nebraska (Mr. HRUSKA) was added as a cosponsor of S. 2, a bill to amend the Communications Act of 1934 in order to recognize and confirm the applicability of and to strengthen and further the objectives of the first amendment to radio and television broadcasting stations.

S. 5

At the request of Mr. CHILES, the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of S. 5, the Federal Government in the Sunshine Act.

S. 548—WITHDRAWAL

•At his own request, the Senator from Louisiana (Mr. JOHNSTON) was withdrawn as a cosponsor of S. 548, a bill to amend the Federal Food, Drug, and Cosmetics Act to include a definition of food supplements, and for other purposes.

S. 697

At the request of Mr. HUMPHREY, the Senator from Massachusetts (Mr. KENNEDY) was added as a cosponsor of S. 697, to improve agricultural yields in the production of soybeans through the establishment of a Soybean Research Institute jointly supported by the United States and the People's Republic of China.

S. 755

At the request of Mr. HANSEN, the Senator from Indiana (Mr. HARTKE) was added as a cosponsor of S. 755, the postal supervisors bill.

S. 772

At the request of Mr. TALMADGE, the Senator from Montana (Mr. MANSFIELD) was added as a cosponsor of S. 772, the Beef Research and Consumer Information Act.

S. 775

At the request of Mr. CHILES, the Senator from Tennessee (Mr. BAKER) and the Senator from Nevada (Mr. LAXALT) were added as cosponsors of S. 775, a bill to limit the categories of questions which may be asked in decennial censuses.

S. 824

At the request of Mr. JAVITS, the Senator from Vermont (Mr. STAFFORD) was added as a cosponsor of S. 824, the Japan-United States Friendship Act.

S. 969

At the request of Mr. HARTKE, the Senator from California (Mr. TUNNEY) was added as cosponsor of S. 969, a bill to amend chapter 34 of title 38, United States Code, to extend the basic educational assistance eligibility for veterans under chapter 34 and for certain dependents under chapter 35 from 36 to 45 months.

S. 978

At the request of Mr. ROBERT C. BYRD, the Senator from Tennessee (Mr. BROCK) was added as a cosponsor of S. 978, a bill to authorize the financing of parkways from the Highway Trust Fund, and for other purposes.

S. 1009

At the request of Mr. STONE, the Senator from South Dakota (Mr. McGOVERN) was added as a cosponsor of the bill (S. 1009) to amend title 13 of the United States Code to require the compilation of current data on total population between censuses and to require the use of such current data in the administration of Federal laws in which population is a factor.

S. 1170

Mr. HUMPHREY. Mr. President, yesterday I introduced S. 1170, a bill to amend the Arms Control and Disarmament Act. It had been my intention to introduce this legislation with the distinguished Senator from Wisconsin (Mr. NELSON). Through inadvertence, his name was left off of the bill. I now ask that he be added as an original cosponsor. I regret this error.

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

SENATE JOINT RESOLUTION 39

At the request of Mr. DOLE, the Senator from South Dakota (Mr. ABOUREZK) and the Senator from Minnesota (Mr. HUMPHREY) were added as cosponsors of Senate Joint Resolution 39, to designate the week of March 17–23, 1975, as "National Lead Poisoning Prevention Week."

SENATE JOINT RESOLUTION 54

At the request of Mr. CLARK, the Senator from Maryland (Mr. MATHIAS) and the Senator from Massachusetts (Mr. BROOKE) were added as cosponsors of Senate Joint Resolution 54, designating National Food Day.

SENATE CONCURRENT RESOLUTION 5

At the request of Mr. DOLE, the Senator from New York (Mr. BUCKLEY) was added as a cosponsor of Senate Concurrent Resolution 5, to urge the President to establish a Council on the Missing in Action.

SENATE RESOLUTION 9

At the request of Mr. CHILES, the Senator from Connecticut (Mr. RIBICOFF) and the Senator from North Carolina (Mr. HELMS) were added as cosponsors of Senate Resolution 9, amending the rules of the Senate relating to committee meetings.

SENATE RESOLUTION 12

At the request of Mr. CHILES, the Senator from Connecticut (Mr. RIBICOFF) and the Senator from North Carolina (Mr. HELMS) were added as cosponsors of Senate Resolution 12, amending the Standing Rules of the Senate providing for open meetings of conference committees.

SENATE RESOLUTION 112—SUBMISSION TO REFER A BILL TO THE COURT OF CLAIMS

(Referred to the Committee on the Judiciary.)

Mr. TOWER (for himself and Mr. BENTSEN) submitted the following resolution:

S. RES. 112

Resolved, That bill (S. 1175) entitled "A bill for the relief of Carla K. Finch", now pending in the Senate, together with all the accompanying papers, is referred to the Chief Commissioner of the United States Court of Claims; and the Chief Commissioner shall proceed with such bill in accordance with the provisions of sections 1492 and 2509 of title 28, United States Code, and report thereon to the Senate, at the earliest practical date, giving such findings of fact and conclusions thereon as will be sufficient to inform the Congress of the nature and character of the demand as a claim, legal or equitable, against the United States, or as a gratuity, and the amount, if any, legally or equitably due from the United States to the claimant.

SENATE RESOLUTION 113—SUBMISSION OF A RESOLUTION CONCERNING ABUSES IN NURSING HOMES

(Referred to the Committee on Labor and Public Welfare.)

Mr. CHURCH (for himself, Mr. Moss, Mr. WILLIAMS, Mr. RANDOLPH, Mr. MUSKIE, Mr. KENNEDY, Mr. MONDALE, Mr. HARTKE, Mr. PELL, Mr. EAGLETON, Mr. TUNNEY, Mr. CHILES, Mr. CLARK, Mr. FONG, Mr. HANSEN, Mr. BROOKE, Mr. PERCY, Mr. STAFFORD, Mr. BEALL, Mr. DOMENICI, Mr. BROCK, and Mr. BARTLETT) submitted the following resolution:

S. RES. 113

Whereas, total nursing home revenues for this year reached $7.5 billion of which more than 50 percent is public money;

Whereas, the Subcommittee on Long-Term Care and the U.S. Senate Committee on Aging are issuing a 12-volume report and have concluded on the basis of a 5-year study, that 50 percent of the nursing homes in the United States are substandard with one or more life threatening conditions;

Whereas, the New York Times and other media have brought to light major scandals in that State's nursing homes, which are now receiving the attention of 13 or more investigative agencies;

Whereas, investigations of nursing homes are underway in a great many other States, including New Jersey, Connecticut, Michigan, California; and Attorneys-General from 8 States have contacted the Subcommittee for information and advice;

Whereas, the U.S. General Accounting Office has uncovered widespread Medicaid fraud in the State of Illinois;

Whereas, Federal grand juries are at work in New York and possibly elsewhere;

Whereas, the Securities and Exchange Commission, the Internal Revenue Service and the Federal Trade Commission are investigating nursing homes;

Whereas, the primary responsibility for regulation lies with the Department of Health, Education, and Welfare;

Whereas, no information exchange or clearing house has been established at the Federal level to coordinate these State and Federal investigations;

Whereas, it would be virtually impossible for any single agency to fulfill this function; and

Whereas, an innovative approach is needed to foster quality of care, while at the same time dealing with violations and shortcomings: Now, therefore, be it

Resolved, That—

(a) it is the sense of the Senate that the President submit to the Congress an action plan which would provide a suitable multiagency plan for (1) maintaining close watch over State and Federal investigations and actions related to nursing home abuses, (2) reporting to local, State, and Federal law enforcement and health care officials on possible linkages between scandals or problems in or among the State or localities, and (3) dealing not only with criminal violations or policy failures, but also for developing better care and cost controls consistent with incentives for continuing good care; and

(b) once the action plan (described in paragraph (a)) is implemented, the multiagency task force shall report to the Congress regularly on its progress and shall continue such reports until the Congress is satisfied that the multi-agency efforts can be terminated.

Mr. CHURCH. Mr. President, I introduce for appropriate reference a Senate resolution to call upon the President to submit a suitable multiagency plan for maintaining close watch over State and Federal investigations and actions related to nursing home abuses.

This resolution has been prepared in consultation with Senator FRANK MOSS, chairman of the Subcommittee on Long-Term Care for the Senate Committee on Aging. Senator Moss has been in the forefront of congressional efforts to provide quality care for chronic illnesses of the elderly for more than a decade. Today's resolution springs directly from the investigation he is now conducting in regard to reports of widespread irregularities and questionable practices in New York. He is joining me in introducing this resolution, while in the House of Representatives, a companion bill is being introduced by Representative EDWARD KOCH, who has played such a vigorous role in challenging alleged profiteering and poor care in nursing homes under the New York medicaid program.

In addition, the Senate resolution being introduced by Senator Moss and by me is cosponsored by every member of the Senate Committee on Aging.

In recent months the Subcommittee on Long-Term Care has issued an introductory report and three supporting papers which have documented striking failures in public policy concerning nursing home care for nearly 1 million older Americans.

These publications have also provided very disturbing evidence about numerous examples of abuses—financial, personal, and others.

Throughout our Nation, Federal, State, and local authorities are now conducting major investigations into alleged wrongdoings.

By way of example, the Securities and Exchange Commission, the Internal Revenue Service, and the Federal Trade Commission are investigating nursing homes.

Responsibility for developing regulations for enforcement and standards of care is within the Department of Health, Education, and Welfare.

There is, however, very little effective coordination and communication among these agencies.

And, it is this problem that our resolution is designed to deal with. It would require the President to establish a multiagency task force—composed of representatives from Federal agencies with a direct interest in issues relating to long-term care—to keep the Congress and law enforcement officials informed about investigations relating to nursing home abuses. The resolution also calls upon the President to prepare an action plan for responding to criminal or policy violations. Moreover, the administration would develop proposals for providing improved care and appropriate cost controls, but consistent with maintaining quality care.

The reasons for taking this approach, it seems to me, are compelling.

First, the executive branch is well equipped from a personnel standpoint to undertake this mission. In fact, several agencies are already performing the functions outlined in my resolution.

What is needed, though, is a coordinated approach with an appropriate sense of direction. And the President is ideally situated to provide leadership for implementing these two objectives.

Second, these efforts can help to eliminate unnecessary duplication and overlap of functions.

Third, this resolution would give the administration sufficient flexibility to determine what organizational approach would be administratively feasible and workable. A statutory enactment, on the other hand, could conceivably hamstring the executive agencies by restricting their latitude and freedom of movement.

Finally, the need for a comprehensive and coordinated action plan is absolutely essential for coming to grips with the many serious problems confronting nursing home patients.

For these reasons, I urge the adoption of this resolution.

Mr. TUNNEY. Mr. President, I am pleased today to join my colleagues in cosponsoring a resolution to ameliorate abuses in nursing homes. The establishment of a coordinated Federal effort hopefully will reduce the affliction of thousands of senior citizens.

We are all shocked at horror stories of mistreatment and neglect revealed at hearings of the Senate Special Committee on Aging. Additionally, the Los Angeles Times reports the mysterious deaths of a number of senior citizens in Los Angeles County nursing homes. Numerous cities are now engaged in investigations of the nursing homes in their vicinity.

This resolution proposes the first federally coordinated effort to stem policy failures and to develop better care and cost controls of the industry. The President is mandated to develop an action plan to insure the cooperation of HEW, Justice, IRS, SEC and FTC in maintaining close watch over State and Federal investigations and actions related to nursing home abuses and in coordinating diverse State and local efforts.

All of these Federal agencies must get involved. Over 1 million senior citizens are now living in nursing homes. More than half of the $7.5 billion bill for nursing home care is being paid by Federal and State governments through medicare and medicaid funds. Despite the growing number of people in such facilities, and despite the tremendous Federal subsidy for their care, satisfactory institutional care or alternatives to institutional care in many cases have not been provided. In fact, the majority of those in nursing homes, as well as those faced with the prospect of such extended care, often suffer severe psychological distress because of the dread associated with nursing homes in the United States today.

Through the implementation of this Federal action plan to draw on local initiatives and investigations, I am hopeful that solutions will be found to the eight major problem areas isolated by the special committee as blighting the typical nursing home:

First. Poor food: Items in need of refrigeration are left in the open for hours. The food is old, and most meat reaches the staff's tables and not those of the patients. Meals are served from dirty trays, encrusted with the debris of previous meals. The weekly menu which the inspector sees rarely resembles the foodstuffs the patients receive.

Second. Unsanitary conditions: Reports abound of filth, disease-causing conditions including overflowing laundry rooms, urine-soaked bathrooms, patients left to sit in their own fecal wastes.

Third. Negligence: Many patients are left, unattended, unable to feed themselves or care for themselves. Unable to travel to a bathroom, a patient may be catheterized for the convenience of the staff.

Fourth. Hazards: Poor construction, cluttered conditions add to fire danger and confine movement of nonambulatory and wheelchair patients. Many fire-escape doors are locked from the outside, providing no exit during emergencies. Practice fire drills are rarely conducted.

Fifth. Inadequate medical care: Some doctors have been known to check on their nursing home patients by telephone, ordering medication without ever seeing them. Some patients go months without medical, dental, or other necessary care.

Sixth. Misappropriation and theft: Patients' pocket money, social security checks, and other valuables are "ripped

off." It is not uncommon for a patient to endorse a check and to never see the funds which he has turned over.

Seventh. Profiteering: Under certain State-approved financing schemes, providers are encouraged to claim to have upgraded services in order to receive higher rates, while no certification which verifies such upgrading occurs.

Eighth. Inadequate control of drugs: Dangerous drugs are not kept under lock and key as prescribed by law. Patients are frequently sedated into a semistupor to be kept "out of the hair" of the staff. Prescriptions for deceased patients are filled and used for those surviving.

Too many of these problems have come about because, until now, many of them were invisible, not even detected at either the State or Federal level. The resolution being introduced today will insure, once and for all that nursing homes will come under intensive public scrutiny, and that a coordinated Federal assault will be made on the horrors that now prevail in some nursing homes.

SENATE RESOLUTION 114—SUBMISSION OF A RESOLUTION RELATING TO A LOAN BY THE U.S. RAILWAY ASSOCIATION TO THE CHICAGO, ROCK ISLAND AND PACIFIC RAILROAD

(Referred to the Committee on Commerce.)

Mr. DOLE submitted the following resolution:

S. RES. 114

Whereas, the Chicago, Rock Island and Pacific Railroad provides essential services to important industries of 13 Midwestern States;

Whereas, the disruption of those services would have a significant impact on the economic and employment situations in those States;

Whereas, it is in the best interests of those affected to provide for a continuation of such services in the most efficient and least expensive manner possible;

Whereas, various legislative proposals have been introduced which would address the need for an overall long-range solution to the problems of this and other of our nation's railroads;

Whereas, the Rock Island is under new management and has been extended no previous government financial aid; and

Whereas, one-time loan assistance is deemed to be a fair, reasonable, and preferred immediate alternative for insuring the operational stability of the Rock Island as a private entity until such time as it may complete its own, more permanent consolidation, or as Congress may develop a comprehensive reorganization plan which includes that system: Now, therefore, be it

Resolved, That it is the sense of the Senate that the United States Railway Association should make a loan in an amount not to exceed $30,000,000 to the Chicago, Rock Island and Pacific Railroad pursuant to the provisions of section 211 of the Regional Rail Reorganization Act of 1973.

Mr. DOLE. Mr. President, I think all of us here are aware of the impending financial crisis with the Rock Island Railroad. Moreover, we have only recently completed a discussion of the plight of our Nation's rail lines generally, directly addressing the immediate needs of the Northeast system.

As one of the connecting lines to that network, the Rock Island is, under existing law, eligible for financial assistance to avoid reorganization procedures under section 77 of the Bankruptcy Act. Such eligibility is specifically provided in section 211 of the Regional Rail Reorganization Act of 1973.

There are three prerequisites which must be met before a loan can be made by the Railway Association Board. That is, they must find that: First, the money is necessary to prevent insolvency; second, the business affairs of the recipient line will be conducted in a reasonable and prudent manner; and third, the railroad has offered such security as is deemed necessary to reasonably protect the interests of the United States.

That is what the law says, and naturally, we could not expect the USRA to make any commitment which would be contrary to that law. In the case of Rock Island, it should be pointed out that the board has had no particular problem with the first two stipulations, and that it is only the railoard's "ability to repay" which has been at issue—giving rise to the initial denial.

What I am seeking to do with this resolution is to place emphasis on the word "reasonably" as it pertains to protection of Government interests. It just seems to me, that is, that that term contemplates some degree of flexibility, and that in the case of Rock Island, the USRA Board should extend the benefit of the doubt that is apparently present—and approve the loan request on reconsideration.

Coming on the heels of a somewhat controversial authorization to the Penn Central conglomerate in excess of 10 times the amount being sought by Rock Island, I fully expect my colleagues to question my motivations here and remind me that I was one of the 30 Senators who voted against that aid measure.

For that reason, I want to make it clear that I do not consider this gesture inconsistant with my previous stand, and would in fact, vote against any similar proposal made for Rock Island's benefit.

However, there are certain things about this resolution and the entire Rock Island situation that make it distinguishable in my mind—and prompt me to support their receipt of assistance.

First and foremost, this resolution does not have the effect of special legislation. It is not an authorization; it is not an appropriation; and it is not a grant or guarantee or any other type action involving a giveaway of taxpayers' money. In fact, such a measure would be neither necessary nor appropriate since the law already provides for the type of loan in question.

All we would be doing by agreeing to this resolution is saying to the Railway Association Board, which I understand is meeting tomorrow evening to finally decide this matter:

We, the Senate, recognize the difficulties facing Rock Island, and believe that the situation merits your approving their loan application if you can find—not absolutely, but within the margins of reasonable doubt—that they can, with this money, improve their operating position to the point of becoming self-sustaining, as their management submits.

There are some points in Rock Island's favor which I think deserve mention here, and which I would hope the USRA has been considering in its deliberation on the loan question. These are, principally, that Rock Island has not come to us asking to be "bailed out" before; they have also seen their problem coming for a long time, and have attempted to cope with it through a merger with the Union Pacific; and their new management has not really had a chance to get their feet on the ground.

To elaborate on these—this is the first time—although it began last fall—that Rock Island has sought financial assistance. Moreover, they have been frustrated in their consolidation efforts for over 10 years. And finally, they should be given a chance to "make it" on their own until the merger they have been seeking can be consummated.

In short, I am not suggesting that the USRA should necessarily disregard its findings with respect to the Rock Island's ability to repay, but that they should give every consideration to the whole intent of the legislation which provides the loan authority: that of assuring the continuation of essential services provided by the qualified railroads.

I have heard the arguments about parallel lines, duplication of services, overcompetition, and the general lack of need for the routes operated by the Rock Island. But that logic somehow does not get through to the Kansas wheat farmer who is concerned about the prospect of trucking his product an extra 50 miles to an alternate railhead.

I have stood back and winced as we have poured dollar after dollar—hundreds of millions, in fact—into the Northeast lines, and am just saying now that the Rock Island means every bit as much to the State of Kansas as Penn Central does to one of our New England States. Regardless of my basic attitude about "coming to the rescue" of corporations on the verge of bankruptcy, therefore, if serving the "public good" is supposed to be a justification for the law which provides the loan authority, I want to make certain that the Midwest is given fair and equal treatment when it comes to decisions on where the money goes.

Mr. President, again I want to stress that this resolution does not represent an appeal for preferential treatment or a special handout to a faltering railroad. It only urges reasonable consideration of the merits of an application for a loan, not to exceed $30 million, to be awarded pursuant to existing statutory authority—and with the firm intention that it be ultimately paid off.

In my opinion, if this "one-shot" deal succeeds in sustaining the Rock Island on an interim basis until it can achieve permanent operational stability—through provisional merger, reorganization, or whatever—then it will have been a good investment in our transportation system. If an exttnsion of credit

turns out to be just that, and is in fact repaid—with the result that nationalization of an industry will have been avoided, then it will have been a worthy investment in the preservation of the free enterprise system.

SENATE CONCURRENT RESOLUTION 25—SUBMISSION OF A CONCURRENT RESOLUTION REGARDING DELIVERY OF OIL AND NATURAL GAS FROM ALASKA

(Referred to the Committee on Interior and Insular Affairs.)

Mr. BAYH. Mr. President, I am today introducing for myself and the distinguished minority whip, Mr. GRIFFIN, a concurrent resolution regarding the delivery of oil and natural gas from Alaska to the contiguous 48 States.

The purpose of the resolution is to secure for the Congress greatly needed information regarding administration plans for oil and natural gas delivery systems which will have to supplement the oil pipeline now under construction in Alaska if planned development of all oil and natural gas sources in Alaska and Naval Petroleum Reserve No. 4 are to go forward.

We cannot overstate, Mr. President, the importance of oil and natural gas in Alaska and Pet-4 to our national goal of reducing our dependency on foreign energy supplies.

It is estimated that recoverable oil reserves on the North Slope of Alaska amount to at least 10 billion barrels, with projections that that estimate can be revised upward significantly once large-scale production is actually begun. Delivery of 2 million barrels of that oil per day by 1980 means that the North Slope alone should be able to provide at least 10 percent of projected domestic oil consumption at that time.

Estimated reserves in Pet-4 are presumed to be at least as extensive as those on the North Slope. While more precise estimates will also have to wait until production is actually begun, we can readily see that the combination of oil reserves on the North Slope and in Pet-4 constitute a vital step in our progress down the path toward energy dependence.

Gas reserves on the North Slope are estimated to be in excess of 26 trillion cubic feet, which means that as much as 10 percent of all our known domestic gas reserves could be on the North Slope.

While this amply demonstrates the importance of these reserves, Mr. President, it does not answer a host of questions which have been and are being raised about the means by which these energy resources will be delivered to American industry and consumers.

Obviously, we do know that the North Slope oil is scheduled to be shipped via the trans-Alaskan pipeline now under construction.

But how many people have recognized that meeting the planned delivery schedules for North Slope oil via that pipeline depends on providing a delivery system without extensive delay, for North Slope natural gas?

The fact is that while gas produced with the oil can be reinjected into the ground at the outset of production, this technique cannot be used indefinitely without disrupting efficient production of the oil. In other words, unless a decision is reached on the delivery system for the natural gas in ample time to permit construction of that delivery system so that gas production may be coordinated with oil production, there is a real danger that the capacity of the Alaskan oil line will be underutilized in the early 1980's—at the very point when we will most need North Slope oil.

Thus it is clear that meeting production schedules for North Slope oil depends on a decision and commitment to construct a delivery system for the North Slope natural gas.

The question of how best to deliver North Slope gas to the contiguous 48 States is now before the Federal Power Commission and the Department of the Interior. But it is a question which will likely be brought before the Congress, as was the decision on the delivery system for the oil.

I favor the proposal by a consortium of pipeline companies to bring that gas to the contiguous 48 States via Canada with equitable distribution to all regions of the country at the least cost. That proposed pipeline would also enable Canada to deliver some of its gas in the northern part of its country to its own markets.

I must emphasize, Mr. President, that sharing the gas pipeline capacity is in the best interests of both countries, as it saves on duplicative construction costs and enables Canada and the United States to concurrently develop their own energy resources for their own countries.

While such a pipeline would be mutually beneficial, its construction would require some formalized understanding between our two countries, assuring each country of the unimpeded delivery of its own energy supplies to its own citizens. Such an agreement could also cover existing oil and gas delivery systems by which Canadian energy supplies cross the United States en route to Canadian markets.

While I am convinced a natural gas delivery system through Canada's MacKenzie River Valley is the most economical and most equitable way to bring U.S. gas to U.S. markets, we must recognize that there is a competing proposal. That proposed route would bring the gas to southern Alaska in a pipeline paralleling the oil line already under construction. At that point the gas would be liquified for tanker shipment to the west coast, where it would be converted back into gas for eventual consumption. This plan not only would mean higher prices to American industry and consumers, it would also aggravate the regional imbalance in overall domestic resources created by the earlier decision to build the trans-Alaska oil line with tanker shipment of the oil to the west coast.

Almost as important as making the correct decision on how to deliver the natural gas from Alaska, is the question of when and how that decision will be made. It has been estimated that if the entire regulatory process is followed, and all judicial appeals used, that the decision might not be reached for up to 10 years. I hope that estimate is wrong; a decade of delay is unacceptable. But we must recognize that significant delay is possible and the Congress may have to step in and help make that decision.

An entire new set of questions have been posed recently in a closely related issue, with the President's announced intention of producing up to 2 million barrels of oil a day from Pet-4 within the next decade. The President made no mention of what consideration has been given to delivering that oil to the contiguous 48 States. There are several possibilities:

Since this is offshore production, delivery could be entirely by tanker fleet if technological and cost problems could be solved. But that would mean delivering all of this oil to the west coast, doubling the supply generated by the North Slope and doing nothing for those parts of the country east of the Rockies that were discriminated against in the original decision to build the trans-Alaska pipeline.

In a similar vein, the Pet-4 production could be piped onshore and then transported by pipeline to southern Alaska, paralleling the route of the line under construction with subsequent tanker shipment. This, too, aggravates the supply imbalance.

The third possibility makes the most sense—construction of a trans-Canadian oil pipeline to carry oil from the North Slope and/or Pet-4, with the trans-Aiaska pipeline still operating to capacity with its own mix of North Slope and Pet-4 production. This approach, Mr. President, would be in the national interest since it would bring U.S. oil to those parts of the country—the Midwest and East—that are most dependent on foreign energy sources.

It is in recognition of the foregoing issues surrounding the delivery of natural gas from the North Slope, and the potential need for a second oil pipeline, that the Senate adopted title III of Public Law 93–153, the act that authorized construction of the trans-Alaska oil pipeline. That title requested the President to begin negotiations with Canada on the possibility of building a natural gas and/or oil pipeline through Canada. It also directed the Secretary of the Interior to study the feasibility of such lines.

In both instances reports were to be provided to the Senate and House Committees on Interior and Insular Affairs. The President was to report on all aspects of the negotiations with Canada and the Secretary of the Interior was to file periodic reports on his study, with a final report due from the Secretary 2 years after the enactment of Public Law 93–153 in November of 1973.

It is now almost 16 months since that law was signed and no reports, from either the President or the Secretary, have been received.

The sad fact, Mr. President, is that despite all the talk about dealing with our domestic energy requirements and

reducing our costly and dangerous reliance on foreign oil, the administration has failed to comply with a specific mandate to advise the Congress on the issues regarding delivery systems for Alaskan oil and gas, itself a key to our national energy goals.

In order to focus appropriate attention on the very important questions which must be resolved if we are to make maximum efficient use of domestic energy resources in Alaska and Pet-4, the Senator from Michigan (Mr. GRIFFIN) and I are introducing this concurrent resolution which requests the administration to report to the Congress within 90 days on:

First. The status of negotiations with the Government of Canada pursuant to title III of Public Law 93–153;

Second. The alternatives under consideration for the delivery of oil from Naval Petroleum Reserve No. 4 to the contiguous 48 States;

Third. Estimates of when a decision must be reached on the system for delivering natural gas from Alaska in order to assure completion of that system in time to prevent any delay in achieving the maximum efficient rate of oil production on Alaska's North Slope;

Fourth. The nature of agreements which must be reached with the Government of Canada to guarantee the unimpeded shipment of oil and natural gas through our respective countries; and

Fifth. Any recommendations for legislation to permit the earliest, responsible use of all the Nation's energy reserves in Alaska and in Naval Petroleum Reserve No. 4, with due attention to necessary delivery systems of oil and natural gas.

It is only with timely and adequate information that the Congress can properly fulfill its responsibilities in dealing with our national energy requirements. The absence of such information in regards to the situation on natural gas and oil from Alaska and Pet-4 is impeding our effectiveness in guaranteeing that those energy supplies are available to the American people at the proper time on an equitable basis.

This resolution is designed to elicit the necessary information so that we might, in turn, explore those areas in which legislation may be appropriate to facilitate the national goal of reducing our dependency on foreign energy sources. Solving our energy problems requires an effective partnership between the executive and legislative branches. We regard this resolution as a constructive step in that partnership.

Mr. President, I request unanimous consent to include the full text of the resolution in the RECORD at this point.

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

S. CON. RES. 25

Whereas the President and others have advocated early production of as much as two million barrels of oil a day from Naval Petroleum Reserve Number 4, and

Whereas the pipeline under construction for the delivery of oil from the North Slope of Alaska to Valdez could not accommodate the additional production in Naval Petroleum Reserve Number 4, and

Whereas it is consistent with sound national energy policy to equitably distribute domestic energy reserves, and

Whereas such equitable distribution of oil from Alaska can best be achieved by building any new delivery system via Canada to points in the contiguous 48 states which will not be served by the oil shipped from Valdez to the West Coast, and

Whereas alternative proposals have been submitted for the delivery of natural gas from Alaska to the contiguous 48 states, and

Whereas the proposed natural gas delivery system that will serve the greatest number of Americans would be built via Canada, and

Whereas title III of Public Law 93–153 requested the President of the United States to enter negotiations with the Government of Canada on these and related issues, and

Whereas discussions with Canada have been held pursuant to Public Law 93–153, but no official report has been provided to the Congress despite provisions of the law that such reports should be made to the Senate and House Committees on Interior and Insular Affairs, and

Whereas Public Law 93–153 further directed the Secretary of the Interior "to investigate the feasibility of one or more oil or gas pipelines from the North Slope of Alaska to connect with a pipeline through Canada that will deliver oil or gas to United States markets" and to provide periodic reports to the Senate and House Committees on Interior and Insular Affairs with a final report to be submitted by November 16, 1975, and

Whereas no such reports have been submitted, and

Whereas early resolution of these issues is essential to the national goal of reducing our dependency on foreign sources of energy.

Resolved by the Senate (the House of Representatives concurring), That the Congress of the United States hereby requests the President of the United States to supply the Congress with a comprehensive report, within 90 days of the enactment of this resolution, to include:

(1) The status of negotiations with the Government of Canada pursuant to title III of Public Law 93–153;

(2) The alternatives under consideration for the delivery of oil from Naval Petroleum Reserve Number 4 to the contiguous 48 States;

(3) Estimates of when a decision must be reached on the system for delivering natural gas from Alaska in order to assure completion of that system in time to prevent any delay in achieving the maximum efficient rate of oil production on Alaska's North Slope;

(4) The nature of agreements which must be reached with the Government of Canada to guarantee the unimpeded shipment of oil and natural gas through our respective countries; and

(5) Any recommendations for legislation to permit the earliest, responsible use of all the Nation's energy reserves in Alaska and in Naval Petroleum Reserve Number 4, with due attention to necessary delivery systems of oil and natural gas.

TRANS-CANADA GAS PIPELINE

Mr. GRIFFIN. Mr. President, along with the Senator from Indiana (Mr. BAYH), I have today cosponsored a resolution, the objective of which is to speed up efforts to bring natural gas and additional oil supplies from Alaska to the lower 48 States.

My support for the trans-Alaska oil pipeline was based, not only on the need to get the oil to market as fast as possible, but also to expedite efforts to bring natural gas from the North Slope to the Midwest and other parts of the country. As I stated in a speech before the Senate on November 13, 1973:

The quickest means of initiating natural gas production from the North Slope is to begin construction of the trans-Alaska oil pipeline.

In March 1974, the Senator from Indiana and I, along with 23 of our colleagues, wrote to Interior Secretary Rogers Morton urging approval of a trans-Canada route for delivering natural gas. We believe that route is the best way for distributing gas equitably to all regions of the country.

While the process of approving a route is complex, nearly a year has passed since an application was filed with the Federal Power Commission and the Department of the Interior for approval of a trans-Canada route. Even if construction were to begin today, natural gas could not start flowing until the early 1980's.

Curtailments of natural gas deliveries have approximately doubled this winter over last to more than 2 trillion cubic feet. Although the Alaska gas will not make up for all of the current and projected shortages, it will be of great help. The proven reserves at Prudhoe Bay alone account for nearly 10 percent of all the proven gas reserves in the United States.

Apart from natural gas, there is also the question as to how oil supplies from Naval Petroleum Reserve No. 4 will be transported to the lower 48 States. The President's recommendation to open these reserves for commercial production could provide another 2 million barrels of oil per day in addition to the 2 million from the North Slope.

Since the trans-Alaska pipeline now under construction does not have the capacity to carry this additional oil, another pipeline or other form of transportation will be required. When Congress approved legislation authorizing construction of that pipeline, it also directed the administration to study the possibility of building other oil and gas pipelines across Canada.

It is essential for Michigan and other States to have fair access to Alaska's oil and gas reserves. At the present time Michigan is not only suffering from a crisis in the auto and housing industries but also from the decreasing availability of necessary energy supplies.

In the past year, there have been sharp cutbacks in new powerplant construction projects. And the likelihood of reduced imports of Canadian oil will only exacerbate the problem.

Now is the time to step up our efforts to resolve our energy differences with Canada and to remove any other regulatory barriers that could seriously delay delivery of these much-needed oil and gas supplies.

This resolution should facilitate these efforts and I hope it will receive prompt consideration.

AMENDMENTS SUBMITTED FOR PRINTING

STANDBY ENERGY AUTHORITIES ACT—S. 622

AMENDMENTS NOS. 104 THROUGH 124

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

Mr. FANNIN submitted 21 amendments intended to be proposed by him to the bill (S. 622) to provide standby authority to assure that the essential energy needs of the United States are met, to reduce reliance on oil imported from insecure sources at high prices, to implement U.S. obligations under international agreements to deal with shortage conditions, and to authorize and direct the implementation of Federal and State conservation programs consistent with economic recovery.

AMENDMENT NO. 128

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

Mr. PROXMIRE submitted an amendment intended to be proposed by him to the bill (S. 622), supra.

AMENDMENT NO. 131

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

Mr. HASKELL submitted an amendment intended to be proposed by him to the bill (S. 622), supra.

TAX REDUCTION ACT OF 1975—H.R. 2166

AMENDMENT NO. 125

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

Mr. TOWER (for himself, Mr. BUCKLEY, Mr. FANNIN, Mr. GARN, Mr. HELMS, Mr. LAXALT, and Mr. THURMOND) submitted an amendment intended to be proposed by them jointly to the bill (H.R. 2166) to amend the Internal Revenue Code of 1954 to provide for a refund of 1974 individual income taxes, to increase the low-income allowance and the percentage standard deduction, to provide for a credit for certain earned income, to increase the investment credit and the surtax exemption, and for other purposes.

AMENDMENT NO. 126

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

Mr. BENTSEN submitted an amendment intended to be proposed by him to the bill (H.R. 2166), supra.

AMENDMENT NO. 127

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

Mr. BUCKLEY submitted an amendment intended to be proposed by him to the bill (H.R. 2166), supra.

AMENDMENT NO. 129

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

Mr. GRAVEL submitted an amendment intended to be proposed by him to the bill (H.R. 2166), supra.

RESCISSION OF CERTAIN BUDGET AUTHORITY—H.R. 3260

AMENDMENT NO. 130

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

Mr. BUMPERS submitted an amendment intended to be proposed by him to the bill (H.R. 3260) to rescind certain budget authority recommended in the message of the President of November 26, 1974 (H. Doc. 93–398), and as those rescissions are modified by the message of the President of January 30, 1975 (H. Doc. 94–39), and in the communication of the Comptroller General of November 6, 1974 (H. Doc. 93–391), transmitted pursuant to the Impoundment Control Act of 1974.

NOTICE OF HEARING

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Thursday, March 20, 1975, at 10:30 a.m., in room 2228, Dirksen Senate Office Building, on the following nomination:

Harold R. Tyler, of New York, to be Deputy Attorney General, vice Laurence H. Silberman, resigning.

Any persons desiring to offer testimony in regard to this nomination, shall, not later than 24 hours prior to such hearing, file in writing with the committee a request to be heard and a statement of their proposed testimony.

The hearing will be before the full Judiciary Committee.

ANNOUNCEMENT OF HEARING ON NOMINATIONS FOR THE FEDERAL ELECTIONS COMMISSION

Mr. PELL. Mr. President, the Subcommittee on Privileges and Elections of the Committee on Rules and Administration will hold a public hearing on nominations for the Federal Elections Commission.

The hearing will be held tomorrow, Friday, March 14, 1975, beginning at 10 a.m., in room 301, Russell Senate Office Building. The nominees have been invited to appear. Others who wish to testify or submit a statement for inclusion in the hearing record should contact Ray Nelson, staff member of the Rules Committee, at 202–224–0298.

NOTICE OF HEARINGS ON S. 1, THE CRIMINAL JUSTICE REFORM ACT OF 1975

Mr. McCLELLAN. Mr. President, for the information of the Members and the public, I wish to announce that the Subcommittee on Criminal Laws and Procedures of the Committee on the Judiciary will open hearings on S. 1, the Criminal Justice Reform Act of 1975, which is the bill to codify, revise, and reform the Federal criminal laws.

Hearings are scheduled for March 21, beginning at 9:30 a.m., in room 2228, Dirksen Senate Office Building. Additional information on the hearings is available from the subcommittee in room 2204, Dirksen Senate Office Building, telephone AC 202–224–3281.

NOTICE OF HEARINGS

Mr. JACKSON. Mr. President, on behalf of the Committee on Interior and Insular Affairs, I would like to announce that oversight hearings will be held by the committee on the implementation and administration of the Emergency Petroleum Allocation Act. Government and private witnesses will be invited to testify. The hearings will convene on April 21 and 28 at 10 a.m., in room 3110 of the Dirksen Senate Office Building.

NOTICE OF HEARINGS BEFORE THE SUBCOMMITTEE ON ALCOHOLISM AND NARCOTICS

Mr. HATHAWAY. Mr. President, on March 24 and 25, the Subcommittee on Alcoholism and Narcotics, of which I am chairman, will be conducting hearings on the reauthorization of the Drug Abuse Office and Treatment Act of 1972 and related issues. Both days of hearings will take place at 9:30 a.m. in room 4232, the Labor and Public Welfare Committee room, in the Dirksen Senate Office Building.

Anyone with an interest in these hearings should contact Mr. Angus King, counsel to the subcommittee, in room A–605—telephone 224–8386.

ADDITIONAL COSPONSORS OF AMENDMENTS

AMENDMENT NO. 24

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

AMENDMENT NO. 72

At the request of Mr. HOLLINGS, the Senator from Minnesota (Mr. HUMPHREY) was added as a cosponsor of amendment No. 72 intended to be proposed to the bill (H.R. 2166), the Tax Reduction Act of 1975.

ADDITIONAL STATEMENTS

TEN CALIFORNIA WOMEN HONORED

Mr. CRANSTON. Mr. President, the Los Angeles Times newspaper has traditionally recognized 10 outstanding southern California women each year as "Women of the Year." The awards presentation ceremony, however, has not taken place since 1971, owing to construction of the new Times Mirror Building and remodeling of the Harry Chandler Auditorium where the ceremonies are held.

This year, the tradition was reinstituted as 10 Times honorees for 1975 were presented with a silver cup "For Outstanding Achievement" on March 11. The awards went to: Marjorie Borchardt, for volunteer work with senior citizens; Fawn M. Brodie, noted historical biographer; YVONNE BRATHWAITE BURKE, U.S. Congresswoman from California's 28th District; Lynne Cox, long-distance swimmer; Jan Hornbeck, interior designer; Joan Dempsey Klein, Superior Court judge; Sister Mary Esther McCann, administrator of Daniel Freeman Memorial Hospital; Mary Tyler Moore, actress; Helen Reddy, singer and

feminist; and Eleanor Walsh Wasson, for community volunteer service.

Mr. President, these women are a group that all of us can learn by; their achievements are an inspiration to anyone seeking to excel. Each has reached her position and rank through her own long and sustained effort.

Mr. President, the accomplishments of these women are noteworthy also, I believe, because they reflect the remarkable progress the women's movement has made in this country. Many of the Times women have achieved their success in fields until recently wholly foreclosed to their participation: medicine, the law, politics, and industry. Even more significant, five of these women have reached the top in their careers only in the last 5 years—since the women's movement began to coalesce.

Of course, we must not lose sight of the work that is left, even as we stop to appreciate the strides that have been taken. Women are still discriminated against in jobs and pay, as creditors and homeowners, as social security beneficiaries and widows. I remain very much concerned that equitable treatment of women and minorities be promoted as widely as possible, and I intend to continue to press for legislation in the 94th Congress to hasten the time when we can truly say we are a nation of people equal under the law.

Mr. President, I ask unanimous consent that there be printed in the RECORD the full article from the Los Angeles Times of March 11, 1975.

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

SILVER CUPS PRESENTED FOR SPECIAL ACHIEVEMENT

(By Lynn Simross)

An audience of 500 distinguished Southern California women—many of them prize-winners themselves—gathered in the Times Mirror Building Monday to honor the 10 women named as 1975 Times Women of the Year. It was the 23rd time for the traditional silver-cup ceremony that began in 1950.

Presented as The Times honorees for 1975 were: Marjorie Borchardt, for volunteer work with senior citizens; Fawn M. Brodie, noted historical biographer; Yvonne Brathwaite Burke, U.S. Congresswoman from California's 28th District; Lynne Cox, long-distance swimmer; Jan Hornbeck, interior designer; Joan Dempsey Klein, Superior Court judge; Sister Mary Esther McCann, administrator of Daniel Freeman Memorial Hospital; Mary Tyler Moore, actress; Helen Reddy, singer and feminist, and Eleanor Walsh Wasson, for community volunteer services.

"More and more women are making their mark on society," said Times Publisher Otis Chandler in his introductory speech. "I think all women, career and noncareer, now find that they can address themselves to the issues that challenge them and bring about important changes."

Mrs. Norman Chandler, assistant to the chairman of the board, Times Mirror, gave each woman a silver cup inscribed "For Outstanding Achievement," as the 10 joined a roster of 223 previous winners.

In 1950 Mrs. Chandler inaugurated the special awards, which have not been given since 1971 because of construction of the new Times Mirror Building and remodeling of the Harry Chandler Auditorium, where the ceremonies were held.

Yvonne Brathwaite Burke, a native Angeleno and an awardee, heralded the efforts of women in all walks of society in a speech made before the presentation. Rep. Burke told the guests that "women will be called upon as never before" in the years ahead.

"As a group," she said, "women possess the largest reservior of unused capacity, for they have been unemployed and underemployed more than the rest."

Listing strides made by women leaders Golda Meir and Indira Gandhi in the past crises of their countries, and lauding Monday's swearing-in of Carla Anderson Hills as Secretary of Housing and Urban Development, Rep. Burke said, "I think we are starting to make significant progress."

Calling 1975 "a paradoxical time," Rep. Burke said that "women offer the most because society has advanced them the least." She quoted from a song she said had been sung at women's suffrage meetings a hundred years ago, and drew large applause when she concluded with the last stanza:

"Instead of speech-making to satisfy wrong,

"All will join the glad chorus to sing freedom's song.

"And if the millenium is not a pretense,

"We'll all be good brothers a hundred years hence."

Times Editor Bill Thomas introduced members of The Times staff, who in turn introduced the 10 award-winning women: Columnists Jack Smith, Jim Murray and Art Seidenbaum; Associate Editor Jean Sharley Taylor; Book Editor Digby Diehl; Calendar Editor Wayne Warga; Home Magazine Editor Carolyn Murray; Society Editor Jody Jacobs; Entertainment Editor Charles Champlin, and Editorial Cartoonist Paul Conrad.

Said Smith, who was suffering from laryngitis, "Only a Times Woman of the Year could have gotten me out of bed today." Smith introduced Judge Joan Dempsey Klein, whom he said had "sat on the bench literally and figuratively for 10 years."

In accepting her award, Judge Klein, who said she "had never been at a loss for words," told the group she felt the award was a "most significant thing for those women who have succeeded in their fields, but more importantly because it would provide incentive for younger women coming along in their professions."

Murray, in presenting long-distance swimmer Lynne Cox, noted that he "couldn't walk" as far as Lynne had swum.

"I was told as a child growing up in Ogden, Utah, that California was the fleshpots of Egypt," said Mrs. Fawn Brodie, following her introduction by Diehl. "Later on, in New England, I was taught California was an intellectual desert. Although I still don't know about the first, I find the second is palpably absurd."

Seidenbaum introduced Sister Mary Esther as "a woman whose office is across from a cemetery, but her business is human life." Said Sister Mary Esther in receiving the award, "It recognizes me, my community, the Sisters of the Order of St. Joseph, my family, my associates." Attending in honor of Sister Esther were Cardinal Timothy Manning and Monsignor Clement Connolly.

Carolyn Murray thanked Jan Hornbeck "for a moment of space, touched by her design," and the designer said she was "all aflutter" at the "fabulous honor."

Warga called Helen Reddy a "household name" and quoted Ms. Reddy from a previous interview. "I represent an attainable goal," said the feminist vocalist. "I am showing women they can make it in the world and still be true to themselves."

Ms. Reddy smilingly told the group she was "shocked receiving such an honor from a newspaper which has never given me a good review."

Eleanor Walsh Wasson, introduced by Jody Jacobs, was "overwhelmed" and thanked "all the people who have made it possible on this joyous day."

"Marjorie Borchardt," said Mrs. Taylor, "is a woman who looks toward the creative future." Mrs. Borchardt hoped "to share the great honor with all the older people of the world, and my husband Ben who aided and abetted me."

Champlin had a few words of advice for the movies and television in his introduction of Mary Tyler Moore. They could still use a Be Fair to Women Week. If either medium gives us a heroine, she is apt to be a supercop or an amazon with approximately the same claims on reality as Little Orphan Annie or Broom Hilda."

Actress Moore said 1975 was "a great era for being a woman."

Said Yvonne Burke in accepting her award from Conrad, who called her "no ordinary legislator," "People ask me 'how do I survive?' and I tell them that I have a special umbrella made up of my parents, my husband and a staff that's hard-working."

Guests and honorees met at a champagne reception following the ceremony. Judge Klein sipped from her new silver cup and laughed with her family. Helen Reddy spent most of her time signing autographs. Mary Tyler Moore left early—she had to go back to work, taping a pilot program for her show.

In citing the achievements of the more than 200 eminent Southern California women who have been honored in other years, Chandler said their "outstanding achievements have added immeasurably to the quality of our lives. Their accomplishments span a diversity of worthy endeavor, in the arts, government, science, religion, education, industry and community service." And he acknowledged their "common attribute, that of untiring devotion to their aspirations."

1950

Mrs. Fletcher Bowron, Mrs. Rollin Brown, Florence Chadwick, Pearl Chase, Mrs. Roger Goodan, *Dr. Etta Jeancon, *Ida Koverman, Alice Taylor, *Abigail von Schlegell, Mrs. Spencer Tracy, Camilla Wicks.

1951

*Maureen Connolly Brinker, Mrs. John A. E. Bullis, Mrs. Norman Chandler, Irene Dunne, Mrs. Gabriel C. Duque, *Ann Hodge, *Annette Honeywell, *Mrs. Louis K. Sims.

1952

Mrs. Margaret Martin Brock, Adaline C. Guenther, Dr. Arlien Johnson, Mrs. Faie Joyce, Mrs. Valley Knudsen, Justice Mildred L. Lillie, Pat Keller McCormick, Eleanor Pinkham, Mrs. Harold C. Ramser, June C. Wayne.

1953

*Mrs. Alvia Brockway, Mrs. Richard M. Nixon, Paula Jean Myers Pope, Rosalind Russell, Elinor Remick Warren, Margaret J. Wherry, Frances E. Willis.

1954

Jacqueline Cochran, *Mrs. E. L. Doheny, Dr. Eleanor Hempel, Dr. Paula Horn, Mrs. Albert Leland, Mary Martin, Mrs. John E. Mock, *Elizabeth Ornduff, *Mrs. James Rathwell Page.

1955

Dr. Ruth A. Boak, *Mrs. Nelbert Chouinard; Louise Brough Clapp, *Hedda Hopper, *Sister Frederica Horvath, S.S.S., Dorothy Kirsten, Marion Pike, Rosemarie Reid, Mrs. Henry Salvatori, Ruth Patricia Shellhorn.

1956

Mrs. Lemuel E. Bancroft, *Dorothy Woodhead Brown, Mrs. Whitley Collins, Frances Goodrich, Dr. Elizabeth Mason Hohl, Kathryn Hulme, Peggy Slater, *Barbara Steele, Lillian Steuber, Julia Hayward Thomas.

1957

Mary Bowling, *Mrs. Ida Mayer Cummings, Madelyn Martin Davis, *Maggie Ettinger, Mrs. Harry Francis Haldeman, Stella Hanania, *Mrs. Leiland Atherton Irish, Dr. Clara Szego Roberts, Dr. Louise Seyler, Dinah Shore.

1958

Jean Goodwin Ames, Lucille Ball, Ketti Frings, Lulu K. Hassenplug, *Dorothy Marshall, Mrs. Alexander B. Ripley, Mrs. William French Smith, Jr., Greta Andersen, Mrs. Earnest C. Watson, Rosalind W. Wyman.

1959

Mary Costa, *Dorothy M. Donahoe, Edith Head, Ynez Johnston, Maggie Pexton Murray, Harriet Hilliard Nelson, Jacquelin Perry, M.D., Catherine J. Robbins, Mrs. Norman F. Sprague, Jr., *Mrs. John Vruwink.

1960

Doris Day, Mrs. Richard Dillon, Dr. Charlotte Elmott, Patricia Galvin, Marilyn Horne, Mrs. Rudolph Steuart Liebig, Jessie Marmorston, M.D., Laurel van der Wal Roennau, Agnes M. Underwood, *Mrs. John Cree Wilson.

1961

Dame Judith Anderson, Dorothy D. Corey, Barbara Gray, Frances Holmes, M.D., Gail Patrick Velde, Mrs. Barnard Morse, The Rev. Mother M. Regina, I.H.M., Mrs. Richard R. Van Hagen, Rose Mary Woods.

1962

Agnes Blomquist, Dr. Mary Brazier, *Dr. Lily Bess Campbell, *Artie Mason Carter, Mary Mairs Chapot, Bette Davis, Mrs. Freeman Gates, *Dr. Maria Goeppert Mayer, Judge Kathleen Parker, *Princess Conchita Pignatelli, Mary Sheridan.

1963

*Katherine Carr, *Doris Marks Dreyfuss, Mrs. Lupe Negrete, Marilyn Neeley, Mrs. Frank Roger Seaver, Dr. Joanne Simpson, Dr. Olga Taussky Tood, Mrs. Guy W. Wadsworth Jr., Roberta Wohlstetter.

1964

Mrs. George S. Behrendt, Glenn C. Janss, Mary Jane Farell, Dorothy M. Ford, Marcia Israel, Ella Lee, Lotte Lehman, Mrs. Warner E. Marsden, Dr. Helene Eastman Martin, Mildren E. Mathias, Debbie Reynolds, Sharon Stouder.

1965

Julie Andrews, Anna Bing Arnold, Dr. E. Margaret Burbridge, Evelyn K. Davis, Ariel Durant, Marian Gallaher, M.D., Cecilia DeMille Harper, Joyce Hoffman, *Ettie Lee, Margaret Millar, Helene Ryons Nix, Joyce Treiman.

1966

Ella Fitzgerald, Billie Jean King, Florence E. Linn, Corita Kent, Jacqueline Piatigorsky, Lutah Maria Riggs, Stella Russell, Marjorie J. Vold, Betty Yorty.

1967

Shana Alexander, Carol Burnett, Agnes Ferrel, Sue Gossick Darley, Ruth Handler, Mary B. Henry, Janet Hoit, Jill Kinmont, Maralin Niska, Dr. Rosemary Park, Mrs. Gregory Peck, Mrs. Reese Hale Taylor.

1968

Mrs. John Connell, Joan Didion, Greer Garson, Marija Gimbutas, Patricia Reilly Hitt, Shirley M. Hufstedler, Mrs. Harry Lewis, Debbie Meyer, Mrs. James F. Nelson, Caroyln Raskin, Nanacy Reagan, Mrs. George Vernon Russell, Carmen H. Warschaw.

1969

Sharon Sites Adams, Mrs. Sidney F. Brody, Dr. Isabelle Buckley, Donna Caponi Young, Marge Champion, Anne Douglas, Claire Falkenstein, Ruth Gordon, Ellen Stern Harris, Ann Shaw, Shirley Verrett.

1970

Vikki Carr, Elizabeth L. Cless. Loraine Miller Collins, Dr. Marianne Frostig, Goldie Hawn, Mrs. Lester T. Hibbard, Dr. Sylvia Earle Mead, Mrs. George Seaton, Martha Wilkinson Kirouac, Mrs. Richard H. Wolford.

1971

Laura Baugh, Karthryn F. Fink, Mrs. Bob Hope, Barbara Jones, Carole King, Ali MacGraw, Mrs. Walter F. O'Malley, Cathy Rigby Mason, Pat Russell, Vivian Strange Whitney.

(NOTE.—Asterisks denote deceased.)

SKETCHES OF 1975 WOMEN OF THE YEAR

Marjorie Borchardt, a native Californian, has spent the past 25 years as a volunteer worker for senior citizens locally, nationally and internationally. She began by organizing the West Los Angeles Community Council for Senior Citizens in the early 1950s. In 1955 came the Senior Citizens Assn. of L.A. County; next, the Allied Senior Citizens Clubs, Calif., in 1961; finally, in 1963, the International Senior Citizens Assn., the only nongovernmental organization concerned with aging that is affiliated with the United Nations. Mrs. Borchardt, who holds BA and MA degrees in economics from UC Berkeley, worked as a San Francisco social worker and taught high school before marrying Benjamin Borchardt, now a retired management consultant. Marjorie Borchardt served from 1969 through 1971 on the planning board for the White House Conference on Aging and is currently head of ISCA.

Fawn M. Brodie, professor of history at UCLA, is widely known for her perceptive historical biographies, the latest a penetrating study of the life of Thomas Jefferson, published last spring. Fawn Brodie, born in Ogden, Utah, received a BA degree from the University of Chicago in English literature and served as a research assistant to the Committee for International Studies at Princeton before beginning her writing career and coming to UCLA. She has written numerous articles, has edited two books and coauthored one (with her husband Bernard, a political scientist who also teaches at UCLA), and has written four biographies: "No Man Knows My History," the life of Joseph Smith and the development of the Mormon church, "Thaddeus Stevens, Scourge of the South"; "The Devil Drives: The Life of Sir Richard Burton"; and the Jefferson biography. She and her husband have a daughter and two sons.

Yvonne Brathwaite Burke of Los Angeles is now serving her second term in Congress, having become, in 1972, the first black woman ever elected from California to the House of Representatives. Her latest achievement is her recent election to a seat on the House Appropriations Committee. Before becoming a member of Congress, Mrs. Burke was a lawyer in California for 10 years and served six years in the state Assembly. In 1972, she was cochairman of the Democratic National Convention. Her congressional programs include: an amendment to the Trans-Alaskan Pipeline Bill providing equal opportunity for minorities (passed in 1973); sponsor of a mass transit study that became law as part of the Amtrak Improvement Act of 1974. The wife of William Burke, head of a local health care firm, Yvonne Burke became the first congresswoman to have a baby (November, 1973) while in office.

Lynne Cox, an 18-year-old who moved from New Hampshire to Los Alamitos with her parents, two sisters and a brother six years ago, has made an impressive mark in long distance swimming since she came to California. On Feb. 5, she became the first woman to swim the grueling Cook Strait between New Zealand's North and South islands, recording a mark of 12 hours, 2½ minutes. In the summer of 1973, Lynne Cox swam the English Channel faster than any other person had ever completed the difficult course from England to France. She had set the record in July, 1972, on her first try, only to have it broken three weeks later. Her 1973 mark of 9 hours, 36 minutes still stands. She has swum the Catalina Channel here twice, first when she was 14. The second time, last September, she broke her brother David's record by 2 minutes.

Jan Hornbeck, a native of Oklahoma, is an interior designer who pioneered the field of office furnishings and design. She came to Los Angeles in 1941 after attending the Chicago Academy of Fine Arts and began working as a design-studio artist for Barker Bros. Following World War II, she moved to Dallas where she was associated with Nieman-Marcus and became interested in the design of executive offices. Jan Hornbeck returned to Los Angeles to open her own studio and design firm, and in 1959 became associated with Times Mirror, sharing design credits for 15 years with Charles Kratka's interior planning and design firm. Other interior designs she has created include offices for Occidental Life Insurance in Honolulu and the Port Authority Building in Guayaquil, Ecuador. A member of the Committee of Professional Women for the Southern California Symphony-Hollywood Bowl Assn. and of the Pasadena Chapter of the American Society of Interior Designers, she is married to builder Thomas G. Gage. They have two daughters.

Joan Dempsey Klein, a fifth-generation Californian, was elected to the Los Angeles Superior Court in November, 1974, after serving as a municipal court judge since 1963. Prior to taking the bench, Judge Klein served eight years as a trial lawyer in the state attorney general's office. Joan Dempsey Klein is an outspoken advocate of women's rights and of juvenile justice reforms and is active in alcoholism rehabilitation programs. She graduated from UCLA law school in 1955, having already earned a BA in physical education from Cal State San Diego before deciding to study law. Judge Klein was elected presiding judge of the municipal court in 1973, the same year she was named Municipal Court Judge of the Year by the California Trial Lawyers Assn. She and her husband, lawyer Conrad Klein, are the parents of five children.

Sister Mary Esther McCann, who entered the order of Sisters of St. Joseph of Carondelet in 1929, has spent many years serving Western communities in hospital administration. Born in San Francisco, she is president of the board and executive director of Daniel Freeman Memorial Hospital in Inglewood. A trained medical technologist and hospital administrator, Sister Mary Esther is a delegate to the Assn. of Western Hospitals, will serve on the board of the California Hospital Assn. and is president of the Inglewood Soroptimist Club. She is a past president of the California Conference of Catholic Health Facilities and president of Catholic hospital associations in Idaho, Washington and Arizona while serving as administrator of Carondelet order hospitals in those states. Sister Mary Esther came to Daniel Freeman 10 years ago as assistant administrator. Last year she became the first woman to receive a Lions International District 4 L–3 award.

Mary Tyler Moore has been entertaining 30 million people every Saturday night for the past five years with her TV production, the Mary Tyler Moore Show. Her company, MTM Enterprises Inc., which is headed by her husband, Grant Tinker, also produces the popular Bob Newhart Show and Rhoda. Before starring in her own show, Mary Tyler Moore, who was born in Brooklyn, N.Y., but moved to California at age 10 with her par-

ents, played Dick Van Dyke's TV wife and appeared in several movies, among them "Thoroughly Modern Millie" in 1967. Last March, Mary Tyler Moore served as the narrator of a CBS documentary, "We the Women," and this season is directing some episodes of her show. She is involved in charity work with the Cleveland Amory Fund for Animals and Rancho Los Amigos, a hospital for bedridden children. She has a teen-aged son from her first marriage.

Helen Reddy, an Australian who became a U.S. citizen last year, has been named one of the three best-selling record artists for the past two years. An avowed feminist, Helen Reddy received a Grammy award in 1973 for her recording of "I Am Woman," a song that has become the unofficial theme song of the Women's Liberation Movement. Ms. Reddy has entertained at several California women's prisons and donates 30% of her earnings to political and charitable causes, including $250,000 to the new Cedars-Sinai Medical Center. She began her entertainment career as a child, appearing with her parents on their Australian radio show, and by age 15 she was performing full time as an actress-singer in Australia. She came to the United States in 1966 and played obscure clubs in Chicago and New York before moving to Los Angeles in 1968. She has a daughter from a former marriage and a son with her husband Jeff Wald, her manager.

Eleanor Walsh Wasson is known throughout California for her work as coordinator of volunteer services for the UCLA Center for Health Services, a position from which she has just retired after 20 years. Mrs. Wasson has served as president of the American Society of Directors of Volunteer Services, directed the Beverly Hills Community Chest, headed the Southern California Mental Hygiene Society and served as a member of the steering committee of former Gov. Earl Warren's Continuing Committee on Mental Health. She came to Los Angeles from Salt Lake City with her lawyer husband, George F. Wasson Jr., and began her career in volunteerism as a nurse's aide during World War II. The Wassons have two daughters. Mrs. Wasson is the coordinator of the annual Arrowhead Seminar on Dimensions of New Awareness.

LIGHT RAIL TRANSIT BENEFITS

Mr. CURTIS. Mr. President, I ask unanimous consent that a statement by the Senator from Ohio (Mr. TAFT) and an attachment thereto be printed in the RECORD.

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

STATEMENT BY SENATOR TAFT

I ask unanimous consent to have printed in the RECORD a column from the Columbus Dispatch, by Mr. Kevin Phillips, relating to the great promise which Light Rail holds for addressing America's urban transportation problems. Mr. Phillips discusses the recent excellent study of Light Rail by Mr. Stewart Taylor. In that study, Mr. Taylor points out the major role which Light Rail plays in European urban transportation systems—systems which are generally far superior, in terms of service, to those we possess in the United States.

Dayton, Ohio—one of the most progressive communities in the Nation—has recently become the first American city to apply for an UMTA grant to build a Light Rail system. Dayton is leading down a track which many other American cities will follow, once the advantages of Light Rail are known as well as they should be. Mr. Phillips, The Columbus Dispatch, and Mr. Taylor have done the people a service by bringing the advantages of Light Rail more clearly before the public.

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

[From The Columbus (Ohio) Dispatch, Mar. 4, 1975]

LIGHT RAIL TRANSIT BENEFITS ARE AIRED

(By Kevin P. Phillips)

Few European cities tolerate American-style downtown traffic paralysis—proliferating auto jams, parking lots, inefficient buses and subways that are both crime-ridden and prohibitively expensive. To avoid these problems, many foreign urban planners have turned to light rail transportation (electric trams of one, two or three connected cars) as a solution midway between the inadequacy of buses and the massive disruption and cost of subways.

Their success—and the utility of a similar approach in many U.S. cities—is laid out by Stewart F. Taylor in a new study just published by Washington's Heritage Foundation.

Taylor was recently named chairman of the Advisory Committee of the National Conference on Light Rail Transit, jointly sponsored by the Urban Mass Transportation Administration, the National Research Council, the University of Pennsylvania and the American Public Transit Association.

A slight caveat is in order. What works splendidly in Stuttgart, Germany, or Zurich, Switzerland, may not work in Anytown, U.S.A. Too many of our cities are in the grip of social disintegration and some big-city neighborhoods can be traversed safely only in an armored car.

But with this caveat, I believe Taylor presents a generally convincing case for light rail transit. First, he explains the weakness of the alternatives. Right now. U.S. public transportation is essentially the bus, which provides exclusive service in all but 15 cities and performs 68 percent of all transit service in terms of passengers carried. But although the bus is cheap and flexible to operate, use has fallen 51 percent in the last quarter century.

Passenger complaints focus on congestion and delay at rush hours and preference for alternative travel methods. Buses will continue to be important, with growing emphasis on dial-a-rides and jitneys, but they cannot form the central component of a modern rapid transit system.

As for subways, they are extremely expensive, requiring major capital outlays and downtown dislocation. Only the largest cities can support them and even there, rapid transit usage has fallen 24 percent in the last two and a half decades.

Meanwhile, costs are mounting so quickly that new or planned systems—in Washington, Atlanta, Baltimore and elsewhere—may never be completed. However, not many U.S. cities have the level of rush-hour traffic that demands subways.

A 1966 Harvard University study found that peak-hour, one-direction traffic per corridor exceeded 13,000 in only seven cities in the U.S. and in all but one (Los Angeles) conventional rapid transit is in operation or under construction. Light rail systems would suffice to handle the load anywhere else.

The greatest merit of light rail transit is flexibility—it is less expensive than subways, can handle many more passengers than buses and can be integrated with a metropolitan area's subway and bus systems so that each component does the job it can do best and most cheaply. Thus their popularity in Europe.

In his appendix, Taylor includes a worldwide survey of light rail technology from Sydney, Australia, to Central Europe—the area of principal concentration.

Inasmuch as most Central European cities were rebuilt after World War II, planners had a chance to start from scratch—and they chose wisely.

Few American metropolitan areas have the planning flexibility needed to maximize the benefits of light rail transit. Taylor could usefully do a second study on this aspect of the problem.

HAS THE DEPARTMENT OF DEFENSE EXCEEDED CONGRESSIONAL AUTHORITY?—PROGRESS REPORT

Mr. McINTYRE. Mr. President, on January 16, 1975, I addressed my colleagues on the subject of certain practices of the Department of Defense in the management of Defense contracts which may be either in violation of the law or in violation of established reprograming procedures as agreed upon with the Congress. My remarks appear on page 579 of the CONGRESSIONAL RECORD of that date.

I have received replies from both the Assistant Secretary of Defense (Comptroller) and the Comptroller General dated February 24, 1975, which provide information concerning such practices. I request unanimous consent that copies of both letters be printed in the RECORD at the conclusion of my remarks.

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

(See exhibit I.)

Mr. McINTYRE. Mr. President, I was not satisfied with the two replies and addressed a letter dated February 24, 1975, to the Comptroller General requesting that he review the details of the OSD letter and undertake certain actions which had been suggested in his letter of the same date. I request unanimous consent that a copy of my letter also be printed in the RECORD at the conclusion of my remarks.

Final resolution of this matter is still pending but because of the importance and widespread interest in this subject I consider it desirable to report on the progress of these actions to my colleagues and to other agencies of the Government as well as to industry.

I will continue to pursue this matter to its conclusion and at that time report to the Senate on all significant facts and suggestions as to any actions which might be appropriate.

(See exhibit II.)

EXHIBIT 1

ASSISTANT SECRETARY OF DEFENSE,
Washington, D.C., February 24, 1975.

Hon. THOMAS J. McINTYRE,
Chairman, Subcommittee on Research and Development, Committee on Armed Services, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: I have been asked by the Secretary of Defense to respond to your letter of January 6, 1975, in which you ask three specific questions and request our views on the practice of Defense contractors using their own funds in excess of government contractual liability when government funds are exhausted, with the expectation that they will be reimbursed from funds anticipated to be provided by the Congress in the next fiscal year.

Your first two questions concern the Anti-Deficiency Act, R.S. 3679, and provide an opportunity to describe how the situation with which you are concerned arises. With respect to your first question, but for certain possible exceptions not here relevant, there is no authority for the Department of

Defense to tacitly or explicitly authorize the obligation of government funds in excess of amounts authorized and appropriated. Your second question, asks what the R.S. 3679 implications are. As the following discussion indicates, since the government is not obligated to reimburse the contractor until funds are appropriated and allotted to the contract, we believe there are no R.S. 3679 implications.

The situation in which a contractor uses its own funds in excess of government contractual liability when the government funds are exhausted can arise basically in one of two ways. It can happen under a standard "limitation of funds" clause such as ASPR 7-402.2(c) (Enclosure 1) authorized in the Armed Services Procurement Regulation for use in incrementally funded cost reimbursement type research and development contracts. It can also arise under a somewhat different concept under the Limitation of Government Obligations ("LOGO") Clause used primarily by the Air Force.

The Army's UTTAS contract is illustrative of the former situation. That contract contains the standard limitation of funds clause, ASPR 7-402.2(c). Under this clause the contractor is required to notify the government in a timely fashion if he expects to exhaust the government funds then allocated to the contract prior to the expiration of the period set forth in the schedule, and to estimate the amount of additional government funds which would be required to continue performance for the remainder of said period. The contractor's obligation to perform under the contract is limited to the amount of government funds which have been allotted to the contract, and the government's obligation to reimburse the contractor for costs incurred is limited to the amounts already allotted to the contract. If additional funds are not allotted to the contract upon written request by the contractor, the contracting officer will terminate the contract. The clause further provides that when and to the extent the amount allotted to the contract has been increased, any costs incurred in excess of the amount previously allotted shall be allowable.

It thus appears entirely clear that adherence to the procedures of this clause will preclude any obligation on the part of the government to reimburse the contractor should he incur costs in excess of amounts of government funds then allotted to the contract. The fact that under the clause the government may reimburse him for corporate expenditures incurred at his own risk should additional government funds later be allotted to the contract does not detract from the clear impact and intention of this clause to assure that the government is not obligated beyond amounts properly allocated to the contract.

Under the UTTAS contract, the government was advised by the contractor in general accordance with the clause that there were insufficient funds to complete the FY 1975 planned scope of work. After an exchange of correspondence the Army advised the contractor:

(1) That additional FY 1975 funds are not available for obligation to the contract and the contracting officer is not authorized to make any commitment concerning the reimbursement for cost incurred in excess of the total amount from time to time allocated to the contract.

(2) That any cost incurred by the contractor in excess of the total amount allocated to the contract be incurred at the contractor's own risk.

(3) That any additional appropriations in FY 76 and FY 77 are at the discretion of the Congress.

(4) That all "conditions" proposed by the contractor were unacceptable.

Adherence to the provisions of the ASPR limitation of funds clause precludes the obligation of government funds which would violate R.S. 3679. Any incurrence of cost under this clause by the contractor in excess of the amounts allocated to the contract is entirely at the contractor's own risk and does not obligate the government to reimburse such costs. Absent such obligation there is no violation of R.S. 3679.

The LOGO Clause was a direct by-product of the funding problems encountered by the Air Force in programs such as the C-5 in which the contracts did not provide for advance agreement with respect to the annual funding requirements of an incrementally funded RDT&E effort. Under the LOGO Clause, the parties agree, in advance, upon the yearly amounts that will be needed to successfully complete the effort called for by the contract. [Enclosure 2, B-1 LOGO, para. (c)]. The government is not obligated in advance, however, to make such planned amounts available to the contractor, for the funding plan is expressly subject to the availability of funds, *id.*, and the Government's liability under the contract at any point in time is limited to the amount cumulatively allotted to the contract as of that date. [Para. (b)]. The clause further provides, in contradistinction to the standard Limitation of Cost clause, ASPR 7-402.2, that unless the Government (1) fails to fund in accordance with the agreed upon Funding Plan, or (2) prospectively revises downward any yearly increment of the Funding Plan, contractor expenditures in excess of the allotted yearly amounts will not permit the contractor to cease or slow work, or to seek any other adjustment in the terms of the contract. [Para. (g)]. The clause creates, thus, the very real possibility that the contractor will have to finance a portion of the effort for a given fiscal year, i.e., the effort performed in accordance with the contractual schedule after the Funding Plan allotments have been exhausted.

The clause does not, however, firmly bind the contractor, in perpetuity, to the amounts negotiated at the outset of the program. Recognizing that unforeseen problems will arise in any RDT&E effort, the clause provides that after the first two years of effort the contractor may notify the Government, on or before the date specified in paragraph (c), that "the costs . . . he *has* incurred or expects to incur in the performance of this contract for any fiscal year will exceed the planned cumulative obligations through that year" as specified in the Funding Plan. [Para. (d)] (emphasis added). The parties then will negotiate an appropriate increase in the Funding Plan to cover the contractor's needs. The notification dates set forth in paragraph (c) are sufficiently advanced to permit the inclusion of the additional amounts in the budget request for the fiscal year in which the additional funds will be needed. This language clearly contemplates adjustments encompassing past as well as future anticipated overruns of the Funding Plan. This conclusion is buttressed by the fact that it would be incongruous to assume that a cost-reimbursable contract would contemplate firm fixed-price increments, without adjustment, without so expressly stating.

The clause also provides (as, in essence, standard limitation of cost clauses do) that, with respect to yearly overruns, should the Government increase its Funding Plan allotments, the contractor may apply the increased funds to prior incurred costs, to the extent that such costs are otherwise allocable and reasonable. [Para. (k)]. This provision is clearly "subject to the availability of funds" and would not absolve the contractor for the duty to perform all work called for by the schedule for that fiscal year provided that funds were allotted to the contract in accordance with the Funding Plan. If the contractor applied available funds to a prior year's exposure, the overrun from that year would, in effect, be transposed to the end of the succeeding year. This process would repeat itself until the adjustments provided for in paragraphs (c) and (d) have, in effect, "zeroed out" both the overrun and the contract's resultant financial exposure.

There are any number of permutations and combinations of events that could impact the operation of the LOGO clause. Even in the absence of overruns, for example, funds insufficient to support the contractual Funding Plan could be appropriated. In such event, the contractor would be entitled to an equitable adjustment. [Para. (h)]. Or, with the contractor exposed at the conclusion of a given fiscal year, the program could be terminated, in which event the contractor would be required to absorb the exposure as a business loss. [Para. (k)]. Or, the funds appropriated, while adequate to finance contractor costs for the impending fiscal year, may be insufficient to cover the prior year overrun negotiated into the Funding Plan pursuant to paragraph (c). As with the initial example above, the contractor would be entitled to an equitable adjustment under the contract for the upcoming fiscal year. [Para. (h)].

The Government liabilities under the LOGO Clause are at most contingent in nature. The entire Funding plan is "[s]ubject to the availability of funds" [Para. (c)]. The Government's liability, by agreement can never "exceed the total of the amounts allotted" under the contract. [Para. (b)]. Should the contract be terminated at the close of a fiscal year in which the contractor has incurred financial exposure, the Government would be under no duty to seek appropriations to cover that exposure, for "[i]t is specifically recognized by the contractor" that the LOGO provision permitting recoupment of prior year overruns through future increases "does not constitute an undertaking by the Government that it will increase its allotments" under the Funding Plan. [Para. (k)]. And, because a contractor's right to an equitable adjustment in the event of inadequate future appropriations does not arise until appropriations have been made for the fiscal year in which the upward recoupment adjustment in the Funding Plan has been made, there is no obligation to "pay" for prior incurred exposure until that year is funded. [Paras. (c), (d), (k)]. The provision for an equitable adjustment in the event of reduced funding for that fiscal year prevents the obligations for that year from exceeding appropriations.

The Air Force's LOGO clause has not, as yet, been the subject of litigation. There has been litigation under the limitation of funds clause. A major difference between the two clauses is that under the latter clause a contractor is permitted to stop work when funds allotted to the contract have been exhausted, whereas he is required to continue to work under the LOGO Clause. We do not regard this distinction as material insofar as contractor entitlement is concerned, for the risks are clearly set forth in the contract and assumed by the contractor. While it is always difficult to predict the outcome of litigation, particularly in the abstract without regard to the relevant facts and circumstances, as a general matter we do not believe a contractor's claims would be successful. Based on the litigation that has occurred, the following principle would seem to apply: Where a contract places the risk of excess expenditures upon a contractor, and the Government as the other contractual party is not the contributing factor to such expenditures, a contractor is not entitled to reimbursement for these excess costs.

The information requested by your third question concerning programs involved during the current fiscal year is shown below.

Estimated contractor commitments in excess of Government liability

($ in Millions)

System:	
Navy NATO PHM	None
Air Force B–1 Bomber	15.2–(LOGO)
Army UTTAS	21.6
Army AAH	7.9
Air Force A–10 Aircraft	1.6–(LOGO)
Air Force Advanced Medium STOL Transport	29.8–(LOGO)
Air Force Airborne Warning and Control System	11.4–(LOGO)
Air Force Advanced Airborne Command Post	8.0–(LOGO)

We believe that the actions of the Department of Defense in this area have been legal and proper and do not circumvent the reprogramming procedures. However, we do not believe that the practice of contractors using their own funds in situations comparable to those indicated above, should be either widespread or encouraged. In this regard, I am advising the services that such practices should be further curtailed and in the future will not be pursued without prior notification to the Secretary of Defense.

Sincerely,

TERENCE E. MCCLARY,
Assistant Secretary of Defense.

Enclosures.

[Enclosure 1]

CONTRACT CLAUSES AND SOLICITATION PROVISIONS

PART 4—COST-REIMBURSEMENT TYPE RESEARCH AND DEVELOPMENT CONTRACTS

7–400 Scope of Part. This Part sets forth uniform contract clauses for use in cost-reimbursement type research and development contracts as defined in 7–401.

7–401 Applicability. As used throughout this Part, the term "cost-reimbursement type research and development contract" shall mean any contract (other than a letter contract, notice of award, or modification not affecting new procurement) which (i) is entered into on a cost, cost-sharing or cost-plus-a-fee basis as covered in 3–405, and (ii) is for experimental, developmental, or research work.

7–402 Required Clauses. The following clauses shall be inserted, as required, in all cost-reimbursement type research and development contracts.

7–402.1 *Definitions.* In accordance with 7–103.1, insert the clause therein.

7–402.2 *Limitation of Cost or Funds.*

(a) The following clause shall be used in fully funded cost-reimbursement type research and development contracts which do not provide for cost-sharing. The words "exclusive and any fee", occurring twice in paragraph (a) of the clause, may be deleted in any contract not providing for the payment of a fee.

LIMITATION OF COST (1966 OCT)

(a) It is estimated that the total cost to the Government for the performance of this contract, exclusive of any fee, will not exceed the estimated cost set forth in the Schedule, and the Contractor agrees to use his best efforts to perform the work specified in the Schedule and all obligations under this contract within such estimated cost. If, at any time, the Contractor has reason to believe that the cost which he expects to incur in the performance of this contract in the next succeeding sixty (60) days, when added to all costs previously incurred, will exceed seventy-five percent (75%) of the estimated cost set forth in the Schedule, or if, at any time, the Contractor has reason to believe that the total cost to the Government for the performance of his contract, exclusive of any fee, will be greater or substantially less than the then estimated cost hereof, the Contractor shall notify the Contracting Officer in writing to that effect, giving the revised estimate of such total cost for the performance of this contract.

(b) Except as required by other provisions of this contract specifically citing and stated to be an exception from this clause, the Government shall not be obligated to reimburse the Contractor for costs incurred in excess of the estimated cost set forth in the Schedule, and the Contractor shall not be obligated to continue performance under the contract (including actions under the Termination clause) or otherwise to incur costs in excess of the estimated cost set forth in the Schedule, unless and until the Contracting Officer shall have notified the Contractor in writing that such estimated cost has been increased and shall have specified in such notice a revised estimated cost which shall thereupon constitute the estimated cost of performance of this contract. No notice, communication or representation in any other form or from any person other than the Contracting Officer shall affect the estimated cost of this contract. In the absence of the specified notice, the Government shall not be obligated to reimburse the Contractor for any costs in excess of the estimated cost set forth in the Schedule, whether those excess costs were incurred during the course of the contract or as a result of termination. When and to the extent that the estimated cost set forth in the Schedule has been increased, any costs incurred by the Contractor in excess of the estimated cost prior to such increase shall be allowable to the same extent as if such costs had been incurred after the increase; *unless* the Contracting Officer issues a termination or other notice and directs that the increase is solely for the purpose of covering termination or other specified expenses.

(c) Change orders issued pursuant to the Changes clause of this contract shall not be considered an authorization to the Contractor to exceed the estimated cost set forth in the Schedule in the absence of a statement in the change order, or other contract modification, increasing the estimated cost.

(d) In the event this contract is terminated or the estimated cost not increased the Government and the Contractor shall negotiate an equitable distribution of all property produced or purchased under the contract based upon the share of costs incurred by each.

(End of clause)

(b) The following clause shall be used in fully funded cost-reimbursement type research and development contracts which provide for cost-sharing. The contract schedule shall include a cost-sharing formula agreed upon by the parties prior to execution of the contract. This formula shall provide for the ratio of cost-sharing with regard to both the originally established total estimated cost and any increase thereto, pursuant to (b) of the clause.

LIMITATION OF COST (COST-SHARING) (1973 MAY)

(a) It is estimated that the cost to the Government for the performance of this contract (exclusive of any fee) will not exceed the estimated cost to the Government set forth in the Schedule, and the Contractor agrees to use his best efforts to perform the work specified in the Schedule and all obligations under this contract within such estimated cost to the Government plus the share of the cost of performance agreed to be borne by the Contractor, as set forth in the Schedule. If, at any time, the Contractor has reason to believe that the costs which he expects to be incurred in the performance of this contract in the next succeeding sixty (60) days, when added to all costs previously incurred, will exceed seventy-five percent (75%) of the estimated total cost to the Government and to the Contractor then set forth in the Schedule, or if, at any time, the Contractor has reason to believe that the total cost for the performance of this contract (exclusive of any fee) will be greater or substantially less than the then estimated total cost thereof, the Contractor shall notify the Contracting Officer in writing to that effect, giving his revised estimate of such total cost for the performance of this contract.

(b) Except as required by other provisions of this contract specifically citing and stated to be an exception from this clause, the Government shall not be obligated to reimburse the Contractor for costs incurred in excess of the estimated total cost set forth in the Schedule, unless and until the Contracting Officer shall have notified the Contractor in writing that such estimated total cost has been increased shall have specified in such notice a revised estimated total cost which shall thereupon constitute the estimated total cost of performance of this contract. The increase in such estimated total cost shall be allocated in accordance with the formula set forth in the Schedule governing such increases. No notice, communication or representation in any other form or from any person other than the Contracting Officer shall affect the estimated cost to the Government of this contract. In the absence of the specified notice, the Government shall not be obligated to reimburse the Contractor for any costs in excess of the estimated cost to the Government set forth in the Schedule, whether those excess costs were incurred during the course of the contract or as a result of termination. When and to the extent that the estimated total cost set forth in the Schedule has been increased, any costs incurred by the Contractor in excess of the estimated total cost prior to such increase shall be allowable to the same extent and in the same percentage as if such costs had been incurred after the increase; unless the Contracting Officer issues a termination or other notice and directs that the increase is solely for the purpose of covering termination or other specified expenses.

(c) Change orders issued pursuant to the Changes clause of this contract shall not be considered an authorization to the Contractor to exceed the estimated cost to the Government set forth in the Schedule in the absence of a statement in the change order, or other contract modification, increasing the estimated cost.

(d) In the event this contract is terminated or the estimated cost not increased, the Government and the Contractor shall negotiate an equitable distribution of all property produced or purchased under the contract based upon the share of costs incurred by each.

(End of clause)

(c) The following clause shall be used in incrementally funded cost-reimbursement type research and development contracts which do not provide for cost sharing.

LIMITATION OF FUNDS (1966 OCT)

(a) It is estimated that the cost of the Government for the performance of this contract will not exceed the estimated cost set forth in the Schedule, and the Contractor agrees to use his best efforts to perform the work specified in the Schedule and all obligations under this contract within such estimated cost.

(b) the amount presently available for payment and allotted to this contract, the items covered thereby, and the period of performance which it is estimated the allotted amount will cover, are specified in the Schedule. It is contemplated that from time to

time additional funds will be allotted to this contract up to the full estimated cost set forth in the Schedule, exclusive of any fee. The Contractor agrees to perform or have performed work on this contract up to the point at which the total amount paid and payable by the Government pursuant to the terms of this contract approximates but does not exceed the total amount actually allotted to the contract.

(c) If at any time the Contractor has reason to believe that the costs which he expects to incur in the performance of this contract in the next succeeding sixty (60) days, when added to all costs previously incured, will exceed seventy-five percent (75%) of the total amount then allotted to the contract, the Contractor shall notify the Contracting Officer in writing to that effect. The notice shall state the estimated amount of additional funds required to continue performance for the period set forth in the Schedule. Sixty (60) days prior to the end of the period specified in the Schedule the Contractor will advise the Contracting Officer in writing as to the estimated amount of additional funds, if any, that will be required for the timely performance of the work under the contract or for such further period as may be specified in the Schedule or otherwise agreed to by the parties. If, after such notification, additional funds are not allotted by the end of the period set forth in the Schedule or an agreed date substituted therefor, the Contracting Officer will, upon written request by the Contractor, terminate this contract pursuant to the provisions of the Termination clause on such date. If the Contractor, in the exercise of his reasonable judgment, estimates that the funds available will allow him to continue to discharge his obligations hereunder for a period extending beyond such date, he shall specify the later date in his request and the Contracting Officer, in his discretion, may terminate this contract on that later date.

(d) Except as required by other provisions of this contract specifically citing and stated to be an exception from this clause, the Government shall not be obligated to reimburse the Contractor for costs incurred in excess of the total amount from time to time allotted to the contract, and the Contractor shall not be obligated to continue performance under the contract (including actions under the Termination clause) or otherwise to incur costs in excess of the amount allotted to the contract, unless and until the Contracting Officer has notified the Contractor in writing that such allotted amount has been increased and has specified in such notice an increased amount constituting the total amount then allotted to the contract. To the extent the amount allotted exceeds the estimated cost set forth in the Schedule, such estimated cost shall be correspondingly increased. No notice, communication or representation in any other form or from any person other than the Contracting Officer shall affect the amount allotted to this contract. In the absence of the specified notice, the Government shall not be obligated to reimburse the Contractor for any costs in excess of the total amount then allotted to the contract, whether those excess costs were incurred during the course of the contract or as a result of termination. When and to the extent that the amount allotted to the contract has been increased, any costs incurred by the Contractor in excess of the amount previously allotted shall be allowable to the same extent as if such costs had been incurred after such increase in the amount allotted; *unless* the Contracting Officer issues a termination or other notice and directs that the increase is solely for the purpose of covering termination or other specified expenses.

(e) Change orders issued pursuant to the Changes clause of this contract shall not be considered an authorization to the Contractor to exceed the amount allotted in the Schedule in the absence of a statement in the change order, or other contract modification, increasing the amount allotted.

(f) Nothing in this clause shall affect the right of the Government to terminate this contract. In the event this contract is terminated, the Government and the Contractor shall negotiate an equitable distribution of all property produced or purchased under the contract based upon the share of costs incurred by each.

(g) In the event that sufficient funds are not allotted to this contract to allow completion of the work contemplated by this contract, the Contractor shall be entitled to that percentage of the fee set forth in the Schedule equivalent to the percentage of completion of the work contemplated by this contract.

(End of clause)

(d) The following clause shall be used in incrementally funded cost-reimbursement type research and development contracts which provide for cost-sharing.

LIMITATION OF FUNDS (COST-SHARING)
(1966 OCT)

(a) It is estimated that the cost to the Government for the performance of this contract will not exceed the estimated cost to the Government set forth in the Schedule, and the Contractor agrees to use his best efforts to perform the work specified in the Schedule and all obligations under this contract within such estimated cost to the Government plus the share of the cost of performance agreed to be borne by the Contractor, as set forth in the Schedule.

(b) The amount presently available for payment by the Government and allotted to this contract, the items covered thereby, the Government's share of the cost thereof, and the period of performance which it is estimated the allotted amount will cover, are specified in the Schedule. It is contemplated that from time to time additional funds will be allotted to this contract up to the full estimated cost to the Government set forth in the Schedule, exclusive of any fixed fee. The Contractor agrees to perform or have performed work on this contract up to the point at which the total amount paid and payable by the Government pursuant to the terms of this contract approximates but does not exceed the total amount actually allotted by the Government to the contract.

(c) If at any time the Contractor has reason to believe that the costs he expects to incur in the performance of this contract in the next succeeding sixty (60) days, when added to all costs previously incurred, will exceed seventy-five percent (75%) of the total of the amount then allotted to the contract by the Government plus the Contractor's corresponding share, the Contractor shall notify the Contracting Officer in writing to that effect. The notice shall state the estimated amount of additional funds required to continue performance for the period set forth in the Schedule. Sixty (60) days prior to the end of the period specified in the Schedule the Contractor will advise the Contracting Officer in writing as to the estimated amount of additional funds, if any, that will be required for the timely performance of the work under the contract or for such further period as may be specified in the Schedule or otherwise agreed to by the parties. If, after such notification, additional funds are not allotted by the end of the period set forth in the Schedule or an agreed date substituted therefor, the Contracting Officer will, upon written request by the Contractor, terminate this contract pursuant to the provisions of the Termination clause on such date. If the Contractor, in the exercise of his reasonable judgment, estimates that the funds available will allow him to continue to discharge his obligations hereunder for a period extending beyond such date, he shall specify the later date in his requests, and the Contracting Officer, in his discretion, may terminate on that later date.

(d) Except as required by other provisions of this contract specifically citing and stated to be an exception from this clause, the Government shall not be obligated to reimburse the Contractor for costs incurred in excess of the amount from time to time allotted by the Government to the contract, and the Contractor shall not be obligated to continue performance under the contract (including actions under the Termination clause) or otherwise to incur costs in excess of the total of the amount then allotted to the contract by the Government plus the Contractor's corresponding share, unless and until the Contracting Officer has notified the Contractor in writing that the amount allotted by the Government has been increased and has specified in such notice an increased amount constituting the total amount then allotted by the Government to the contract. To the extent the total of the amount allotted by the Government plus the Contractor's corresponding share exceeds the estimated cost set forth in the Schedule, such estimated cost shall be correspondingly increased. Any increase in such estimated cost shall be allocated in accordance with the formula set forth in the Schedule covering such increases. No notice, communication or representation in any other form or from any person other than the Contracting Officer shall affect the amount allotted by the Government to this contract. In the absence of the specified notice, the Government shall not be obligated to reimburse the Contractor for any costs in excess of the total amount then allotted by the Government to the contract, whether those excess costs were incurred during the course of the contract or as a result of termination. When and to the extent that the amount allotted by the Government to the contract has been increased, any costs incurred by the Contractor in excess of the total of the amount previously allotted by the Government plus the Contractor's corresponding share shall be allowable to the same extent and in the same percentage as if such costs had been incurred after such increase in the amount allotted; *unless* the Contracting Officer issues a termination or other notice and directs that the increase is solely for the purpose of covering termination or other specified expenses.

(e) Change orders issued pursuant to the Changes clause of this contract shall not be considered an authorization to the Contractor to exceed the amount allotted by the Government in the Schedule in the absence of a statement in the change order, or other contract modification, increasing the amount allotted.

(f) Nothing in this clause shall affect the right of the Government to terminate this contract. In the event this contract is terminated, the Government and the Contractor shall negotiate an equitable distribution of all property produced or purchased under the contract based upon the share of costs incurred by each.

(g) In the event that sufficient funds are not allotted to this contract by the Government to allow completion of the work contemplated by this contract, the Contractor shall be entitled to that percentage of the fee set forth in the Schedule equivalent to the percentage of completion of the work contemplated by this contract.

(End of clause)

(e) In the foregoing clauses, the period of "sixty (60) days" and the percentage of "seventy-five percent (75%)" may be varied from thirty (30) to ninety (90) days and seventy-five percent (75%) to eighty-five percent (85%). The words "Task Order" or other appropriate designation may be sub-

stituted for the word "Schedule" wherever that word appears in the clauses. Where a contract is of the installment type, the clauses may be appropriately modified.

[Enclosure 2]

B–1 AIRFRAME CONTRACT—SCHEDULE

PART XXI—LIMITATION OF GOVERNMENT OBLIGATIONS

(a) It is estimated that the cost to be reimbursed the Contractor for the performance of this contract will not exceed the target cost set forth in the Schedule Part hereof entitled "Consideration and Payment," and the Contractor agrees to use its best efforts to perform the work specified in the Schedule and all obligations under this contract within such target cost.

(b) This contract shall be funded on an incremental basis. The Government shall not be obligated to provide funds at a more rapid rate than described in (c) below, as it may be revised from time to time. The Government's liability under this contract at any time, shall not exceed the cumulative total of the amounts then allotted hereunder and the Contractor shall not be entitled to any adjustment in delivery schedule, target cost or target fee or any other provision of this contract attributable to the Contractor's incurring of obligations in excess of said amount.

(c) Subject to the availability of funds, the Government contemplates that funds for this contract will be allotted in planned Fiscal Year Allotments in the amounts set forth in Column II of Funding Plan set forth below. It is further contemplated that each total planned Fiscal Year Allotment will be allotted from time to time within each fiscal year, and that the initial increment for each fiscal year will be allotted on the date indicated in Column III below. The amount allotted for each increment within a planned Fiscal Year Allotment and the period of performance it is estimated the increment will cover are set forth in Paragraph (j).

FUNDING PLAN

Fiscal year	Total planned fiscal year allotment	Date of allotment of initial increment of planned fiscal year allotment	Latest date to request adjustment of planned fiscal year allotment
I	II	III	IV
1970–71 [1,2]	108,400,000	Aug. 1, 1970	Award date.
1972 [1,2]	265,300,000	Aug. 1, 1971	Do.
1973 [1,2]	311,000,000	Aug. 1, 1972	Mar. 1, 1971.
1974 [1]	225,557,000	Aug. 1, 1973	Mar. 1, 1972.
1975 [1]	121,000,000	Aug. 1, 1974	Mar. 1, 1973.
1976 [1]	64,800,000	Aug. 1, 1975	Mar. 1, 1974.
1977	42,788,000	Aug. 1, 1976	Mar. 1, 1975.
1978	14,000,000	Aug. 1, 1977	Mar. 1, 1976.
1979	6,860,000	Aug. 1, 1978	Mar. 1, 1977.

[1] Fiscal years 1970–74 and 1975 include allotment for acquisition of identified BFE.

[2] Fiscal years 1970–72 and 1973 include allotment for unidentified BFE.

(d) The respective amounts indicated in the funding plan for fiscal years 1970, 1971 and 1972 are firm for the purpose of this clause. If at any time on or before the applicable date set forth in Column IV of paragraph (c) above the Contractor has reason to believe the costs which he has incurred or expects to incur in the performance of this contract for any fiscal year will exceed the planned cumulative obligations through that fiscal year as specified in (c) above, the Contractor shall notify the Contracting Officer in writing to that effect. Upon such notification the parties will negotiate the amount of additional funds that will be required for the timely performance of the work under the contract; provided that such notification is received on or before the date indicated in Column IV of the funding plan. The results of such negotiation shall be reflected in an amendment to this contract revising the appropriate amounts set forth in the funding plan.

(e) The failure of the Government to allot an initial increment of a planned Fiscal Year Allotment by the date specified above and/or the failure to timely allot subsequent increments within a planned Fiscal Year Allotment shall be deemed to be a failure to act within the meaning of the "Government Delay of Work" clause of the General Provisions.

(f) Upon issuance of Change Orders hereunder pursuant to the "Changes" clause of this contract, the Government shall (A) allot funds to the amount estimated to be necessary for the performance of the work called for thereunder in the current fiscal year if such fiscal year is fully obligated on the date of the issuance of the Change Order and (B) identify the estimated amount necessary for the work called for thereunder for all fiscal years other than those referenced in (A) above and amend the funding schedule in (c) above to provide for the addition of such amounts to the planned Fiscal Year Allotments affected by the change.

(g) Subject to (e) above and (h) below, the limitation of Government liability as set forth in this clause shall not be authority for the Contractor to cease or slow the performance of work under this contract and may not be used as the basis for extending schedules or otherwise altering performance requirements under this contract.

(h) The Contracting officer may prospectively revise the funding plan in (c) above to allot funds in lesser amounts; provided, that any equitable adjustments resulting from such revisions shall be negotiated in accordance with the procedures in the "Changes" clause.

(i) Nothing contained in this clause shall affect the right of the Government to terminate this contract under the "Termination" clause.

(j) For the purpose of paragraph (c) of this clause there is obligated for payment under this contract the amount of $108,400,000 which is estimated to cover costs of performance through 31 July 1971. Thirty days prior to the aforesaid date or agreed substituted date, the Contractor shall advise the Contracting Officer in writing as to the estimated amount of additional funds within the Fiscal Year Allotment which will be required for the timely performance of the contract and the further period for which such additional funds will be sufficient to cover costs for performance of this contract. The amount of additional funds and the period of performance for which such funds will be sufficient will be negotiated between the parties; provided, however, that until such time as the appropriation act for the Department of Defense for the then current fiscal year has been enacted into law, the Government shall not be obligated to allot any amount in excess of the specific limitations contained in any applicable joint resolution continuing appropriations for the current fiscal year.

(k) Subject to the availability of funds, any costs incurred in excess of the amount allotted hereunder at any time shall, to the extent that such costs are reasonbale and allocable, be allowable costs in the event that and to the extent that the Government subsequently increases its allotments hereunder. It is specifically recognized by the Contractor, however, that this paragraph (k) does not (i) constitute an undertaking by the Government that it will increase its allotments hereunder, and/or (ii) waive the requirement for seasonable notification as contemplated by paragraph (d) hereof.

(l) All provisions of this Part shall continue to apply up to completion of this contract.

COMPTROLLER GENERAL
OF THE UNITED STATES,
Washington, D.C., February 24, 1975.

HON. THOMAS J. MCINTYRE,
Chairman, Subcommittee on Research and Development, Committee on Armed Services, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Your letter of January 7, 1975, asked us to review the legal implications of current practices of the Department of Defense (DOD) in tacitly or explicitly authorizing contractors to spend funds in excess of Government contractual liability, with the expectation on the part of the contractors of reimbursement either from subsequent year appropriations or through claims procedures. You further requested that the matter be considered by our staff and field offices, and that our findings be reported to you. By letter dated January 6, 1975, you had also requested the views of DOD in this matter.

We solicited views and comments from DOD and have been advised by the Assistant Secretary of Defense (Comptroller) that detailed information is being sought from the various military departments and that a report will be forthcoming as soon as possible. We have also asked our Regional Offices to review the status of all major weapon systems in development within their respective areas of responsibility, and to report on their findings.

We recently advised Mr. Hyman Fine of your staff that we would be unable to gather, analyze, and compile all of the requested information to meet a February 15 deadline. It was then suggested that we provide this interim report to advise on the status of our work and to present whatever legal comments we might have. It is to be emphasized at the outset that authoritative comment is impossible in the absence of detailed factual data. Consequently, the following discussion is primarily conceptual except insofar as specifically indicated.

The governing legislation for Fiscal Year 1975 is Pub. L. 93–365, 88 Stat. 399 (DOD Appropriation Authorization Act) and Pub. L. No. 93–437, 88 Stat. 1212 (DOD Appropriation Act). The Research, Development, Test, and Evaluation (RDT&E) appropriations are lump sum appropriations for each of the military departments, available for obligation until June 30, 1976. Pertinent figures from title II, Pub. L. No. 93–365, and title V, Pub. L. No. 93–437, are set forth below (in millions):

	Authorization	*Appropriation*
Army	$1,878.397	$1,779.339
Navy	3,153.006	3,006.914
Air Force	3,389.517	3,274.360

Your letter to DOD cited four major weapon systems whose FY 1975 costs have already exceeded the amounts approved by the appropriations committees—Army Utility Tactical Transport Aircraft System (UTTAS), Army Advanced Attack Helicopter (AAH), Navy/NATO Patrol Hydrofoil Missile (PHM), and Air Force B–1 Advanced Strategic Bomber. Justification amounts approved for these programs, taken from the various committee reports, are set forth in the following table (in millions):

Program:	*Authorization*	*Appropriation*
UTTAS	$54.06	$52.66
AAH	60.8	60.78
PHM	15.7	15.733
B–1	454.973	444.973

We understand that the contracts involved in most if not all cases are cost-reimbursement contracts of the cost-plus-incentive-fee type. In this type of contract, a target cost and target fee are negotiated initially, along with a fee adjustment formula. The actual fee, determined after performance, depends on the relationship of total allowable costs to the target cost. See Armed Serv-

ices Procurement Regulation (ASPR) § 3-405.4 (1974). The initial target estimates form the basis for recording obligations against the applicable appropriation for purposes of section 1311 of the Supplemental Appropriation Act, 1955, as amended, 31 U.S.C. § 200 (1970), which provides in part—

"(a) * * * no amount shall be recorded as an obligation of the Government of the United States unless it is supported by documentary evidence of—

"(1) a binding agreement in writing between the parties thereto, including Government agencies, in a manner and form and for a purpose authorized by law, executed before the expiration of the period of availability for obligation of the appropriation or fund concerned for specific goods to be delivered, real property to be purchased or leased, or work or services to be performed; * * *"

We approved this method of recording obligations in 34 Comp. Gen. 418, 420–21 (1955).

The contracts are funded "incrementally," that is, appropriations are requested and provided in fiscal year installments based on the estimated needs for a given year. Current policy and guidelines are found in S. Rep. No. 93-385, 93d Cong., 1st Sess. 112–115 (1973). Incremental funding used in RDT&E is to be distinguished from the "full funding" concept used in military procurement programs, wherein funds are requested and provided at the initial stage of procurement actions on the basis of the entire estimated cost of the procurement, regardless of the anticipated fiscal year timing and rate of obligations. See DOD Directive No. 7200.4 (October 30, 1969).

We understand further that the contracts in several cases (e.g., UTTAS, AAH) are awarded to two or more contractors to develop prototypes, with the procuring department to select ultimately a single contractor for the award of the production contract. On page 17 of the January 6, 1975, issue of Aviation Week & Space Technology (Vol. 102, No. 1) it is reported that Boeing Vertol and Sikorsky Aircraft Division, the UTTAS competitors, intend to provide company funding to meet FY 1975 shortages.

Informal discussions with DOD personnel indicate that DOD has advised contractors in the appropriate cases that FY 1975 funding has been exhausted, and that contractors expressing the desire to continue programs with company funds must do so at their own risk. DOD has apparently told the contractors that it will seek sufficient FY 1976 funds to provide reimbursement, but that there can be no guarantee that such funds will be appropriated.

To deal with the overrun situation, DOD has developed Limitation of Cost/Funds (LOC/LOF) clauses, which ASPR § 7-402 requires to be inserted in all incrementally funded cost-reimbursement research and development contracts. The clause used in the UTTAS and AAH contracts is the Limitation of Funds clause set forth in ASPR § 7-402.2 (c), as follows:

"LIMITATION OF FUNDS (1966 OCT)

"(a) It is estimated that the cost to the Government for the performance of this contract will not exceed the estimated cost set forth in the Schedule, and the Contractor agrees to use his best efforts to perform the work specified in the Schedule and all obligations under this contract within such estimated cost.

"(b) The amount presently available for payment and allotted to this contract, the items covered thereby, and the period of performance which it is estimated the allotted amount will cover, are specified in the Schedule. It is contemplated that from time to time additional funds will be allotted to this contract up to the full estimated cost set forth in the Schedule, exclusive of any fee. The Contractor agrees to perform or have performed work on this contract up to the point at which the total amount paid and payable by the Government pursuant to the terms of this contract approximates but does not exceed the total amount actually allotted to the contract.

"(c) If at any time the Contractor has reason to believe that the costs which he expects to incur in the performance of this contract in the next succeeding sixty (60) days, when added to all costs previously incurred, will exceed seventy-five percent (75%) of the total amount then allotted to the contract, the Contractor shall notify the Contracting Officer in writing to that effect. The notice shall state the estimated amount of additional funds required to continue performance for the period set forth in the Schedule. Sixty (60) days prior to the end of the period specified in the Schedule the Contractor will advise the Contracting Officer in writing as to the estimated amount of additional funds, if any, that will be required for the timely performance of the work under the contract or for such further period as may be specified in the Schedule or otherwise agreed to by the parties. If, after such notification, additional funds are not allotted by the end of the period set forth in the Schedule or an agreed date substituted therefor, the Contracting Officer will, upon written request by the Contractor, terminate this contract pursuant to the provisions of the Termination clause on such date. If the Contractor, in the exercise of his reasonable judgment, estimates that the funds available will allow him to continue to discharge his obligations hereunder for a period extending beyond such date, he shall specify the later date in his request and the Contracting Officer, in his discretion, may terminate this contract on that later date.

"(d) Except as required by other provisions of this contract specifically cited and slated to be an exception from this clause, the Government shall not be obligated to reimburse the Contractor for costs incurred in excess of the total amount from time to time allotted to the contract, and the Contractor shall not be obligated to continue performance under the contract (including actions under the Termination clause) or otherwise to incur costs in excess of the amount allotted to the contract, unless and until the Contracting Officer has notified the Contractor in writing that such allotted amount has been increased and has specified in such notice an increased amount constituting the total amount then allotted to the contract. To the extent the amount allotted exceeds the estimated cost set forth in the Schedule, such estimated cost shall be correspondingly increased. No notice, communication or representation in any form or from any person other than the Contracting Officer shall affect the amount allotted to this contract. In the absence of the specified notice, the Government shall not be obligated to reimburse the Contractor for any costs in excess of the total amount then allotted to the contract, whether those excess costs were incurred during the course of the contract or as a result of termination. When and to the extent that the amount allotted to the contract has been increased, any costs incurred by the Contractor in excess of the amount previously allotted shall be allowable to the same extent as if such costs had been incurred after such increase in the amount allotted; unless the Contracting Officer issues a termination or other notice and directs that the increase is solely for the purpose of covering termination or other specified expenses.

"(e) Change orders issued pursuant to the Changes clause of this contract shall not be considered an authorization to the Contractor to exceed the amount allotted in the Schedule in the absence of a statement in the change order, or other contract modification, increasing the amount allotted.

"(f) Nothing in this clause shall affect the right of the Government to terminate this contract. In the event this contract is terminated, the Government and the Contractor shall negotiate an equitable distribution of all property produced or purchased under the contract based upon the share of costs incurred by each.

"(g) In the event that sufficient funds are not allotted to this contract to allow completion of the work contemplated by this contract, the Contractor shall be entitled to that percentage of the fee set forth in the Schedule equivalent to the percentage of completion of the work contemplated by this contract."

We do not yet know if the other contracts in question contain this clause. Further, it appears that there are variations occasionally used by some of the departments. Even if the clause were inadvertently omitted, however, we believe it might be held to be incorporated into the contract by operation of law. See *G.L. Christian and Associates* v. *United States*, 312 F. 2d 418, 424 (Ct. Cl.), cert. den'd, 375 U.S. 954 (1963). Thus, for purposes of this discussion, we assume that all contracts contain the cited clause or a substantially identical version.

The purpose of the LOF clause is to—

"* * * give the Government unilaterally an effective tool to prevent the overexpenditure of appropriated funds by establishing the estimated cost as the limit of the Government's obligation to make payment, but providing a method whereby the Government may at its election increase the estimated cost and authorize the contractor to continue performance." *Weinschel Engineering Co., Inc.*, 1962 BCA para. 3348 (1962).

In brief, once the funding limitation is reached, a contractor is under no obligation to continue performance, and the Government is under no obligation to fund overruns unless the contractor has given timely notice and the Contracting Officer notifies the contractor in writing that the amount allotted to the contract has been increased. Absent this written notification, the contractor continues at his own risk.

In connection with contractor's use of claim procedures, we reviewed overrun cases before the Armed Services Board of Contract Appeals and the Court of Claims. However, most of these cases—which are mentioned below—appear to involve the refusal to allot additional available funds to the contract rather than the exhaustion of appropriations (although this is not always clear from the facts stated), and are thus not necessarily controlling. It is not clear whether such cases may be viewed as giving some indication of the types of factors that might be relevant in determining the validity of the contractor's claim where appropriations have been exhausted.

The LOC/LOF clause has been strictly enforced where the contractor fails to give timely notice of an overrun. *General Electric Co.* v. *United States*, 412 F.2d 1215 (Ct. Cl. 1969); *Acme Precision Products, Inc.*, 61-1 BCA para. 3051 (1961). In *Weinschel Engineering Co., supra*, the Board denied recovery where the contractor had continued to perform using its own funds, after funds earmarked for the project had been exhausted, but failed to notify the Contracting Officer until after the overrun had been incurred, although other Government officials had knowledge of the overrun. The Board stated:

"* * * A Contractor has no right to usurp the Government's prerogative to control the expenditure of public funds by violating the Limitation of Cost clause and continuing to incur costs after the funds 'earmarked' for the project have been exhausted."

A contractor may be entitled to recover overrun costs despite failure to comply with the Limitation clause, if the overrun was reasonably unforeseeable, *General Electric Co.* v. *United States*, 440 F.2d 420 (Ct. Cl. 1971), *Magnavox Company*, 74–1 BCA para. 10495 (1974); or if the Government urged continuation of performance, *Consolidated Electrodynamics Corp.*, 1963 BCA para. 3806 (1963). In *Thiokol Chemical Corp.*, 60–2 BCA para. 2852 (1960), overrun costs were allowed despite noncompliance with the LOC clause where the Government had accepted and used the items involved and where the Board found that the "Government here would never have permitted appellant to discontinue performance of the contract."

Prior funding of overruns will not alone be sufficient to override the Limitation clause. *United Shoe Machinery Corp.*, 68–2 BCA para. 7328 (1968). But such prior funding was relevant in *Clevite Ordnance, Division of Clevite Corp.*, 1962 BCA para. 3330 (1962), and the contractor recovered where he had been assured by the Government that the overrun would be funded when new appropriations became available.

We have included the above comments in general terms because we are not in a position to determine which situation might be applicable without detailed factual knowledge of such areas as the nature of the overrun in any given case, the extent of compliance or noncompliance with the LOF clause, and the precise circumstances surrounding the contractor's decision to provide company funding. It is apparent from the foregoing that a contractor's claim will depend on a series of complex factual interrelationships of the nature indicated, to be developed through testimony at an adversary proceeding. While the outcome of such a claim cannot be predicted without such factual knowledge, at the very least it may be concluded that recovery cannot be categorically foreclosed.

As pointed out, a primary goal of contract funding procedures is to prevent the overobligation of appropriated funds. The statutory restraints in this respect are Revised Statutes § 3679, as amended, 31 U.S.C. § 665 (1970) (the "Antideficiency Act") and Revised Statutes § 3732, as amended, 41 U.S.C. § 11 (1970), set forth in part below:

31 U.S.C. § 665(a):

"No officer or employee of the United States shall make or authorize an expenditure from or create or authorize an obligation under any appropriation of funds in excess of the amount available therein; nor shall any such officer or employee involve the Government in any contract or other obligation, for the payment of money for any purpose, in advance of appropriations made for such purpose, unless such contract or obligation is authorized by law."

41 U.S.C. § 11(a):

"(a) No contract or purchase on behalf of the United States shall be made, unless the same is authorized by law or is under an appropriation adequate to its fulfillment, except in the Departments of the Army, Navy, and Air Force, for clothing, subsistence, forage, fuel, quarters, transportation, or medical and hospital supplies, which, however, shall not exceed the necessities of the current year."

Under DOD's approach of recording obligations for the instant contracts on a target price basis for purposes of 31 U.S.C. § 200, described hereinabove, the obligations so recorded would not exceed amounts made available for the contracts during fiscal year 1975. However, we do not believe that the recording of obligations is the sole factor relevant in assessing possible violations of 31 U.S.C. § 665(a) and 41 U.S.C. § 11(a). Thus, in 42 Comp. Gen. 272, 275 (1962), we stated with regard to the generally accepted purport of 31 U.S.C. § 665(a) and 41 U.S.C. § 11(a):

"These statutes evidence a plain intent on the part of the Congress to prohibit executive officers, unless otherwise authorized by law, from making contracts involving the Government in obligations for expenditures or liabilities beyond those contemplated and authorized for the period of availability of and within the amount of the appropriation under which they are made; to keep all the departments of the Government, in the matter of incurring obligations for expenditures, within the limits and purposes of appropriations annually provided for conducting their lawful functions, and to prohibit any officer or employee of the Government from involving the Government in *any contract or other obligation for the payment of money for any purpose, in advance of appropriations made for such purpose; . . .*" (Emphasis added.)

There is for consideration, therefore, the question as to whether a Contracting Officer may "commit" the Government to reimburse a contractor in advance of appropriations becoming available in the next fiscal year. We have not objected to contracts entered into subject to the availability of appropriations in certain circumstances, as long as the contract made it unequivocally clear that no Government liability could arise until the appropriations became available. 21 Comp. Gen. 864 (1942); 39 Comp. Gen. 776 (1960); B–17198, August 18, 1971. But in the type of situation we consider here, the contractor's performance in FY 1975 might, in view of the Board of Contract Appeals and Court of Claims decisions discussed hereinabove, impose elements of liability upon the Government within the meaning of the cited statutes. As noted, we are not in a position to assess the likelihood of such a result in the instant matter absent additional factual information.

Pursuant to the consent of Mr. Fine of your staff, we are furnishing a copy of this letter to the Committee on Armed Services, House of Representatives. As soon as we have gathered and analyzed the remaining information we have yet to receive, we will report further to both committees.

Sincerely yours,

R. F. KELLER,
Deputy Comptroller General of the United States.

EXHIBIT 2

FEBRUARY 24, 1975.

HON. ELMER B. STAATS,
Comptroller General of the United States, General Accounting Office, Washington, D.C.

DEAR MR. COMPTROLLER GENERAL: Reference is made to your letter B–163058 of February 24, 1975, and letter from the Assistant Secretary of Defense, Comptroller of the same date, copy of which has been provided to your office. These letters treat with the legal implications of the practices of the Department of Defense involving the authorization of the expenditure of funds by contractors in excess of contractual liability.

Request that you review the details of the OSD letter and complete the actions indicated in the last two paragraphs of your letter involving the gathering and analysis of remaining information needed to provide the Committee with a more comprehensive reply. This should include your findings, comments, and any recommendations for actions which you deem appropriate for the Congress. This information should be provided by March 14, 1975.

Will you also proceed in an expeditious manner with a detailed examination of contractor and Department of Defense records involved with the eight weapon systems identified in the DOD letter to determine the facts as they relate to the subject issue. The result of these investigations should be provided separately as quickly as possible for each of the weapon systems.

Sincerely,

THOMAS J. MCINTYRE,
Chairman, Subcommittee on Research and Development.

AUTOMOBILE EMISSION CONTROLS AND COMMON SENSE

Mr. GOLDWATER. Mr. President, from time to time, it is my pleasure to get a letter from a constituent that is so well written, so well thought out, that there is a natural desire to share it with my colleagues.

Mr. Earl Bartholomew, of Carefree, Ariz., has written such a letter. It concerns automobile emissions and common sense.

Anyone wishing to examine the problems of automobile emissions in a rational, calm way could do no better than to read Mr. Bartholomew's letter. He makes a very strong case for a moratorium on stricter emission controls.

He shares with me the belief that our goals in automobile engines should be increased performance and reduced emissions. It is my belief that the technology can be developed to accomplish these aims simultaneously. When we defy simple engineering facts of life, we can damage vital industries without attaining our objectives.

Mr. President, I ask unanimous consent to have Mr. Bartholomew's letter together with its enclosures printed in the RECORD.

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

CAREFREE, ARIZ., *February 21, 1975.*

HON. BARRY M. GOLDWATER,
U.S. Senate,
Washington, D.C.

DEAR SENATOR GOLDWATER: This letter is concerned with the effect of governmental regulation of the automobile industry on the present economic and energy crisis, a discussion that seems particularly appropriate at this time in view of the President's request for a five-year freeze of present regulations on exhaust emissions and a forty percent increase in gasoline mileage of new cars by 1980.

My entire active life was devoted to improvement of the efficiency, durability and environmental acceptability of automotive engines, together with development of fuels for their operation. The work was responsible for substantial advances in all of the areas. It is understandable that such a program would become interested in the objectives of the Environmental Protection Agency (EPA) and the regulations promulgated for attainment of its goals.

Although having deep concern about preservation of the environment for the benefit of present and future generations, I became convinced that the announced schedule of governmental regulations applicable to exhaust emissions of automobiles, in their increasing stringency, ultimately would become counter-productive, wreck the automotive industry and hasten a petroleum crisis whose dire consequences were beyond prediction.

At retirement a few years ago, I concluded that, after transfer of technical and educational responsibilities to able younger personnel, I should become and remain a member of the "silent majority." However, with our largest industry prostrate, hundreds of

thousands of its employees idle and the effects permeating most other segments of the economy, I cannot in good conscience continue such a passive course while our country continues its descent into economic stagnation. The decision is reinforced by the depressing effect of these developments on two of Arizona's principal industries—semiconductors and copper. The final determinant was two news items in recent issues of The Wall Street Journal, which are reproduced on a separate attached sheet.

The technology relating to exhaust emissions is extremely complex. Lack of appreciation of this fact by well-meaning people without technical background, but in a position to make decisions and formulate regulations capable of causing tremendous dislocations and economic consequences, is responsible for much of our present situation. Accordingly, for whatever value it may have to you in meeting your responsibilities in this area, I shall try to set down, in concise layman's language, the principal factors and relationships that are involved.

Three means are available for reducing the amount of pollutants exhausted into the atmosphere, viz:

A. Better preparation of the mixture of air and fuel delivered to the engine cylinders through more precise metering of fuel in the carburetor, better mixing of fuel and air, and more nearly uniform distribution of fuel to the cylinders.

B. Reduction of the amount of fuel burned through

a. Decrease of engine size,

b. Improvement of efficiency with which fuel energy is converted to power within the cylinders (for example, from increased compression ratio), or both.

C. Burning of combustible pollutants in the exhaust system.

In my experience, very large reduction of exhaust emissions can be achieved by better preparation of the air-fuel mixture—down to 10 to 15% of the levels prevailing before the attack on the pollution problem was started. Controls and adjustments can be almost eliminated. If carburetors and manifolds are properly constructed, the low emission levels delivered by new engines are continued indefinitely in service. Of at least equal importance, little or no engine cost penalty is involved and fuel consumption is not increased. Usually *less* gasoline is needed. Lowering of engine compression ratio with consequent boost of gasoline consumption is not required.

Pressure of the EPA on automobile manufacturers to reduce emission levels below those obtainable by design of carburetors and manifolds is a primary cause of the present depression in the automobile industry and of the bleak future prospects. It is contributing largely to the petroleum crisis and, if continued, will exacerbate the problem. Moreover, it is counter-productive with respect to control of air pollution. Such unfortunate consequences are ascribable to the following technical and economic relationships:

1. As efforts are made to reduce emissions below the aforementioned 10 to 15% levels, the law of diminishing returns acts to make each successive increment of improvement more difficult and expensive to achieve. This well-known law applies to all scientific endeavor, as exemplified by attempts to produce zero vacuum or temperature, or to attain 100% efficiency in chemical processes.

2. Struggle to eliminate the aforedescribed residual emissions involves successive additions of complex and expensive apparatus having a host of controls and adjustments, all of which increase the possibility of malfunction with consequent higher emission levels than if the gadgets had not been installed.

3. The additional components necessitate design measures that result in higher gasoline consumption—a characteristic of cars made during the past few years that has been expensively discovered by their buyers.

4. Increasingly severe limitations on exhaust emissions imposed by the EPA are forcing car manufacturers toward universal use of catalytic mufflers. Because of incompatibility of tetraethyl lead in gasoline with the platinum catalyst used in the mufflers, unleaded fuel must be used. Since its antiknock quality is lower, reduction of engine compression ratio has been necessary, with consequent loss of power and fuel economy. Even further reduction of compression ratios has been required inasmuch as combustion chamber deposits (commonly called "carbon") from unleaded gasoline cause greater knocking. Thus larger and even less thermally efficient engines must be installed for equal power performance. (Alternatively, smaller engines having former compression ratios and delivering more miles per gallon could be employed that would match the power performance of engines with catalytic mufflers).

5. Catalytic mufflers cause increased consumption of petroleum in still another way. Manufacture of the required lead-free gasoline necessitates the use of severe refining processes which consume more crude oil per gallon of motor fuel produced. Accordingly, owners of recently built cars are forced to pay a higher price per gallon for gasoline of a particular level of antiknock quality and to buy more gallons to travel a given distance. When, in the worsening energy crisis, every effort should be directed toward minimizing consumption of crude oil, EP regulations are forcing wasteful increase. Unless already scheduled regulations are repealed or their implementation delayed, crude oil wastage will mount in proportion to increase in registration of new cars.

6. From the foregoing discussion it must be obvious that EPA regulations beyond technical justification are a catastrophe. Now comes a statement (Attached clipping from the January 28 issue of The Wall Street Journal) by an EPA official that catalytic converters "emit sulfates that may eventually cause more health risks than the converters prevent". This fiasco will have cost motorists billions of dollars because of research and engineering expense incurred by automotive manufacturers, large additions to the cost of cars, and huge investments of oil companies in equipment for refining and distributing the required special gasoline. Once more are illustrated the dislocations and wastage of resources resulting from bureaucratic pressure and regulations applied without adequate technical background or analysis of economic consequences.

The question properly arises: How do the aforediscussed conditions affect the sale of automobiles? Anyone who has much contact with car owners is likely to say quite adversely. My own acquaintances who have bought recently-built cars are unhappy about their low gasoline mileage, sluggish performance, poor idle, after-running and Christmas-tree appearance of EPA mandated apparatus.

Those who are fortunate enough to have cars made before EPA engineering reached the present level of absurdity are determined to drive them as long as possible. On national television newscasts, they see fuel tanks of new cars being filled from hoses fitted with non-standard small nozzles and know that pumps having the required small nozzles are not to be found everywhere they may wish to travel, particularly in Canada and Mexico. Some have told me they would not trade their older cars for new ones on an even basis.

A letter from a reader of The Arizona Republic, published in the February 15, 1975 issue of that paper and copied herein on a separate sheet, summarizes succinctly the public attitude toward currently produced automobiles. We now are witnessing the greatest buyers' strike in American history.

The President has called for development of automobiles by 1980 that will yield 40% more miles per gallon of fuel. Nothing in the energy program is as important as achievement of this objective. It can be reached under pollution regulations no more stringent than required to insure the minimum practical levels of emission discussed hereinbefore. To this end the President has asked the Congress to freeze the present emission limits for a period of five years.

If future cars produce no greater weight of pollutants per gallon of fuel burned (a performance that is to be expected), the improved fuel economy will be accompanied by a reduction in weight of exhaust emissions proportional to the decrease of fuel consumption. This very substantial real gain certainly would be preferable to hoped-for but illusory benefits from additional proliferation of gadgetry.

In view of the conditions and relationships discussed above, I hope you will support the President's proposal for freezing existing pollution standards relating to automobiles, as well as that pertaining to improvement of fuel economy.

Sincerely yours,

EARL BARTHOLOMEW.

P.S. In the controversy concerning air pollution, the media frequently presents news reports which are technically unsupported claims, figments of the imagination or purely political propaganda. For those not having extensive technical background, it often is difficult, if not impossible, to differentiate such spurious from authentic information. In the hope that the above discussion will be accepted as having real substance and objectivity, and for that reason alone, I take the liberty of advising that, as a young man, I was on the faculty of the Engineering School at Harvard University. For thirty-eight years I was general manager and director of the technical staff of one of the largest, best equipped and most competently staffed research laboratories in metropolitan Detroit. I was granted many patents for developments relating to automotive engines and their fuels.

During the last decade in Detroit, my attention was concentrated almost entirely on air pollution caused by automobiles. In recognition of that work, I was awarded the Horning Memorial Medal by the Society of Automotive Engineers.

I have no obligation to any company, and no compensation is due me, at present or in the future, from any company. I assigned all patent rights without claim of subsequent compensation.

[From the Wall Street Journal, Jan. 28, 1975]

Catalytic converters used on most new cars to control hydrocarbon and carbon monoxide pollution emit sulfates that *may eventually cause more health risks than the converters prevent, an EPA official said.*

[From the Wall Street Journal, Feb. 10, 1975]

Chrysler Corp. will abandon the U.S. heavy-truck market Feb. 21. It *blamed changing government standards for the trucks.*

[From the Arizona Republic, Feb. 15, 1975]

BROUGHT ABOUT OWN DOWNFALL

I couldn't help noticing the front-page story describing the auto workers' demonstration in Washington. Although well-intended, I believe their efforts were misdirected.

Periodically, for the last 20 years, the auto workers have won substantial wage and benefit increases, generally by shutting down one or more of the auto companies for a period of time. The end result is the same basic transportation unit of 20 years ago at

double the price. It is equipped with a gas-guzzling engine, choked down with pollution gear.

The American buying public is now telling auto management, the auto workers, and the Environmental Protection Agency, "Get the price of your auto down, the junk off, and we'll buy it, thereby creating all the jobs you need."

All the demonstrations and politicians and union leaders' fiery speeches aren't going to change the basic right of a prospective buyer to assess a product's value against its price.

It's suggested that the three above-mentioned auto groups get their heads together and get after it.

JOHN AHMANN,
Kearny.

(Underlining is the author's).

PROPOSED ARMS SALES

Mr. SPARKMAN. Mr. President, section 36(b) of the Foreign Military Sales Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million. Upon such notification, the Congress has 20 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Committee.

In keeping with my intention to see that such information is immediately available to the full Senate, I ask unanimous consent that there be printed in the RECORD the notification I have just received.

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

WASHINGTON, D.C.,
March 7, 1975.

Hon. JOHN J. SPARKMAN,
Chairman, Committee on Foreign Relations, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Foreign Military Sales Act, as amended, we are forwarding under separate cover Transmittal No. 75-12, which contains information concerning a proposed Letter of Offer in excess of $25 million.

Sincerely,

H. M. FISH,
Lieutenant General, USAF, Director, Defense Security Assistance Agency and Deputy Assistant Secretary (ISA), Security Assistance.

TRANSMITTAL NO. 75-12: NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE FOREIGN MILITARY SALES ACT, AS AMENDED

(a) Prospective Purchaser: Kuwait.

(b) Total Estimated Value: $41.9 Million.

(c) Description of Articles or Services Offered: 2 C-9B aircraft, support equipment and spares.

(d) Military Department: Navy.

(e) Date Report Delivered to Congress: March 10, 1975.

THE INVISIBLE GOVERNMENT

Mr. DOLE. Mr. President, I commend to my colleagues an article in the March 17, 1975, issue of Newsweek magazine entitled, "The Invisible Government," by William S. Banowsky, who is the president of Pepperdine University and the Republican national committeeman from California.

I and many of my colleagues share a basic belief that human problems ought to be dealt with at the simplest level of society which is adequate to the task. At the root of this approach is a conviction that the individual ought to be left as free as possible to direct his own affairs, that where government action is necessary, it ought to be government action at the level closest to the problem and that the highest level of government ought to be called in only as a last resort, to deal with those problems beyond the capacity of lower levels of government to treat.

The corollary of this belief is a sense that big government is, at best, a necessary evil and in some of its particulars, at least, more evil than necessary.

Those of us who think so, however, seem on occasion to have forgotten that government has been big so long that many of our citizens take it—and the demands it makes upon them—for granted. It is no longer necessarily self-evident that big government is something to be avoided.

Big, in other words, is not obviously bad.

There is a need to reassert and to redescribe the rationale against big government. It is not its size that alarms us, but its power, as Mr. Banowsky points out in his Newsweek article. Those who criticize the expansion of big government do so not in a negative way, but for the sake of the expansion of individual freedom.

That is our case. It is, I am proud to say, the orientation of my party. And, I am pleased to say, it has been the general subject of a growing number of thoughtful articles coming to my attention in recent days. I commend Mr. Banowsky's contribution to this debate to the attention of all of my colleagues and ask unanimous consent it be printed in the RECORD.

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

THE INVISIBLE GOVERNMENT

(By William S. Banowsky)

For years, we have heard warnings—usually from conservatives—about the evils of big government. Now these warnings have been given a new credibility. Millions of Americans, growing uneasy about this awesome concentration of power that controls much of our lives, see it as a threat to our civil liberties.

If you think this is just the latest jerk of the knee by yet another alarmist, stop and consider the implications of the recent disclosures about the FBI and CIA. The popular thing to do, of course, is blame everything on Nixon. But isn't it time we stopped kidding ourselves? Only professional Nixon-baiters and rabid partisans can really believe the CIA's intervention in domestic affairs and the FBI's promiscuous snooping were merely the work of one man's evil genius.

Nixon didn't design the system; he merely made creative use of it. But the potential for abuse was already there. It still is. It is not specific past abuses of power, but rather the almost unlimited potential for future abuse which ought to unsettle us.

Self-righteous politicians can condemn the FBI, CIA, IRS and other departments, bureaus, agencies or commissions which were enlisted in the crusade against the "enemies list." They can appoint special commissions, and prosecutors and, no doubt, find a few more officials to put behind bars. But so long as we deal merely with the effects rather than the cause we miss the real danger.

FORBIDDING ACRONYMS

The 3 million civilian employees of the Federal government work in numerous agencies which form a kind of invisible government. By its very nature, every bureaucracy develops a spontaneous momentum, generating its own growth and power. Insulated from public scrutiny, these unelected and, for the most part, unappointed civil servants are nameless and faceless. Most of them are decent, competent people. But, as we have seen, the majority simply carry out orders. Somewhere between them and the American people they serve the line of accountability has been blurred.

I am less disturbed about the few "bad apples" within the system that I am with the system itself and its isolation from the people. In the total American work force, one out of six civilian employees is now on a government payroll.

But it's not the *size* nor even the *cost*, but the *power* of the entrenched bureaucracy that is most alarming. And power is not just the Pentagon, with its missiles, planes and tanks. Power is the Department of Health, Education and Welfare. HEW occupies 57 buildings in Washington. If power is where the money is, we should take notice that HEW's proposed 1976 budget is $118 billion, one-third of the total Federal budget. In the past ten years, the Pentagon's power has dropped from 41 percent to 26 percent of the budget, HEW has gone from 25 percent to 34 percent.

Similar power is at HUD, OMB, EPA, SEC, FCC, FTC, ICC. One could go on and on. The initials are forbidding acronyms for anonymity. How many know what they stand for, let alone the powers vested in all the alphabet agencies?

EMPATHY FOR BUSINESSMEN?

Because Americans retain a healthy skepticism of police power, we can all relate to the FBI and CIA abuses. And everyone, of course, fears the IRS. What citizen thinks himself a match for the skilled IRS auditor, armed with the legal authority and resources of the United States and empowered to conduct a microscopic examination of our finances?

But it's much harder to empathize with the plight of the "big businessmen." Where is the ACLU campaign against OSHA (the Department of Labor's Occupational Safety and Health Administration Agency)? OSHA's power extends over virtually every businessman in the country. An anonymous informant, even a business competitor, may unleash agents (according to OSHA's pamphlet) "without delay, at any reasonable times" (not necessarily during work hours) to search "all pertinent materials." No court order or search warrant is required, not even evidence of probable violations.

More frightening is HEW's new medicare and Medicaid monitoring agency, the Office of Professional Standards Review. The OPSR can inspect and computerize the private medical records of any American treated by a doctor or admitted to a hospital. If these powers had existed in 1972, a White House political operative might have secured Tom Eagleton's medical records to mount an attack against the Democratic nominee.

The confirmation of FBI files on senators and congressmen is treated as news. Yet reports have circulated in Washington for years that such files existed—*before* Richard Nixon was elected President—and now we know these reports were true. The media re-

ported about CIA involvement in domestic affairs as if this were a revelation, although in 1967 we learned of the CIA's subsidy and partial control of the National Student Association, and of vast CIA foundations and publishing enterprises.

So what else is new?

Hopefully, it is that Americans will realize that our present system of checks and balances has proven impotent in controlling the bureaucracy. Since Republicans habitually denounce big government, it is grimly ironic that a Republican Administration taught us to fear government "more than ever." We shiver at the awesome power of Nixon's White House staff. Yet the machinery of government remains in the hands of anonymous bureaucrats protected by Civil Service so that neither their positions nor their actions are subject to the electoral process. The whole system remains ripe for future abuse.

REGULATE THE REGULATORS

We know that the FBI was used for political ends during the Johnson Administration. We could appoint an expensive commission to see if the IRS ever investigated someone at the request of LBJ, or if any regulatory commission harassed any corporations whose chiefs supported Goldwater, or if any ambassadors were appointed because they contributed to the Johnson-Humphrey campaign.

But I don't believe the nation needs an interminable series of Watergate-style investigations. What we need are new checks and balances to harness the bureaucracy. Let Congress revise the laws that give these agencies so much power and let it scrutinize them more carefully.

The threat to our civil liberties did not originate with Richard Nixon, and it has not disappeared with his exile. The people and their representatives must start regulating the regulators.

EASTERN NEW MEXICO UNIVERSITY-ROSWELL'S HIGH SCHOOL EQUIVALENCY PROGRAM NO. 1 IN NATION

Mr. MONTOYA. Mr. President, I am proud to announce that Eastern New Mexico University-Roswell's High School equivalency program was recognized, in September 1973, by the Executive Systems Corp. as the top such program in the Nation.

The program is federally funded, and is for young people of ages 17 to 22 years old who are of migrant farm worker background. The program is sponsored by the Office of Economic Oportunity in 14 universities throughout the country.

There is a declining need for migrant farmworkers. This program was established to aid young people in receiving a sufficient education so as to enter other fields. The purpose of the program is the successful completion of high school and the placement of students into a job or training program. In 1972–73 the Roswell campus had a success ratio of 94 percent in attempting to accomplish this goal.

In addition, this program brings into the community almost a half million dollars annually.

The program's success at Roswell can be credited to a dedicated, able staff. The staff members are John Gillis, dean: David Gomez, assistant director: George Hunter, counselor and recruiter; Mary Tupps, English instructor: Judy Blome, literature instructor: Alton Howse, mathematics instructor; and Mary Bagwell and Sue Wunhan, secretaries.

In 1973–74 the new staff members were Berna Sue Wrinkley, science: James Patterson, social studies: Pat Trembly, recruiter and vocational counselor: and Charles Yslas, reading specialist.

I ask unanimous consent that materials related to this program be printed in the RECORD.

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

ENMU–R HIGH SCHOOL: LOCAL PROGRAM NO. 1 IN NATION

(By Marilyn Holmes)

Eastern New Mexico University-Roswell's High School Equivalency program was recognized this week by the Executive Systems Corporation, consultant to the Office of Economic Opportunity in Washington, D.C., as the top such program in the nation, ENMU–R dean John Gillis announced today.

The federally funded program for young migrant workers or family members is sponsored by the OEO in 14 universities throughout the nation.

The program was placed on the Roswell branch campus here five years ago because of availability of facilities, HEP director Dewey Johnson of Roswell explained.

SUCCESS RATIO

The Roswell campus has a success ratio for 1972–73 of 94 per cent of its HEP students either achieving high school equivalency degrees or in being placed in jobs resulting from program instruction.

The nearest percentage among other universities was 88 per cent success factor in three universities including an Executive Systems Corporation sponsored program in Puerto Rico, University of Texas at El Paso in El Paso, Tex.; and the University of the Pacific in Stockton, Calif.

Other universities hosting HEP programs include Southern Colorado State College, Pueblo, Colo.; University of Miami at Miami, Fla.; Lamar University, Beaumont, Tex.; University of Wisconsin, Milwaukee, Wis., Pan American University, Edinburg, Tex.; University of Nebraska, Lincoln, Neb.; University of Houston, Houston, Tex.; University of Oregon, Eugene, Ore.; California Polytechnic, San Luis Obispo, Calif.; and Washington State University, Pullman, Wash.

"FINE STAFF"

"The credit for the program's success should be given to the fine staff which is dedicated to accomplishing its goals," Gillis said.

Other staff members involved in the program last year include David Gomez, assistant director; George Hunter, counselor and recruiter; Mary Tipps, English instructor; Judy Blome, literature instructor; Alton Howse, mathematics instructor; and Mary Bagwell and Sue Winham, secretaries.

New staff members added for the program for 1973–74, beginning Sept. 1 this year include instructors Berna Sue Wrinkle, science; James Patterson, social studies; Pat Trembly, recruiter and vocational counselor, and Charles Yslas, reading specialist.

1,446 STUDENTS

The program for the 1972–73 year was funded for $265,000, and processed 1,446 students during the year for the highest number of students served in all of the nation's programs.

Johnson explained that numbers of students served depend on recruiting efforts of the individual program staff members.

Because of the Roswell campus success record, it will have the only program funded for a 75 student capacity this year resulting in two staff members added to the program, the director explained.

Other programs are funded for an average 50 student classload during the year.

"NO. 1"

"When the Roswell campus accepts a federal program, we expect to do the best job possible with the taxpayers' money," Gillis said. "And according to every measureable statistic, Washington considers our program number one.

"We have had as our main purpose in the program the successful completion of high school and placement of the student into a job or a training program," he said.

"The HEP program is not designed as a social program, but as a program which would make productive citizens out of unemployed young people," he added.

He explained that the program brings into the community "almost a half million dollars annually."

Students, who must be a migrant farmworker background and of ages 17–22 years old, are placed into academic and vocational work until they are able to pass GED requirements.

After receiving certification from the State Department of Education, the students then are aided by HEP staff in job placement.

Recruitment for the Roswell campus is done mainly in New Mexico, Texas, Arizona and Oklahoma, Johnson explained.

This year funding and sponsorship for the program has been transferred from OEO to the Department of Labor.

Johnson explained that HEP programs were established because of an increasing decline in need for migrant farm workers. The programs were established to aid young people to receive education sufficient for them to enter other fields.

WHAT DOES H-E-P INCLUDE?

Special classes geared to passing the GED Examination, special tutors and counselors. The H-E-P student will participate in all campus activities, go on field trips, live in regular accredited campus housing. The H-E-P student will get free room and board, books, medical examination, etc., and transportation to and from the H-E-P college at the beginning and end of his or her stay in the program, plus a trip home for Christmas. H-E-P students will get $10 a week educational allowance while enrolled in the program.

H-E-P Students will learn the types of traning available which may interest them: whether it be vocational courses at E.N.-M.U.R; training back in their home areas; relocations in another state; or entry into college.

The daily schedule calls for four 50 minute morning classes, with a 15 minute break at mid-morning, and two afternoon classes divided by another 15 minute break. During the time after school, students are encouraged to return to classes where they require special help to get extra attention from the teachers.

At least one day of each week, the classes are shortened to 40 minutes, with five classes in the morning and one in the afternoon. This allows everyone to participate in activities such as physical education, vocational guidance, field trips, films or guest speakers.

Every Friday, all six classes are held in the morning and the afternoon is spent on a recreational activity. Students and staff alike enjoy getting to know each other better while bowling, skating, or watching a movie together.

INFLATION-PROOFING THE U.S. DEBT

Mr. BUCKLEY. Mr. President, last week I submitted a bill, S. 987, to reform United States the taxation and borrowing system to eliminate the windfall

profit the Federal Government now enjoys at the expense of the U.S. taxpayer as a consequence of the inflation caused by the Government.

Nowhere is the effect of inflation on the public more severe than in the system of Government borrowing. The private citizen lending the Federal Government money and receiving a Series E savings bond in return is subjected to long-term losses in interest, because the average rate of inflation has exceeded the interest he earns on the bond. To add insult to injury, he is compelled to pay additional taxes on the purely fictitious "income" he has earned.

A useful analysis of the issue of inflation-proofing the Federal debt has been published in the Wall Street Journal written by Dr. Ernest J. Oppenheimer, a New York-based financial consultant. The author makes a compelling case for the necessity of inflation-proofing Federal debt instruments; I ask unanimous consent that a copy of Dr. Oppenheimer's essay be printed in the RECORD.

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

INFLATION-PROOFING THE U.S. DEBT

(By Ernest J. Oppenheimer)

The U.S. government is embarking on its biggest peacetime borrowing program in history. The magnitude of this endeavor is apparent from the fact that the U.S. Treasury is requesting an increase in the debt ceiling in excess of $100 billion. The manner in which this mammoth borrowing operation is handled is bound to have a major impact on our economy. One of the most critical issues concerns the determination of interest rates and their relationship to the future purchasing power of money.

Under a free market system of allocation of resources, the law of supply and demand would long ago have determined interest rates that would have fully reflected the chronic inflation that has beset the U.S. economy during the past three decades. However, ever since the 1930s, the federal government has pursued a deliberate policy of manipulating interest rates in favor of borrowers, notably the government itself.

The procedures involved are as simple as the consequences are devastating. The government has used its power to create money and credit for the purpose of influencing interest rates. In effect, if the government wants to lower interest rates, all it need do is create more money and credit. This government money is created by fiat, not from savings. As this fiat money flows into the general stream of economic activity, it undermines the purchasing power of all the money already outstanding. It is a form of disguised tax on real savings, or an expropriation of property without due process of law.

If this process is allowed to go on unchecked or is accelerated, the savings function is increasingly undermined and may collapse completely. The end-result of this phenomenon is illustrated by what happened in Germany during the hyper-inflation of 1922–23, when printing presses were working feverishly to create new money and all existing monetary values were wiped out. The political consequences of this phenomenon were at least as dangerous as the economic ones, for the emergence of totalitarianism was closely linked to the destruction of the savings of the German people.

It is clear therefore that insofar as the government follows the procedure of financing the proposed debt through fiat money, it will seriously weaken the whole economic system by causing future rates of inflation in excess even of the unacceptable levels reached in the recent past. On the other hand, if the full $100 billion of new federal borrowings are to come from the private sector, it would require a major inducement for people to increase their propensity to save.

RECALLING ABE LINCOLN

The necessary procedure for accomplishing this objective is to structure the debt instruments in such a manner as to immunize them against future inflation. The savers must be assured that the purchasing power of the funds they make available to the government in the form of loans will not deteriorate over time through inflation. Simple justice demands no less. The government should not expect to be able to repeat the pattern of the last three decades, when it borrowed on terms that resulted in the loss of tens of billions of dollars in purchasing power to its creditors. As Lincoln so wisely put it, you cannot fool all of the people all of the time.

Regarding future rates of inflation, it may be stated categorically that no one can possibly know what they will be. On the basis of historical evidence we can say that the more heavily the government goes into debt and the more fiat money it creates, the higher the rate of inflation will be. Contrariwise, the more responsibly the government handles its affairs, the lower will be the rates of inflation. Therefore, let us provide the government the funds it needs on terms that will maximize its benefits if it acts responsibly and reduces inflation. We can accomplish this by linking the par value of the loans to a cost-of-living index. There is nothing like this direct impact on the pocketbook of the profligate spender to keep him in check.

Let us assume the government issues $10 billion of 50-year bonds with an annual interest coupon of 3%. On each interest date, the government would calculate the rate of inflation or deflation during the preceding year and adjust the par value accordingly. If the rate of inflation during the first year was 10%, then the adjusted par value would be $1,100. The 3% interest is then calculated on that basis, providing investors with a payment of $33 per bond in the first year. In contrast, if there had been a 10% rate of deflation, the adjusted par value would be $900 and the interest payment $27 per bond.

At the end of the 50-year term, the cumulative rates of inflation and deflation would determine the final settlement. For example, if the purchasing power of the dollar had been cut in half, then each bondholder would get $2,000 per bond. On the other hand, if the purchasing power of money had doubled in the interval, bondholders would get $500 per bond. The important point to remember is that investors would have in effect a guaranty that the money they make available to the government today will have the same purchasing power 50 years from now. And the government would realize that it no longer gains any advantage from manipulating the money supply or other factors in such a way as to produce inflation, which is nothing but a disguised form of bankruptcy designed to deprive creditors of their property, as Adam Smith pointed out so poignantly.

Thus the most important gain is intangible yet very real, namely the restoration of justice to the dealings between the government and its people. The past 30 years have been grossly unfair to all those who have been prudent and saved their money. Their losses have been the gains of the profligate spenders, notably the government. As the great Greek philosophers pointed out over 2,000 years ago, a government must deal justly with its people if it is to survive. Classical economists were fully aware of this reality and considered economics to be an applied branch of moral philosophy. Unfortunately, many modern economists have disregarded this profound truth and have largely divorced economics from moral considerations. It is high time we reversed this trend.

The government, itself, would derive some major tangible benefits from the plan: Its current interest payout would be substantially less than from comparable bond issues without the cost of living linkage. For example, the most recent long-term government bonds have an interest rate of 8½%, or almost triple the level suggested here. One can assume that 5½% percentage points of this rate represents an inflation premium. As we all know from recent history, this amount did not even cover half of the rate of inflation prevailing in 1974. On the other hand, should we ever have a rate of inflation of less than 5½%, the government would be paying more than it should. This has the undesirable effect of motivating the government to follow inflationary policies.

LENGTHENING INDEBTEDNESS

Another tangible advantage to the government is that on the basis proposed here it would be in a position to lengthen the maturity of its indebtedness, which is highly desirable under present circumstances. Government statistics indicate that over half of the federal debt held in private hands will mature within the next 12 months. All of this money has to be refinanced, in addition to the tens of billions of dollars of new money that the government seeks to raise. This short term nature of the bulk of the federal debt has highly inflationary implications, for it is a form of near-money. The lengthening of the federal debt is therefore essential as part of the overall program against inflation.

The government and the American people would have another very important gain from this procedure, namely the knowledge that there is nothing magical about government intervention in the economy as a cure-all. In the final analysis, somebody has to work hard to grow the food, produce the goods and perform the myriad services that constitute the essence of economic realities. The government's role is largely that of a consumer and redistributor of wealth. The less wealth the government consumes and redistributes the more will be available to the creators of that wealth.

Moreover, if Congress wants to take a constructive role in this enterprise of placing our monetary system on a sound footing, it should take the initiative in passing appropriate tax legislation to exempt the inflation adjustment of interest rates or par values from taxation. An objective analysis of the facts shows that the inflation adjustment represents an offset to the loss of capital. It is totally unrealistic and unfair to consider it income or a capital gain. For example if the purchasing power of the dollar is cut in half so that it takes $2 to purchase goods and service formerly available for $1, it is clearly unreasonable to tax this inflation adjustment as if it were income. In actual fact, such a tax is in effect a deprivation of property without due process of law, specifically prohibited by the Constitution.

The procedure of linking government securities to rates of inflation is so simple and sound that one may wonder why it has not been implemented before in this country. The British classical economist Alfred Marshall, in fact, pointed out about 100 years ago that money alone cannot fulfill the function of a stable long-term standard of value. He recommended a procedure analogous to the one suggested here as an essential step for preserving the free enterprise system. Thirty years of chronic inflation have demonstrated beyond doubt the validity of Marshall's analysis.

MARCUS WEBB—WINNER OF VETERANS OF FOREIGN WARS VOICE OF DEMOCRACY SCHOLARSHIP AWARD

Mr. GOLDWATER. Mr. President, the young people of our country have been the recipients of much notoriety over the past several years. Often this takes the form of criticism regarding their devotion to the ideals upon which our country was founded. They are often depicted as people without direction who have strayed from those principles that many of us hold dear.

Tuesday night I had the privilege of hearing a young man speak out on the obligation that an American citizen owes to his country, not just the legal obligations of citizenship but the moral obligation that a citizen faces. This young man is Marcus Webb of Alexandria, Va., winner of the Veterans of Foreign Wars of the United States Voice of Democracy Scholarship Award.

Mr. President, this young man put the lie to fears that our younger generation may not be capable of taking over the leadership positions of our Nation in the years to come. His speech is one I feel deserves the attention of every Member of the Senate and of all who have had a concern for the young men and women of our country. I ask unanimous consent that the speech of Marcus Webb be printed in the RECORD.

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

SPEECH OF MARCUS WEBB

The United States demands very little from its citizens: pay your taxes, obey the laws, register for military service. But a good American knows that he owes America more than meeting legal obligations. An American citizen has a moral obligation to America.

Now. All this about Americans being cynical and disillusioned is ridiculous. Americans are the most idealistic people in the world. Americans believe in freedom; democracy; equality.

Good citizens have always worked to make those ideals into realities. All real Americans have always fought to keep those ideals alive and secure. During the American War for Independence, Patrick Henry spoke out for American liberty. Thomas Jefferson worked for American democracy. George Washington fought for American freedom.

These men showed what it's like to be a real American: patriotism in service of American ideals. Following their example is my most important responsibility as an American citizen.

Now a lot of people think that opportunities for one person to help his country are like miracles in the Bible: it may have been possible a long time ago, but not today. Now that's not true.

A patriotic citizen today can start by knowing and respecting our history, our traditions. He must respect our flag, our National Anthem, and the beliefs they stand for. Ridicule of patriotism is disloyal. The pseudo-sophisticates who think that patriotism is corny and passe might as well be citizens of the moon.

Now another thing: active patriotism also includes political activity. The Democratic System lets citizens take sides and decide issues. When citizens vote in elections, they take the American dream of government by the people and make it work.

Now a real citizen must be an active patriot in smaller ways, too. Citizens can keep American ideals alive every day in their homes and where they work. Honesty. Fairness. Integrity. A good citizen helps America most by trying to live up to those ideals in his daily life.

Now there's something which all good citizens must always be ready to do: defend America. If a foreign power threatens our safety, defend America. If apathy and subversion at home threatens our strength, defend America. If dishonesty and disloyalty threatens our democracy, defend America! Our military protects us from foreign threats, but a good citizen is America's only defense against defeat from within.

No real American ever did his duty grudgingly. A real American is willing to sacrifice . . . and eager to serve. Fighting for America's freedom—living for America's ideals: this is a citizen's greatest service.

America's future is in the hands of her citizens. They will protect her. Tomorrow and tomorrow, Americans will work to keep America strong; fight to keep America free; strive to keep America great. American ideals will live on.

As an American, I feel proud to face the challenge of American citizenship. I'll give my best effort. America deserves it.

"THE PLUTONIUM CONNECTION"

Mr. MONTOYA. Mr. President, a television program produced by WGBH in Boston was broadcast on Sunday, March 27, over the public broadcasting network.

The program, entitled "The Plutonium Connection," is part of the NOVA series, a weekly show dedicated to explaining some scientific issue or problem.

In broad terms, the theme of Sunday's program was that it would be possible for terrorists to acquire plutonium and fashion it into a crude, but effective, atomic bomb.

There is wide disagreement over whether a small band of terrorists actually could produce a home-made weapon. The position of certain officials within the now defunct AEC was that it would be impossible, that a terrorist band would need its own Manhattan Project in order to accomplish this task. Others who doubt the possibility of producing homemade weapons draw a loose analogy with an effort to build a homemade automobile engine. While contending that it would be easier to build such an engine than to construct an effective atomic bomb, they point out that the technology for constructing an automobile engine is readily available but that no one actually builds them at home.

Other experts take a different position. One of these is Dr. Ted Taylor who was one of the most creative and successful weapon designers at the Los Alamos Scientific Laboratory in the 1950's. He contends that a basement bomb is within the technical capability of a small band or group.

I cannot judge between the two positions, but I can say that reasonable steps ought to be taken at once to prevent, as far as possible, the likelihood of such a bomb being built and used for potential blackmail.

As a first step, I believe the NRC ought to give consideration to restricting access to information now available in its public document room which might be of assistance to any terrorist group. I refer specifically to the practice of making available to anyone who requests them on the floor plans of nuclear installations where plutonium is stored. Plutonium is considered by some to be the element which terrorist groups might choose if they wished to assemble their own bomb.

I appreciate the responsibilities which the NRC has to make available to the public information which demonstrates that the public health and safety will not be damaged by the normal operation of nuclear reactors or fuel storage or reprocessing plants. But I also believe that protecting the public health, as it is conceived in a broad sense, requires that plutonium not fall into the hands of those who misuse it. In order that the problem might receive a little public discussion, I have sent a letter to Chairman Anders requesting that the Nuclear Regulatory Commission be prepared on March 18 and 19 when it comes before the Legislation Subcommittee of the Joint Committee on Atomic Energy to justify its present practice of making available to the public floor plans of nuclear installations and other information. I ask unanimous consent that the contents of this letter be printed in the RECORD.

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

MARCH 10, 1975.

Mr. WILLIAM ANDERS,
Chairman, Nuclear Regulatory Commission, Washington, D.C.

DEAR COMMISSIONER ANDERS: I know that you and your staff are aware of the television program, entitled "The Plutonium Connection," which was broadcast Sunday night over the Public Broadcasting System. Surely that show has raised legitimate questions in the minds of many viewers as to what the Nuclear Regulatory Commission is doing to assure that would-be thieves, be they terrorists or black-market operators, are frustrated in their efforts to steal plutonium or other special nuclear materials.

One of the specific points raised by "The Plutonium Connection" is that detailed floor plans of plutonium fuel fabrication and processing facilities are available for ready public inspection at your H Street Office.

While I can appreciate your desire and your responsibility to make as much information as possible concerning nuclear facilities available to the public, I question whether the release of information such as these floor plans contributes in any real sense to public confidence that the public health and safety is being protected by the Nuclear Regulatory Commission. If a terrorist were to use such information to plan and successfully execute a theft, the public health and safety would have been jeopardized rather than protected.

I know that the National Security Council is presently considering whether any information now in your Public Document Room ought to be removed, and I understand that this report is expected to be ready at the end of the month. In the meantime, I would appreciate it if you would be prepared on March 18th and 19th to explain to the Subcommittee the Commission's current justification for including in the public document room detailed floor plans of nuclear fuel fabrication and processing facilities.

Sincerely,

JOSEPH M. MONTOYA,
Chairman, Legislation Subcommittee, Joint Committee on Atomic Energy.

THE STANTON COMMISSION REPORT

Mr. BUCKLEY. Mr. President, on Tuesday, March 11, the United Press International wire service carried a story which read, in part, as follows:

> The Georgetown University Center for Strategic and International Studies today recommended the virtual abolition of the U.S. Information Agency (USIA) and called for the Voice of America (VOA) to be established as a new independence agency . . .
>
> The recommendation was announced by Dr. Frank Stanton who was chairman of the Center's panel on information, education and cultural relations which has studied U.S. Government international information and cultural programs over the last 10 months . . .

I have received a copy of the report in question, and while I have not yet had time to examine it in every detail I can, on the basis of what I now know, state the following:

The abolition—"virtual" or otherwise—of the U.S. Information Agency would be a serious setback for our Nation and for the free world. That there are problems in our current overseas cultural and information policies and programs is evident. But just as evident is the fact that these problems will not be solved by the dismembering of the only governmental agency with the history, the personnel, the will, and the ability to coordinate and carry out these vital programs.

The Stanton panel report states, quite correctly in my view, that there has been a communications revolution in the world during the recent past. But the panel then draws precisely the wrong conclusions from this fact and calls for a piecemeal rather than a coordinated approach to public diplomacy, including an "independent" Voice of America. Just what this new Voice of America will be independent from is not made clear in the report.

The proposed Board of Overseers for this "independent" Voice of America would include as a permanent member one member of the State Department and the head of a newly created agency, Information and Cultural Affairs, an agency which, the report tells us, "would require a rather delicate but wholly feasible relationship with the Department of State." I am not certain as to what the phrase "delicate but wholly feasible relationship" means, but it certainly suggests that the new agency would certainly not be independent of State Department guidance. It appears likely that in practice if not in theory, the State Department would be the dominating influence on the panel. The independence of this Voice of America will be subject to question here and abroad. On the other hand, if it is not intended to be truly independent, why remove it from the U.S. Information Agency? The report seems to suggest that the only answer to that question is that by the time the Stanton panel's recommendations are implemented there will not be a U.S. Information Agency. This seems to me to be an example of avoiding the basic question which is: Do we really want to abolish the USIA in the first place?

Mr. President. I propose to make a more detailed and specific critique of the Stanton Commission report, including in it minority views, dissenting from the report, which are not included—for reasons unclear to me—in the body of the report. As for now, I simply want to state that I find the general content of the Stanton report disturbing and one warranting a very serious examination by the Congress. I would, however, like to quote from remarks made by Representative JOHN SLACK of West Virginia, Chairman of the House Appropriations Subcommittee dealing with the State Department and related agencies, who recently stated, in part:

> The U.S. Information Agency is at this time a well-organized, solidly managed agency staffed by career professionals. The efforts of this Agency as now administered serve important national objectives of the United States. In fact, I have on other occasions expressed to this Chamber my confidence in our overseas information and cultural programs because of my high regard for the efficient and conscientious manner in which they are carried out by the dedicated men and women of the USIA. . . .

I believe, Mr. President, that Representative SLACK's views are shared by a majority of those who have some knowledge of our overseas information program.

Mr. President, I ask unanimous consent that the full text of Representative SLACK's remarks be printed in the RECORD.

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

THE U.S. INFORMATION AGENCY AND THE VOICE OF AMERICA

(Mr. SLACK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SLACK. Mr. Speaker, I have been disturbed by press reports that a panel headed by Dr. Frank Stanton is urging that the U.S. Information Agency be broken up and its functions dispersed. If newspaper accounts are accurate, the Stanton report, which has not yet been released, will recommend that part of USIA—those elements concerned with U.S. foreign policy be carved off and given to a new bureau in the State Department. The Voice of America is to be separated from the Agency and made independent, and the remainder of USIA would be combined with the Cultural Affairs bureau of State into a new semiautonomous, AID-type organization whose director would report to the Secretary of State.

As chairman of the Appropriations Subcommittee dealing with the State Department and related agencies, it has been my responsibility to conduct hearings on the USIA and the Bureau of Educational and Cultural Affairs of the State Department. Their management and operation have been subject to rigorous scrutiny. As a long-time member of this committee I have for many years personally studied and followed our Government's overseas information, educational and cultural programs and their contribution to our Nation's diplomatic objectives. I have inspected USIA's operations and programs overseas at firsthand, and I have become increasingly convinced that a coherent public diplomacy—promoting understanding, support, and respect abroad for the United States and its policies—is an essential element in the conduct of our foreign policy.

The U.S. Information Agency is at this time a well-organized, solidly managed agency staffed by career professionals. The efforts of this Agency as now administered serve important national objectives of the United States. In fact, I have on other occasions expressed to this Chamber my confidence in our overseas information and cultural programs because of my high regard for the efficient and conscientious manner in which they are carried out by the dedicated men and women of the USIA.

Now it is proposed that this Agency be broken up, its functions and its trained personnel be divided and scattered. According to the news stories, USIA would be stripped of its press officers and media services whose present job it is to interpret and support American foreign policy overseas. These people and this function would be submerged in an enlarged bureau of public affairs within the State Department. It is only realistic to assume that the job of explaining U.S. policies to foreign audiences would have a much lower priority under the proposed scheme than it does now under USIA. I question the wisdom of this change, for I believe we are going to need all the support and understanding abroad that we can get. This is one field where I think that USIA will try harder and is better prepared to do the job than the vast bureaucracy of the State Department.

I am not sure what is to be gained by splitting off the Voice of America from its parent organization and making it independent. I am aware that some people would like the Voice to become a sort of CBS of the international airwaves, independent of Government control, but if its broadcasts do not support U.S. policy I do not see why the American taxpayer should be asked to pay for them. And if it is supposed to continue to operate under Government policy controls, then why break it off from USIA where it has worked successfully for more than 20 years? Apart from change for the sake of change, I do not see what these proposals would accomplish other than to disrupt and dismantle what is now an efficient, effective operation.

Now I am not opposed to change when it is indicated by logic and when the result would seem to be an improvement over the present situation. One approach of the Stanton panel has, in my opinion, considerable merit. I have long believed that the cultural and educational programs of the State Department and USIA should be consolidated in Washington just as they are overseas. The direction and planning of these programs should be unified and coordinated in Washington; after all, they are administered and carried out by USIA Foreign Service officers abroad.

But I am troubled by the assumption that "information" and "culture" are somehow separable and distinct and should not be used together. I particularly question the idea that the task of explaining U.S. policies should be totally divorced from the effort to promote mutual understanding. The two, in my opinion, should not be divorced; they are complementary and supportive of one another. I mentioned earlier that our public diplomacy must be coherent, but I question whether this can be achieved if our efforts are to be divided among three separate agencies.

Finally, as chairman of the Appropriations Subcommittee concerned with our overseas information and cultural programs, I would point out that fragmenting the function, staff, and resources of these activities into three different agencies makes the task of effective congressional oversight vastly more difficult. How much more easily and how much more efficiently could the committee carry out its oversight responsibilities if these programs were consolidated into one agency?

But apart from my own committee duties,

I am most concerned with preserving and strengthening our Nation's overseas communciations capability is an essential arm of U.S. diplomacy. At this juncture, both détente and the need for collective action on the part of the allied nations place the highest premium on persuasion and on the ability to conduct a meaningful dialog with other nations. This is precisely the function of USIA. To fragment this effort would be a serious disservice to the national interest. Do we really want to cut up the USIA? Inevitably, it would result in confusion, disruption, and disarray in our public diplomacy at a time when these efforts are most needed and should be at their best.

It is my conviction that the best solution is a strong, consolidated, separate agency with close policy ties to the Department of State. Its mission should be to carry out all overseas informational, cultural, and educational activities of the U.S. Government. This would best serve the national interest at a time when such activities are more complex and important than ever.

$30 BILLION TAX CUT ESSENTIAL

Mr. HUMPHREY. Mr. President, on March 10 I testified before the Senate Committee on Finance, which was conducting hearings on their forthcoming tax cut legislation. In addition to relating to them the advantages of my Tax Relief Act of 1975, a primary purpose of mine was to inform the committee of the need for, and economic soundness of, a $30 billion tax cut. I wish to highlight some of the main points I brought out.

I see four major reasons supporting a large tax cut. The first basic fact is that we are dealing with a huge economy, a $1½ trillion economy. Thus, a $30 billion tax cut now is essentially equivalent to the $12 billion tax cut Congress legislated back in 1964 when considered relative to the size of the economy.

The second reason is that the economy is sinking day-by-day into the worst economic slump in over 35 years. The February employment figures confirm this, despite the official rate remaining at 8.2 percent. A large portion of the 580,000 decline in the labor force represents people who have become so discouraged that they are no longer seeking a job. Taking account of these discouraged people, as well as part-time people who seek full-time employment, we actually have a total unemployed-underemployed figure of 10.5 million people or a rate of around 11 percent.

The third point is that we must shorten the length of this recession, which even with strong action will continue to linger on particularly in the form of too high unemployment levels. Closely related to this, and the fourth reason, is that the output of goods and services this Nation is losing due to recession is staggering. There are two figures for the short term and the longer term, which should be implanted in everyone's memory banks.

By not operating at 4-percent unemployment, the tremendous waste of human and capital resources taking place in 1974, 1975, and 1976 is going to cost this Nation $600 billion. The longer term estimate comes from the administration which states that the GNP, in 1974 dollars, will fall some $1½ trillion below potential between now and 1980. As I said in my testimony, that is like saying "we are willing to let this year's entire output of goods and services go down the tubes." I strongly urge my colleagues to always compare the size of a tax cut or the deficit to these amounts of goods and services which are lost to America forever.

Two other points I stressed concerned the deficit and its impact on inflation. First, the $53.5 billion deficit for fiscal 1976 is caused primarily by the recession, not excessive Government spending. If we were operating at full employment, we would be enjoying a $17 billion surplus in fiscal 1975 and a $12 billion surplus in fiscal 1976.

Second, I want to make it clear that in the present situation of great excess capacity, idle resources, and reduced private demands, a large deficit will not be inflationary. This was supported by such witnesses before the Joint Economic Committee as Philip Klutznick, Henry Ford II, Albert Rees, Walter Heller, and many others.

The $30 billion of tax relief I have proposed consists of a $10 billion rebate and a $20 billion reduction in 1975 tax liabilities. The rebate consists of a 12-percent rebate on 1974 income tax liabilities, with a $100 minimum and a $250 maximum. Because of the ceiling and phase-down features, 85 percent goes to those with less than $20,000 of adjusted gross income.

The $20 billion consists of $17.5 billion of reduced withholding taxes as well as $2.5 billion from increasing the investment tax credit to 10 percent for all businesses, including utilities. By increasing the low-income allowance, the standard deduction and the personal exemption, which results in much the same impact as the Ways and Means bill, I hope to restore the value of those features which have been steadily eroded by the severe inflation of the last 2 years. The heart of my bill is a refundable tax credit for workers equal to 1.5 percent of their wages up to $14,100 income. This bill eventually reduces the burden of the regressive social security tax while not harming the trust fund since it is financed by general revenues.

I feel that these provisions are not only economically sound, but equitable in that 75 percent goes to those making $20,000 or less.

Finally, I believe that the timing of these provisions are a real advantage. I call it the 30–20–10 combination which provides an optimal combination of initial and sustaining stimulus. This year $30 billion of tax relief is given, which becomes $20 billion next year without the rebate. Continuing into 1977 and beyond is $10 billion of permanent relief which I believe will be made possible by tax reform measures to be passed in the next 2 years.

Mr. President, I ask unanimous consent that the text of my testimony before the Senate Committee on Finance be printed in the RECORD.

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

TESTIMONY OF SENATOR HUBERT H. HUMPHREY

Mr. Chairman, I welcome this opportunity to appear before you and your distinguished colleagues on the Senate Finance Committee. This Committee is presently considering tax relief legislation which is absolutely vital to help revive this Nation's economy and I applaud you for your efforts to act on this matter as quickly as possible.

Today I want to focus my remarks on two areas. First, the reasons why the tax cut stimulus must be quite large, and in particular larger than that proposed by both the Administration and the House Ways and Means Committee. My second purpose is to outline the provisions and advantages of my Tax Relief Act of 1975.

As many of you know, I am not a "Johnny-come-lately" to the tax cut area. Last December, on the floor of the Senate, I said: "The time has come for Congress to reverse the Administration's efforts to stop inflation by creating a major recession. The most important thing we can do to achieve this is to cut taxes for consumers by $10 billion as soon as possible." Exactly one month later, my statement in the Record read: "We must get America back to work. To accomplish this objective, to reserve the recessionary momentum in our economy, and to provide some relief to those who are suffering in the present economic nightmare, I am today introducing legislation to immediately cut taxes by $21 billion." And today, not quite two months later, I come before you to argue that this economy now needs a $30 billion tax cut.

Now I am well aware that this represents a substantial escalation. But it is not an escalation that I came by lightly. First, I looked at the facts. Everyone knows that the economic figures released in each of the last three months have shown the economy falling deeper and deeper into its worst recession since the 1930's. The amount of stimulus must be geared to the economy's condition, a topic I will discuss in some detail in a few moments.

Second, and I wish to stress this, I have listened to the views, projections, warnings, etc., of an extremely qualified and diverse group of individuals who have testified before the Joint Economic Committee in the last six weeks. These annual hearings on the President's budget have been quite an economics education, one which I wish all my colleagues could share. What I say today is in essence built upon this excellent testimony from government officials, economists, labor leaders and businessmen who, may I add, were of both Republican and Democrat persuasions.

From the outset I have maintained that a tax cut must be chosen on the basis of four principles:

It must be large enough to have a stimulative impact on a $1½ trillion economy,

It must target most of its benefits to low and moderate income taxpayers,

It must be simple to implement so that it can be passed and take effect quickly, and

It must not erode the long-run revenue capacity of the tax system.

My testimony today will consider each of these principles in the order just stated.

As I said earlier, I firmly believe that a tax cut of the magnitude of $30 billion for 1975 is urgently needed. This figure is not only the largest before the Congress right now but the largest proposed tax reduction in this Nation's history. I understand the concern of many of my colleagues when they see or hear such a figure. I want them, and the Members of the Committee, to know that I advocate this large amount only after a careful weighing of all the economic evidence.

The first simple fact is that we are dealing

with a huge economy—a $1½ trillion economy. As a result, a $30 billion tax cut only amounts to 2.1 percent of our total output of goods and services. Interestingly, the tax cut Congress passed in 1964, when unemployment was 5.2 percent, was also about two percent of that year's GNP. So relative to the size of the economy, I am not advocating a larger tax cut than the one legislated 11 years ago.

Since Federal taxes are the basic foundation for this Nation's government operations, it is also instructive to view the tax cut in relation to the size of government, as measured by its purchases of goods and services. Once again, the percentages for both the 1964 tax cut and the proposed $30 billion tax cut for 1975 are remarkably similar, with this year's figure being smaller: 1964—10.2 percent, 1975–9.7 percent. So the $30 billion tax cut proposal is proportionately not much larger than the 1964 tax cut, and remember, the current recession is a great deal worse.

The second reason we must have a large tax cut is that the economy is sinking day-by-day into the worst economic slump in over 35 years. I take no comfort in the fact that the unemployment rate remained at 8.2 percent in February. Quite to the contrary, the latest employment figures show a continually slumping economy. Total employment dropped 535,000 bringing the drop since September to 2.4 million, the largest five-month decrease since World War II.

In addition, the labor force declined by 580,000. This dramatized a point that I have been trying to stress over the last month, namely that discouraged workers should be included as part of a true unemployment figure. Surely, a large number of these dropouts simply felt that a job was not available to them at this time.

I also include in my total unemployment figure part-time workers who desire to work full time. Adding these three together, 7.5 million officially unemployed, 1.8 million part-time employed, and over a million discouraged workers, we get a total unemployed-underemployed total of about 10.5 million people. In short, the rate most accurately reflecting the situation in our labor market is over 11 percent, three percentage points higher than the official rate.

The fact that it was a statistical quirk that kept last month's unemployment rate the same and that we can expect higher future rates was agreed to by Mr. Shiskin, the BLS Commissioner. He told the JEC last Friday that the February employment figures provided no evidence that the worst recession since the depression was coming to an end. The White House was in agreement as their statement said that the February figures "indicate continuing significant weakness in labor markets."

The recession's impact can be viewed in yet another way. Over the course of this year, well over 20 million Americans will experience some unemployment. When dependents are counted, the lives of some 45–50 million Americans, nearly one-fourth of our population, will experience the anxiety and deprivations of this recession in a very direct manner.

Surely the cost of being unemployed cannot be accurately portrayed in statistics or in terms of some trade-off against price increases. It goes much deeper than that. When you're working, you're producing and you're self-sufficient. When you're laid off, the cause of most of the recent increase in unemployment, you don't only lose a job and a secure income. As I said before, you are being told you are not needed. This violates the promise of America, a promise embedded in a law of the land, the Employment Act of 1946. As Chairman of the Joint Economic Committee, which was created by that Act to ensure "maximum employment," I pledge to do everything responsible to fulfill that promise for our citizens.

I wish I could now brighten my countenance and tell you that these gloomy statistics are short-lived and the economy will soon be dramatically turned around. But if I'm to stick by the facts, I can't do that. The simple fact is that it is going to take quite some time to turn the economy around and get it operating at levels which will restore economic growth and reduce unemployment.

Therefore, the third reason we need a $30 billion tax cut is to shorten the duration of the recession and the accompanying period of outrageously high unemployment. As you recall, the Administration itself projects unemployment averaging 8.1 percent in 1975, about 8 percent in 1976, and well above 7 percent in 1977. In view of the most recent unemployment statistics which show a fall in employment, it's clear that the Administration's projections are totally unrealistic and under their present policies the Nation faces unemployment rates of around 9 percent over the next few years. The Nation cannot face such high rates of prolonged unemployment.

Allow me to quote that Henry Ford II told the Joint Economic Committee about such prospects. "In my judgment, the American people will not and should not accept policies that would lead to nearly 7 percent unemployment as late as 1978, as the Administration has projected." Philip Klutznick, the Chairman of the Research and Policy Committee of the Committee for Economic Development, had similar views, saying: ". . . the scenario depicted by these figures is neither inevitable nor tolerable. It virtually accepts stagnation as the basis for policy planning."

The final blow comes in terms of the output lost under these circumstances, which is the fourth point supporting a large tax cut. By their own estimates, the Administration states that the GNP, in 1974 dollars, will fall some $1½ trillion below potential between now and 1980. That's like saying we're willing to let this year's entire output of goods and services go down the tubes. I can't even comprehend being able to accept such a prospect.

My fellow colleagues, I submit to you that a $30 billion tax cut pales in comparison to this tremendous loss to our economy. There is a lot of talk about the Nation not being able to "afford" a large tax cut and its resulting higher deficit, but I am sorry to say that I do not hear enough talk on the fact, the clear fact, that the Nation cannot afford such a loss of output. We are all aware of the need for many industries to expand in the coming years, particularly utilities and those in the energy area. I can assure you that this Nation will be in a real energy crisis and face severe shortages in the near future unless we restore real economic growth this year and take measures to maintain it thereafter.

Having mentioned the deficit, I wish to say a few words about it since there is much confusion concerning its size and impact. The main point is that the $53.5 billion deficit for fiscal 1976 is caused by the recession, not excessive government spending. For example, if we maintained the level of unemployment of 1974, about 5½ percent, the Federal Government would collect about $40 billion more in tax revenues than we will actually collect. The deficit will also be larger because the Federal Government will spend over $20 billion for income support for the unemployed. These two facts account for the large deficits, which means that very little of the current deficit is due to new Federal spending unrelated to the recession.

Looked at another way, if we were operating at 4 percent unemployment, we would not have to worry about a deficit at all but would enjoy a $17 billion surplus in fiscal year 1975 and a $12 billion surplus in fiscal year 1976 according to the Administration's own estimates.

So, I just cannot buy, and I hope my Senate colleagues will not either, all the talk about being horrified by the size of the deficit. Let us rather be horrified about, and take action on, the tremendous waste of human and capital resources presently taking place. Looking at the short-term loss of output we are in the midst of right now, this waste is going to cost this Nation, by not operating at 4 percent unemployment over the 3 years 1974, 1975, and 1976, the staggering sum of $600 billion. The size of the deficit should always be compared to the amount of goods and services which are lost to America forever.

Gardiner Ackley, former Chairman of the Council of Economic Advisers, summed up the significance of the deficit's size quite well:

"The fact is that only once in the past quarter century (in 1967 and 1968) has the size of Federal deficits been other than insignificant—*except* when, as now, tax revenues were depressed by recession and high unemployment. And the only *legitimate* complaint about the size of U.S. deficits in periods of recession is that they have been too small. The deficit is too small right now. That is why we need a large tax cut."

I hope that I have now brought the deficit into proper perspective relative to the size of the economy and the lost output due to recession. The other area to examine, which also spreads a lot of fear, is what does the impact of such a large deficit do to prices.

Let me make the answer short and clear. In the present situation of great excess capacity, idle resources and reduced private credit demands, a large deficit will not be at all inflationary. I will again let witnesses before the JEC support the case for me. These three men are highly respected and from quite different positions of responsibility:

Philip Klutznick: "It is difficult to agree with the Administration's apparent premise that the preferred pattern of economic revival should be one of relatively slow growth in real economic activity over the next two years (averaging around 5 percent), with an accelerated rate of expansion later in the decade. It would make much more sense to encourage a more rapid economic revival in the near-term future—when the economy will still be far below capacity levels and inflationary risks from rising demand will be relatively small—and then to aim for more moderate expansion rates once the economy moves closer to high employment."

Henry Ford II: "As long as our economy has so much unemployment and so much unused capacity, there is little risk that lower taxes and a bigger money supply will lead to still higher prices rather than more real growth. Timing is crucial. They way to get recovery without sowing the seeds of future inflation is not to take weak action to stimulate the economy, but to take vigorous action quickly, and to end it just as quickly when the need has passed."

Albert Rees: "Even if appropriate monetary and fiscal policy combined with the natural recuperative forces of the economy produces an upturn in economic activity in the second half of 1975, I would expect the rate of inflation still to be declining at the end of the year. The slack and excess capacity that are checking the rise in prices will not be immediately removed by an upturn—in the great majority of industries slack will persist for some time into the recovery."

To sum up, if we want to truly combat inflation, economic growth, not recession, is

the answer. Such growth inevitably brings with it productivity increases which in turn will lower unit labor costs, costs which have skyrocketed due to the unprecedented decreases in productivity over the last 7 quarters. Recession does fuel inflation. Thus, those committed to fighting inflation should also lend their support to stimulating the economy toward a healthy economic growth path.

Up to this point, I have not even mentioned the specific provisions of my bill. This is because I feel so strongly that the first priority must be to get a large enough tax cut. After this point is agreed upon, then the specifics of the tax package can be considered. Let me now briefly describe the provisions of my bill and the distribution of its tax relief.

The rebates that individuals will receive under my bill will be based on the following structure. The rebate will be 12 percent of 1974 income tax liabilities, with a $100 minimum and a $250 maximum. The maximum rebate is reduced by $1.50 for every $100 of adjusted gross income between $20,000 and $30,000. Thus, the rebate to those with income levels over $30,000 will be $100. The ceiling and phase-down features allow one-third of the rebate to go to those with less than $10,000 of adjusted gross income, while 85 percent of the rebate goes to those with less than $20,000 incomes.

The $17½ billion reduction in withholding taxes on 1975 incomes occurs through four provisions. The combination of provisions, which were carefully drawn up to adhere to the four principles I cited earlier are as follows:

First, reduce taxes for low-income taxpayers by $2.5 billion, by increasing the low-income allowance from $1,300 to $2,000. This would help the lowest income level taxpayer.

Second, reduce taxes $1.2 billion for those who do not itemize their deductions, by increasing the standard deduction from the present 15 percent of adjusted gross income, with a maximum deduction of $2,000 to 17 percent and a maximum of $2,500. In addition to aiding low and middle income taxpayers, this change would also have the advantage of simplifying tax filing.

Third, reduce taxes $4.3 billion for individuals at all income levels by increasing the present personal exemption from $750 to $850. This change would focus benefits on the middle-income taxpayer who has also been hard hit by inflation.

Those three provisions have much the same impact as the Ways and Means bill. The slight difference is that the increase in the exemption provides somewhat more relief to middle and upper income groups. The major difference under my bill, which makes it larger than the Ways and Means bill, is the following tax credit provision.

Fourth, reduce taxes $10 billion for workers through a refundable tax credit equal to 1.5 percent of wages up to $14,100 income. That is the figure on which tax is paid under social security. This change would benefit all workers up to the maximum level of payroll taxes and be financed from general revenues.

A fifth provision is to expand business investment sectors by increasing the investment tax credit from 7 percent to 10 percent for all businesses, including utilities.

Taken together, these provisions of The Tax Relief Act constitute a $20 billion package which provides relief to all taxpayers. I feel that it is not only equitable, but economically sound, in that the bulk of the tax relief, 75 percent, goes to those making $20,000 or less. However, I also feel that a strength of my bill is that it does provide a modest rate of relief to higher income taxpayers as well, for they too have been pulled into higher tax brackets by inflation and, therefore, deserve some adjustment in their taxes.

The exact way in which this package provides tax relief to various income groups is shown in table 1 which is attached at the end of this testimony. To be more specific, and to indicate exactly how much more disposable income a family of four will have in 1975 under the withholding tax cuts in my bill, table 2 shows these additional disposable income amounts for families at different income levels.

For example, a family at the $10,000 level will have $277 more income in 1975, a reduction of nearly one-third in their taxes. The table also shows the great amount of relief provided to the average family at the $5,000 income level, which will not only have no taxes to pay but actually receives some money through the refundable tax credit.

Finally, table 3 provides the final summary of what the average family, at different income levels, can expect to receive in increased disposable income in 1975 if my bill is enacted.

A family of four with a $10,000 income which would have received $104 under the President's program, will have at its disposal an additional $381 in 1975 under my bill.

I am sure you will agree that these provisions are quite simple and could be implemented quickly since four of the five are simply extending current provisions in the tax law. The only "novel" provision is a tax credit of 1½ percent on the first $14,100 of earned income, which, as the Chairman well recognizes, is simply a modification of his work-bonus proposal, having a lower rate but higher base. In effect, this returns to workers a part of their social security payroll taxes. Without disturbing the social security system, since it is financed by general revenues, it effectively reduces the burden of the regressive payroll tax and concentrates the tax relief in the bottom half of the income distribution.

The final principle my bill meets is that it will not erode the long-run revenue capacity of the tax system. This raises the whole question of timing which is crucial to the tax bill Congress passes. Virtually all of the JEC witnesses have argued that the tax cut should include permanent provisions in addition to the rebate. This advice came not only from well-known liberals like Charles Schultze, Gardiner Ackley and George Perry, but also from such very responsible conservatives as Paul McCracken and Hendrik Houthakker.

I fully agree with the need for a permanent tax cut, both to sustain the recovery once it begins and also to correct for the inflation-induced tax increases of the last two years which have increased people's money income, pushed them into higher tax brackets while their deduction and exemption amounts have been eroded. Nevertheless, in order to protect against any possibility of eroding the revenue raising capacity of the tax system, my bill says that all of the provisions will end December 31, 1976. I do foresee, however, that tax reform measures which I expect to occur in the next two years will allow for the increases in the low income allowance, standard deduction and exemption levels to become permanent. In other words, the two credit provisions will terminate at the end of 1976 for sure, while I expect the other three provisions to be permanent increases.

Thus, my overall tax relief-stimulus scenario goes as follows. In 1975, $30 billion of urgently needed tax stimulus will be provided. This will be followed in 1976 by $20 billion which, because of the termination of the tax credits, will go to a level of $10 billion in 1977 and thereafter. This 30–20–10 combination seems to provide an optimal combination of initial and sustaining stimulus, as well as providing appropriate adjustments in the deduction and exemption levels.

I have presented such a lengthy statement because I feel so strongly that this country is in an economic crisis and that there are strong, compelling economic arguments which indicate the need for a large tax cut, both this year and continuing into 1976. I want the Senate to enact a measure that will stop Art Okun's dire statement from becoming a reality: "It becomes ever more likely that the history books will record this episode as a depression rather than a recession."

This does not have to be the case if Congress, in the next few weeks, takes the appropriate action. And that final action starts with this Committee. I am sure that the distinguished members of this Committee will respond to this great challenge and responsibility and help make 1975 the turning point on the road to sustained prosperity and full employment.

TABLE 1.—DISTRIBUTION OF WITHHOLDING TAX REDUCTIONS BY ADJUSTED GROSS INCOME CLASS

Adjusted gross income classes	Amount of tax [1]		Tax reduction [1]		
	Present law	Revision	Amount	Percent distribution	Percentage reduction in tax
Under $5,000	$1.7	$0.01	$1.6	9.2	96.0
$5,000 to $10,000	12.0	7.9	4.1	23.1	34.2
$10,000 to $15,000	21.2	17.2	3.9	22.2	18.6
$15,000 to $20,000	23.8	20.3	3.6	20.0	14.9
$20,000 to $25,000	20.8	18.7	2.1	11.8	10.1
$25,000 to $50,000	34.1	32.1	2.0	11.4	5.9
$50,000 and over	29.9	29.5	.4	2.3	1.4
Total	143.6	125.9	17.6	100.0	12.4

[1] Dollar amounts in billions.

Source: Brookings Institution.

TABLE 2.—DISTRIBUTION OF WITHHOLDING TAX SAVINGS FOR FAMILY OF 4

Adjusted gross income	Present tax	Tax under Humphrey plan	Total tax saving	Tax saving as percent of present tax
$5,000	$98	−$72	$170	173.5
$7,000	402	129	273	67.9
$10,000	867	590	277	31.0
$15,000	1,699	1,400	299	17.6
$20,000	2,660	2,349	311	11.7

Source: Brookings Institution.

TABLE 3.—*Total Tax Savings for Family of 4*

Adjusted gross income:	Total tax savings
$5,000	$270
$7,000	373
$10,000	387
$15,000	503
$20,000	561

NEED FOR INDEPENDENT SOCIAL SECURITY COMMISSION REINFORCED

Mr. FONG. Mr. President, reports on social security by two panels during the past several weeks have considerably strengthened my view that there needs to be an independent, bipartisan, permanent National Social Security Commission as proposed in Senate Joint Resolution 5 which I have previously introduced with cosponsorship by Senators

FANNIN, TOWER, THURMOND, BROCK, DOMENICI, and HANSEN.

The most recent of these reports was that released last Friday by the Advisory Council on Social Security. Three weeks earlier there was an important report on social security financing with special reference to long-range actuarial estimates by a special Finance Committee panel of actuaries and economists.

In both reports, there were recommendations for additional studies of the type that would be carried out on a continuing basis by the National Security Commission proposed in Senate Joint Resolution 5 .

I strongly urge that every Member of the Congress give careful attention to findings by the Finance Committee panel and the Advisory Council. No less important should be careful noting of the extensive problems which these groups recognized as incapable of adequate review within the short period of time each group had for its work.

Because of the tremendous size of the social security system and the varied ways in which it has impact on every American, it is inevitable that there will always be major problems deserving of careful study by qualified experts. It is precisely for this reason that I believe creation of a permanent, bipartisan National Social Security Commission is so important to the American people and would be extremely useful to the Congress.

One of the major recommendations by the Advisory Council affords a good example of the kind of problem that needs most thorough study and the kind that deserves much fuller exposure to public opinion and independent expert review than is possible with any short-term ad hoc review council or committee.

I have reference to the Advisory Council's recommendation that there be a gradual shift in medicare financing from the social security tax to general revenues and the application of social security tax funds so freed to the old age, survivors, and disabilities cash benefits program. This proposed abandonment of the contributory principle for financing medicare has already aroused heated critical comments even from those who strongly favor some general revenue financing of social security as a whole.

In my judgment such a radical departure from the past is one which should be studied very, very carefully—with studies and analyses made of all the alternatives and variables. Only when these alternatives are laid out for Congress, should any departure be considered from the earnings contribution financing of medicare or any other benefit program under social security.

Other recommendatons by the Advisory Council deserve equally thorough analysis of a kind which I fear no group of men and women can give in so short a time as the Advisory Council had—no matter how capable or dedicated its membership may be.

SOCIAL SECURITY COMMISSION MEMBERSHIP

Because they reflect the kinds of background which should be requisites of persons named as members to the National Social Security Commission, and because their work deserves personal recognition, it is appropriate that the Finance Committee panel members, and both members and consultants for the Advisory Council on Social Security be named in these remarks.

The Finance Committee study panel consisted of:

Chairman William Hsiao, Ph. D., associate professor of economics at Harvard University and former Deputy Chief Actuary of the Social Security Administration.

Peter A. Diamond, Ph. D., associate professor of economics at Massachusetts Institute of Technology and a fellow, Econometric Society.

Meyer Melnikoff, F.S.A., senior vice president and actuary of the Prudential Insurance Co. of America and a member of the Pension Research Council at the Wharton School of the University of Pennsylvania.

Ernest J. Moorhead, F.S.A., a consulting actuary who had had employment with several insurance companies and has served as president of both the Society of Actuaries and the Academy of Actuaries.

Edmund S. Phelps, Ph. D., professor of economics at Columbia University, a fellow, Econometric Society, and a member of the board of editors of the American Economics Review.

Walter Shur, F.S.A., executive vice president of the New York Life Insurance Co. and the author of several papers published in the transactions of the Society of Actuaries, including a paper on the financing of Federal retirement systems.

Membership and consultants for the Advisory Council on Social Security were as follows:

MEMBERSHIP OF THE COUNCIL

Chairman W. Allen Wallis, chancellor of the University of Rochester, and a former Special Assistant to President Eisenhower.

Stanford D. Arnold, secretary-treasurer, Michigan State Building and Construction Trades Council, AFL–CIO.

John W. Byrnes, attorney; former U.S. Representative from Wisconsin and former ranking minority member of the House Ways and Means Committee.

Rita Ricardo Campbell, Ph. D., senior fellow, Hoover Institution, Stanford University; former member of President's Committee on Health Services Industry.

Edward J. Cleary, secretary-treasurer, New York State Building and Construction Trades Council, AFL–CIO.

Rudolph T. Danstedt, assistant to the president of the National Council of Senior Citizens.

Edwin J. Faulkner, president, Woodmen Accident and Life Co.

Vernon E. Jordan, Jr., executive director, National Urban League. Mr. Jordan was unable to participate in the council's work and was represented by Thomas E. Mitchell, Washington, D.C., deputy director, Washington Bureau, National Urban League.

Elizabeth C. Norwood, assistant research director, Eastern Conference of Teamsters.

John J. Scanlon, executive vice president and chief financial officer, retired, American Telephone & Telegraph Co.

J. Henry Smith, chairman of the board, Equitable Life Assurance Society of the United States and fellow, the Society of Actuaries.

J. W. Van Gorkom, president, Trans. Union Corp.

Arnold R. Weber, Ph. D., vice chairman, dean, Graduate School of Industrial Administration, Carnegie-Mellon University; former Assistant Secretary, Department of Labor; former Associate Director, Office of Management and Budget.

CONSULTANTS TO THE COUNCIL

Philip Cagan, Ph. D., professor of economics, Columbia University.

Hugh Conway, Ph. D., economist, Office of the Secretary of Labor.

Martin Feldstein, Ph. D., professor of economics, Harvard University.

Robert Kaplan, Ph. D., professor of industrial administration, Carnegie-Mellon University.

Robert J. Myers, professor of actuarial science, Temple University; former Chief Actuary, Social Security Administration and fellow, the Society of Actuaries.

Sherwin Rosen, Ph. D., professor of ecnomics, University of Rochester.

Charles E. Trowbridge, senior vice president and chief actuary, the Bankers Life; former Chief Actuary, Social Security Administration, and fellow, the Society of Actuaries.

Howard Young, consulting actuary; special consultant to the president, United Auto Workers.

Persons such as the foregoing have precisely the kind of qualifications envisioned in Senate Joint Resolution 5 which states that members of the commission shall be individuals of recognized standing and distinction who have demonstrated capacity to discharge the great responsibilities which the resolution place upon them.

ADVISORY COUNCIL RECOMMENDS FULL-TIME REVIEW BOARD

I was especially impressed that the Advisory Council on Social Security recommended a permanent, continuing review mechanism for the social security system.

While the proposed mechanism differs from that in my Senate Joint Resolution 5, the Advisory Council's conclusion undoubtedly reflected its own experience in trying to do a thorough job under terms of the present Social Security Act. I can think of few stronger recommendations for action along the lines of Senate Joint Resolution 5.

It is especially appropriate in this connection for me to emphasize that I am not absolutely wed to the precise form and language for a National Social Security Commission which appears in Senate Joint Resolution 5.

My purpose when I first introduced this proposal in 1973 was to see that effective action is taken to reassure the American people that social security is being constantly examined in their interest by a responsible agency independ-

ent of the Social Security Administration. This still remains my primary goal.

I do believe that such a commission should be bipartisan. I feel it should report frequently to the President, the Congress, and the people. I am convinced that the method of appointing members set forth in Senate Joint Resolution 5 is highly desirable. The important matter, however, is that there be a constant independent overview of social security.

The language of the Advisory Council's report calls for "a general study of social security . . . by a full-time non-Government body, covering such matters as funding against pay as you go, possible effects of social security on capital formation, productivity, the proper size of the trust funds, the incidence of payroll taxes, and other basic questions."

Except for my belief that a governmental agency would probably be better, I believe the Advisory Council and I are in basic agreement on the important issue—full-time, thorough independent review of social security.

The drawback in any short-time intermittent review was given additional emphasis by the Finance Committee's Panel on Social Security Financing in its statement:

> In view of limitation of time, the Panel concentrated its study on the structure of the retirement benefits and its impact on the financing of the program. Other benefit formulas such as survivor benefits may deserve an equally thorough study.

MAGNITUDE OF SOCIAL SECURITY REQUIRES CONSTANT OVERVIEW

In my repeated calls for creation of the independent National Social Security Commission, I have reiterated that social security in many respects is the biggest business in America.

Old age, survivors, and disability cash insurance payments and health insurance benefits to approximately 30 million people during 1975 will exceed $70 billion. Over 90 percent of the American people are covered. Everyone directly or indirectly participates in its financing.

The importance of independent review of the system by experts serving an ombudsman role on behalf of all the people is made clear by these statistics.

The implications of social security, however, go far beyond the dollars in benefits and the taxes paid to provide such benefits. The system affects all efforts of individual Americans and groups to provide financial security for themselves. It has an impact on private pensions, individual insurance and savings, health care patterns, and on employment and retirement practices in our Nation.

At no time has there been an authoritative review of all these elements which affect social security or are affected by it.

I believe it is high time that we look deeply and regularly at these questions.

HOW SENATE JOINT RESOLUTION 5 WOULD CHANGE LAW

Under Senate Joint Resolution 5, the National Social Security Commission would have a continuing responsibility to study, investigate, and review the Federal old age, survivors, and disability insurance program and the health insurance programs which operate under authority of the Social Security Act.

At present, the Social Security Act provides for such an overview by the Advisory Council on Social Security, but only on an intermittent, part-time basis. Under our resolution, the Advisory Council would be replaced by the full-time National Social Security Commission.

It is unfair to the American people, the Congress, and the President to rely for such important studies on an advisory council which holds a limited number of meetings during 1 year out of 4, as is now the case.

Social security is too big, too important, to be the object of only part-time review. Nor is it desirable that such review should be in the hands of the Federal department charged with administration of the social security program.

If the interests of the people are to be fully safeguarded, a constant overview of social security is needed, independent of its administrators—not on a part-time, intermittent basis, but with full-time surveillance. This is the intent and purpose of the National Social Security Commission to be created by Senate Joint Resolution 5.

The importance of the Commission's work, as recognized in the resolution, is underscored by the manner of appointment of its nine members and the provision that the Commission shall be bipartisan.

The Commission chairman and four members would be appointed, on a bipartisan basis, by the President with the advice and consent of the Senate. Two members each, with no more than one from a single political party, would be appointed by the President pro tempore of the Senate and the Speaker of the House of Representatives.

This is another way in which the Commission would differ from the currently authorized Advisory Council on Social Security, whose membership is named by the Secretary of Health, Education, and Welfare.

The Commission membership unquestionably should include men or women recognized as authorities in the fields of actuarial science, economics, and other appropriate disciplines.

The National Social Security Commission, in short, should be a blue-ribbon panel capable of imaginatively and effectively responding to both specific and broad ramifications of social security. It should be independently staffed by persons able to give continuous expert attention to such ramifications.

The Commission must, of necessity, give recognition to the fact that with a program as big as social security there are changing trends which affect its operation and the needs of people whom it would serve.

Through the National Social Security Commission we would provide a new and important assurance to all the people that these trends will be given consideration. Its objective will be to give constant attendance to ways in which social security may fulfill its maximum promise for the benefit of all America.

MANAGING THE CHANGE TO METRIC

Mr. PELL. Mr. President, next week the American National Metric Council will conduct, here in the Nation's Capital, its first annual conference and exposition.

The conference, I believe, will be a significant event in the steady progress being made in the United States toward conversion to metric measurements. The theme of the conference is "Managing the Change to Metric," and the program is described as "A Report to the Nation on the Status of Metric Implementation."

I bring this conference to the attention of the Senate, because I believe many of my colleagues will be interested, and perhaps somewhat surprised, to learn the extent to which metric conversion is already taking place in the United States.

The conference, to be held Monday through Wednesday, March 17 through March 19, at the Washington Hilton, will include participation by representatives of many major U.S. corporations which already have made a commitment to convert to metric measurements, including Rockwell International, Sears, Roebuck, General Motors; experts on metric education and industrial training; authorities responsible for planning the metric conversion underway in Canada, Great Britain, Australia, and South Africa; officials of the executive branch of the Federal Government; representatives of organized labor; and Members of Congress.

The American National Metric Council is a voluntary group working under the auspices of the American National Standards Institute. It has done an excellent job of providing coordination, information, and assistance in response to the rapidly accelerating interest in metric conversion in this country.

I commend the conference and its proceedings to my colleagues.

ANSWER OF THE FEDERAL REPUBLIC OF GERMANY GOVERNMENT TO THE INTERPELLATION OF THE CDU/CSU CAUCUS

Mr. BUCKLEY. Mr. President, last year I placed in the RECORD a statement by the West German Christian Democratic Union/Christian Socialist Union Caucus concerning their views on the Conference on European Security and Cooperation. This is a vital subject, because it affects the entire political future of Europe. No single West European nation is more directly affected than the Federal Republic of Germany because of its special status in European political affairs.

I have recently received a copy of the official response of the Federal Republic of Germany. The arguments raised by both the opposition parties—the CDU/CSU coalition and the Federal Govern-

ment of Germany raise many issues of significance, and I therefore ask unanimous consent that the document be printed in the RECORD.

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

ANSWERS OF THE FEDERAL GOVERNMENT TO THE INTERPELLATION OF THE CDU/CSU CAUCUS CONCERNING THE CONFERENCE ON SECURITY AND COOPERATION IN EUROPE (CSCE)

From the Federal Minister for Foreign Affairs, October 10, 1974—011—300.12:

1. General Observations

1.1 The Federal Government sees in the Interpellation of the CDU/CSU Caucus a welcome opportunity to comment on the formulation of goals and on the status of the "Conference on Security and Cooperation in Europe" (CSCE).

1.2 The Federal Government fundamentally affirms:

The constructive cooperation of the Federal Republic of Germany with the CSCE is in accord with its interests. It acknowledges the goal of this Conference in creating, through the joint efforts of the participating states, a broader foundation for cooperation between East and West to serve peace and security in Europe and to promote lasting agreement among the states and peoples represented at the Conference.

The Federal Government sees in this Conference a forum in which it, together with its friends and allies, can make valid a concept of detente and cooperation which will serve their mutual security and well-being. This concept includes the unification of Western Europe. It is similarly compatible with the goal of the Federal Republic of Germany of overcoming the division of Germany and of diminishing its painful consequences to the people.

The Federal Government is always guided in its contribution to the Conference by its preeminent interest in strengthening the cohesiveness of Western Europe and of the Atlantic Alliance. It regards the solidarity of the Alliance partners as an essential presupposition to the success which it anticipates from multilateral East-West negotiations of this kind. The Federal Government accords special importance to the combined efforts of the member nations of the European Community in the CSCE. Because of the frequency and similarity of their voting pattern in the realm of political cooperation, the member nations maintain the same positions on essential questions at the Conference. The E.C. Commission is involved in the formulation and representation of these positions wherever required.

1.3 Thirty-five states are negotiating at the CSCE. The resolutions of the Conference are reached according to the principle of consensus. A resolution is, therefore, reached only if it is acceptable to each participating state. The Conference cannot be expected, therefore, to eliminate differences of system between East and West. Results of the Conference will often only be possible as considered compromises on concrete questions.

1.4 In full recognition of the information needs of the German Bundestag and of the public, the Federal Goyernment is subject to certain limtations in the answer to the Interpellation of the CDU/CSU Caucus: the negotiations are still in progress and have not yet led to agreement on the final Conference documents. They are subject to established rules of procedure which must be observed to ensure confidentiality of the deliberations and recognition of the results thus far as partial and provisional. The Federal Government can only do justice to its responsibility, considering its undiminished position at the Conference and the confidence and cooperation of its friends and allies, if it respects the limits thereby imposed upon it. Detailed briefing of the Bundestag by the Federal Government, therefore, should take place, as in the past, in the Committee for Foreign Affairs.

1. (a) What are the Conference objectives and present negotiating positions regarding the essential political issues on the part of the Federal Government, our Allies (EC, NATO), the other Western nations?

2. (b) What changes evolved in the course of the negotiations?

2. (a) What are the CSCE objectives and present negotiating positions of the Soviet Union and—if deviating—of the GDR and the other Warsaw Pact states?

2. (b) Did the Conference rounds in Helsinki and Geneva so far reveal any changes in the Soviet Union's former objectives?

2. Goals of the Conference.

2.1 The mutual goals of the CSCE participating states are set forth in the "final Recommendations of the Helsinki Consultations." They were worked out in intensive preparatory negotiations and adopted by the Foreign Ministers of the participating states at the beginning of July 1973 in Helsinki.

2.2 The final recommendations of Helsinki comprehend a broad spectrum of issues which include: a declaration about the fundamental principles of the mutual relationship of the participating states; confidence-forming measures in the military realm; cooperation in economics, science, technology, and environment, as well as in improvement of human contacts, of the exchange of information, culture, and education. The Helsinki final recommendations define corresponding mandates for the working bodies of the CSCE and lay out valid frameworks of negotiation for all participating states.

2.3 The Federal Government has not altered its concern to deal exhaustively with the issues established in the final recommendations at Helsinki and thereby to strive for practical results which accord with its concept of detente and cooperation. This concept rests on the peaceful comprehension of the association of the states and their peoples which is shared by the German Federal Republic and its friends.

The declaration of principles to be made by the Conference is especially to be taken into consideration. The Federal Government regards this declaration as a political and moral acknowledgement by the participating states of definite rules of behavior which form a well-balanced whole and should establish criteria about existing differences in socio-political systems. International law that is already universally valid should be taken into consideration, although no new international law should be created, nor should the declaration be granted the function of compulsory codification of international law that is already valid.

The Federal Government is of the view that a Conference whose goal is the promotion of security and cooperation in Europe will fulfill its task only if it appropriately takes into consideration the military aspects of security within this geographical area. The situation here is not altered by the fact that measures for reduction of troops and disarmament questions are not on the agenda but are rather the subject of special negotiations.

In the realm of economics, in scientific-technical cooperation as well as in environmental protection, the Federal Government views as highly desirable agreement on the rules, according to which cooperation among the participating states can develop to their general advantage on the basis of mutuality with regard to the differing socio-political systems.

The Federal Government has always made clear that attention to human rights, improvement of human contracts, and the freer exchange of ideas and information across the borders constitute essential elements of detente between East and West. Peaceful and fruitful cooperation can exist only if peoples can meet freely and unimpededly.

Altogther the Federal Government is guided by the consideration that closer cooperation and improved communication will contribute to the strengthening of trust, which is indispensable for the assurance of peace.

The Federal Government knows itself to be in accord with its friends and allies in its position as outlined here. This position is also shared to a high degree by non-aligned countries.

2.4 Declarations by the Soviet Union and other members of the Warsaw Pact convey the impression that these states mainly expect from the CSCE the beginnings of a regional, European, international law in which the principle of "inviolability of borders" is to play a dominant role.

In addition, they display a considerable interest in improved economic cooperation. In the course of the Conference they have also shown an increasing readiness toward discussions about humanitarian questions and in achieving an improvement in communications. However, the fear of these states that improved cooperation and communication could become means of influence on their own governmental structures limit this interest and readiness; moreover, it misjudges the meaning of cooperation and communication as an enduring and irreversible process of detente.

2.5 Needless to say, each of the 35 participating states wishes to bring the general goals of the Conference into accord with its own interests. In the speeches delivered by the Foreign Ministers during the first phase of the Conference in July of the previous year, these interests became apparent. On this occasion, the Minister of Foreign Affairs also made basic statements about the specific interests of the German Federal Republic. A comparison of these statements with the explanations of the Interpellation shows that the Federal Government and the opposition are motivated by the same principles on important questions.

1. (c) What are the experiences of the Federal Government concerning cooperation of the European Community—member states and Commission—during the preparation and conduct of the Conference, and what conclusions is the government drawing from these experiences for the future shaping of European Political Cooperation (EPC)?

1. (d) What are the government's experiences regarding cooperation of the European Community with the other Alliance members, in particular the United States, during the preparation and conduct of the Conference, and what conclusions is it drawing from these experiences for the future shaping of European-American partnership?

3. Coordination

3.1 In 1971, the EC states created within the framework of their foreign policy cooperation two working groups that were concerned steadily and exclusively with the Conference material:

The CSCE Subcommittee of the EPC for Fundamental and Behavioral Questions as well as for the agenda issues security ("basket I") and communications ("basket III"), in that case

The CSCE *ad hoc* group of the EPC for Cooperation in Economics, Science/Technology, and Environmental Protection, in which the EC Commission participated from the beginning.

Both working groups prepared resolutions of the Political Directors (Political Committee) and of the Foreign Ministers of the Nine for the CSCE. Moreover, an on-

going poll on the Conference issues takes place in Geneva among the CSCE delegations of the EC nations. The representative of the EPC presidency (in the first half-year of 1974, this was the delegation of the German Federal Republic) also begins to speak on general political questions to the working groups at the Geneva Conference on behalf of the Nine.

3.2 It was also possible to achieve appropriate participation of the EC Commission at the CSCE. Within the framework of their competencies their representatives were able to begin to speak at the Conference itself. The East European countries availed themselves of the opportunity.

3.3 CSCE issues are also topics of deliberation by the NATO Council and its subcommittees, and consultations among the Nine precede these deliberations at the CSCE. In accordance with established practice among the delegations from nations of the European Community, an ongoing vote takes place among the delegations from the NATO countries in Geneva.

3.4 Altogether in preparation of the CSCE and in the negotiations themselves, partners of the Atlantic Alliance and the nine member nations of the European Community have displayed striking unity, and CSEC voting among working groups of both organizations is close and constructive. Voting within the circle of the NATO member states is an exemplary demonstration of the functioning of the consultation and voting mechanism of the European-American partnership. The resulting reinforcement of Western solidarity is a meaningful gain already manifested by participation in the CSCE.

3. What is to be the quality of international law and the political quality of the final documents of the Conference according to the will of the Federal Government and according to the will of the other Western participating states?

4. (a) What are the political and international law qualities to be accorded to the final documents according to Soviet intentions and—if deviating—to those of the governments of the other Communist states?

4. (b) Does the Soviet Union continue to aim at according above all the "principles guiding relations between the CSCE participating states" a binding international quality or a political-diplomatic importance of such impact as to permit the emergence of a regional international law confined to Europe?

4. Binding Force of the Final Documents.

4.1 According to the will of the Western participating states, the recommendations, resolutions, declarations, as well as other final documents to be revised in the present phase of the Conference and voted on in Phase 3 are to be concerned with political-moral declarations of intention. The final documents will therefore create no new regional international law, but this does not diminish their importance. Their significance as political-moral declarations of intention explains the special care expended on the formulation of each single sentence by the Federal Government and all other participants.

4.2 The East European states originally intended to conclude the declaration of principles as an agreement and to permit only this document to be duly signed. In the communique following the session of the "Conferring Political Committee" of the Warsaw Pact of April 1974, the discussion is about "documents" to be signed at the highest level. It seems, therefore, that the East European States also could accept Conference resolutions as politically and morally binding, yet they—now as before—adhere to according the declaration of principles, either with or without the validity of international law, stressed status.

4.3 The Federal Government and its friends and allies are of the view that the same political-moral effect must emanate from all Conference statements. It is out of the question that any one single resolution of the Conference be subordinated to or superposed or others. Each participating state is nonetheless still at liberty to accord special importance to certain resolutions. Such one-sided estimates change nothing, however, in the equality of weight of each Conference resolution, and most particularly nothing is changed in the equivalency of the principles and of the necessity of their being interpreted in their total context (compare 6.5).

5. (a) What has the Federal Government done to maintain the Western interpretation of the treaties with Moscow, Warsaw, Prague and the inner-German treaty vis-a-vis the CSCE policies of the Soviet Union which is now trying to enforce Eastern interpretation of these treaties on a multilateral level?

5. (b) What has the Federal Government done to draw attention of Allied and friendly states at the Conference to the paramount importance of a reliable guarantee of the modus-vivendi nature of the treaties for the fundamental interests of the divided German people?

5. Eastern Treaties, Basic Treaty, and CSCE

5.1 The treaties with the Soviet Union, Poland, and the CSSR as well as the treaty concerning the bases of relations between the Federal Republic of Germany and the GDR differ in form as well as in content from the documents to be completed by the CSCE. This applies particularly to the declaration of principles.

The above-mentioned treaties, apart from their specific contents, are bilateral treaties and thus valid under international law. The CSCE resolutions, on the other hand, will have no treaty character; therefore they will not be accorded the status of international law.

Those treaties intend to regularize fundamentally bilateral relations between the Federal Republic of Germany and of the Soviet Union, Poland, of the CSSR, as well as of the GDR; and thereby to create the bases for further development of these relations in the most different realms—in the case of the Soviet Union, of Poland, and of the CSSR, existing historical, political, and legal actualities are taken into consideration in determining the bilateral relationship; in the case of the GDR, the special situation in Germany and the national goals of the Federal Republic of Germany are taken into consideration. The CSCE deliberations, on the other hand, should promote security and cooperation in Europe on a general and multilateral basis and, through agreement about concrete measures, should serve detente.

Without detriment to this difference, it is in the nature of the case that the CSCE declaration of principles will contain a series of concepts and formulations already contained in the treaties mentioned. Such inclusion must be in a manner carefully considered to preserve the interests of the Federal Republic of Germany on the subject of interrelations among participating states. Therefore the Federal Government will agree to no text in the declaration of principles which uses concepts in a sense other than that used in the treaties considered decisive for our policy of bilateral reconciliation with the East. The results of CSCE must be in accord with the Eastern treaties and the treaty about the bases of relations with the GDR. That is to say, the results could not stand in contradiction to the political goal of the Federal Republic of Germany in its striving toward a situation of freedom in Europe in which the German people regain their unity in free self-determination.

5.2 The Federal Government is in agreement with its partners and allies in this view and has their full support.

6. How does the Federal Government in this context assess the fact that, with a breach of confidentiality of the Geneva talks, the organ of the Communist Party of the Soviet Union, "Pravda," of April 23, 1974 published the following formula—which the 35 CSCE states had allegedly agreed on as a tentative and confidential formula—on the "principle of inviolability of borders:"

"The participating states consider all bilateral borders as well as those of all European states as inviolable (njerushimyj). Therefore they will refrain from any assaults (postjagatelstwa) on these borders now and in the future. Accordingly, they will also refrain from any claims or actions aimed at conquering (zachwat) and usurping (usurpazia) part or all of the territory of any participating state."

7. (a) How does the Federal Government now intend to ensure that the interpretation of the treaties of Moscow, Warsaw, Prague, and of the inner-German Basic Treaty which keeps the German question open and permits every German government to pursue a policy aimed at maintaining national unity and reinstating the unity of the state of Germany without committing a breach of contract, will not be undermined by an absolute and unrestricted formulation of the principle of the "inviolability of borders?"

7. (b) How does the Federal Government intend to ensure in particular that the proviso effect of essential internally binding documents which according to our authentic interpretation are inextricably tied up with the terms of settlement of the bilateral treaties concluded with Moscow, Warsaw and the other part of Germany and which were of vital importance for the approval by our legislative bodies as regards their compatibility with the basic law, the treaties on Germany of 1952/54 as well as with the rights and responsibilities of the Four Powers for Germany as a whole and Berlin, will not be impaired by this contrasting principle enforced by the Soviet Union?

7. (c) How does the Federal Government furthermore intend to ensure that its policy of maintaining and strengthening Berlin's indissoluble ties with the Federal Republic of Germany which the basic law commands and the Four Power Accord on Berlin permits, as well as the German legal position on the status of Berlin which is in keeping with the basic law and has been reconfirmed by the verdict of the German Federal Constitutional Court on the Basic Treaty, dated July 31, 1973, cannot be attacked in the future as a violation of the quoted multilateral principle of "inviolability of borders"—according to Soviet formulation?

8. Has it been ascertained that the principle of international law on the admissibility of peaceful change

(a) will occupy a position in accordance with its positive meaning for inner-German and inner-European detente in the catalogue of principles guiding relations between European states

(b) will be maintained beyond doubt in connection with the principles of renunciation of force and self-determination of peoples

(c) is not subjected to the Soviet interpretation of the principle of "sovereignty of states?"

6. Inviolability of Borders and Peaceful Change

6.1 The Federal Government, in light of its detailed knowledge of the negotiations, is neither in a position to reveal prematurely texts of negotiations nor to take a detailed position on such publicly quoted texts. Under the present circumstances, the Federal Republic of Germany sees itself justified in concluding only that the formula as quoted by and accredited to Pravda in the Interpellation does not reproduce accurately the registered Geneva text in its present form.

The actually registered formula on the in-

violability of borders is, as with all previously registered texts, only tentative and can only be considered finally binding when all participating nations have agreed on all Conference documents. The Federal Government has, in addition, submitted a formal proviso. It stipulates that before any final agreement, the principle of the right of self-determination must be acceptably formulated, and agreement must be reached on the statement concerning enduring admissability of peaceful and consenting border changes ("peaceful change"), both as to its exact wording as well as in its placement in the catalogue of principles.

The discussion concerning this has not yet been closed; hence the proviso has not yet been suspended.

6.2 The Federal Government is committed, as were previous administrations, to the policy of renunciation of force, a policy it has always followed and which has been formulated in a series of internally binding documents. It proceeds, as did its predecessors, from the foregone conclusion that this policy includes the renunciation of border changes through the use and threat of force. On this basis, the Federal Government is simply consistent in its clear recognition of the principle of inviolability of borders. It remains, therefore, in full agreement with a policy directed toward the preservation of the national unity of the German people and to the restitution of the political unity of Germany by peaceful means.

Accordingly, the Federal Government was not only able to sign the Moscow Treaty but to decide to participate in the CSCE. Let it be remembered that in the treatment of the topic "security" by the preparatory conference in Helsinki, particular attention was given to the question of the renunciation of force and of the inviolability of borders, and resulted in the Catalogue of the Ten Principles, as set forth in the final recommendations of Helsinki. There the principle of inviolability of borders immediately follows renunciation of force. The next principle to follow, on the other hand, concerning the territorial integrity of states, removes the ban on the threat and use of force.

6.3 The enduring admissability of peaceful and consenting border changes corresponds to the ban on border changes by force or threat of force. The Federal Government regards as indispensable unequivocal clarification on this issue in the Declaration of Principles. Such clarification is requested in the national German interests as well as in the interests of the process of European unification.

The Federal Government wishes in this context to stress that its demand for a reconciliation of the statements about the inviolability of borders by means of clarification concerning the possibility of peaceful border changes applies also within the framework of what was agreed upon with the Soviet Union in the Treaty of August 12, 1970.

6.4 It must be guaranteed that the Declaration can be interpreted neither in contradiction to the existing treaties, including in particular the German Treaty, nor in contradiction to the still-existing rights and responsibilities of the four powers with respect to Berlin and Germany as a whole.

6.5 Similarly, a clarification is necessary to insure that the principles are equivalent and that each principle be interpreted in context with the others.

9. (a) Which suggestions concerning enforcement of the principles mentioned in the catalogue of "basket I" have been introduced into the negotiations or been endorsed by the Federal Government or by Allied governments, by non-allied states, by the states of the Warsaw Pact?

9. (b) How is the Swiss proposal of a compulsory arbitration body to settle international differences assessed by the Federal Government, by Allied states, by non-allied states, by the states of the Warsaw Pact?

7. Proposals for Enforcement of the Principles.

7.1 In the view of the Federal Government and its allies, after the Conference it will be the task of the participating states themselves to apply the principles in their daily practice, and that a common institution is not needed for this purpose. The political will of the single states will be decisive for adherence to the Conference resolutions in the interest of detente, security, and cooperation.

7.2 The Federal Government supports the concept of peaceful regulation of differences, and to this extent fundamentally greets the Swiss proposal about the obligatory settlement of conflict with sympathy and understanding. The most recent world political crises have shown anew how essential a generally recognized and functioning system is to peaceful settlement of conflict. Whether the time is already ripe for the acceptance of these proposals at the Conference can be shown only in the next course of the Geneva negotiations; this applies in particular to the section of the Swiss proposal referring to the obligatory settlement of non-judiciable conflicts.

10. (a) What has the Federal Government done to point out in Geneva that genuine detente and cooperation in Europe presuppose that the human rights are guaranteed in all states of Europe?

(b) What has the Federal Government done to point out at Geneva that preservation of the priority of human rights in the interpretation and application of the principle of sovereignty, above all in the relationship between the two states in German, is in the interest of the entire West and of a lasting guarantee of peace?

(c) Has it been ascertained that the conception of the free part of Europe of the principle of human rights prevailing in these states will be fully adhered to in the Geneva negotiations on the catalogue of principles (basket I) and on the guarantee of freedom of people, ideas, and information (basket III)?

11. (a) How does the Federal Government intend to enforce the West's main demand for guarantee of human rights for all Europeans, in particular free movement of people, ideas, and information at the CSCE?

(b) How does the Federal Government ensure together with the Western Allies that the concrete agreements on the free movement of people, ideas, and information will not be restricted again in basket III—as the Communists are demanding—for example through one general or several preambles which subject these agreements to the principle of a "sovereignty" internally conceived and practiced as an absolute sovereignty and of the reference to "non-interference" and "Observation of national legislation and customs" derived from that conception of "sovereignty?"

(c) Is the Federal Government willing to approve a seemingly positive conclusion of the Conference even on the basis of unsatisfactory results regarding the guarantee of human rights for all Europeans, in particular the right to freedom of information?

12. (a) Which concrete proposals has the Federal Government submitted or endorsed in order to promote realization of human rights in all of Europe and in particular in Germany and for all Germans?

(b) Is the Federal Government—if it has not already done so—willing to bring up the topic of permanent and institutionalized human rights violations at the Inner-German and in the GDR at the Conference?

8. Humanitarian Questions

8.1 The Federal Government already supported in Helsinki all efforts directed at securing an appropriate place in the Catalogue of Principles for the protection of human rights and basic freedoms. In the final recommendations from Helsinki, the West succeeded in presenting respect for human rights as an equivalent principle. In working out the formulation of this principle in the Declaration itself, the Federal Government and its allies take care that the protection of human rights is expressed in conformity with its great importance to international relations.

8.2 The solution of humanitarian questions and improved communications on all levels are an independent factor for the West in the process of European détente. At the CSCE we seek to establish standards of behavior which, despite all the dissimilarity of fundamental standpoints, make possible practical improvements for people now and in the future. If in this sense the Conference achieves these concrete agreements which we have striven toward and anticipated, important beginnings will have been created for a relaxation of East-West relations. Not least of all, it should benefit those Germans who personally and whose dependents must feel that the division of Germany through the measures of one side can lacerate deeply and painfully into the personal realm of the individual.

8.3 Without wishing to anticipate the end results, the Federal Government mentions several examples of such improvements which may be expected after the present state of negotiations:

Proposals for uniting families, visits of relatives, and wedding ceremonies should be favorably examined and the procedure hastened; the individual rights of those proposing marriage should be protected, and the fees should be moderate. Formalities for entrances and departures should be simplified; freedom of movement of travelers should be improved.

Newspapers, magazines, and books should be imported and distributed to a greater extent, and subscriptions should be permitted. Working conditions for journalists and their technical assisting personnel should be facilitated by the issuance of visas for multiple entrances and departures. The importation of technical materials, transmission of information, and working conditions in general should be improved.

In the cultural and scientific realm contacts—among other things—between cultural agents, artists, and scientists as well as public access to cultural and scientific establishments should be facilitated.

8.4 If the Federal Government supports the enforcement of essential demands, above all in the humanitarian realm, it always has in view, needless to say, effects yielded for the benefit of people. It will, therefore, attentively observe how relations in Germany improve after the CSCE. It is essential that it measures the success of detente in the first place according to the degree of improvements to the thus-affected Germans.

13. (a) What are the notions and concrete proposals concerning the "confidence-building measures in the military area" (basket I,2) of the Federal Government, of our Allies, of the non-allied states, and of the states of the Warsaw Pact?

(b) How does the Federal Government together with its Allies intend to approach the connection between political and military security?

(c) Does the Federal Government endorse the view that there is a connection between negotiations on the CSCE on the one hand and those on MBFR and other military East-West discussions on the other with regard to their time-frame and substance?

9. Military Aspects of Security

9.1 The Federal Government has always maintained the position that the problems of military security and the dangers of military confrontation in Europe should not be excluded from the CSCE. The result of the Conference must take into account that political and military security complement each other; hence military aspects must be concretely considered in the total outcome. The Federal Government therefore regards, as do its partners in NATO and EC, "confidence-building measures" as an essential factor in the efforts of the Conference toward security and cooperation in Europe.

9.2 The neutral and non-allied states accord great importance to the military aspects of security. They expect from the Conference unequivocal agreements about confidence-building measures.

9.3 The Soviet Union and its allies still take a restrictive position on the handling of confidence-building measures.

9.4 The final recommendations from Helsinki gave the Conference the task of working out proposals about advance notification of major military maneuvers and exchange of observers. In addition, the question of notification in advance of major troop movements should be examined. A text was just registered concerning the exchange of observers at maneuvers on a voluntary basis.

9.5 Our main concern with the advance notification of maneuvers is to exclude variations in treatment by conference participants in Europe.

It is therefore important to establish a unified European realm of useage for advance notification of major military maneuvers. The Federal Government uses its influence to establish a procedure of exchange of such advance notification which will be satisfactory to all participating nations.

9.6 There exist factual and detente-political points of contact between the negotiations at Vienna about MBFR and CSCE. Both projects, which began at approximately the same time, differ in regard to concrete substance, list of participants, and organizational procedure.

The goal of the MBFR negotiations is reduction of military confrontation and the establishment of a more stable military force in Europe; in Central Europe only the troops of NATO and the Warsaw Pact are affected.

The CSCE is meantime concerned with aspects of security from general political points of view. The results of the Conference within this framework should also serve gradually to diminish mistrust in the military area.

There are no negotiations at the CSCE about the military potential of the Warsaw Pact or of any other participating nation; the military force in Central Europe is much more the subject of the MBFR negotiations. The Federal Government has repeatedly stressed that it views with concern the strengthened armament build-up by the East.

14. (a) Does the Federal Government consider as necessary and feasible comprehensive economic skeleton accords or agreements with East European states at the CSCE which are outside of the areas of competence transferred to the European Community? If so, what could be their content?

(b) If the agreements being worked out within the frame of "basket II" should be concluded, what precedent or other effect would they have on the European Community's full competence on foreign trade matters effective January 1, 1975?

(c) Is the Federal Government willing to resist any further restriction of the area of application of the GATT in its relations with East European states? Does the Federal Government think it possible that all East European states might be persuaded to join the GATT? Has the question been considered as an Agenda Item within "basket II?"

(d) Have members of the COMECON shown their willingness at the Conference to adjust their foreign-economic policies to the international standard?

(e) Does the Federal Government share the view that in addition to the existing all-European means of communication in the ECE, further institutionalized contacts should be established? If so, why?

(f) Will the Federal Government use its influence in the European Community to the effect that granting of most favored nation status to the Soviet Union by the European Community is contingent upon prior Soviet accession to worldwide cooperation in trade and traffic (GATT, CIV/CIM, IATA and others) or upon unequivocal and lasting political concessions in favor of human rights and self-determination?

10. Economics.

10.1 In Agenda point II of the Conference, no legally binding agreements will be made, but rather declarations, resolutions, and recommendations for the further conduct of the states involved will be passed.

Decisions reached in all areas within the competency of the European community will be standard for the participating countries of the European Community, just as until now all rules and procedures provided for the Community were standard. Similarly the Nine in related sectors of economic cooperation, as well as in other areas which do not yet or only partially belong to the competence of the Community and in which the East European countries are prepared to draw on the consequences of the CSCE experiences, will strive toward a close vote on the proceedings and make certain that no bias arises which might affect negatively the further development of the European Community.

10.2 In the resolution proposal by the Nine to the topic "trade," the community at the CSCE declared their readiness to negotiate in general form with all Conference participants, hence also with the East European state-controlled economies. The Council of the European Community accordingly determined on September 17, 1974, to make as soon as possible a concrete proposal for concluding trade agreements with the single state-controlled economies. The European Community thereby strengthened its will toward a joint external trade policy and made clear that it is prepared to conduct mutually beneficial trade with the state-controlled economies on a contractual basis.

10.3 The Federal Government supported Poland, Rumania, and Hungary in joining GATT. A further result of its efforts is the authorized participation of Bulgaria in the GATT multilateral trade negotiations and the intention of this country to join the agreement arrived at in GATT about international textile trade. The realm in which GATT is valid for trade relations of the Federal Republic of Germany with the East European state-controlled economies has therefore not been limited, but on the contrary has been extended. Moreover, the admission to GATT is dependent upon the agreement of all contractual parties. The CSCE is therefore no suitable forum for discussion of the question of accession to membership.

10.4 The problems of East-West cooperation in the realm of economics stem from the existing differences of the systems, which require special measures for the development of relations of mutual respect within the differing economic systems. The East European state-controlled economies have made known that they are prepared for measures which should lead to greater cooperation. The Federal Government expects that further progress at the CSCE in this direction will be achieved, especially from the efforts of the Nine and of the other Western participants to persuade the East European state-controlled economies toward an approximation of the international standard in trade contacts and economic information.

10.5 Since no agreements are made at the CSCE, the granting of preferential treatment by the European Community to the East European state-controlled economies at the Conference is neither possible nor anticipated. The contractual granting of preferential treatment must remain reserved for later negotiations, in particular those of countries belonging to the European Community with the East European state-controlled economies. The Nine are endeavoring to achieve acceptance of a relevant reference to trade in the final document of the CSCE. Moreover, it will be made clear that preferential treatment can be granted only on the basis of the principle of "Mutuality of Advantages and Obligations" which is supported by all Western countries in the realm of Point II of the agenda (Cooperation). The other side would accordingly have to demonstrate equal accomplishments in the economic realm.

15. (a) How does the Federal Government assess Soviet demands for the establishment of a permanent all-European consultation and control body?

(b) Does the Federal Government consider the transferral of CSCE follow-up missions to already existing international organizations (such as the ECE) and/or special commissions as feasible?

11. Results of the Conference.

11.1 The Federal Government shares the concerns of the opposition concerning the creation of a CSCE organ which should at the termination of the Conference protect general political competencies, believing it necessary first of all to gather experiences as to how and in what degree the resolutions, recommendations, and declarations of the CSCE operate in the conduct of participating nations among each other. The Federal Government therefore gives preference to the concept shared by its partners that, after a considerable interval, a panel of experts should investigate to what extent the determinations made by the CSCE were realized overall and how to proceed.

11.2 It is to be expected that there will be meetings of experts concerning the Conference resolutions on single topics in the realm of cooperation, and such meetings should be anticipated. The Federal Government believes it feasible in the implementation of these so-called technical results of the Conference to involve the already-existing international organizations as much as possible and feasible. For many aspects of the Agenda point II (economic cooperation), the Economic Commission of the UN for Europe (ECE) should be given primary consideration.

16. (a) Does the Federal Government consider the present negotiating results sufficient to warrant convocation of a final Conference for the signature of the final documents before the Conference goes into summer recess?

12. Final Phase.

12.1 Since the results of the negotiations were not sufficient before the summer break, there was no occasion for the Federal Government and its friends and allies to investigate at this time the demand raised by different sides after the close of the Conference.

12.2 The CSCE still has to master a comprehensive work program during the publication phase, which is due again in September. A deadline for the close of this phase, hence of the Conference altogether, cannot be predicted.

12.3 The Federal Government will also assist constructively in bringing the Conference to an end without interruption or unnecessary delay, and with the care appropriate to the goal of the Conference. It an-

ticipates that in this manner satisfactory results will be achieved which, as already stated, can be realized in concrete instances often only as measured compromises. The Federal Government can influence the course of negotiations, but it cannot determine them. All 35 participating states have the right to present and represent their views on the basis of the Helsinki Final Recommendations. This applies not least to the non-allied and neutral states whose contributions have provided important stimuli in the course of the Conference thus far.

12.4 If the Conference leads to a harmonious result that is satisfactory to all participants in all factual areas, the Federal Government believes possible a final act at the level of heads of state or, as the case may be, of heads of government.

THE PENSION PINCH

Mr. CHURCH. Mr. President, all Americans have been affected, in one form or another, by the 12.2-percent inflationary rate during the past year.

But older Americans have been especially hard hit, in large part, because most are struggling on limited incomes.

In addition, some of the steepest increases in prices have been concentrated in areas where the elderly have their greatest expenditures: food, housing, medical care, and transportation.

These four items typically account for about $4 out of every $5 in an aged family's budget.

They also constitute basic necessities for most older Americans.

Next week the Senate Committee on Aging, of which I am chairman, will resume hearings on "Future Directions in Social Security."

One question to be examined in great detail is the impact of inflation upon the elderly.

This issue deserves immediate attention in the highest councils of Government because many older Americans now find themselves in an impossible financial situation.

Rising prices continue to erode their purchasing power. At the same time, massive layoffs make it almost impossible to find a job to supplement their limited incomes.

An article by Columnist Jack Anderson in the March 9 Washington Post describes in very human terms the retirement income crisis now affecting millions of older Americans throughout our Nation.

This account, it seems to me, should be read by every Member of the Senate.

For this reason, 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:

[From the Washington Post, Mar. 9, 1975]

THE PENSION PINCH

(By Jack Anderson)

The most pathetic victims of the economic squeeze are the elderly, who are described in a confidential Senate study as the nation's "most economically disadvantaged age group."

Their story is best told in human terms. From geriatric ghettos across the country, they have written to us about their troubles:

A Miami couple, in their early 70s, dreamed of retiring on a comfortable pension after a lifetime of hard work. Inflation has now stretched their pension check so thin that they can no longer afford the basic necessities.

A 73-year-old Cumberland, Md., woman can't squeeze enough money from her $89 monthly pension to buy eyeglasses and teeth—"the first things that go wrong," she wrote, "as a person gets older."

A devoted Chicago husband scrapes together his retirement pennies to buy an occasional slice of his wife's favorite imported cheese—the only luxury he permits himself.

A Bluefield, W. Va., widow was compelled to give away her beloved pet cat because she simply can't afford to feed him.

A Greenville, Miss., woman summed up the feelings of many senior citizens in these poignant words: "The elderly people, who worked all their lives, gave and gave to the government and now they are made to feel like worthless people."

Not only are a higher percentage of senior citizens already "living in poverty," according to the Senate study, but the job pinch hits them harder than any other age group. During hard times, for example, older workers usually are released ahead of younger workers and remain longer in the unemployment lines.

The confidential background study, prepared by the Senate Committee on Aging, shows that the jobless rate for workers over 45 almost doubled during the last six months of 1974. Yet "these figures really understate the true dimensions of the joblessness picture for older workers," the document says.

Not counted in the statistics, for example, are those "who have dropped out of the labor force after prolonged and fruitless searches for work."

Others simply have been retired prematurely. For most of them, this means starvation Social Security benefits, with little supplemental outside income. "Even when benefits from other federal programs are considered," states the study, "only one out of three couples and one of six other beneficiaries have a second pension."

Their plight has worsened, of course, as the skyrocketing inflation rate has outdistanced Social Security payments. Under federal law, Social Security benefits are supposed to keep up automatically with the consumer price index. But the study declares grimly: "In the four areas where the elderly have their greatest expenditures—housing, food, medical care and transportation—the increases equalled or exceeded the overall consumer price index."

Yet President Ford's response has been to slash rather than expand federal help for the elderly. Here are his heart-wrenching proposals:

He wants to hold down Social Security increases below the Consumer Price Index. The law mandates a projected 8.7 per cent rise in Social Security payments; the President would reduce this to five per cent. For 31 million Americans, many of them already subsisting on inadequate diets, this would mean an average $80 less a year.

The President would like to reduce Medicare outlays by nearly $1.3 billion in fiscal 1976. For ailing senior citizens, the cost of a 30-day hospital stay could jump from $92 to $375. The shocking fact, states the report, is that "the elderly now pay more in out-of-pocket payments for medical care than the year before Medicare became law."

Ford is also trying to cut $9 million from federal programs which help senior citizens to live in their own homes. This would force thousands into cold, clinical institutions.

He hopes to trim another $8 million from training programs, which are critically needed to alleviate the shortage of trained personnel serving the aged.

He has asked Congress to slash $25.4 million from the nutrition program for the elderly. This is perhaps the cruelest statistic of all, which would mean malnutrition for thousands.

The President wants to withhold the entire $12 million appropriation for the Older American Community Service Employment program to provide jobs for older workers. Yet in the past six months, the number of workers over age 54 who have been thrown out of their jobs has jumped 52 per cent.

He also sought to increase the charges for food stamps, which would have forced as many as half of the elderly recipients to drop out of the program. But providently, Congress has already rejected this proposal.

After studying President Ford's plans for the elderly, Sen. Frank Church (D-Idaho) said: "The President is either unaware or doesn't care sufficiently about the problems of senior citizens today—so many of whom are confronted with unpaid heating bills, foodless days, costly prescriptions and poverty."

A footnote: The confidential study will be used by the Senate Committee on Aging as background for hearings later this month. Proposals will be considered to make the Social Security Administration an independent, nonpolitical agency; to prohibit the mailing of political announcements with Social Security checks; and to separate Social Security transactions from the regular federal budget. The committee will also focus on the impact of inflation on the elderly.

PUBLIC SERVICE JOBS

Mr. JAVITS. Mr. President, on February 7, Senator WILLIAMS and I introduced S. 609, the Emergency Public Service Employment Extension Act of 1975, with 16 cosponsors, a bill to extend for 1 year through fiscal year 1976, the emergency jobs program conducted under title VI of the Comprehensive Employment and Training Act of 1973, as added by Public Law 93–567, the Emergency Jobs and Unemployment Assistance Act of 1974.

Our objective is to provide standby authority for the maintenance of 1 million public service jobs in fiscal year 1976 through title VI, the nationwide program, and title II of the Comprehensive Employment and Training Act, which is limited to areas that have 6.5 percent or more unemployment for 3 consecutive months.

Since June 1974, $553.0 million in title II funds, and $878 million in title VI funds have been allocated to State, city, and county prime sponsors under CETA. Commendably, the President has requested a supplemental appropriation of $1.6 billion for title VI—which together with the $875.0 million will reach the full authorization for that title. The Senate and House Appropriation Committees are expected to act favorably on that request.

The Department of Labor estimates that by the end of March, there will be approximately 110,000 persons in jobs under title VI, and an additional 80,000 in jobs under title II. By mid-May, 110,000 persons will be placed in jobs under title VI and 197,000 in jobs under title II. The administration intends to use

the $1.6 billion in additionally requested fiscal year 1975 title VI funds, along with the $400 million requested by the administration for title II for fiscal year 1976, to maintain through fiscal year 310,000 public service jobs.

A very interesting article, entitled "200,000 at Work in Federal Job Program," appeared in the New York Times on Tuesday, March 11, assessing the accomplishments and problems of the public service job programs to date.

The article concludes generally that "the program has been welcomed in most communities as at least a means of taking the edge off the rate of unemployment" and cites a number of individual cases where the public employment program has been beneficial to members of the ranks of the formerly unemployed.

The article further suggests that while there have been some delays, the program is gathering momentum and that some of the delays may be attributed to the desire of State and local prime sponsors to fulfill the objective of the act by providing meaningful, and not "make work" or "dead-end" jobs.

Importantly, the article does indicate a number of possible problem areas, such as the extensive use of funds to rehire laid-off public employees, political use of funds in some cases, and the need for greater allowances for the purchase of equipment and materials.

These and other questions regarding implementation of the act will be appropriate subjects for oversight during forthcoming hearings in the Committee on Labor and Public Welfare with respect to S. 609 and related measures. There have already been a number of field hearings on this subject in New Jersey and in New York City, and a hearing is scheduled in Buffalo, N.Y., for March 17. I am hopeful that there will be a national hearing in the next few weeks.

Mr. President, I ask unanimous consent that a copy of the article "200,000 at Work in Federal Job Program," by Ernest Holsendolph, be printed in the RECORD.

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

[From the New York Times, Mar. 11, 1975]

200,000 AT WORK IN FEDERAL JOB PROGRAM

(By Ernest Holsendolph)

WASHINGTON, March 10.—Cities around the nation are making steady but uneven progress implementing the $1-billion public service employment program signed into law Dec. 31, 1974.

Estimates by the United States Department of Labor indicate that nearly 200,000 people have been hired under the program, which represents an attempt to blunt the high rate of unemployment that has idled about 7.5 million.

Cities and communities have used the program to catch up on maintenance, to do work long postponed because of fiscal problems, and in some instances—as in New York—desperate city administrators have had to use the public service personnel to fill gaps left by furloughed city employes.

Criticized by some local politicians as a pittance, when contrasted with the large number of jobless persons around the nation, the program has been welcomed in most communities as at least a means of taking the edge off the rate of unemployment.

And just last week, President Ford called for an appropriation of $2-billion above the present budget to pay for summer jobs for youth, and an extension of 310,000 jobs under the public service job program. The emergency jobs authorized in December are scheduled to expire Dec. 31, 1975, unless Congress appropriates additional funds.

Senator Jacob K. Javits, Republican of New York, has called for a million public service jobs, and House Democrats have been seeking a $5.9-billion increase in the jobs program, as well as public works projects.

Priscilla Harris was only one of about 25,000 jobless people in Atlanta, but for her and 400 Atlantans now employed under the program, the jobs are more than welcome.

She sat on the floor recently, at work in the maintenance shop of the city of Atlanta, setting floor tile. Several men watched as she worked, warming the tiles with a torch, then putting them in place just so.

"Get out of here, I'm busy," she shouted at the spectators half seriously.

Mrs. Harris, who is in her early 30's, had been jobless since she was laid off last July by the city Housing Authority, before getting her $7,000 job on the maintenance crew, which had formerly been all male. She is the sole support of her four children.

The public service employment program has been applied in a variety of ways around the country with uneven results—although Washington had intended it to be a shot of quick relief.

In Atlanta, which has filled about 400 of the 435 jobs allocated to it, the new personnel include maintenance people like Mrs. Harris, as well as technicians with doctorates who have been assigned to Federal agencies.

ATLANTA MOB SCENE

Harold E. Oliver, the administrator of Atlanta's program, was himself hired under it. The former manpower consultant has also hired four counselors, all with master's degrees in fields ranging from sociology to business administration.

Atlanta initiated its program in a well-publicized, near disastrous way. Thousands of excited, unemployed persons overran the city staff, breaking glass doors in the civic center, when the program was announced in January.

More than 3,700 applications were taken. Since then, people have been hired by telephone to avoid some of the usual but time-consuming procedures such as personal interviews.

"We tell them this is an adult program, a job program and not a give-away," said Mr. Oliver. "Either they show up and work, or get terminated."

He said that only 10 terminations have been recorded since Feb. 10, with four of those involved going on to other jobs.

New York uses more cumbersome hiring methods, including screening of job requests from the agencies "to be sure the work is meaningful," and personal interviews. Only 8,500 people have been placed in 17,000 authorized jobs in an area where 338,000 persons are looking for employment. The openings are unlikely to be filled before July, officials say.

SOMETHING VIABLE TO DO

With the city facing planned layoffs of municipal employes that could total 18,000 by July 1, the great majority of positions being filled are with the city. They include bookkeepers, accountants, maintenance personnel—and a crew assigned to the Metropolitan Transit Authority to remove graffiti from the subways and buses.

"Given our situation here we must do more than 'make work'," said Deputy Mayor Paul Gibson Jr. "We must make sure that each person hired has something viable to do."

An emerging pattern shows that financially pressed cities like New York, Newark and Cleveland have relied on the new program to take up the slack where regular city employes have had to be furloughed or terminated to meet municipal budgets.

On the other hand, New Orleans—which until last week had not hired a single one of its 22,000 unemployed because of red tape—plans to farm out all of its 814 public service positions to non-profit private agencies, such as the Urban League, the Y.M.C.A. and the Committee on Alcoholism and Drug Abuse.

"The idea was to get around the slow civil service procedures here," said Henery E. Braden 4th, director of city manpower programs. "But the process of getting around the city's procedures has held us up until now," he said last week, as he announced 762 openings with the outside agencies.

ENTERTAINMENT PROGRAM

Most other cities examined in a check by The New York Times showed that programs have been implemented from 50 per cent to 90 per cent.

In Portland, Oregon, workers were engaged in such public projects as clearing trails in the 6,000-acre Forest Park and putting together a "food bank" for needy people.

In Los Angeles, unemployed entertainers were auditioning for public service jobs as part of a team of 75 actors, dancers, and puppeteers who will entertain in schools and parks.

More than 450 painters, poets and musicians applied for an arts program in Seattle that will institute "dance therapy" for the handicapped, and teach poor and delinquent youths to express themselves in cultural ways.

San Francisco and New York also plan to start programs for artists and entertainers, reminding many observers of extensive art projects financed by the Government during the great Depression.

Atlanta's tan marble city hall was built and decorated with funds from the Works Progress Administration in 1937, according to a plaque.

In cities where fiscal emergencies have led to the hiring of public service workers to do some of the work of furloughed municipal employes, city governments have been involved in battles with unions.

A DESPERATE SITUATION

Forced to lay off 1,200 workers in January when voters defeated a tax increase for the third time, the city of Cleveland and local unions are now arguing in the courts. The city used most of its entitlement of $7.1-million to rehire waste collectors and truck drivers along with 72 policemen and 49 firemen.

"We are hit so hard we have no choice," said Vladimir J. Rus, director of Cleveland's Human Resources and Economic Development Agency. "What would the city do if we didn't rehire the 1,200 city employes? It's a desperate situation."

Cities, counties and states that act as sponsors of the public service employment programs have used a variety of ways to locate job recipients. Atlanta, to its regret, used a general call to show up at one center, New York hires through 26 neighborhood manpower centers and a jobs-for-veterans agency; others have used records on file with state employment agencies.

In Philadelphia, according to charges by investigators, it has been helpful to be on good terms with Mayor Frank L. Rizzo's

Democratic organization to get a public service job.

"There's no question that there's been political influence," says City Controller William G. Klenk 2d, whose office has been investigating what The Philadelphia Daily News calls "jobola."

LABOR DEPARTMENT INQUIRY

The local affiliate of Americans for Democratic Action charged that 10 of the first 133 persons hired under a public job program related to the public service program were Democratic commitee members and that 10 others were related to committee members.

The uproar over the charges of political influence caused the Labor Department to hold up $8-million for the newest public service program until last month, pending an investigation. The Department later released the money, while continuing its investigation and insisting on the right to monitor the interviewing and hiring process.

Except for a more modest controversy in Atlanta earlier, where a nephew of the city's public safety commissioner, Reginald Eaves, was found raking leaves on the campus of Morris Brown College as part of the program there, few charges of political influence have surfaced.

Under the law, individuals seeking public service employment, must have been out of work at least 30 days. Preference is given to Vietnam veterans and to persons who have been jobless for 15 weeks or more.

LIVING OFF SAVINGS

Most people being hired have been out of work even longer. Gregory Jones, a 25-year-old carpenter now working on a maintenance crew in Atlanta, said he had been without a job for six months.

"The money for construction projects went, then the construction industry went, and then my job with the lumber company went," said Mr. Jones, a native of Red Bank, N.J.

Tony De La Garza Jr., a 27-year-old American Indian, who said he had made a comfortable living installing and repairing household appliances, struggled for 18 weeks to make ends meet from savings as he tried to support his family of six.

The Texas native, who now is a painter on a city crew in Atlanta, said that he had been ineligible for unemployment insurance and was determined to avoid going on welfare.

"I never dreamed I'd be one out of 3,000," he said, referring to his lucky draw out of the massive number of applicants at the civic center crush in January.

'I HOPE IT LASTS'

John Long, 32, of Pittsburgh was unemployed for a year until he got his $7,300-position as an orderly with Mayview, a local state mental hospital. "After the year is up I'm going to try to get a permanent job at Mayview—I'm taking the civil service test."

Sheila Curran, a former Providence, R.I., teacher who has not worked in a year and a half, felt a special urgency to find a job because her husband is unemployed too.

She is now a program planner with Warwick Community Action, Inc., helping to devise programs for poor youngsters. "I hope it lasts," she said.

City administrators interviewed around the nation said they hoped for a number of changes in the program—the most important being some guarantee that it would continue beyond Dec. 31, as asked by President Ford last week.

"I know it's a temporary program," said New York's Deputy Mayor Gibson. "But we would be in real trouble if there was a sudden shut-off, rather than a phase-out."

Most political observers indicated that with an election year so close, a cut-off of funds was unlikely, unless there is an unanticipated sharp improvement in the employment situation.

TYPEWRITERS NEEDED

Local leaders say they hope that Congress will see fit to make wage scales under the jobs program more flexible. Under existing law, there is a ceiling of $10,000 per job, and a maximum average pay rate of $7,800 per year in each local program.

Localities may supplement the Federal money as a means of paying a higher scale, but the hard-pressed cities say they cannot afford to do this, except for a handful of supervisors.

Finally, city administrators say they hope Congress will make some allowance for the purchase of equipment and materials. The present program provides money only for wages and salaries, even though some cities say they need typewriters, shovels, uniforms and other items.

These steps, they say, will help the cities tailor the program to their particular needs. Said Pittsburgh's manpower director, Joseph Rodgers:

"What is generated in Washington and what is generated in the city are often separated by a gap, and we have a tough time bridging that gap."

Meanwhile, most regional administrators of the United States Department of Labor seem to agree with William Harris, program director out of the Dallas office, who said:

"I think we got the money out there pretty fast, compared with most other programs. Just about everybody is underway and making progress at the pace they have chosen.

"We have had to do it and clear the lines, with Congress talking about a broader $5- or $6-billion program."

ON NEGOTIATING WITH THE SOVIET UNION: LESSONS FROM AN EXPERT

Mr. ALLEN. Mr. President, all Americans pray for a new era of world peace and stability and we have been led to believe that such an era is possible, because of the détente policy between our great country and the U.S.S.R. No one, least of all me, desires anything less than international stability, but I must point out that international negotiations should be, in fact, must be, conducted with an air of realism.

The realistic side of negotiations with the Soviet Union were stressed in a recent address by Mr. Robert B. Hotz, editor in chief of the magazine Aviation Week & Space Technology. Upon his acceptance of the Lyman Memorial Trophy in October 1974, Mr. Hotz delivered a lecture entitled, "One Horse—One Rabbit," which has not received the attention is deserves.

Mr. Hotz points out the pitfalls in negotiating with the Soviet Union, and as a practiced negotiator himself as well as an observer of our country's efforts in this regard, one must ponder the lessons Mr. Hotz has gained over the years. Hotz says:

The simple fact of life is that the Soviets desperately need our help and if we don't give it to them there is no way in the world they can keep up with us across the board, from agriculture to ABM's.

Further on he notes:

It is time we cut out all the sweet talk and settled down to some tough realistic and firm negotiations that are in our best interests as well as the Soviets. We should ring the bell publicly on their SALT I violations; toss out their ground rules for SALT II negotiations; and offer them equitable trade and realistic defense posture to defend their own realm without threatening ours. Faced with the blunt choice that offers them the choice of a technological and economic race they cannot win or equitable trade and an adequate defense of their homeland, they would have to give some serious thought to changing their stance.

Mr. President, the distinguished editor concludes by maintaining that in order to effectively pursue a realistic negotiating position vis-a-vis the Soviet Union, the United States and its citizens will have to develop a more perceptive understanding and appreciation of our country's strength and, importantly, develop a stronger will to push American national interests.

Mr. President, I ask unanimous consent that the address of Mr. Robert B. Hotz be printed in the RECORD.

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

ONE HORSE—ONE RABBIT

(By Robert B. Hotz)

Everything has a price and your chairman of the Lyman Award Committee and my companion of many a Moscow campaign, Jerry Hannifin, made it clear to me that the deliverance of a Lyman Memorial lecture was required before I could take this trophy home. So partly in tribute to his leadership of our delegation on forays into the Soviet Union and partly because our future relations with this ethnic conglomerate are a very important facet of our nation's future, I would like to share with you some of my experiences and thoughts on dealing with the Soviet Union. Winston Churchill once said—"There are no experts on Russia—only varying degrees of ignorance." And this is very true. However, for the past 20 years my staff and myself have been studying Soviet aerospace by a variety of methods, some of which seem equally confusing to the Russians and the Central Intelligence Agency. Included are a half dozen personal visits to the Soviet Union during which I watched their air shows, met almost all of their top aircraft and engine designers, and some of their cosmonauts and space scientists, flown more than 12,000 miles on Aeroflot, visited design bureaus and production factories and drank a lot of vodka and Armenian cognac. I see some other veterans of these expeditions in the audience and they can testify to the rigors of the toasting rituals.

For some years now it has been apparent to leadership in this country that the cold war was a dangerously outmoded concept that threatened not only whatever prospects for peace there might be in the world but also posed a grave threat to the basic institutions of our government. The harder we fought the cold war the more the tendency to become a mirror image of our opponents. It may be that the Nixon-Kissinger détente has provided an opportunity to conduct future relations between the U.S. and the USSR on a different plane. However, if that is correct then we must pursue these negotiations with far more realism, self interest and determination than has been evident during the initial phase of détente. The way we have conducted negotiations with the Soviets in the past decade reminds me of an old Milwaukee wurstmacher's recipe for Rabbit sausage.

When the customers complained that his "rabbit sausage" tasted more like horsemeat he defended his product on the ground that the recipe was "50–50—one horse and one rabbit."

If you think this is an exaggeration listen to Boris Panushkin, head of the Soviet publishing trust. After pirating U.S. books and magazines including Aviation Week for 30 years without any payment or regard for

copyright law, the Soviets recently agreed to join the International Copyright Federation, primarily as a means of suppressing publication of their dissident authors abroad. In explaining the new policy to American publishers, Gospodin Panushkin solemnly announced the USSR would no longer reprint U.S. publications without permission or payment, "except when it was necessary for educational purposes." He then noted that the USSR was now prepared to pay ten per cent of the standard subscription price to get U.S. publications legally. After offering ten cents on the dollar Mr. Panushkin concluded, "this shows we are willing to meet you half way." One rabbit one horse.

Another example is the great ruble ripoff that is perpetrated on thousands of American tourists every year. Outside Russia the ruble is worth about 40 cents. Inside Russia it is worth whatever the Politburo says. They have been steadily uprating the value of the ruble against the dollar until they now say a ruble is worth one dollar and thirty cents. In the same breath they value the Cuban peso, which outside Cuba is normally only good for lighting cigars, twenty per cent higher than the U.S. dollar. This is one reason why U.S. correspondents covering that glorious Nixon-Brezhnev summit meeting last summer had to pay $105. a day for an Intourist hotel room not quite as good as an ordinary $20. a day motel room in Iowa.

A few months ago there was a great razzle dazzle meeting in Moscow to stimulate an increase in the U.S. tourist trade which the Soviets need badly to fill their skimpy coffers of hard currency. Nobody in the U.S. delegation even raised the question of the inequitous ruble rip-off. The conference did break up on another Russian rabbit sausage deal though. The Russians are in the stone age of innkeeping. They built the world's largest hotel—the 2,000 room Rossiya off Red Square. But they built it in five sections, and among other things forgot to connect the sections internally. Anyway, they want U.S. hotel chains to build three modern hotels in Kiev, Leningrad and Moscow and run them for Intourist. But the Russians were willing only to sign the construction contracts and said they would discuss the management contracts only after the hotels were finished. The U.S. hotel men were too smart for that and walked out. The Russians will be back because they need the hotels desperately. But you can't blame them for trying such an outrageous proposition after the ruble rip-off, the wheat deal and Salt I.

Another example of Soviet style reciprocity was the trip of U.S. science writers to the USSR. Conducted under the auspices of the State Department, the agreement called for each U.S. writer not only to pay all his expenses in the USSR but also to pay all the expenses for a Soviet writer to visit U.S. science centers.

You all found out about the great grain robbery at the supermarket counters last year but isn't it incredible that they almost pulled it off again this year? And I have not seen much coverage in the great metropolitan dailies on the fact that the Soviets have refused to provide the crop statistics required by another one of those U.S.-USSR agreements, or that the Soviets refused to allow an official U.S. team to visit the virgin lands of Khazakstan where much of the harvest failures occur even though the agreement calls for on site inspection. If the Soviets won't allow on site inspection of their wheat crop do you think they will ever hold for on site inspection of their nuclear or missile sites?

Now let's look a little closer to home and examine some facets of our relations in the airline business, aerospace and Salt.

When Aeroflot first began to press for a Moscow-New York service in the early 1960s, I wrote an editorial asking "Is This Route Necessary?" Six years later the answer is emphatically "no." Once again we traded the Russians things they badly wanted for no tangible advantage to us. Pan American has lost a good deal of money flying the Moscow route with no fiscal help from the U.S. government. This and a lot of other so called "national interest" routes are one of the reasons for Pan American's fiscal plight.

But the deal was worse than just money. Pan Am can't sell tickets in Moscow, have an office where ordinary Russians can enter or even put up a sign anybody can see. All foreign airlines operating out of Moscow are confined to upper floor rooms in the Metropole Hotel—strictly out of bounds for ordinary Russians. Aeroflot counters that it has only a second floor office in New York. That's true. But it's on Fifth Avenue and in one of their favorite positions—on top of the Czechs who have the first floor.

Aeroflot controls all outgoing traffic from Moscow and routes business to other airlines only when all its flights are full. It even tried to block the U.S. Embassy in Moscow from shipping freight via Pan Am. Even though normal traffic wouldn't sustain the New York service, Aeroflot was so desperate to record good traffic statistics that it smuggled thousands of ticket blanks into U.S. and Canada, in violation of the bilateral agreement, and padded the flights with freeloaders. When caught red-handed by the CAB, Aeroflot paid a $40,000 fine and promised to stop.

A year ago when we were in Moscow, Aeroflot was desperately trying to use the Brezhnev visit to Washington to pry loose even more concessions from the Nixon-Kissinger detente. When we pointed out that Moscow-New York traffic was so thin it barely supported Aeroflot's bi-weekly frequency let alone the daily service they wanted, Sergei Pavlov head of Aeroflot's international division said, "That's unimportant. You have a market and we have a country—let's get together." They also wanted to trade traffic rights to Leningrad where less than 100 people are free to buy an airline ticket of their choice, for traffic rights to San Francisco where millions can exercise that right, plus rights beyond to a trans Pacific route. That even went beyond the one horse one rabbit recipe.

For the 12 years that the Soviets thought they were leading in the world in space exploration they rudely rebuffed all of the many U.S. proposals for co-operative ventures in space. When it finally dawned on them after Apollo how far behind they were falling in manned space flight they changed their tune and began negotiating what is now the Apollo-Soyuz mission or as some Houston wags say, the great wheat deal in the sky.

There is a legitimate purpose in the ASTP mission in developing a common docking system for space rescue. Some day somebody will have to use that system to rescue a space crew from orbit. And it will be worth every nickel it costs. But the question is "whose nickel?" The U.S. is engineering and paying for the docking system and adapter module. It will do all the docking maneuvering with the Apollo. The Soviets will provide a stable, we hope, and passive Soyuz target. For this the Soviets will try to convince their people and the rest of the world that they had achieved parity with us in manned space flight. Well that's all right. Let them try. But that wasn't their real goal in promoting the mission. They wanted to tap into the mainstream of U.S. Apollo manned space flight technology and wipe out their ten year deficit. Fortunately that isn't going to happen. But it was a near miss in the early euphoria of the Nixon-Kissinger detente. Some of the NASA hierarchy have been pretty pusillanimous about resisting Soviet pressure for total secrecy on the program. Some timid NASA souls get very upset when the Soviets objected to a detailed design story we ran on the Soyuz spacecraft. However, after scaring NASA the Soviets pondered the series and apparently the more they looked at it the better they liked it. In about three months a very similar detailed story on Soyuz appeared in their own Aeronautics and Cosmos magazine.

Rather than getting upset and stricken with secrecy every time the Russians object to some open discussion of their program, I think it would be appropriate for NASA to remind the Soviets that we have conducted the most successful space program in the world in a completely open atmosphere while their super-secret space program has run into a steady series of catastrophes.

The Soviet space program is so compartmentalized by secrecy and bureaucracy that they don't even know yet what their problems really are. This was demonstrated last year when we visited the cosmonaut training center at Star City and asked Vladimir Shatalov the commandant some design questions about a reentered Soyuz test vehicle they had on display. Shatalov had a unique record of three successful Soyuz flights but he didn't answer the questions. "You think I am being evasive, but I am not," he told us. "I know from talking to Slayton and Stafford that your astronauts participate in the design and building of spacecraft. But in the Soviet Union cosmonauts do not. They give us the spacecraft and say 'Fly it.' I just don't know the answers to your questions."

The Soviets have learned a lot from the Apollo-Soyuz program about management, operational procedures, command and control systems and data accumulation and reduction systems, but that's no great harm because they couldn't really apply it to their space program without changing their whole political system.

They recently tried the same technology tap technique to our airplane business. The Soviet policy of super secrecy and isolation has left them trailing the rest of the world by at least ten years in commercial transport technology. Peter Dementiev, Minister of Aircraft Production, frankly admitted it to us when he laid on an unprecedented schedule of visits to design bureaus and production plants last year.

"We have a good aircraft industry," he said. "It has served our country well in its hours of need and we are still making progress. But we have been isolated and now find we are not making progress as fast as the rest of the world and have fallen so far behind we must have help. Boeing and Pratt & Whitney are the best in the world. We should not be too proud to learn from them."

They are now trying to siphon out of the United States the 20 years of knowledge and hardware that has given this country world leadership in the airline transport business for three decades. They started out with a pitch to buy wide body jets which Aeroflot needs very badly. Not only is their own TU-154 in deep technical trouble but they simply don't have any capability for the wide-body transport generation. Very quickly the pitch to buy aircraft was turned into phase one, with phase two a pitch to buy all of the technology for basic new aircraft design, get U.S. companies to build and equip production facilities, train Soviet workers to operate them for a few years, and then give the front door key to Peter Dementiev.

They also want software of all descriptions. They offered Boeing ten million dollars for their basic design manuals. They want powered control system technology from Douglas and Lockheed, big fan engine technology from Pratt & Whitney and whole traffic control systems from Raytheon, Sperry and IBM. For nearly a year Soviet aerospace delegations roamed freely throughout the U.S.

aerospace industry trying to make deals without any security or policy control by the U.S. government.

Now there are some harder and more realistic looks being taken at the national value of these exports and some firm policy guidelines and screening procedures organized. The Soviets got a flat no on the aircraft plant deal and the Poles got a reject on their semiconductor plant program. But the Soviets are not discouraged. They are still dangling the bait of 747 and 1011 purchases which would pose no great threat since the Soviets do not have the capability to copy them in our lifetime. But they have not given up on the plant deals and will come back at us again and again in various combinations and packages.

This brings us to the question, "Can we deal with the Russians and is the game worth the stakes?" I think the answer to both questions is, "Yes, but".

You can do it as long as you understand how the Russians play the game and the stakes they are playing for.

You can do it if you have something they really need.

You can do it if you have the determination to hold out for your goals and have no inhibitions against matching the Russians' rudeness in the clinch. If you walk out on the negotiations a few times it just proves to them you are really serious about your position. All too often Western negotiators offer concessions simply to end the endless arguments and get any kind of agreement.

You can do it if you have the strength and the will to use it to defend your vital national interests.

In the era of Nixon-Kissinger détente, U.S. Government policy was to give the Soviets almost everything they asked for. Our negotiators were afraid to get tough for fear they might upset détente. Some fatuous agriculture official even justified the great grain robbery on the grounds that it "helped détente".

The first Salt negotiations were typical of that era and its one-sided results. The Soviets were genuinely scared by our advanced ABM technology. They were willing to give up a lot to stop it in its tracks. Instead of pressing for any real concessions from the Soviets we conceded them not only a significant numerical superiority in ICBMs and throw weight but also were so naive as to write the treaty in language that left the Soviets a number of significant technical loopholes to legally violate its intent. We thought that our technological superiority in multiple warheads would overbalance the Soviets' numerical superiority. And so it did.

But the ink was barely dry on the treaty and the champagne toast bubbles had barely burst, when the Soviets unveiled a massive development program to overcome our advantage and MIRV their new generation of ICBMs. In addition they used the treaty languagc loopholes to put larger missiles into their old silos by using a cold launch pop-up technique similar to the submarine launched Polaris. They are developing a fully land mobile ICBM.—A point that was left out of the agreement at the Soviets' specific request and they are now actively interfering with our satellite and electronic means of checking their activity—another specific violation of the Salt treaty.

I think it is time to ring the bell on the Soviet violations of Salt I and develop a far tougher and more realistic stance for the upcoming arms negotiations in Moscow. One problem is that most of our negotiators are technically illiterate and think weapon characteristics are insignificant details. One of the principal Salt I negotiators told his military adviser: "You must understand we are negotiating agreements on broad principles, don't bother me with hardware details."

The Soviets have made it very clear what worries them most now that they have disposed of our ABM technology. It is the B-1 Bomber, the Trident submarine launched missile, and the air launched ICBM being developed by the Air Force. If we scrap any of these programs as a Salt II bargaining chip we deserve the fate that will eventually over take us.

Fortunately I detect a significant change in the detente atmosphere in the direction of more realism, toughness and assessment of national interest.

Senator Scoop Jackson scored a notably victory in his stubborn demand that the Soviets relax their emigration policies before they would get favorable tariff trade treatment. It shows the Soviets can be moved when they want something badly enough and you are willing to stand firm.

Secretary of Defense Schlesinger has brought a new realism to both the U.S. Salt stance and the standards for export of technology.

NASA is finally beginning to press for a more open Soyuz-Apollo program although not nearly hard enough.

And even the State Department has rebuffed Aeroflot's most outrageous demands.

We are now operating from a position of towering strength relative to Soviets militarily, technically and economically and we have the means to maintain that position. It would be a fatal national tragedy if we frittered it away for the sake of agreements that are valid only as long as they are useful to the Soviets.

The simple fact of life is that the Soviets desperately need our help and if we don't give it to them there is no way in the world they can keep up with us across the board from agriculture to ABMs. Look at the record.

We started five years late in space and now are at least ten years ahead.

We started about even in ICBM development and are now way ahead with MIRV and MARV guidance technology, solid propulsion, command and control systems, warhead efficiency.

We didn't build a new fighter for nearly 20 years and their Foxbat and Flogger dazzled the world in the early 1970s. But we are now reaching two generations beyond them with the F14, 15, 16 and 17 fighter programs.

In electronic countermeasures and smart weapons, from which a target can't escape, we are a long generation ahead.

It is time we cut out all the sweet talk and settled down to some tough realistic and firm negotiations that are in our best interests as well as the Soviets. We should ring the bell publicly on their Salt I violations; toss out their ground rules for Salt II negotiations; and offer them equitable trade and a realistic defense posture to defend their own realm without threatening ours. Faced with a blunt choice that offers them the choice of a technological and economic race they cannot win or equitable trade and an adequate defense of their homeland, they would have to give some serious thought to changing their stance.

But to effectively pursue that kind of policy the people of this country need a far more perceptive understanding and appreciation of our own unique strengths and a far stronger will to push for our own national interests. The lack of this is a Russian ace in the hole that they bank on for the long run. And that ladies and gentlemen may be the fatal flaw in our future as a nation.

THE FOLLY OF THE RECENT ECONOMIC TREND

Mr. BROCK. Mr. President, Russell Baker wrote an article in the New York Times looking at the folly of the recent economic trend. I ask unanimous consent that this article be printed in the RECORD.

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

THE DAY THE SHAH WAS SHY

(By Russell Baker)

For this I need dim lights and cobwebs. It is the interior of one of those magnificent walnut-paneled clubs, but there is a sense of opulence gone to dust. The rooms are empty, except for an occasional spider nestled under the ear of a marble Minerva and, at the great oaken bar, a bartender, old and greenish-gray, who has given up polishing the glasses. It is not the end of the world in here, but the end feels very near.

I move through a gloomy mist. The bartender watches my approach without hope, for I am not a member of the club and he knows that no one else can afford a beer, which now costs $50-million a glass.

Only three men in the world can still afford a glass of beer. They are Nelson Rockefeller, King Faisal and the Shah of Iran. They are, in fact, the only men left on earth who can afford anything now that the law of supply and demand has been so long repealed.

Under the new law, prices go up as demand goes down, and they have gone so high that only these three consumers are left to keep the great engines of business turning. Last year, for example, General Motors made only one car, but was able to show its usual good profit margin by selling it to King Faisal for $4.6-billion.

I pass the bartender without speaking. The King and the Shah are in the library. They are reminiscing about the day last winter when Aristotle Onassis was priced out of the market. Onassis had needed a new pair of pants. His tailor, having sold only two pairs of pants the preceding year, told Onassis he would have to double the price to stay in business. Onassis, not having the $850-million which the pants would have cost, dropped out of the pants market, and hasn't been heard of since.

The tailor raised the price of pants to $1.5-billion in response to the fall in demand.

"I am glad I don't have to buy pants," King Faisal is saying as I drift up behind him.

The Shah is worried about Rockefeller. "Rockefeller needs pants in the worst way," he says to the King.

"I know," murmurs the King. "Those bags at the knees are disgraceful."

"Not only that," says the Shah. "The pants are also worn out in the seat."

It is easy to see why the Shah is alarmed. If Rockefeller cannot buy pants, he, the Shah, will become the last pants consumer on the planet, and the tailor will have to raise his pants price to $3-billion to maintain his customary profit level.

"Frankly," says the King. "I do not believe Rockefeller has enough money left to buy a pair of shoestrings."

"That may be why he's been wearing those wooden shower clogs for the past month," says the Shah.

I have had news for them. I give it to them straight. "Rockefeller went to the store for milk this morning, learned that the price had risen to $1.3-billion and couldn't pay. Rockefeller has been driven out of the market."

They blanch, for now there are only two of them left.

The King nudges the Shah as one good fellow to another. "Why don't you go buy a quart of milk so they don't have to double the price?" he suggests.

The Shah smiles at the King. What is he thinking? Could the King, too, be approach-

ing the end of his rope? At this moment, a phone rings dustily. It is the telephone company asking for the King.

The King listens. The telephone company wants to improve his service but cannot unless it has additional revenues to offset losses arising from the fact that it has only two subscribers left in the world. The telephone company has, therefore, decided to increase his rate for his convenience, from $60-billion to $90-billion a year.

The King buckles at the knees and belt. "Out of the market are you?" asks the Shah. "Then I am the last consumer on earth."

Alone the Shah decides to fly home to his beloved peacock throne. Placing a $50-million coin in the pay phone, he calls Pan American. They are delighted to book him, but since they have had no passengers for the past two years they have had to raise the fare to $400-billion.

The Shah is $10-billion shy. The headlines that evening are grim. "Shah Shy!" they scream. There is nobody left on earth who can afford to buy anything, which means that all prices will have to double at once.

MAURITIUS' INDEPENDENCE DAY

Mr. HARTKE. Mr. President, on March 12, one of the greatest friends of the United States, Mauritius, celebrated her Independence Day.

Recently, this valiant island in the Indian Ocean, suffered a disaster in the form of a cyclone which virtually destroyed the sugar crop. Over the years, Mauritius has struggled to make a better life for the some 900,000 inhabitants by developing a diversified economy. Still, it is estimated that 60 percent of the people are engaged in agricultural pursuits, increasing the impact of the cyclone.

Because of the heavy losses of sugar, the Government of Mauritius has encouraged rapid industrialization and foreign investment.

In 1844, a U.S. consulate was opened in Mauritius and in 1969 it was elevated to an embassy. During many of our space shots and explorations, Mauritius served as a base for research aircraft and search and rescue missions.

Because Mauritius imports most of its foodstuffs as well as most of its consumer goods, her imports always exceed her exports leaving a deficit balance of payments. However, with a large sugar quota Mauritius has accepted our Peace Corps volunteers, who, although small in number, have made an impact on the people throughout the island.

To the Prime Minister, Sir Seewoosagur Ramgoolam, the Government and the people of Mauritius, I wish them a speedy recovery from the cyclone damage, peace, and prosperity on this Independence Day.

THE FREE MARKET SYSTEM

Mr. BROCK. Mr. President, one basic assumption of the many economic schools of thought is that our economic policies rely on the free market system. A commentary by Nicholas von Hoffman looks at this assumption quite critically and warns that we possibly could lose those few vestiges of that free market that are left if care is not exercised in formulating future economic policies. I ask unanimous consent that Mr. von Hoffman's article be printed in the RECORD.

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

TO UNDERSTAND THE FREE MARKET SYSTEM, YOU HAVE TO * * *

(By Nicholas von Hoffman)

While he may have been mistaken about some things, there is a new appreciation of John Maynard Keynes' remark that "the ideas of economists and political philosophers, both when they are right and when they are wrong, are more powerful than is commonly understood. Indeed, the world is ruled by little else. Practical men, who believe themselves to be quite exempt from any intellectual influence, are usually the slaves of some defunct economist." So we shouldn't be disappointed that our leading people are slow to give up ideas that are rapidly proving to be fallacious.

A few, like Harvard's Wassily Leontief, are quoted as saying, "Policy today is completely at a dead end," but more are like his colleague, professor Otto Eckstein, who seems to prefer to hold on to the past and hope for the best. "We either work our way out of this mess in 1975 or we are in real trouble," says Eckstein, who has great influence in Washington. "If policy does not meet the challenge next year, we'll have to change the economic system." (New York Times, Dec. 29).

Before we do that, however, we're going to have to change our understanding of the system. That understanding is presently based on the proposition that we are operating in a free-market economy, and, therefore, when things go bad, all we need do is restore the market to health.

To persuade yourself that this is indeed a free-market system you need to turn your brain into a pretzel. That is what academic economists have done, argues Richard Goodwin in The New Yorker magazine (Jan. 6). He compares the intellectual contortions of conventional economists and their faith in the existence of the market system to the Ptolemaic explanation of how our solar system works.

To account for the fact that some stars seemed to change speed and others to reverse direction, "astronomers constructed a model of the universe in which stars and planets moved around each other while moving around the earth; circles within circles; cycles and epicycles—all rotating in one grand design," writes Goodwin.

The complexity and obscurantism of the Ptolemaic universe did account for the motions of the heavenly bodies, but an astronaut would have a rough time using such a map to get to the moon. So also can it be said that the mental acrobatics of our economic thinkers describe the workings of our society, but it isn't going to help a lot of people who are out of work to find jobs. In fact the accepted understanding in higher places at the moment is that the jobless rates will never go down to what they once were.

Goodwin writes that what we are really doing is moving rapidly toward a state capitalism, "in which the people as taxpayers are compelled to support these private industries they did not, or could not, support as consumers . . . (hence) . . . our most important economic institutions . . . have been able to break free of the market itself, and constitute themselves as private economy . . ." As Goodwin points out, there is no sense in buttressing the market system if major chunks of our economy have excluded themselves from it, and yet that is the thrust of much of our present policy making.

Most of us, of course, have been reared to regard a free-market economy more as an attribute of virtue than as an instrument of great utility. Whatever markets may do for the soul, they're also the only mechanism we have for establishing price, and it is through prices that we can determine costs.

In nations like Russia they try to administer prices and costs, assigning an arbitrary value to them, but with millions of different kinds of items being produced, the results are confusion, shortages, misallocations and, most ironically for a socialist state, great difficulty in planning anything.

As we withdraw great chunks of our own economy from the market and therefore from the price and cost system, we begin to encounter the same difficulties the Russians have. How do we respirate an administered price industry like automobiles without paying more than we should? Or, as Goodwin asks, how do we judge the efficiency of a corporation like AT&T?

To rescue us from the current slump there are all sorts of proposals on the table for allocating money, but can we know what we are doing when we can't measure the resources we're allocating to price-less "private economies?" Increasingly we are without the means to reach our own economic goals, so that Goodwin is correct in warning us that we may finish not by allocating abundance, but by rationing scarcity.

NEEDED: A FOOD AND AGRICULTURAL POLICY

Mr. HUMPHREY. Mr. President, I would like to point out a very informative article in the March/April issue of Challenge magazine entitled, "The Perils of Wheat Trading Without a Grains Policy," by Prof. Carl Schramm, Johns Hopkins University.

The article begins with a discussion of the Soviet grain purchases in 1972. It indicates that the Department of Agriculture knew early in 1972 that the Soviet Union was likely to experience a serious crop failure. While this information was shared with the grain exporters, farmers did not learn of this situation until about the time that the transactions were publicly announced.

The article also charges that three traders understated actual demand so that even the Government was not aware of how much trading was taking place on the commodities market.

The question to be considered is What have we learned from these transactions? Have we taken the necessary precautions to protect our supplies and prevent severe market fluctuations?

This article concludes:

A grains policy is needed to coordinate both diplomatic and domestic agricultural goals, a policy that has been painfully absent in the past.

I have suggested that what we need is a national food and agricultural policy to assure our farmers a fair return and adequate supplies of food and fiber for our consumers.

The United States is in a unique position in the world as the major food surplus nation. Our country has the right land and technology for even greater production increases in the future.

The article points out the need for improved marketing information so that all of the actors in the market can behave more economically.

The foreign policy food implications are outlined including various strategies for providing U.S. food assistance. It is clear that any policy has pitfalls and particularly in a tight market situation. What is also clear is that the United States can hardly overlook countries which are in need of food. We can debate approaches, but the central life-saving characteristics of food cannot be denied.

This article provides a great deal of food for thought and, while I would not necessarily support all its conclusions, it should be reviewed carefully. Mr. President, I ask unanimous consent that the article be printed in the RECORD.

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

THE PERILS OF WHEAT TRADING WITHOUT A GRAINS POLICY

(By Carl J. Schramm)

To meet the needs of a world warring with famine, we need to replace haphazard management of U.S. grain resources with a comprehensive grains policy.)

In 1972, one momentous event made painfully clear a number of contradictions between America's domestic agricultural policies and its diplomatic goals. That event was the Russian wheat deal. Over one-fifth (11.2 million tons) of the 1972 American Crop was sold to the Soviets at bargin prices, resulting in such shortages in the domestic wheat and flour markets that the price of a loaf of bread nearly doubled.

HOW THE TRADE WAS MADE

The wheat deal was conceived by Henry Kissinger, who saw grain trading with the Russians as a key component of détente and a potential boon to our balance of payments. In Moscow on April 18, Secretary Butz proposed an agreement to the Russians which would permit them to purchase $750 million with of grain during the next five years and would provide all necessary funding through the U.S. Commodities Credit Corporation, to be refinanced by U.S. banks. The Russians repudiated the Butz offer even though they admitted that their 1971 wheat crop had been disastrous and that the 1972 harvest was not shaping up well. President Nixon renewed the offer at the April summit, but again it met with little interest. Throughout the spring, the Soviets had been actively buying grain futures in world markets, and by June 1 had spoken for every available bushel of export wheat in the world. When the prospects for their domestic crop disintegrated, the Russians finally sent a trading party to the United States. On July 8, after a week of negotiations, President Nixon announced the signing of a Soviet-American trade agreement. The pact provided up to $750 million of U.S.-financed purchasing over a five-year period. The administration assumed that the purchases would be rather evenly spread over five years, but, as it turned out, the Soviets exercised almost the entire option in the first year.

Had any other government been dealing with the Russians, it would have been responsible for delivering the grain, and the diplomatic agreement would also have been the sales agreement. In the United States, however, grain is generally sold by private interests, with the government's role limited to approving sales and issuing export licenses. On June 28, the day after the Russians arrived in Washington to begin negotiations, they also began meeting with representatives of six of the largest grain-trading firms: Continental Grain, Cargill, Garnac, Cook, Bunge, and Louis Dreyfus. These firms control vast reserves of American grain and over 90 percent of all U.S. grain exports. Of the six, only Cook Industries is publicly owned. Four of the six are held by foreign interests, one Argentinian, two French, and one Swiss.

This confused sharing of responsibilities for foreign export between the government and the grain traders has traditionally led to special regulations and practices which protect the interests of the traders at the expense of farmers, taxpayers, and consumers. In the aftermath of the 1972 Russian trade, the inherent policy conflicts and the collusion among the State Department, the Department of Agriculture (USDA), and the grain exporters all came to the surface. The 1972 sale compromised the public interest in at least three areas.

Control of information. The USDA constantly monitors world crops through a complex system of agricultural attachés, observers at key grain markets, and satellite photographs; thus it knew that the Russian wheat crop was going to be a massive failure as early as February 1972. Yet, farmers were not alerted to the impending Russian demand for U.S. grain, while the traders were. In one instance, Undersecretary of Agriculture Clarence Palmby quit his government post and joined Continental on June 7. Prior to his move, Palmby had been in charge of setting up the Russian trade and coordinating the intelligence reports on the status of Russian crops. Acting on the USDA information, the traders secured commitments for vast amounts of wheat in the futures markets well in advance of the Russian agreement. If farmers had had the same information, futures prices would have risen much earlier in the year; farmers in Oklahoma and Texas who harvested wheat in June sold at around $1.40 per bushel, whereas farmers in Minnesota and the Dakotas who harvested in August and September, after the deal was announced received $2.60 per bushel.

Market manipulation. In addition to acquiring inside information, it appears that the traders also manipulated the market by providing false reports to the USDA's Commodities and Exchange Authority, which regulates commodities markets. In order to prevent speculation and market cornering, the government requires traders to file daily reports on all transactions as well as their net long- and short-term positions, and weekly reports on their grain holdings. During the summer of 1972, three companies provided daily and weekly reports that grossly understated actual demand. As a result, even the government was not aware of how much trading was occurring on the commodities market.

Subsidy speculation. Since domestic farm prices are often higher than price levels abroad, the government has subsidized exports to make world markets attractive to American farmers. Traditionally, the subsidy represents the difference between the world prices determined at Rotterdam and the cash price in the United States. During the summer of 1972, even though government policymakers knew from their attachés that there was no wheat on the world market, the subsidy was continued. In fact, some of the highest subsidies in history, as much as 47 cents per bushel, were paid at a time when the U.S. domestic price should have been the world price. Moreover, traders made additional profits through a complex system of registering commodities for export in anticipation of sales. Any sale can be exported under any of the trader's registrations. Of course, the exporters continued to open registrations throughout the summer of 1972 as the price continued to rise. Although the Office of Management and Budget finally discontinued the subsidies, over half the wheat sold to Russia was shipped under late registrations. The minimum cost of this arrangement to the taxpayers has been estimated at $400 million.

AMERICA'S INABILITY TO COPE WITH INCREASED DEMAND

While the Russian wheat deal of 1972 might make for an interesting study of government and corporate collusion, an even more important problem is how ill-equipped the government is to deal with massive demand for U.S. grain. Although Congress and the USDA enacted regulations to prevent a recurrence of the 1972 trade, the inadequacy of these new measures became clear when the Russians again sought a large amount of U.S. grain in the fall of 1974. The government's initial reaction was to permit the trade; President Ford ordered it stopped, but the USDA finally authorized a 1.2 million ton deal, all within a space of five days. In earlier years of great surplus and relatively low world demand, such stop-start decision making may have sufficed. But now, when demand for limited resources is increasing, that kind of policymaking is wasteful.

To make matters worse, the food shortage is growing. In sub-Sahara Africa, the greatest drought in recorded history is causing the starvation of millions. Moreover, the world's ability to produce grains may be temporarily but substantially reduced due to major climatic changes in the great wheat-producing regions of North America and the Soviet Union. Derek Winstanley, who developed an empirical model of world weather cycles, has predicted that, during the next fifteen years, U.S. agricultural output will decrease by at least 10 percent annually. Such a reduction represents about 40 percent of all export grain available to world markets in 1974. Another factor compounding the demand for wheat is a constantly growing world population. And, as Lester Brown and Erik Eckholm pointed out (see the September/October 1974 issue of *Challenge*), world food reserves (the annual carry-over) are at a fifteen-year low, and thus are an insignificant buffer.

The implications of the food crisis are especially profound for the United States, because America alone has excess-food-producing capabilities. The Soviets have had problems with agricultural reforms since the 1920s, failing in every attempt to open new land and to become self-sufficient. The other grain exporters—Canada, Argentina, and Australia—have neither the uniquely rich farm reserves of the United States nor its technological capacities and high-yield seed stock.

Taken by itself, the 1972 Soviet wheat deal is a lesson in how the public interest can be compromised at the hands of the grain traders with the acquiescence of government. But in a world warring with famine, the shortages created by the 1972 transaction are but a harbinger of things to come unless there is a fundamental reordering of both our domestic production and foreign marketing systems. Nothing short of a comprehensive grains policy is required. Even if, by some miracle, the world food shortage does not become as severe as predicted, the United States will continue to be the leading exporter of feed grains. A grains policy is needed to coordinate both diplomatic and domestic agricultural goals, a policy that has been painfully absent in the past.

WHY A FEDERAL GRAINS POLICY?

The control of farm output to meet both domestic and foreign needs requires that an immense amount of information on foreign agricultural conditions be centrally gathered, coordinated, and analyzed. The federal government alone is capable of analyzing the structure of domestic and world demand; and only it can develop a farm strategy to minimize overproduction of certain grains and maximize output of others in light of such long- and short-term input constraints as fertilizer, labor, and capital. Decisions on

what to plant are often made by farmers on the basis of narrow regional crop reports and localized projections. This system fragments decision making on the mix of crops and perpetuates the production of overages in some crops and shortfalls in others at a time when the nation and the world can ill afford wasted agricultural resources. Only government control of market information and the marketing process itself can bring farm production to its highest possible level. Marketing decisions should not be left to firms whose interests cannot be expected to parallel national goals; yet, as mentioned above, several firms held by foreign nationals exercise significant power in both domestic commodities marketing and the sale of American grains to foreign purchasers.

THE INELASTICITY OF DEMAND

The principal basis for a comprehensive grains policy is a realistic appreciation of the nature and extent of world demand for U.S. foodstuffs. Grains, especially wheat, are the most efficiently produced usable sources of calories (it takes 6.5 pounds of corn to produce one pound of meat). Of the many grains grown in the United States for human consumption, wheat stands out as the one in most demand, both domestically and internationally. Compared with other grains, it is most easily stored, is the most nutritious and easily digested, and is accepted in every culture and preferred by most. Moreover, the United States is uniquely blessed with the natural resources for growing wheat. For these reasons, wheat must become the focus of U.S. policies to meet the challenge of world hunger.

It must be recognized that little can be done to reduce demand, either domestically or worldwide. While great savings in grain could be achieved by moving the U.S. diet away from meat, previous attempts to substitute other protein sources, such as soybeans, have been unnecessary. Similarly, as the recent inflation in grocery costs has convincingly demonstrated, the mix of items in consumer market baskets has changed little relative to the rapid price increases. And, as implied in the earlier discussion only a decline in the growth rate of world population will bring an end to the food crisis. Given the fact that demand for grain is not responsive to a change in price, it appears that increased production is the only realistic answer.

THE DOMESTIC FRONT—SUPPLY

Basic to any strategy for increasing supply is accurate and timely data on grain in the field, weather conditions, the quantity of successfully harvested grain, and the amount of grain in storage. Currently, the USDA receives crop data from county agents and storage data from commodities brokers. Not only is such information subject to manipulation, but the data are reported infrequently (monthly) and are gathered using rather shabby sampling techniques. The net result is that little advanced planning is possible regarding storage of excess grains, transport of crop to processors or ports, the price behavior of domestic grain markets, or the quantity and mix of grains available to the foreign market. Thus, a major priority of a U.S. grains policy should be government assumption of a primary and final responsibility for gathering and analyzing data on the state of domestic food production.

Backed with the necessary data, a grains policy must provide strategies for increasing production. The government could operate through central control—that is, it could direct farmers to plant certain crops in specified quantities and localities—or it could use a market approach based on a system of incentives to produce the optimum mix of grains for domestic and international consumption. Due to the uncertainties of agricultural production, some combination of the control and marketing approaches will probably be the most effective.

To increase production, our farm sector will need more capital, equipment, land, and possibly labor. The federal government has already backed away from its land bank program, which kept farmland fallow. But the government can turn over to farmers on a lease basis hundreds of thousands of acres now held in federal reserves throughout the country. It is certain that enough land resources exist nearly to double our grain output within three years.

Beyond increasing the gross amount of agricultural output, wheat production might be stepped up by regulating the mix of that output, either by increasing the supply of wheat at the expense of rye, corn, barley, or sorghum, or by increasing the output of all grain and carefully regulating the mix. The first move would involve reducing the amount of grains used for the production of meat. It should be recognized that such a decision would not alter the nutritional quality of the American diet in any way. As shown in the table below, the average American's consumption of all cereals has increased by 250 pounds in the last eight years, nearly every ounce of which represents increased meat consumption. However, the second approach—a controlled increase in the output of all grains—is probably the most realistic. Since corn, sorghum, and barley will continue to have a role as both human cereal and feed grain, domestic demand for them will remain high.

PER CAPITA CEREAL CONSUMPTION

[In pounds]

	1964–66 average	1972–74 average	Percent increase
United States	1,600	1,850	16
U.S.S.R.	1,105	1,435	30
European Community	[1] 900	[1] 1,000	17
Japan	[1] 530	[1] 620	17
China	420	430	2
Developing countries (excluding China)	[2] 370	395	[2] 7

[1] Figures for the cereal consumption of the European Community, and to a lesser extent of Japan, are reduced somewhat by the extensive use of noncereal grains for livestock feeding. Japan's figure is also reduced by the fact of extensive direct imports of meat, thus cutting the livestock consumption of cereals.

[2] The 1964–66 figure was depressed in the averages by India's 2 bad crop years in that period. The percent increase to 1972–74 thus exaggerates an increase that was in fact minimal.

Source: U.S. Department of Agriculture.

We must also increase the efficiency of our transport and storage systems. Because facilities such as grain elevators and rail heads were constructed at a time when the export market was much less important than it is today, they were not generally built near overseas shipping points. Now up to one-third of our agricultural output is exported—and more than one-half of an expanded harvest might be. Just how inadequate our facilities are was shown to us by the 1972 wheat deal. It took fourteen months to move that purchase from the U.S. interior to gulf coast ports, and the move tied up rolling stock and track throughout the country, adding inflationary pressure to all goods that move by rail. Clearly, we need central planning of a new transportation system to move grain from the interior to our ports. In addition, rather than subsidizing domestic transport costs for grain shipped abroad, as it now does, the federal government might take steps to encourage the growing of certain crops in areas closest to appropriate shipping centers. For example, Oklahoma and Texas might be devoted entirely to wheat production, since they are closer to gulf ports than other wheat-growing states, such as South Dakota.

Moreover, a basic requirement for increasing the supply of grain and stabilizing both domestic and world markets is the expansion of our grain inventory—and the facilities to store it.

MARKET REGULATION

At present, farmers either sell their crops for cash at the time of harvest (cash markets), agree to sell specified crops to a contractor in advance of production (commodities contract markets), or sell the crops they will harvest in the future through a broker at present-fixed prices. It is only in the latter (commodities futures markets) that the federal government exercises any controls, and these are limited to policing measures to protect investors from unscrupulous marketing practices. Obviously, achieving the nation's international and domestic goals requires a more active government role in market regulation.

Eliminating inefficiencies in the domestic grain markets should be a primary goal. The most obvious flaw is that investors, farmers, and food processors operate commodities markets without all the available knowledge of the conditions of production and demand. By simply increasing the dissemination of information it already possesses on world and domestic supply and demand, the government can enable all actors in the market to behave more economically; and the commodities market could substantially reduce brokerage expenses as well as the high cost of market speculation, which currently exists despite government prohibitions.

As a second domestic goal, the United States should assert itself in the commodities market. Most of the trading in U.S. commodities markets is done by six giant, diversified, private, and, for the most part, foreign-held companies, about whose nature and mode of operation little is known. Yet, each was involved in the Russian wheat deal of 1972, and three handled the entire 1974 trade for the Russians. During the 1972 trade, the companies entered into agreements to sell U.S. wheat to the Russians without the federal government's awareness either of the existence of the transactions or of their magnitude. Consequently, over one-fifth of the crop was sold before the federal government knew the extent of Russian interest in our wheat.

After the debacle of 1972, the USDA instituted new reporting regulations for wheat traders dealing in foreign sales. But these require no more than *voluntary* reporting of sales agreements to the government before they are actually signed. As a further step to guard against an exporter raid on the U.S. granary, Congress provided for a Commodities Futures Trading Commission scheduled to become effective on April 21, 1975. As of this writing, however, the five commission members, who *before* April 21 are meant to register over twenty thousand commodities brokers and set up regulations for trading in over thirty currently unregulated commodities, have yet to be appointed by the President, and the commission has yet to hire the first of its five hundred authorized employees.

A final marketing strategy would be to lower prices in international grain markets. By producing sufficient quantities of wheat and other grains for export, the United States can reduce the price of food for importing nations. While such a policy might require reinstating the system of export subsidies to underwrite the expenses of American farmers, a strategy to lower world prices is necessary both to help food importers satisfy their demands and to prompt the other exporting nations to produce more grain more efficiently.

GRAIN AND FOREIGN POLICY

Since the 1972 Russian wheat deal, grain, especially wheat, has had the potential of becoming the most important weapon in our diplomatic arsenal. Of course, grain has always had a role in our foreign policy. The first major exports of America wheat and

corn were made to Europe both before and after our involvement in World War I. Similarly, the United States supplied the European and Asian allies with food during World War II. Food aid has continued in the Food for Peace program administered by the State Department. Throughout the history of these programs, food has been used as a form of benign support for friendly countries. During the cold war period, food was employed as a mildly persuasive gift to countries, taking a nonalignment posture. But foodstuffs have never assumed an important role as a negative sanction in American foreign policy. Even during the oil embargo last spring, when the eleven members of the Organization of Petroleum-Exporting Countries—eight of whom rely heavily on U.S. wheat—imposed limitations on oil shipments to the United States, Secretary of State Kissinger confirmed that we would not retaliate by refusing to sell them grain. Uncertainties inherent in farm production militate strongly against the use of food as a critical bargaining item in diplomatic strategies. Moreover, the specter of imposed starvation is repugnant to Americans, with their image of generosity to the world's poor.

While a diplomatically neutral posture may have been tenable in the past, priorities will have to be established concerning which countries to feed, and the ramifications of denying wheat to some nations while supplying others will have to be anticipated. There is no other alternative: there is consensus among observers of the world food situation that, even with a doubling of U.S. wheat production in the next three years, there will not be enough U.S. wheat to go around. While seemingly the most equitable, a band-aid approach of supplying insufficient amounts of grain to all countries which need it will probably be the least efficient means to save the maximum number of human lives, and the need to make decisions on how to allocate American grain must be confronted. One method proposed by William and Paul Paddock in *Famine—1975! America's Decision: Who Will Survive* is based on the triage used in military medicine. This system attempts to maximize the number of survivors by imposing three criteria: can't be saved; walking wounded; and can be saved by immediate attention. If used to allocate grain, this approach suggests that those countries which would face widespread starvation despite imports should be counted among the "can't be saved" group. According to *Famine—1975!* "to send food to these countries is like throwing sand in the ocean." The second group of countries, the "walking wounded," can survive on their own food resources for the most part. The third category includes nations in which the imbalance between population and food resources is great but manageable, and thus short-term birth-control programs coupled with American food aid could bring these countries through a food crisis intact. The problems of definition in this approach should be obvious: It is perfectly conceivable that a country which theoretically "can't be saved" could indeed be rescued if we were to deny help to a number of "can be saved with immediate attention" countries and concentrate our resources on that one nation. Triage is not a new concept. Indeed, it can be argued that all U.S. foreign assistance programs, including even the Marshall Plan, involve a triage of sorts. In reality, triage reflects an attempt to place essentially political decisions in the hands of statisticians, demographers, and agronomists. But knowing the caloric intake of the average Indonesian is not going to solve the problem of who gets the grain.

Other strategies have been proposed for distributing U.S. foodstuffs in the event of a world shortage. One might be to favor certain nations that have been allies and/or have maintained close ties with the United States in the past. Another rationale might be to rely on the world grain market, selling our wheat to the highest bidders. Obviously, each of these strategies has its limitations. One ignores future dimensions in foreign policy while the other increases future indebtedness to the United States, which by itself leads to political instability. The choice of a method, whatever it may be, will not be a neutral one. We cannot provide grain for everyone, and the political problems inherent in this constraint must be recognized so that strategies can be mapped to fit long-range diplomatic goals.

While political problems are inevitable, a U.S. grains policy should seek to reduce the highly visible American role of provider through a multilateral agreement aimed at spreading the responsibilities for feeding the world's hungry among wheat-exporting and wheat-importing nations alike. As part of the agreement, all food reserves might be turned over to the United Nations or some other international body that could serve as a neutral arbiter in the distribution of the world's surplus grain. Such an approach is needed both to stimulate a worldwide moral commitment to increase production and to reduce those aspects of competition among the grain-producing nations that are wasteful in today's world market.

A STUDY BY THE LIBRARY OF CONGRESS ON OIL DEPLETION ALLOWANCE

Mr. HOLLINGS. Mr. President, for myself and Senator KENNEDY, I call to the attention of my colleagues a study prepared by the Library of Congress on the oil depletion allowance. This study demonstrates that as a result of the recent increase in oil price the domestic U.S. oil industry will reap $6.4 billion in aftertax windfall profits in 1975. $2.4 billion of this rise is attributable to the 22 percent oil depletion allowance.

The study released was prepared by the Economics Division of the Congressional Research Service of the Library of Congress. It was based on an analysis of expected windfall profits for the domestic oil industry as a whole, using price and production data. The $4 billion profit figure is the aftertax "windfall" profit resulting from the increase in oil price alone. The study assumes a base price of $4.25 per barrel before the recent price rise, and a 1975 price of $5.25 for "old" oil and $11 for "new" oil. The figure is a windfall profit because it is in addition to the profits the industry would be earning if oil were still selling at $4.25 a barrel.

According to a breakdown of the $6.4 billion figure in the study, in addition to the $4 billion in aftertax profits from the price increase, $1.3 billion in tax savings resulted from the operation of the 22 percent depletion allowance on the $4.25 base price, and another $1.1 billion tax saving resulted from the application of the depletion allowance to the price spread between the $4.25 base and the 1975 "old" and "new" oil prices.

The study also compared the aftertax windfall profit at 1975 prices to the value of the percentage depletion allowance at a $4.25 base price:

At $4.25 a barrel, the study estimated the value of the depletion allowance at 40 cents a barrel;

For all oil—average price of $7.50 a barrel in 1975—the windfall profit is worth $1.70 a barrel, or more than four times the value of the depletion allowance on $4.25 oil; and

For "new" oil, the windfall profit is worth $3.50 a barrel, or almost nine times the value of the depletion allowance on $4.25 oil.

Let me emphasized the conclusion of the study that after-tax profits deriving from price increases are far more important than percentage depletion as an incentive for producing oil, and that even if percentage depletion is repealed, producers will still be realizing large aftertax increases in their profits.

I also point out that the aftertax profit figures in the study were calculated on the basis of the conservative assumption that the oil industry pays the full 48 percent corporate tax rate on its profits. The 48 percent rate is the tax rate on corporations specified in the Internal Revenue Code, but is nonsense, and as everyone knows, the effective tax rate paid by the domestic oil industry is far lower, of the order of 25 percent.

A 1971 industry study revealed that the industry paid a tax rate of only 22 percent. In addition, a more realistic base price of oil—the price before the recent increases—would be $3.50 a barrel, not $4.25 a barrel.

Attached is a separate table, computing windfall profits on the basis of a 25 percent effective tax rate for the domestic oil industry and a $3.50-a-barrel base price. According to the table, the real windfall from current price alone is actually $8.2 billion, or more than double the $4 billion figure in the Library of Congress study.

The study also discussed the impact of repeal of the percentage depletion allowance on independent producers. It noted that for a producer of 3,000 barrels per day—which is the definition of "small" independent producers that oil State Senators are trying to use in the current Senate debate—yearly oil receipts would range from $5.7 million—on old oil—to $12 million—on new oil. Even at that level of production, the study said, the aftertax windfall profit without the depletion allowance would still be $1.2 million based on a $7.50 average price, and the depletion allowance itself would be worth an extra $552,000 in profits.

Five to twelve million dollars in annual receipts hardly qualifies independent producers for the "small business" label that supporters of the oil producers are promoting in the Senate. The Senators noted that, according to recent Treasury figures, only 0.2 percent of all businesses in the Nation have annual receipts over $5 million a year.

In addition, the study cited data indicating the independent nonintegrated domestic producers are even more profitable than either the big international oil companies or the integrated domestic producers. According to the study, the average increase in net income for the

first nine months of 1974 was 50.2 percent for five integrated international oil companies, 96.1 percent for 16 domestic integrated producers, and 122 percent for 11 nonintegrated domestic producers.

Thus it demonstrated beyond a reasonable doubt the huge bonanza that high oil prices are bringing to all producers, large and small alike. They said that the bonanza would still be there even if the depletion allowance is repealed. In light of the enormous price and profit windfall available to "small" independents, there was no justification whatever for a permanent exemption for any independent producers, regardless of size.

The case for independents is based on greed, not need. Thanks to the astronomical increase in the price of oil, the independents have already found their pot of gold at the end of the rainbow. It would be an outrage for Congress to let the pot overflow by retaining the oil depletion allowance.

Our amendment will repeal the 22 percent depletion allowance immediately for major producers, and phase it down to zero by 1979 for producers of 3,000 barrels a day or less. We intend to add the amendment to the tax cut legislation which passed the House of Representatives last week and is now awaiting action by the Senate.

I ask unanimous consent that a chart and the study be printed in the RECORD.

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

OIL PROFITS AND OIL PRICES

Price per barrel	Value of percentage depletion (billions)	Value of after-tax windfall without depletion (billions)	Total windfall (billions)
$3.50	$1.067		
$4	1.235	$1.023	$2.258
$5	1.570	3.069	4.639
$6	1.752	4.180	5.932
$7	1.883	4.980	6.863
$8	2.014	5.780	7.794
$9	2.145	6.579	8.724
$10	2.276	7.379	9.655
$11	2.407	8.179	10.586

Basis: $3.50 per barrel base price 25 percent effective tax rate. No price decontrol.

PERCENTAGE DEPLETION ALLOWANCES FOR OIL AND THE PROFIT PICTURE IN THE OIL INDUSTRY—1974–75, WITH SPECIAL REFERENCE TO THE INDEPENDENT PRODUCERS

I. PROFITS AND PRICING (1975)

The proposed repeal of the 22% percentage depletion allowance for oil and gas is generally estimated to produce about $2.5 billion in additional tax receipts. The value of this allowance would be expected to rise, however, if old oil is decontrolled and the percentage depletion retained on the full price. In this case, the value could rise to $3.5 billion for oil alone.

Although oil industry profit data for 1975 is not generally estimated by size of producer, it is possible to estimate expected windfall profits for the industry as a whole from price and production data.

At the end of 1973, oil price ceilings (for controlled oil) were around $5.25 a barrel. In the summer of 1973 oil prices were around $4.00 a barrel. In this analysis we estimate the windfall in one case based on the spread between $5.25 a barrel and current prices and in another as the spread between $4.25 a barrel and current prices.[1]

Presently there is a two tier pricing system. Of estimated annual production of 8.7 million barrels a day approximately 5.3 million is controled (at an average price of $5.25 a barrel) and 3.4 million is uncontroled generally selling at $11 a barrel. If we measure the windfall profit as the difference between average price of $7.50 a barrel (assuming an effective income tax rate of 38 percent on the windfall) and $5.25 a barrel we derive a windfall of $4.4 billion for 1975.[2]

The value of percentage depletion (in tax savings) on the old $5.25 price may be figured at roughly 50¢ a barrel or about $1.6 billion and the value of percentage depletion on the windfall at roughly 24¢ a barrel or $760 million.[3] These figures suggest an estimate of percentage depletion at current prices of $2.4 billion. (This figure differs from the $2.5 billion estimate quoted above but does not include depletion on natural gas.)

These figures suggest that the net increase in after tax profit to producers will be $2.0 billion with no change in the price structure and repeal of percentage depletion.

It may be argued, however, that the $5.25 a barrel price ceiling represents a windfall in any case. Consider for example that the actual prices in the summer of 1973 were much lower and that in prior years the price of oil was closer to $3.50 a barrel. (As of November 1973, the average old crude price was $3.91, and was $3.45 in 1972.[4])

If we use the spread between the current price and $4.25 a barrel as a measure of the windfall, the following calculations may be made. For new oil the price spread is $6.75 a barrel with an after tax profit of $5.2 billion. For old oil the $1.00 spread provides an after tax windfall of $1.2 billion for an industry total of $6.4 billion.

The value of percentage depletion for $4.25 a barrel is 41¢ a barrel or about $1.3 billion (consistent with prior year estimates of the revenue impact of percentage depletion).

[1] The windfall would be expected to accrue to producers on domestic (not foreign) oil. The choice of a base price is necessarily arbitrary, particularly in the context of a domestic price determined by foreign prices. The Administration apparently uses a price of around $5.20 for its windfall profits tax proposal while the Ways and Means Committee task force uses $4.95. The average price of crude to refiners according to Standard and Poor's was $3.73 in 1973 and $3.40 in 1972. Adjusting this latter figure for 1975 price levels indicates a price of around $4.40.

[2] Throughout this paper an effective income tax rate on the windfall of 38 percent is assumed if percentage depletion is retained and 48 percent if it is repealed. Because of the generally rapid write-off of capital costs in oil production there is good reason to believe that these rates would be substantially lower. To gain some perspective, the industry itself estimated an effective rate of domestic Federal income taxes on domestic profits of 22 percent in 1971, which was considered too high by some critics of their study. It is estimated that outside of depletion, 70 cents of each investment dollar is written off immediately through dry hole and intangible drilling costs and another 10 cents recovered through depreciation (including rapid methods) and eligible for the investment tax credit. The implication is that the size of after-tax windfall in this paper is quite conservative.

[3] Depletion is figured at an average of 20 percent for old prices and 22 percent for the windfall price.

[4] Standard and Poors. Old crude oil prices-mid-continent 36° to 36.9°.

The value for the new oil price spread is 70¢ a barrel or $870 million. The value for the old oil spread is 10.5¢ or $203 million. This gives the total of $2.4 billion.

Thus, after tax profit of $6.4 billion reduced by increased tax liability due to repeal of percentage depletion of $2.4 billion shows a profit of $4.0 billion assuming repeal of percentage depletion anad no change in prices.

In comparing prices as an incentive with percentage depletion as an incentive, it is perhaps more proper to ignore what current depletion is worth and focus on the value of percentage depletion at lower prices. If the $5.25 figure is used percentage depletion is worth about 50c a barrel. The after tax windfall if one assumed there was no depletion allowed above $5.25 a barrel is $1.20 a barrel, or slightly over twice the former value. However, for new oil where an incentive mechanism would be expected to be important, the average after tax windfall is $3.00 or six times the value of percentage depletion. (This would also represent the relative total value if all oil is decontrolled.)

If $4.25 is taken as a more realistic measure of the pre-windfall price, the former value of percentage depletion would be about 40c a barrel. For all oil the after tax profit would be on the average about $1.70 a barrel or over four times the former value of percentage depletion. For new oil again, the after tax windfall would be $3.50 or almost nine times the former value of percentage depletion. (This would also represent the relative total value if all oil were decontrolled.)

This analysis suggests that after tax profits deriving from price increases are far more important than percentage depletion as an incentive for producing more oil. It is clear that even if price controls are retained and percentage depletion is repealed, producers under even the most favorable assumptions will be realizing larger after tax increases in profit and thus substantially increased cash flow.

If prices are deregulated in some fashion then the relative size of the value of percentage depletion will grow and so will after tax windfall profits. For example, if the $5.25 price is used the windfall will be $11.3 billion after tax assuming percentage depletion is retained. Percentage depletion then has a value of over $3.5 billion and repeal would reduce the after tax windfall to $7.8 billion. If the $4.25 a barrel price is used the after tax windfall will be $13.3 billion and repeal of percentage depletion will reduce it to $9.8 billion.

It should be noted again that the effective tax rates used in this analysis are probably higher, perhaps substantially so, than in actual practice and act to understate the value of windfall profits.

II. INDEPENDENT PRODUCERS—PRICES AND PROFITS (1974)

The relative impact of prices and percentage depletion on the independents is difficult to determine. However, there is some data available for the change in profits between 1973 and 1974. It should first be noted that sales of 3,000 barrels a day will range from $5.7 million to $12.0 million. Using the data computed above assuming a $5.25 normal, for a producer whose average price is the same as the U.S. average the after tax windfall would be $1.2 million assuming percentage depletion is not available on the windfall. However, the former value of percentage depletion was only about $552 thousand.

It would be generally expected that independent producers of oil would be in a better position than other segments of the oil industry. First, the increase in the price

of imported oil has not created a windfall to the international oil companies since those increases are being absorbed by the petroleum exporting countries. Therefore, domestic producers would be expected to have a relatively larger increase in profits as compared to international companies.

Secondly, all of the windfall has occurred in oil production. Thus, the independent producers would be expected to be better off than the integrated companies and the refiners.

Finally, it has been argued that a much larger portion of the sales of the independent producers is uncontrolled oil. Congressman Green stated that 75 percent of the oil production of small producers is unregulated while 80 percent of the oil production of the majors is regulated.[5]

The following tables provide statistics on net income for three groups comparing the increase in 1974 profits (through September) over 1973 levels. The first group includes the five integrated international oil companies. The second includes the larger domestic integrated companies. The third consists of companies which are engaged in production, or the independents. The source of data is from Standard and Poor's oil stock price report. The only companies excluded from the indtpendents (of those listed) are those where data through September was not available. While these data do not cover a full year they do provide some basis for comparing the increase in profits.

If we aggregate the international companies we find that the average increase was 50.2 percent. If we aggregate the large integrated domestic producers we find an average of 96.1 percent. This finding is consistent with our expectations of a smaller relative increase for companies engaged in foreign production.

The aggregation of the independents shows an increase of 75.5 percent (excluding the two companies with deficit) falling between the international and domestic integrated companies.[6] However, if we drop out Coastal States Gas which is not really primarily an oil producers we find the average for the independents rising to 82 percent. Finally, if we drop out the three companies which are significantly larger among the independents (Coastal States Gas, Louisiana Land and Superior) we find the average rising to 122 percent, higher than either the international companies or the integrated domestic producers. While these companies do not include very small independent producers, the findings suggest that smaller producers are enjoying larger increases in profit.

TABLE 1.—NET INCOME OF INTEGRATED INTERNATIONAL COMPANIES

[Millions of dollars, 9 mo]

	1973	1974	Percent change
Exxon	1,656.00	2,280.00	37.7
Gulf	570.00	815.00	43.0
Mobil	571.20	903.80	58.2
Standard (California)	560.46	877.74	56.6
Texaco	838.92	1,428.16	70.2

Source: Standard and Poor's.

[5] Congressional Record. February 27, 1975. p. H1153.

[6] If the two companies with deficits are aggregated into the total the increase is 59.5 percent for all independents and 57.9 percent for independents excluding the three largest.

TABLE 2.—NET INCOME OF LARGE INTEGRATED DOMESTIC COMPANIES (SELECTED)

[Millions of dollars, 9 mos]

	1973	1974	Percen change
Amerada Hess	113.88	134.05	17.7
Ashland	84.30	113.00	34.0
ARCO	178.30	377.70	111.6
Cities Service	93.40	168.40	80.3
Continental	153.37	329.80	115.0
Getty	82.42	222.36	169.8
Kerr-McGee	44.10	93.15	111.2
Marathon	72.92	129.58	77.7
Murphy	34.60	55.62	60.8
Phillips	143.70	345.20	140.2
Shell	253.30	462.30	82.5
Skelly	27.17	77.77	186.2
Standard (Indiana)	389.80	795.50	104.1
Standard (Ohio)	62.50	97.30	55.7
Sun	154.86	323.85	109.1
Union	129.13	232.50	80.1

Source: Standard and Poors.

TABLE 3. NET INCOME OF INDEPENDENT PRODUCERS

[Millions of dollars, 9 mos]

	1973	1974	Percent change
Aztec	1.72	5.01	191.3
Coastal States Gas	30.80	46.76	51.8
Equity Oil	.73	2.30	215.1
Felmont Oil	1.96	3.81	94.4
Forest Oil	1.20	2.37	
General Crude	11.18	24.66	120.6
Hamilton Bros	2.56	4.54	77.3
Imexco	3.61	6.45	78.7
Louisiana Land	49.52	84.06	69.7
Mesa	16.16	1.42	
Reserve Oil & Gas	4.38	10.85	147.7
Sabine	3.87	7.13	84.2
Southland Royalty	4.62	10.70	131.6
Superior	30.46	46.65	51.6
Transocean	1.77	5.35	202.2

[1] Deficit.

Source: Standard and Poor's.

III. CONCENTRATION OF INDUSTRY ARGUMENT AND THE IMPACT OF CAPITAL GAINS

The domestic crude oil industry is concentrated, though not as much so as some other major industries (such as the auto industry, the aluminium industry or the steel industry). A recent Federal Trade Commission Report showed that the top 4, 8 and 20 oil companies accounted for 31, 51 and 70 percent respectively of domestic crude production.[7]

It is difficult to estimate what may happen to the structure of the concentration in the oil industry. Increased costs of drilling to find more scarce resources and the possibility of international oil companies investing greater shares of capital into domestic production as foreign production becomes less attractive may suggest that crude oil production will become more concentrated. To the extent that the repeal of percentage depletion reduces the windfall on domestic production and narrows the gap between profit on domestic and foreign production repeal could act to counteract this possibility. However, it does not close the gap completely (and particularly does not on new oil) so that it would not be expected to be a decisive factor. Retaining percentage depletion for small producers but not large ones might also be expected to reduce such a trend, although again it seems unlikely to be a decisive factor.

[7] Federal Trade Commission. "Investigation of the petroleum industry." Senate Committee on Government Operations, Committee Print, July 12, 1973.

The argument has been made that percentage depletion acts to increase concentration in the industry in the refining and marketing sectors.[8] It is argued that since percentage depletion is tied to the price of crude oil it is to the advantage of companies which are vertically integrated to set high prices for crude (given a certain degree of self-sufficiency) and reduce the profits in refining operations, making it difficult for independent refiners to compete. However, in the short term the crude oil price is unlikely to be determined by anything other than the foreign price (or price controls) and this factor would seem less important.

A particular issue which has been raised regarding the repeal of percentage depletion is whether it might not encourage small producers to sell out to the majors since they will no longer be eligible for depletion, and will still be eligible for favorable capital gains tax treatment.

It would appear on the face of the argument that there could be only two reasons for such action.

First, the owner might wish to sell out because his income will be taxed at a higher rate lowering the present value of his asset. However, this argument would appear a fallacious one. All other things being equal, the present value of depletion deductions would be reduced by the same relative amount to both the present owner and prospective purchasers, and he would be offered a lower price for his asset. Similarly, a rise in price whether mitigated by repeal of percentage depletion or not would have the same effect on present value. In other words, the repeal of percentage depletion would be expected to be neutral as regards the decision to buy or sell. In other words, to the extent that special capital gains treatment induced sales in the past, that inducement is attributable to the capital gains provision and not percentage depletion.

The second reason may be that the operator wishes to obtain capital to finance further drilling. To the extent that repeal of percentage depletion reduces the value of his asset he may be unable to sell for as much as in the past. To the extent that the rise in prices increases the value he may be able to sell for more. Percentage depletion repeal would reduce the increased profits from these windfalls. However, the price rises are greater than the loss from percentage depletion so that his cash flow would be greater. If he did not sell in the past to obtain cash flow, there seems no particular reason to do so in the present circumstances.

[8] *Ibid.*

FOUNDATIONS' STOCK GOES UP AS THEIR STOCKS DECLINE

Mr. HARTKE. Mr. President, Fred M. Hechinger, a distinguished writer for the New York Times, wrote an article about the difficulties encountered these days by the grantmaking foundations. It was headlined "Foundations' Stock Goes Up as Their Stocks Decline."

Mr. Hechinger also wrote that Congress had been "obsessed by fears of radical dissent" and viewed foundations as a "slush fund of subversion" during the 1960's. I dispute this premise. We did, in the Tax Reform Act of 1969, impose some restrictions on the operations of foundations, most of which today are endorsed by individual foundations and their national spokesman, the Council on

Foundations. By the same token, experience has shown that some provisions of the Tax Reform Act probably went too far.

These conclusions are based on information developed at hearings of the Subcommittee on Foundations, which I have the honor to chair.

Having registered my demurrer with Mr. Hechinger, I must say that he has quite accurately reported the state of foundations today as developed in our hearings. He has accurately quoted the Senate's subcommittee and its reports even though he has said it was a report of the House.

Mr. Hechinger's observations about our report, the information we developed and the status of foundations are interesting and, aside from those points, quite accurate. It does, in fact, dramatize the very valid point that foundations today are suffering because of economic conditions. That, in turn, is bad news for the country because it means that less of the charitable needs are being met by private foundations.

Mr. President, I ask unanimous consent that the text of the article from the New York Times be printed in the RECORD.

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

[From the New York Times, Jan. 15, 1975]

FOUNDATIONS' STOCK GOES UP AS THEIR STOCKS DECLINE

(By Fred M. Hechinger)

In the nineteen-sixties, with official Washington obsessed by fears of radical dissent, many members of Congress viewed the foundation as a sinister, dollar-bloated slush fund of subversion. Now, in the mid-seventies, fear that foundations were growing too big and powerful is rapidly giving way to concern that they may soon be too small and impotent.

"Foundations offer an alternative" to dependence on government to support research and innovation as such—and "they should be welcomed and encouraged," says a 1974 report by the House subcommittee on foundations. The tone is quite different from that of the anti-foundation days of the sixties.

"You must not wait until the crunch of declining foundation income is upon us," pleaded Vernon Jordan Jr., executive director of the National Urban League, in trying to persuade the taxcollectors to be kind to the foundations.

All this is in sharp contrast to the popular folklore that pictures the foundations as vast hoards of money, with only one problem—how to get rid of their riches. Foundation executives pleading for lower taxes as they did during Senate hearings last November must have seemed as plausible to many people as the Rockefeller family's applying for food stamps.

Shock waves nevertheless went through the education world when the Ford Foundation, the giant of private philanthropy—its peak assets 10 years ago stood at $4-billion—announced recently that it was in financial trouble. Disclosures that the foundation's assets had declined by $1-billion within a year—down to $2 billion—and that disbursements would be slashed by more than $100-million a year during the next four years to stave off ultimate liquidation—had the ring of Santa Claus threatening to turn into Scrooge or go out of business altogether.

HARDER HIT THAN OTHERS

The Ford Foundation admittedly is in somewhat worse straits than some other foundations. For years it deliberately overspent its income from investments by a wide margin, confident that a rising stock market would make up the difference in the long run.

Though particularly hard hit by the plummeting Dow Jones index, by its own past largesse and by perhaps too much reliance on growth stocks, Ford is nevertheless an accurate indicator of the wider problem. The Council on Foundations reported that a sample of 22 of the nation's major foundations suffered an average loss of 23 per cent.

The problem has been compounded by the Tax Reform Act of 1969, which has imposed on the foundations financial burdens that seemed negligible in the economic climate of the sixties but have turned into a threat in the present recession.

Foundation spokesmen admit that Congressional action was necessary to eliminate the abuses of tax privileges long engaged in by a growing number of tax shelters disguised as foundations.

Moreover, some spokesmen for even the wealthy legitimate foundations occasionally succumbed to the temptation to play God and to offend grant applicants as well as government representatives with a bearing of arrogance and omniscience.

The new law imposed these new requirements of foundations:

¶A 4 per cent tax on all income from investments.

¶A requirement that they spend each year either their total income or a percentage of their assets as fixed by the Treasury; whichever figure is higher.

¶Regulations that make it more advantageous for donors to contribute to private charities than to add to the endowment of foundations or create new ones.

Since 1969 the foundation death rate has far exceeded new births. A 12-state study by the Foundation Center shows that in 1968 a total of 1,228 new foundations were established while 71 went out of business; in 1972, new foundations totaled 128 and 605 died.

It is estimated that there are 25,000 bona fide foundations, but only 2,100 have assets in excess of $1-million. Total foundation assets last October were $30-billion, and the estimated pay-out in grants for 1973 was $2.3-billion.

As long as corporate dividends are holding up—as they did last year—no serious across-the-board cutbacks in grants, on the order of those predicted by the Ford Foundation, are expected. But if dividends follow the slide in market values, the effect on foundation grants could be disastrous.

How important are the foundations to education? Although private philanthropy—deeply ingrained in American tradition—is crucial to the social health of the United States, the foundations constitute a rather small slice of the philanthropic pie. Total annual charitable giving now amounts to about $25-billion, but its largest part, almost 75 per cent, is disbursed by individuals, with 12 per cent more coming from bequests. Corporations contribute just below 4 per cent. That leaves slightly less than 10 per cent to the foundations, amounting in 1973 to $2.3-billion.

What gives extraordinary importance to the foundation part of private giving is that it is disbursed with a far more expert eye for long-range social needs. The best of the foundations have traditionally tried to make their money extend, or at least nudge, the frontiers of progress, often against the conservative opposition of the day.

SOME PAST OPPOSITION RECALLED

As early as 1876 the Peabody Education Fund braved public opposition when it devoted its grants to "aid the stricken South." A few years later the Rockefeller-supported General Education Board supported better schooling for poor children, both black and white, while also fighting the spread of hookworm. The response was ridicule and contempt.

The reasons why foundations run into opposition today are not hard to find. In recent years they have supported many educational innovations that traditionalists considered a threat.

Foundations pushed for increased use of television in classrooms, leading to the charge that they wanted to replace teachers with machines. Foundations were the first to finance the introduction of paraprofessionals as teachers' aides, against strong initial opposition by the system. Foundations subsidized voter registration, the black colleges, educational opportunities for minority students. Foundations gave extensive aid to those fighting for school integration and, at times of conflict, sided with those among the poor and disfranchised who were asking for a greater voice and more power in running local schools and other institutions.

Such activities aroused opposition not only in Congress but also within educational circles. For example, Albert Shanker, president of the American Federation of Teachers, recently charged that too much foundation work today "has sharp political overtones."

"Clearly," said Mr. Shanker, "if public tax moneys are to be used for worthwhile social projects, they should be controlled by government officials accountable to and removable by the people."

In the view of some people, however, exclusive reliance on government subsidy is favored primarily by those who have sufficient lobbying influence to affect government spending.

FINANCING SOURCES COMPARED

John Ryan, president of Indiana University, in testifying before the Senate Subcommittee on Foundations, noted that higher education today was a $30-billion enterprise, with $2.24-billion contributed by charity.

"To give you some feel for the importance of that figure," Mr. Ryan said, "it might be well to point out that support from the Federal Government from all agencies and for all purposes, including research, amounted to only 15 percent. Furthermore, the Federal share was and is for the most part targeted on needs and services identified by the government, while charitable support is for the most part available to meet the needs defined by the institutions themselves." Foundation support, Mr. Ryan concluded, provides "the margin for excellence."

Others cite history to underscore the importance of nongovernment financing. In 1920 Prof. Robert H. Goddard met with ridicule when he pleaded for funds to help him build rockets that would make possible man's conquest of the moon. Support from the Smithsonian Institution and the Daniel and Florence Guggenheim Foundation allowed him to engage in research that subsequently led to the multicharge rocket and did eventually lead to the moon.

In 1910, the conservative American medical Establishment was shocked when Abraham Flexner, with a grant from the Carnegie Foundation for the Advancement of Teaching, exposed the profession's shortcomings, recommended the scrapping of 80 per cent of all existing medical schools and laid the foundations for modern medical education.

In the fifties similar grants enabled Dr. James B. Conant to shake up and help reform American high schools.

Given the present precarious situation of those in need of foundation support, what is the outlook?

Not all foundations have been hit as hard

as the Ford Foundation. Some, which did not overspend during the recent fat years, may now be able to take a larger risk. Homer C. Wadsworth, president of the Cleveland Foundation, the country's oldest community foundation, said that even though its assets had slipped by more than 24 per cent, its spending for 1975 would be increased by 25 to 30 per cent. He said this "is the time to spend."

Foundations are also being urged to give support to experimental programs, particularly in education, that aim at reducing costs while maintaining or improving quality. For example, the Hill Family Fund has begun a program to improve the colleges' recruiting of students and to make institutional fund-raising more effective.

Other programs relevant to the recession are subsidizing new college initiatives toward sharing their use of facilities and staff.

Still, the picture is far from bright. "For the next five years and probably for longer than that," said Harold Howe 2d, the Ford Foundation's vice president for education and research, "the foundation will be forced to do less for education," reducing particularly the infusion of "venture capital" in support of "bright ideas."

What worries some people most is that programs supporting minorities—students in schools and colleges as well as community-oriented action—will be caught in the pinch.

Among the answers, in the view of some foundation experts, are the following:

First, maximum reliance on "countercyclical" thinking, overspending in times of need, in the hope of replenishing in times of plenty.

Second, Congress and the Treasury may have to reassess the wisdom of holding the foundations rigidly to the rules written at the peak of the Wall Street boom.

Finally, in the view of many observers, there may be a greater need for foundations, the Government and corporations to plan, at least temporarily, for joint action to prevent important programs and educational institutions from going under.

WOMEN WORKERS ARE HARD HIT BY THE RECESSION

Mr. WILLIAMS. Mr. President, on March 7, 1975, the U.S. Department of Labor, Bureau of Labor Statistics, issued the unemployment statistics for the month of February. While the overall unemployment rate remained at the same level as January 1975, 8.2 percent, it remained so only because the number of "discouraged workers," who are not counted by the Bureau of Labor Statistics, was greater than the number of Americans who had lost their jobs.

I wish to point out for the record what these statistics mean for millions of American working women who are among the hardest hit by the recessionary impact. Little attention has been directed by the media, by the Bureau of Labor Statistics or by the Joint Economic Committee of Congress to their current condition.

The February 1975 statistics show that there are presently 29,700,000 American working women. In the third quarter of last year, just 5 short months ago, there were 30,500,000 working women. This is a decrease of 800,000 women in the working force; 800,000 more women who are out of work. And women are continuing to lose jobs at an alarming rate. During the month of January 1975 alone the number of working women dropped by 213,00.

The unemployment rate for women remains at a record high. This February, the rate was 7.6 percent for white women. Last February, this rate was only 4.7 percent. The unemployment rate for black and other minority women is a staggering 10.9 percent, up from 7.9 percent for February of last year.

As depressing as these figures are, they do not show the staggering loss of potential and opportunity among American working women. Wages for women are still low. In 1973, the median wage for women workers, including college-educated working women, was a mere $6,335 a year. This contrasts to a 1973 median wage for men of $11,186. In addition, the gap between men's and women's wages appears to be widening, not decreasing. In 1955 when the Department of Labor first started compiling these statistics, women's wages averaged 63.9 percent of men's wages. In 1973, women's median earnings were 56.6 percent of men's median earnings. This is the lowest percentage level since 1955.

Coupled with the increase in unemployment among women is an increase in sex-based discrimination complaints.

The number of actionable charges filed with the Equal Employment Opportunity Commission alleging sex discrimination in employment has risen from 15,505 charges in 1973 to 18,664 charges in 1974. Since the Equal Employment Opportunity Commission received 50,879 actionable charges in 1974, this means that almost a third of the charges filed complained of sex discrimination in employment.

In addition, as the recession cuts deeper into the fabric of our society, women workers often find themselves the first ones let go. Many women are seeing their recently made employment gains in traditionally male occupations reduced or eliminated by the recession. For example, the construction trade, which many women have been attempting to break into, now has an unemployment rate of 15.9 percent. The unemployment rate in manufacturing, where 30 percent of the work force is female, showed its ninth consecutive increase and currently stands at a record 11 percent. Even those in a traditional women's field—clerical work, where 78 percent of the work force is female—are suffering a staggering setback. Between January 1975 and February 1975, 213,000 clerical workers lost their jobs. Clearly, the problem among women workers is a serious one.

Women span all categories of the unemployed. They are among the job losers laid off due to a decrease in the work demand. They are job entrants, entering the labor force for the first time, yet unable to find a job. They are job re-entrants—women who reentered the work force by the present economic trend of recession and inflation and who now cannot find a job.

Women workers rarely work for pin money. In fact, it is doubtful that a large percentage of working women ever did. Congressional documentation of exploitation of women workers is not a new phenomenon. Congress enacted legislation to protect working women from unscrupulous employers in the first part of this century. Exploitation of working women still exists, although the method of combating the problem has changed. Women workers no longer seek separate status or separate protective legislation. They now seek what is justly due them: Equalization of their status with their male counterparts—equal job opportunities, equal pay, and equal responsibility.

Mr. President, if there is anything to be learned by the present economic crisis, it is that the problems of women workers cannot be categorically lumped together and deemed less critical than other groups in the work force.

Statistics show that 42 percent of the white working women are either single, widowed, divorced or separated. Among black and other minority working women, it is 53.4 percent. Many of these women are not only supporting themselves but are also supporting dependent children.

An additional 16 percent of the white women workers are married to husbands who make less than $7,000 a year, which is below the Bureau of Labor Statistics' low standard of living for a family of four. Among black and other minority women this figure is even higher—20 percent of the working black and minority women have husbands who make less than $7,000 a year.

Therefore, it can be seen that 58 percent of the white working women and 73.4 percent of the black and other minority working women are working out of economic necessity alone. Many other women work in order that their families can retain a foothold in middle class.

In short, women workers are dispersed throughout the economy and should not be considered as secondary or unimportant workers. When a woman loses her job, one more American is faced with unemployment; one more group of dependents is deprived of support; one more worker must subsist on unemployment benefits.

In fact, the woman worker who loses her job has a more difficult time than her male counterpart. Her unemployment insurance is calculated as a percentage of her salary. Since her salary is substantially lower than her male counterpart, her unemployment insurance check is also substantially lower.

Individual employers should be especially careful not to increase the economic burdens on the American working women by discrimination whether intentional or unintentional, if and when a reduction in the work force is necessary.

OUTRAGE, TAXES, AND OPTIMISM

Mr. BROCK. Mr. President, an article recently appeared in the Sarasota Herald-Tribune. I ask unanimous consent that this article to be printed in the RECORD.

There being no objection, the article

was ordered to be printed in the RECORD, as follows:

OUTRAGE, TAXES AND OPTIMISM

A new study says the item which rose the fastest in the American family budget during the last six years was taxes.

Federal, state and local taxes, lumped together, went up 65 percent—while the general cost of living climbed 40 percent during the same period, 1967–73.

We have been told before that government employees are doing better for themselves than the taxpayers who support them. Whether state and local employees of the people have likewise feathered their own nests is dubious, because they don't have the same congressional backing and gimmickry to do it. But they are probably trying.

The study on the rise in taxes was made by the Conference Board, an institution which devotes itself to research on business management and economics. What it may think of the business-of-government management during this period is not revealed, but perhaps the figures speak for themselves.

However, in a spirit of sweet Christmas charity, perhaps it should also be recorded that Americans are still not the worst taxed in the world. Saturday Review/World magazine, in its year-end issue, presents an interesting—and at times convincing—"inventory of hope". One of the hopeful is Lewis Foy, chairman of the board of Bethlehem Steel, who, while warning readers not to be complacent, finds a great many good things about the United States, among them this:

"Our total tax burden per capita (the percentage of our income that we pay out in all taxes—income, sales, property, etc.) is 28 percent; it's the second lowest among 13 leading industrial countries; in four of those countries the burden is over 40 percent."

This, of course, is grounds for optimism only if peeling off even 28 percent of all we earn to support a government is supposed to be pleasant.

Many Americans, viewing the tax-eating habits of some 20 million of their fellows on government payrolls, continue to wonder why so much governing is necessary, by so many, and at such fees. There may be an answer, but we doubt if it's in a statistical comparison with those who have it even worse.

The real optimism lies among U.S. citizens who have not given up hope, as some sadly cynical Europeans have done, but maybe a dividing line lies somewhere between the 28 percent was now hand over and the 40 percent or so that some others do.

We have never had a real taxpayers' strike in this country. But how did you like that Arthur Burns quote the other day about Christmas shopping? To look at Washington department stores, he said, you could tell that nobody in the District of Columbia thought there were hard times going on! Now that's a Christmas thought for your New Year's planning.

HUMPHREY CRITICIZES DELAY IN IMPLEMENTING THE COMMODITY FUTURES TRADING COMMISSION ACT

Mr. HUMPHREY. Mr. President, I am perplexed and dismayed at the delay which has taken place in nominating Commissioners to the new Commodity Futures Trading Commission.

Some weeks ago names were floated about as possible Commissioners. To date no official nominations have been made by the President.

A great deal of work went into developing this legislation over the last year. The commodity traders have expressed concern over the lack of direct experience on the part of the persons being considered for these responsible positions and the delay in making the selections.

This is important legislation which should be implemented with care.

On October 10, after the legislation had been approved, I urged the President to submit "at the earliest possible date" his nominees for the five-member Commission to assure prompt implementation of the legislation.

I also said that I would ask the Senate Agriculture and Forestry Committee, on which I serve, to hold public hearings on all nominees in view of the "extensive and important powers" vested in the new Commission.

I referred to the bill as "truly a landmark piece of legislation," with the changes to the Commodity Exchange Act "the most significant regarding futures trading regulation since the enactment of the Grain Futures Act of 1922."

The volume of trading in these markets has grown tremendously in recent years, to a point today where it is estimated to be nearly a half-trillion dollar business annually.

With such phenomenal growth comes greater concern about how such markets should be permitted to operate in order to protect adequately those involved in such operations as well as the general public.

The administration has shown little urgency in implementing this important legislation. This delay is unconscionable, unbelievable and inexcusable.

The work that these Commissioners will have to perform is extremely complex and important in the trading of commodity futures.

The Congress worked on this legislation for over a year and received detailed testimony from many witnesses. And yet the administration has dragged its feet for nearly half a year in getting started.

With a scheduled start-up of April 21, how can we do our job in reviewing nominees? Does the administration really expect the Commissioners to be able to do an adequate job in getting started and registering persons and companies before the April 21 deadline?

I hope that the administration will get these nominations to us without further delay. Their performance to date in implementing this legislation is disgraceful.

JOSEPH L. MANDELLA—A HANDICAPPED CRUSADER

Mr. HARTKE. Mr. President, Joseph L. Mandella was known and loved by everyone that came in contact with him over the years. He was a crusader for increased benefits for the handicapped, and served in many capacities with the Eastern Paralyzed Veterans Association.

Injured in the European theater in 1945, he was a paralyzed veteran who became involved. Here is a partial list of the areas which Joe Mandella challenged: transportation systems—subways, buses, livery service, passenger railroads, airports and air travel—housing, recreation facilities, convention facilities, parking facilities, gasoline allocations, and most important, enforcement of the rights of those disabled.

The enforcement of laws was Joseph Mandella's constant concern. He was never satisfied with a piece of legislation which existed only on paper. He persistently pursued Federal, State, and local public officials to insure adequate enforcement power to the laws.

The number of people he touched was extraordinary, and his influence will be felt in publicly funded structures and transportation modes for generations to come.

Mr. President, I ask unanimous consent to have printed in the RECORD an article published by the Eastern Paralyzed Veterans Association entitled, "Handicapped Crusader—A Reminisence", by Terence Moakley, president of EPVA.

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

HANDICAPPED CRUSADER—A REMINISCENCE

(By Terence Moakley)

On the occasion of the death of a devoutly loved cousin, the American novelist Henry James wrote: "She lives as a steady unfaltering luminary in the mind rather than as a flickering wasted earth-stifled lamp." So, too, will the memory of Joseph L. Mandella linger brightly with all who knew him. Joe, who served Eastern Paralyzed Veterans Association in a variety of positions—most recently as our Associate Director in the area of transportation and Architectural Barriers, passed away on January 17, 1975, after a courageous bout with cancer. Personally, I consider it a rare honor to be able to write a few words about a man who was so well liked, and who accomplished so much for the good of us all.

It is hard to put Joe's personality into words. I guess the best possible word to describe him would be "warm." He had a job to do and he was completely serious about doing that job. But when he was giving a report complete with all the familiar abbreviations of federal and state agencies and the numerous "relative to's," he flashed that hearty smile now and then. While many of us rarely understood everything that Joe was saying (not due to any fault on his part, but rather to our own ignorance) you can believe that we cherished an abiding respect for him and for his tireless efforts. His accomplishments in the fields of Architectural and Transportation Barriers will make like better for all the handicapped of our nation for many years to come. This kind of far-reaching achievement demands respect and Joe surely had that, not just from us, but from legislators, heads of public and private agencies, and other disabled citizens.

But Joe had another side too, and this was his ability to laugh at himself. Most of us need this ability now and then, but Joe had it in full measure. We used to kid Joe about his love of the Xerox copier machine. It seemed that each time Joe wrote a letter or a proposal, he would make 25 copies and mail one to the head of every imaginable agency; naturally, he earned the affectionate nickname of "Joe Copy." But all of us at Eastern Paralyzed Veterans Association un-

derstood perfectly that Joe's numerous copies were a measure of the important individuals in the fields of architecture, housing, transportation, etc., whom he knew and influenced. Joe could laugh at his nickname and so could we, but nevertheless, the accomplishments were realized one after another.

Joe Mandella was no "Johnny-come-lately" to Eastern Paralyzed Veterans Association's affairs. Injured in the European theater on April 2, 1945, Joe was hospitalized at Halloran General on Staten Island and was a founding member of the Eastern Paralyzed Veterans Association in 1947. In fact, Joe was deeply involved in those early Eastern Paralyzed Veterans Association days, serving the organization as its Secretary for a period of time. Later on, Joe became one of the first to take out a Life Membership when this program was conceived. Also during those years immediately after his injury, Joe attended college for several years, and then ventured into the "nine-to-five" world. He labored in a variety of positions, as an electrician for Servomechanisms, Inc., from 1950 to 1958, as an electronics technician for Republic Aviation Corp. from 1959 to 1964, as a Research and Development Technician for General Alarm Corp. from 1965 to 1967, and as an officer manager for the Hawk Tool Corp. from 1967 to 1968. Before returning to his intense involvement with Eastern Paralyzed Veterans Association in February of 1969, Joe Mandella had literally paid his dues in the nine-to-five world.

Joe served Eastern Paralyzed Veterans Association as its Architectural Barriers Coordinator and later as an Associate Director from 1969 until his recent untimely death, and it was when he began his efforts in this field that changes started to happen. How deeply was he involved? Here is just a partial list of the areas which Joe challenged: transportation systems (subways, buses, livery service, passenger railroads, airports and air travel), housing, recreation facilities, convention facilities, parking facilities, gasoline allocations, and most important, disabled rights and their enforcement. The last of these—the enforcement of laws—was Joe's constant enemy. Never satisfied with a piece of legislation which existed on paper only, Joe relentlessly pursued legislators and public officials to insure that amendments would be added to federal, state, and local laws to provide enforcement of disabled rights. It was a frustrating job for Joe, but he always hung in there.

His early efforts began to bear fruit in 1971 with the passage of two important laws: Intro 1 in New York City, which provided for 32" wide bathroom doors in all residential structures, and amendments to the New York State Building Construction Code, which allocated apartments for the handicapped in construction of residential buildings. 1972 was another good year, as Joe was involved with the passage of laws in both New York and New Jersey which provided access to all new public buildings and facilities constructed with public monies. During that same year, Joe was a party to the passage of legislation in New York City providing for special parking privileges for New York City residents, whether or not they attend school or are employed. Throughout 1971 and 1972, Joe became earnestly involved in the transportation problems of the disabled, working with the design of the experimental "Prattaxi" and obtaining a policy statement from AMTRAK concerning provisions for the disabled/elderly in both new and old rolling stock, stations and terminals.

In 1973, Joe really began to push hard for enforcement of disabled legislation, particularly focusing on PL 90-480 which mandated barrier free construction in all structures and facilities funded with federal monies, and PL 91-453 which extended the 1964 Urban Mass Transportation Act to include provisions for the disabled/elderly. The problem with these laws was that local agencies interpreted them to their discretion and in many instances, accessibility was left on the drawing board. These laws remain virtually unenforceable but, thanks to Joe's efforts, there are many individuals, disabled and able bodied alike, who are aware of their shortcomings and working for their improvement. Also in 1973, Joe assumed chairmanship of the Architectural Barriers Committee and the Transportation Committee of the newly instituted New York City Mayor's Office for the Handicapped, and worked with the PATH system concerning specifications for the barrier free Newark (New Jersey) International Airport.

Joe's main thrusts in 1974 concerned passage of the New York State Human Rights Law which provides equal civil rights protection from discrimination in public accommodations based upon race, creed, color, natural origin, sex, age, and disability, and the enactment of our country's first gasoline allocation exemption program in New York State.

This survey of Joe's involvement can never do him justice. Missing are his accomplishments in his home county, Nassau (and there are many), his liaison and assistance with groups and individuals in neighboring states and communities (such as the New Jersey Easter Seal Society), and his contact and participation with numerous groups and countless seminars, hearings, conferences, etc., all over the country and in Washington, D.C. The number of people he touched was extraordinary, and his influence will be felt in publicly—funded structures and transportation modes for generations to come. It is a cliche which is used too often but which is so true—he will be sorely missed. Joe is survived by his parents and two sisters of Westerly, Rhode Island, his wife Evelyn, and his sons, Joe, Jr. and Jason.

INTENTION TO INTRODUCE LEGISLATION ON HEALTH INSURANCE FOR THE UNEMPLOYED

Mr. BENTSEN. Mr. President, on January 30, I introduced the first congressional legislation to provide health insurance coverage to unemployed workers. My bill, S. 496, would have made workers eligible for unemployment compensation also eligible for enrollment in medicare, part A. The object was to protect the unemployed from heavy medical expenses after their private coverage had terminated.

Several days later, the Finance Committee received testimony from a number of witnesses, some of whom strongly supported the bill, others who believed it would present some problems of administration and equity. I recognized those problems when I introduced the legislation, and I indicated at the time I was willing to alter the structure of the program if a different procedure could be used to implement it. I also recognized, as did all of the witnesses, the gravity of the problem and the need to do something, with millions of Americans joining the unemployment rolls and with insurance coverage generally expiring for the unemployed and their dependents within 90 days.

In testifying before the House Ways and Means Committee on my proposal, I told its members that my proposal was not "etched in stone" and that I welcomed constructive comments concerning how the proposal could be more effectively implemented.

Since that time, I have been in contact with the chairman of the Health Subcommittee on Ways and Means, Congressman ROSTENKOWSKI, of Illinois. We have jointly agreed on a new measure which we believe eliminates most, if not all, of the administrative problems posed by S. 496. It is my intention to introduce this measure, along with Congressman ROSTENKOWSKI, during the first part of next week.

Briefly, our measure will provide that all health insurance carriers must include provisions in their group policies which will entitle laid off workers eligible for unemployment compensation to the same insurance coverage available to those still working, and without cost to the worker. Those employees currently unemployed would also have protection by requiring employers to reinstate them in the plan currently in effect for the other employees of that employer. This latter provision would be financed by a 1-percent tax on all health insurance premiums under group contracts to go into a special trust fund created for that purpose.

It is not my intention now to detail all of the provisions of the new legislation, only to say that its chief virtue is that it is workable and can go into effect immediately upon enactment. This approach would be much easier to administer and require fewer new employees than any such proposal advanced.

Above all, we want to secure passage of legislation that could be put into place rapidly, with a minimum of administrative burdens. Testimony received during the hearings in both the House and the Senate revealed that none of the measures currently before Congress could be counted on to do that particular job.

In addition, we wanted to protect the unemployed while minimizing the inequities inherent in any emergency legislation. I do not believe we can justify using general revenues to finance broad health benefits for one group and minimal benefits for another. By avoiding the use of general revenues and spreading the financial burden among persons who have health insurance, rather than among the general taxpayers, we distribute the costs according to the levels of coverage and insure that the burdens will be fairly shared.

I am pleased that we have been able to work with the House Ways and Means Committee to develop this new legislation, and I look forward to an early resolution of this matter in both Houses of Congress.

EXPORT-IMPORT BANK LOAN TO CONSTRUCT KOREAN NUCLEAR POWER FACILITY

Mr. PROXMIRE. Mr. President, I ask unanimous consent to print in the RECORD a letter from Mr. William J. Casey, President of the Export-Import Bank of the United States, formally withdrawing a

proposed loan guarantee to finance a nuclear power generating facility in Korea.

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

EXPORT-IMPORT BANK OF THE UNITED STATES,
Washington, D.C., March 12, 1975.

Hon. WILLIAM PROXMIRE,
Chairman, Senate Committee on Banking, Housing and Urban Affairs, Dirksen Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: I respectfully submit a copy of my letter to the President of the Senate for your consideration.

After careful consideration, the Export-Import Bank has decided to withdraw its earlier submission to Congress of a statement outlining its proposed extension of financial assistance for the export of U.S. goods and services to be used in the construction of a nuclear power-generating facility in Korea. Eximbank will carefully review the report to be made to the Congress by the President pursuant to section 14 of the Export Administration Act Amendments of 1974, prior to making any final decision on resubmission of this transaction to Congress.

Sincerely,

WILLIAM J. CASEY.

EXPORT-IMPORT BANK OF THE UNITED STATES,
Washington, D.C., March 12, 1975.

The PRESIDENT OF THE SENATE,
U.S. Senate,
Washington, D.C.

DEAR MR. PRESIDENT: On February 26, 1975, pursuant to Section 2(b)(3) of the Export-Import Bank Act of 1945, as amended, Eximbank submitted a statement to the U.S. Senate notifying it that Eximbank was prepared to extend a direct credit and guarantee in connection with the export sale of goods and services for the construction of a nuclear power plant by the Korean Electric Company.

In order to give further study to this credit in the light of the report on the adequacy of laws and regulations providing safeguards against nuclear proliferation which is required by Section 14 of the Export Administration Act Amendments of 1974 and which is now in preparation, Eximbank hereby withdraws such notification. Eximbank will resubmit a statement notifying the Senate when it is prepared to proceed with the credit and guarantee. It is understood that when Eximbank resubmits such statement, the 25-day period referred to in Section 2(b)(3) of the Export-Import Bank Act will begin again on the date of such resubmission.

Sincerely,

WILLIAM J. CASEY.

FOOD FOR PEACE

Mr. CLARK. Mr. President, on Monday, March 9 the Senate Foreign Relations and Agriculture Committees received the administration's proposed food for peace—Public Law 480—program allocations for fiscal year 1975.

The administration should be commended for increasing U.S. food assistance and, in the process, putting to rest reports that it would ignore the limits on "political" food assistance that Congress established in the Foreign Assistance Act of 1974. That amendment allows only 30 percent of concessional sales—title I of Public Law 480—to be allocated to countries not on the United Nations' list of nations most seriously affected by the threat of famine and current world shortages.

However, the Public Law 480 allocation table for fiscal year 1975 reflects a number of problems that have been predicted for some time. Many people have expressed real concern that the increase in food assistance announced earlier this year came too late to help the hungry because of the considerable difficulty in shipping the food within the few remaining months of this fiscal year. The State Department itself noted this problem in a letter accompanying the tables:

While the Administration will make every effort to ship all Title I allocations this fiscal year, particularly to countries suffering food shortages, we cannot ensure that this will be the case. It is probable, in our view, that actual shipment charged against the FY '75 budget will not correspond exactly with the allocations set forth in the enclosed table.

With that caveat in mind, I ask unanimous consent to have printed in the RECORD the proposed allocation table for Public Law 480, fiscal year 1975.

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

FISCAL YEAR 1975, PUBLIC LAW 480 ALLOCATIONS

[In millions of dollars]

	Food	Other	Total	Total grain	Thousand MT, wheat	Rice
Title I:						
MSA's:						
Bangladesh	181		181	750	550	200
Cambodia	81		81	189		189
Cambodian reserve	50		50	125	20	105
Guinea	6		6	20	10	10
Haiti	4		4	25	25	
Honduras	9		9	35	25	10
India	165		165	800	700	100
Madagascar	13		13	30		30
Pakistan	70		70	400	400	
Sri Lanka	24		24	138	138	
Tanzania	8		8	20		20
Unallocated [1]	68		68	276	195	81
Subtotal, MSA's	679		679	2,808	2,063	745
Non-MSA's:						
Chile	52		52	300	300	
Egypt	101		101	575	575	
Indonesia		43	43			
Israel	9		9	50	50	
Jordan	7		7	40	40	
Korea	74		74	195		195
Syria	28		28	110	75	35
Vietnam	13	41	54	75	75	
Unallocated	6		6	30	25	5
Subtotal, non-MSA's	290	84	374	1,375	1,140	235
Total title I allocations	969	84	1,053	4,183	3,203	980
Fiscal year 1974 carry-in	(56)		56	85	85	
Title II [2]	361		361	[2] 1,161	712	20
Grand total	1,330	84	1,470	[2] 5,429	4,000	1,000

[1] Includes ($1,500,000) for residual school lunch program; Jamaica transferred from title II to title I.

[2] Includes 429,000 MT feedgrains under title II.

PUBLIC LAW 480—TITLE II LEVELS, FISCAL YEAR 1975

[In thousands]

	MTGE	CCC
Africa	353	$86,276
Asia	555	168,316
Supporting assistance	31	8,840
Latin America	196	62,298
Subtotal	1,135	325,730
Uncommitted	98	26,470
Subtotal	1,233	352,200
Rice reserve	100	42,800
Total	1,333	395,000

PUBLIC LAW 480 TITLE II, PROJECTED SHIPMENTS BY COUNTRY, FISCAL YEAR 1975

	MT	MTGE	CCC (thousands)
AFRICA			
Algeria	8,550	11,372	$2,202
Botswana	6,355	8,913	2,145
Burundi	2,305	2,670	693
Cameroon	3,898	5,161	840
Central African Republic	1,335	1,769	39
Chad	361	291	13 8
Congo	3,519	4,295	82 0
Dahomey	652	869	23 4
Ethiopia	11,247	11,598	1,60 4
Gabon	1,744	2,150	50 8
Gambia	3,369	3,454	77 4
Ghana	5,720	5,705	2,239
Guinea	1,847	2,408	2,013
Ivory Coast	2,323	2,673	668
Kenya	2,584	3,019	1,367
Lesotho	6,928	10,764	2,116
Liberia	1,767	2,478	501
Malagasy Republic	715	905	262
Malawi	440	478	91
Mali	28,495	27,843	6,503
Mauritania	5,971	6,281	1,894
Mauritius	6,919	8,698	1,999
Morocco	34,639	43,572	10,861
Niger	32,674	32,287	5,984
Nigeria	11,675	14,110	2,100
Rwanda	7,386	7,951	1,688

PUBLIC LAW 480—TITLE II, PROJECTED SHIPMENTS BY COUNTRY, FISCAL YEAR 1975

	MT	MTGE	CCC (thousands)
Senegal	6,814	7,362	1,506
Seychelles	344	405	111
Sudan	20,519	26,566	8,008
Sierra Leone	4,463	4,142	2,172
Somalia Republic	20,036	18,686	3,372
Swaziland	1,087	1,275	712
Tanzania	35,180	35,285	9,610
Togo	5,140	6,786	1,323
Tunisia	10,578	13,599	5,197
Uganda	170	170	225
Upper Volta	10,264	12,413	2,531
Zaire	3,307	4,484	1,098
Zambia	127	137	129
Subtotal	311,947	353,024	86,276
ASIA			
Afghanistan	8,360	8,505	3,510
Bangladesh	3,040	3,040	657
Bhutan	9	9	15
British Solomon Islands	454	573	143
Cyprus	6,261	6,404	897
Egypt	59,282	64,325	18,732
Gaza	2,288	2,568	710
India	283,402	283,730	96,538
Indonesia	26,368	28,185	8,885
Israel	3,385	4,096	1,078
Jordan	5,125	6,478	1,663
Korea	30,026	39,864	7,792
Lebanon	78	78	146
Malaysia	950	1,264	245
Nepal	3,095	3,604	1,491
Pakistan	12,352	12,282	4,621
Philippines	29,803	40,565	9,661
Sri Lanka	16,925	18,472	4,510
Turkey	17,262	18,805	4,205
Yemen, Y.A.R.	12,135	12,038	2,817
Subtotal	520,600	554,885	168,316
Cambodia	3,411	4,208	1,124
Laos	10,072	12,965	2,950
Vietnam	13,088	13,932	4,766
Subtotal	26,571	31,105	8,840
LATIN AMERICA			
Barbados	143	190	36
Bolivia	8,551	8,306	4,085
Brazil	27,459	33,568	8,263
British Honduras	528	581	104
Chile	11,113	11,320	4,560
Colombia	29,634	33,216	11,796
Costa Rica	1,785	1,421	1,074
Dominica	49	66	14
Dominican Republic	14,352	16,797	4,986
Ecuador	10,077	11,417	3,504
El Salvador	2,911	2,997	1,040
Guatemala	13,362	13,330	4,592
Guyana	381	488	115
Haiti	7,986	8,925	2,512
Honduras	6,295	6,851	2,555
Jamaica	9	9	15
Nicaragua	4,672	6,164	1,550
Panama	4,243	5,286	1,931
Paraguay	588	685	421
Peru	29,599	33,792	9,125
Trinidad and Tobago	86	111	25
Subtotal	173,823	195,520	62,298
Grand total	1,032,941	1,134,534	

Mr. CLARK. Mr. President, as the figures indicate, 30 percent of concessional sales is earmarked for political purposes. However, the Public Law 480 category marked "Other" holds particular significance. It involves nonfood products such as cotton and tobacco, and an analysis of the tables raises a disturbing point—the cotton and tobacco sold under title I were not included when the administration calculated the amount of total political assistance to be sure it did not violate the law's 30-percent requirement.

The intent of Congress is clear—to insure that this country's food assistance helps the people most in need. The administration appears to be circumventing the intent of Congress by suggesting that unlimited quantities of nonfood products such as cotton and tobacco can be sold for political purposes without violating the 30-percent restriction on such assistance. While nonfood products are only 5 percent of this year's program, they have been up to 15 percent of food for peace in the past and the precedent that this allocation attempts to set could have far-reaching implications in the future.

The exclusion of nonfood items from the allocations formula was an issue at the February 18 Senate Agriculture Committee hearings on the food for peace program. Mr. Thomas Enders of the State Department discussed it then, and amplified the Department's position in response to a letter I sent his office after the hearings.

I ask unanimous consent that the correspondence be printed in the RECORD.

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

[Senate Agriculture Committee hearings, Feb. 18, 1975]

Senator CLARK. You mention that non-food "is a very small percentage (of PL 480) in historical terms". Records show, however, that since its inception, over 15 percent of the Food for Peace program has been non-food items. These levels may be resumed at any time.

I am concerned that you have not applied the 30/70 priority formula to items such as cotton and tobacco. You argue that the amendment which establishes the 30/70 limitation applies to "concessional food aid". However, whenever PL 480 funding levels are announced, non-food items remain an indistinguishable part of our food aid program.

Q. The intent of Congress in amending the Foreign Assistance Act seems clear—a 30 percent limitation on Title I of PL 480. Do you think that the intent of Congress was to limit political assistance to 30 percent of Title I excluding tobacco and cotton?

A. We expect that non-food Title I allocations this year will be less than 10 percent of total Title I. While the inclusion of non-food under PL 480 dates from the inception of the Agricultural Trade Development and Assistance Act in 1954, and thus predates the "Food for Peace" title that has come to be attached to it, I believe it is appropriate to reduce the proportion of non-food assistance in years of larger than average food needs.

I think it important to note, however, that there is not always a trade-off between food and non-food aid and that in some circumstances our ability to supply non-food items can assist countries to make the food purchases they require. Public Law 480 now requires that the Secretary of Agriculture determine that commodities are in excess of domestic needs, adequate carryover and anticipated commercial exports before they can be made available for food aid. In both FY 1974 and again this year there were strict quantitative limitations on the amounts of foodgrains that could be allocated under PL 480. The supply situation has not been as tight for nonfood commodities. Thus situations may arise in which the only way to provide adequate financial assistance to a food short country is to ship non-food commodities. Such shipments, under some circumstances, can enable recipient countries to devote more of their own resources to commercial food imports.

Section 55(a)(5) refers to concessional food aid. I have understood the objective of that amendment to be the largest possible PL 480 program this year and one in which countries with particularly severe balance of payments problems receive priority treatment with respect to food aid. Prior to the President's decision on the overall level for PL 480 this year, there were discussions between officials of the Administration and members of the Congress. The exclusion of non-food aid from the 30/70 formula was discussed. The final decision on the PL 480 level reflects those discussions and I believe it meets the intent of Congressional sponsors of Section 55 (a) (5).

Mr. CLARK. Mr. President, I appreciate the candid assessment and explanation which are offered, but it seems to avoid the central question. The purpose of the 30-percent limitation was to restrict the political use of food for peace to allow larger contributions for humanitarian purposes. This fiscal year, $1.47 billion worth of commodities is available for distribution under Public Law 480. The law provides that a maximum of 30 percent of the concessional sales—title I of food for peace—can go to countries not threatened by famine. By excluding non-food products from the formula, more food can be used for diplomacy—at the expense of hungry people.

To assure that nonfood products are included within the restriction, I am introducing a measure which will hold all concessional sales to the formula established by Congress in the Foreign Assistance Act of 1974.

VOICE OF DEMOCRACY CONTEST

Mr. BURDICK. Mr. President, Miss Janet Sims, of Enderlin, N. Dak., has won first place in the Veterans of Foreign Wars sponsored Voice of Democracy contest for the State of North Dakota.

Janet is to be commended for her winning speech and her active participation in community and school affairs. Her speech is a reflection of her love and respect for our great Nation.

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

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

MY RESPONSIBILITY AS A CITIZEN

Being a citizen is certainly a right, but in a deeper sense, it is truly a privilege. After all, as full-fledged citizens, we are not deprived of our fundamental rights: freedom of speech, freedom of assembly, freedom of religion, and the right to petition the government to correct unjust actions. What do these freedoms consist of? Freedom is often misunderstood as privileges without limitations or restrictions: in other words, doing just as one pleases. Along with freedoms come duties or obligations. When children are not taught to follow rules, they will most likely disregard regulations later in life. They will live along the side lines, hesitant, cowardly, and selfish, ready to enjoy the benefits that others provide. The sense of responsibility is rather the realization that one has certain duties and obligations to fulfill to the best of one's ability. It involves a recognition of definite laws or principles of behavior and understanding of the distinction between right and wrong, and good and better.

The spirit or responsibility is one of generosity, determination, and perseverance. It gives freely of its time and energy and is never spent out, because it is identified with the will to serve.

What citizenship? Citizenship means full

membership in a country. It signifies something much more than just a dictionary meaning. One could read a whole book on being a responsible citizen, but the reading would be worthless unless the ideas discussed were put into practice.

In the days when the Romans ruled, the fact of being a "Roman citizen" was a source of individual pride second to none. We, too, should develop this sense of pride in our country.

Do we take our citizenship for granted? Do we realize how fortunate we are to be guaranteed of certain rights?

The establishment of a goal is the key to successful living. The most important step toward achieving responsibility is to first define it. To be responsible we must all be leaders, setting good examples. An effective leader has such qualities as confidence, energy, concern, a good set of morals, and above all, faith.

When does the sense of responsibility begin? It begins in the home with the parents' influence. If the parents are loyal and honest, their children will most likely radiate their likeness. The seeds of confidence are planted long before a child goes to school. It begins with the successful performance of limited tasks. Parents must see that certain values exist in the home: respect, pride, cooperation, and sharing. Good citizenship goes farther, though, out of the home and into the community and country.

In your community, take part in church and school doings, social affairs, organizations and clubs, and so on. Being an active member keeps you well-informed of the community's operations and goals, not only to be informed, but to help the community.

Most important, be loyal and true to your country. Have faith in your nation's leaders, even in crucial times, regarding such things as wars, energy crises, and scandalism. These problems implore an increasing need for all people to unite into one body to solve them. We gain from this atmosphere of unity an inner strength, a sense of belonging, as well as of responsibility to others.

"Life must be revealed not as a dubious and pointless struggle but as a magnificent privilege, a torch that must burn as brightly as possible before it is handed on to the next generation."[1]

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. The time for morning business having expired, morning business is concluded.

ORDER THAT NO ROLLCALL VOTES OCCUR BEFORE 1:30 P.M. TODAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that no rollcall votes occur today before the hour of 1:30 p.m. I have cleared this with Mr. FANNIN.

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

Mr. ROBERT C. BYRD. I thank the Senator.

STANDBY ENERGY AUTHORITIES ACT

The PRESIDING OFFICER (Mr. BUMPERS). Under the previous order, the Senate will now resume the consideration of the unfinished business, which the clerk will state.

[1] Clark, General Mark W., "What It Takes to Be a Leader," *Reader's Digest*, July 1967, p. 162.

The second assistant legislative clerk read as follows:

A bill (S. 622) to provide standby authority to assure that the essential energy needs of the United States are met, to reduce reliance on oil imported from insecure sources at high prices, and to implement United States obligations under international agreements to deal with shortage conditions.

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

The PRESIDING OFFICER. The clerk will call the roll.

Mr. BURDICK. 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. BURDICK. I ask unanimous consent that Barry Meyer, Leon Billings, and Richard Grundy be accorded the privilege of the floor during the consideration of S. 622.

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

QUORUM CALL

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

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

SENATE RESOLUTION 111—ORIGINAL RESOLUTION REPORTED CONTINUING AUTHORITY OF SENATE COMMITTEES TO PAY COMPENSATION AND MAKE EXPENDITURES

Mr. CANNON, from the Committee on Rules and Administration, reported the following original resolution (S. Res. 111) which was ordered placed on the Calendar:

S. RES. 111

Resolved, That, subject to the provisions of section 3, the Secretary of the Senate is hereby authorized and directed to pay from the contingent fund of the Senate, from March 1, 1975, through May 31, 1975, the compensation of employees and other expenses of standing, select, and special committees of the Senate, and subcommittees thereof, which would have been payable on and after March 1, 1975, if Senate resolutions referred to and under consideration by the Committee on Rules and Administration had been agreed to by that date, such payments to be charged to such resolutions, if and when agreed to by the Senate. If any such resolution fails to be agreed to, payments made under this resolution shall be charged to this resolution.

SEC. 2. Subject to the provisions of section 3, all functions, duties, powers, and authority which were conferred on any standing, select, or special committee of the Senate by Senate resolutions agreed to during the second session of the 93d Congress and which would otherwise expire on February 28, 1975, are hereby continued through May 31, 1975.

SEC. 3. Compensation and expenses paid for each committee under authority of this resolution during the period March 1, 1975, through May 31, 1975, shall not exceed three-twelfths of the aggregate amount (or annualized aggregate amount, if for less than 12 months) authorized by Senate resolutions for such committee for the 12-month period ending February 28, 1975. Of the total amount made available under this resolution for each committee, the chairman of such committee is authorized to allocate such amounts as he deems appropriate for subcommittee of his committee for which funds are provided by separate sections of the resolution of his committee under consideration by the Committee on Rules and Administration for the 12-month period ending February 29, 1976, to be used for the purposes set forth in such sections.

Mr. CANNON. Mr. President, I send a resolution to the desk and ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the resolution.

The legislative clerk read as follows:

A resolution (S. Res. 111) continuing through May 31, 1975, the authority of Senate committees to pay compensation and make expenditures for inquiries and investigations, and for other purposes.

The PRESIDING OFFICER. Is there objection to its immediate consideration?

Mr. WILLIAM L. SCOTT. Reserving the right to object, I would like to ask the distinguished chairman of the Committee on Rules and Administration whether this matter has been cleared with the leadership on this side of the aisle.

Mr. CANNON. Mr. President, the resolution was approved by Senator GRIFFIN, the minority whip, who is also a member of the committee, and by Senator HATFIELD, the ranking minority member of the committee, and I was instructed by the committee to report the resolution.

We have not been able to complete the work on the committee staff resolutions and, in addition to that, we have the matter of the so-called Gravel resolution to add additional staff, which is to be considered at a later time.

This resolution would simply permit the payment of the staff people, and permit the committees to operate on a continuing basis as they finished out the last month, the month of February. If it is not approved by Friday, some of the subcommittees would not be able to pay their committee staff people. I will say that by way of explanation.

Mr. WILLIAM L. SCOTT. Mr. President, with the assurance of the chairman that it has been cleared with Senator GRIFFIN, the minority whip, and the ranking Republican on the committee, I withdraw my reservation.

Mr. CANNON. Mr. President, the continuing resolution goes until the last of May for the authorization for the committees. I have, pursuant to direction of the Rules Committee, agreed that as soon as we have completed our recounting of the votes in the New Hampshire election, the Rules Committee will hold a hearing on the Gravel resolution, and then as soon as we can, and at least we will try within 2 weeks thereafter, to file a report on the Gravel resolution, and also solve the matter relating to the committee staffs, so that we would be able to report

permanent resolutions rather than going ahead on a continuing resolution basis.

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

Mr. CANNON. Yes.

Mr. MANSFIELD. I am delighted with the statement just made by the distinguished chairman of the Committee on Rules and Administration that after the vote count on the New Hampshire difficulty is resolved, it would then be the intention of the Rules Committee—he has stated this to me privately as well as publicly today—that we go into the matter of the Gravel, et al resolution; and that within a matter of 2 weeks a decision would be reached on it.

Mr. CANNON. We would report back to the Senate and make every effort to report back within a period of 2 weeks thereafter.

Mr. WILLIAM L. SCOTT. Mr. President, will the Senator yield?

Mr. CANNON. Yes, I am delighted to yield.

Mr. WILLIAM L. SCOTT. Mr. President, I, too, would like to commend the Senator for his action, for his indication that there will be a measure reported by the Rules Committee—the majority leader said within 2 weeks after the resolution of the New Hampshire situation.

Of course, I am in a different position from the majority leader. I am one of the younger Members of the Senate in point of service, and I am concerned about the lack of help on the professional staffs of the committees, and I hope that the distinguished chairman can bring some relief.

It is a general concern. A group of us met together, who have come into the Senate in the last three classes, and we were unanimous in seeking some form of relief. It is almost a case of the haves and have-nots, and I am one of the have-nots.

I thank the distinguished Senator.

Mr. CANNON. I thank my distinguished colleague. But I think I, in all fairness, should point out to him that he turned back last year in excess of $180,000 of his clerk hire fund so that he would have been able to employ additional people to assist him had he so desired. As a matter of fact, he turned back, I think, one of the highest percentages of turnback in the entire Senate, having turned back 42 percent of his clerk hire money, indicating that he only used 58 percent of the clerk hire fund allocation to him.

But I can assure him that we are considering this problem, and we will consider it in detail in connection with the so-called Gravel, et al resolution, and we will report to the Senate with our recommendations.

Mr. WILLIAM L. SCOTT. Mr. President, if the Senator will yield further, undoubtedly I will turn back money this year, I would hope to be able to do it, and, as the distinguished Senator knows, I am one of the fiscal conservatives here in the Senate, and I hope to continue in that vein.

But we both serve on the Committee on Armed Services, and, as the Senator knows, when we have executive sessions in the Armed Services Committee, the committee staff can be present but the Senators' staff members cannot be present, and this creates a problem for us.

We need additional committee staff help for the junior Senators. I am quite satisfied with the clerk hire allowance, more than satisfied with it, but it is the committee staff.

Now, I am not familiar with the wording of the resolution. I hope it can be worded in such a way that this will come—whatever help we get will be—on the committee staff rather than on the staff from our own office, because our own office staffs sometimes are not privy to what is going on in the committee, and we could better be served by the committee staff.

Mr. CANNON. Well, I will say to my colleague I am one of the ranking members on Armed Services, having been on there 17 years, and I likewise do not have a member of my own personal staff who attends the executive sessions. I try to do that myself, and to carry out that responsibility. I do not have a staff member assigned to myself who attends the executive sessions, because we have a very competent Armed Services Committee staff, and I rely on them.

If I may, to my distinguished colleague, to show that he, in turn, is very frugal with the taxpayers' money, I would like to say the distinguished Senator from Montana last year turned back $106,000 of his staff allowance or 28 percent. So he, too, was very frugal with the taxpayers' money in carrying out his duties in the Senate.

Mr. MANSFIELD. I just asked a question for my private information. I did not intend that it should be public. [Laughter.]

Mr. CANNON. I am sorry if I misinterpreted that.

Mr. MANSFIELD. That is all right.

Mr. CANNON. But I would say to my colleague from Virginia, he mentioned that he is a fiscal conservative—and, rightly so—but I would simply say if the co-called Gravel resolution were implemented, as it has now been introduced, it could have the effect of adding 1,201 persons to the payroll of the Senate staff and committee system, and it could cause the Government in excess of $32 million if it were fully implemented.

Now, to give that as some sort of a comparison, the entire committee staff structure last year spent approximately $23 million for the entire committee staff structure, so we can see that rather than being fiscally conservative, if the Gravel resolution were fully implemented, it could more than double the amount of money spent and, at the same time, could add 1,200 people to the payroll.

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

Mr. CANNON. Yes, I yield to my distinguished colleague.

Mr. ALLEN. I wonder if the distinguished chairman of the Rules Committee has possibly overlooked a hidden expense there that those 1,200 added staff members might add. No self-respecting staff member would come up with a suggestion of a program of possibly less than $10 million each, would the chairman think, and that, multiplied by 1,200, would add an astronomical amount to the expense of the Senate, would it not?

Mr. CANNON. If that were the case it certainly would add an astronomical amount. But I would say to my colleague, as I have assured my distinguished colleague from Virginia, that the Rules Committee has assured, and is assuring, the Senate that we will hold a hearing on the resolution, and we will expect the advocates to come in and testify, and we are equally sure that there will be some opponents to the resolution who will testify. But, mind you, there may be—the Senator has made a good point, that we hope to give full consideration to the matter, and to try to solve the very difficult problem that one has as a junior member on a committee when he does not have help to look to to advise him in connection with the matters under consideration.

Mr. ALLEN. Mr. President, if the Senator will yield further, would it not also be necessary to add additional office space and parking space at a cost of about $25,000 per space?

Mr. CANNON. May I say to my colleague I would not be so much concerned about the parking space as I would be about the office space because it would require, just about require, us to double the amount of office space that we have up here now. Normally that would take anywhere from 4 to 7 years to plan for it and have construction accomplished. We are right now adding on to one of the new Senate Office Buildings—we have taken over two additional apartment buildings, in addition to the complex where the old Capitol Hill Hotel was—and we are converting office space over there because it is at such a premium.

The Rules Committee has that very difficult problem, as my colleague knows, serving on the committee, and we are having a most difficult time now making office space available for the Senators who require such space to house their own staffs at the present time.

As a matter of fact, I saw in the press recently a picture where one Senator had two desks and some of his people working out in the hall. Of course, that would be complicated.

Mr. ALLEN. Mr. President, will the Senator yield for one further question? On the matter of the Gravel resolution which has come over under the rule, when the distinguished chairman of the committee agreed to see that this resolution had a hearing before the Rules Committee, was it agreed on the other side that the resolution coming over under the rule would not be considered prior to the hearing before the Rules Committee?

Mr. CANNON. Yes, that agreement was entered into, and Senator GRIFFIN and Senator HATFIELD and I were present with some of the proponents.

Mr. ALLEN. I thank the Senator.

Mr. CANNON. And we, as I stated earlier, assured them that we would, just as soon as we possibly can and, in any event immediately after the conclusion

of the counting of the disputed votes in the New Hampshire election, hold a hearing, and we would do our very best to make a report on the resolution to the Senate within a 15-day period thereafter.

My distinguished colleague and valuable member of the Rules Committee is now here, Senator GRIFFIN, in the Chamber. He attended that meeting.

Mr. GRIFFIN. Mr. President, may I inquire how does the resolution happen to be before us? It was not on the calendar, was it?

Mr. CANNON. No. I just submitted the resolution. As the Senator will recall, we discussed the resolution yesterday, agreed on the terms of it, and polled the remaining members of the committee, and I offered it and asked unanimous consent for its immediate consideration, and represented that the Senator was present and that the resolution met with his approval and with Senator HATFIELD's approval. If the Senator has changed his views——

Mr. GRIFFIN. The chairman of the Rules Committee will recall, there was discussion about an amendment of the resolution.

Mr. CANNON. The resolution was prepared accordingly and I stated for the record that it carries the continuing resolution to the last day of May, which we agreed on rather than the initial instruction from the committee which was to the end of June.

We agreed yesterday in the meeting we would make the continuing resolution only until the end of May so that we would have added incentive to try to speed up our work on the hearing on the Gravel resolution.

Mr. GRIFFIN. Well, this Senator has no objection to the resolution. I am only weighing the responsibilities that it seems are on the leadership to have matters of this kind considered in an orderly way.

Mr. CANNON. Well, if the Senator has any reluctance about considering it now——

Mr. GRIFFIN. It would take all of the Members by surprise who did not happen to be in our small meeting, I know some have some concern about it.

Mr. CANNON. Well, if the Senator wishes, I am perfectly willing to ask that it be temporarily set aside.

I simply point out to the Senator that unless it is acted upon by tomorrow, some of the committee staff——

Mr. GRIFFIN. I agree, I am well aware of that.

I rather believe that would be the better thing to do so that we can at least give Members an opportunity. If we wanted to have a time agreement, for example, that perhaps would be a good thing to do when it is taken up again.

Mr. CANNON. I am perfectly willing to agree to any particular time that the Senator desires. If he prefers it go over for consideration until tomorrow morning, I would have no objection to that.

Mr. GRIFFIN. I rather believe that we should do that. I am very concerned that we would be doing this without giving other Senators who have an interest even an opportunity to know the matter was taken up.

Mr. CANNON. Mr. President——

Mr. MANSFIELD. Will the Senator yield?

Mr. CANNON. Mr. President, I ask unanimous consent that the resolution be temporarily set aside.

Mr. MANSFIELD. Will the Senator yield?

The PRESIDING OFFICER. Without objection, the resolution will be set aside temporarily.

Mr. GRIFFIN subsequently said: Mr. President, because I think this carries out the understanding that was entered into between the chairman of the Rules Committee and the majority leader and myself in the course of the earlier colloquy, I ask unanimous consent that the resolution reported by Mr. CANNON be printed, and the resolution be placed on the Calendar.

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

PRIVILEGE OF THE FLOOR—S. 622

Mr. McINTYRE. Mr. President, I ask unanimous consent that John Cross of the Select Committee on Small Business have privileges of the floor during debate on S. 622.

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

ORDER FOR ADJOURNMENT UNTIL 9 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, if I could have the attention of the distinguished acting Republican leader, in view of the pileup of work which is occurring, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until the hour of 9 o'clock tomorrow morning.

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

UNANIMOUS-CONSENT REQUEST

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there be 1 hour's allocation on the resolution (S. Res. 111), the time to be equally divided between the chairman of the committee and the ranking Republican member of the committee or his designees, and that there be no morning hour, that we get immediately to this matter tomorrow morning after the two leaders have been recognized, and I hope the two leaders will yield back their time.

The PRESIDING OFFICER. Is there objection?

Mr. MANSFIELD subsequently said: Mr. President, I withdraw the previous unanimous-consent request.

The PRESIDING OFFICER. The Senator from Montana withdraws the previous unanimous-consent request regarding the resolution from the Committee on Rules.

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

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

EXECUTIVE SESSION

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

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

The PRESIDING OFFICER. The nominations will be stated.

THE JUDICIARY

The second assistant legislative clerk proceeded to read sundry nominations in the judiciary.

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

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed en bloc.

DEPARTMENT OF JUSTICE

The second assistant legislative clerk proceeded to read sundry nominations in the Department of Justice.

Mr. MANSFIELD. Mr. President, I make the same request.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed en bloc.

Mr. MANSFIELD. Mr. President, I request that the President be notified not only of the nominations agreed to by the Senate this afternoon, but also all previous confirmations which have not been so directed.

The PRESIDING OFFICER. 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.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mr. GARY W. HART). Without objection, it is so ordered.

STANDBY ENERGY AUTHORITIES ACT

The Senate continued with the consideration of the bill (S. 622) to provide standby authority to assure that the essential energy needs of the United

States are met, to reduce reliance on oil imported from insecure sources at high prices, and to implement U.S. obligations under international agreements to deal with shortage conditions.

Mr. BUMPERS. Mr. President, I ask unanimous consent that the following be granted the privilege of the floor during the consideration of S. 622: Charles Bangert, Bernard Nash, Jacqueline Loveless, and Richard Arnold.

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

Mr. BUMPERS. Mr. President, there has been a good deal of discussion in the past week on the prospects for a compromise between Congress and the President over energy policy. If there were real prospects for a compromise between the administration and Congress which would lead to the adoption of a sensible and comprehensive energy program, no one would be happier than my colleagues and I.

Unfortunately, the President's decision to delay further tariffs and the decontrol of old oil until May 1 more nearly resembles a "stay of execution" than a "compromise." I commend the President for this display of mercy. If the President had not delayed the imposition of further tariffs and the decontrol of old oil, petroleum costs alone would rise by over $27 billion annually. Even the brief reprieve the President has given the American consumer is not without a price tag. The $1-per-barrel tariff imposed on February 1 will increase the price of energy for the American people $13 million each day: $4 million a day more for imported oil; $3 million a day for uncontrolled domestic oil; and $6 million a day for natural gas and coal whose prices follow the price of the imported oil.

I hope that neither Congress nor the American people fall prey to the false sense of security the President's action may induce. For this administration is committed—as a matter of ideology and economic philosophy—to an energy policy based wholly upon price, tax and tariff increases.

The administration has in the past opposed practically any Government action to conserve energy and to increase domestic supply which is not based upon massive price increases to the American consumer.

I deeply regret the absence of any concrete sign that the administration has changed its view on this fundamentally policy issue of "rationing by price."

In my view the administration's commitment to prohibitive energy pricing is fundamentally wrong. It is contrary to all efforts over the past four decades to bring economic and social justice into the marketplace. The President's "rationing by price" program places all of the burden and all of the sacrifice on the poor, and on middle- and low-income groups.

Although the President's program will raise gasoline prices 20 cents a gallon, further increase electrical bills, and increase home heating oil costs by 25 percent, it will not burden the wealthy or upper-income groups. They will not have to sacrifice or make cruel choices. They simply pay the price. In the battle for energy self-sufficiency the privileged may literally avoid the draft.

But what of the average American? What about the poor people in this country and those families who are trying to subsist on fixed incomes during a period of runaway inflation and deepening recession?

Will they be able to pay the price the President's program would exact? Can they buy their way out of the burdens, the sacrifice, and the cruel choices?

The answer is obvious. Middle- and lower-income Americans must pay the price. They must drastically alter and stretch limited family budgets. They must forego aspirations and lower their standard of living. They must try to pay higher electrical and gasoline bills by paying less for groceries, clothes, and other essentials. It is this insensitivity to the economic impact of unemployment, inflation and skyrocketing energy prices, that has led the administration to a drastic set of energy taxes, tariffs and price increases.

Congress should not accept an administration position that makes no economic sense and which impacts cruelly on the poor and on the average American family.

In my view, the Congress should always be willing to happily and freely enter any negotiations with the administration on energy price, tax, and tariff policy with a clear understanding that:

Congress does not intend to support a price, tax, and tariff program that is opposed by virtually every economist and energy expert in the country;

Congress should not and should make it clear that it does not intend to establish domestic oil prices at a level of $3 above the OPEC cartel price;

Congress should make it clear that it does not intend to let the cartel control our energy economy by decontrolling all domestic energy prices; and

Congress should make it clear that it does not intend to legislate in an atmosphere of panic created by the threat of administratively imposed tariffs and huge petroleum price increases.

Last week the Committee on Interior and Insular Affairs ordered favorably reported three major energy bills. Two of these measures—S. 622, which is now under consideration, and the surface mining control bill, which the Senate of the 94th Congress adopted yesterday—were passed in the last Congress and vetoed by the President. The third measure, the Petroleum Price Increase Limitation Act—S. 621—is new. It is a response to the President's announced intent to decontrol all oil prices. S. 621 will insure that any effort to decontrol oil prices will be submitted to Congress for review and subject to the right of the Congress to disapprove. In addition, the Interior Committee has scheduled hearings before the Easter recess on S. 740, the National Energy Production Board Act of 1975.

Some of these bills, providing emergency standby authorities to the President and long overdue surface mining regulation, received early action because Congress and the President agree on the objectives the legislation seeks to accomplish. Other bills have received early action because Congress and the President disagree on the means for resolving our energy problems. Title II of S. 622 lays the foundation for a new national energy conservation policy by mandating Federal and State programs to reduce energy consumption without fueling inflation or swelling unemployment. S. 740 would create a National Energy Production Board to mobilize the massive effort required to increase domestic energy supplies in the shortest possible time, consistent with environmental concerns and the interests of State and local governments.

Mr. President, prior to this statement, I had agreed to yield to the Senator from Wyoming, who is apparently absent from the Chamber at this time. I yield to the Senator from Washington.

ENERGY CONSERVATION

Mr. JACKSON. Mr. President, in my opening statement on S. 622 yesterday, I outlined the major provisions of title I, which establishes standby authorities to deal with severe energy shortages, and of title II, which directs the implementation of State and Federal energy conservation programs. I would like to comment further on title II, Mr. President, because these programs provide a rallying point for all of those in Congress who oppose the President's "rationing by price" policies, but recognize that our Nation's energy consumption can and must be curtailed, as soon as possible, in a way which does not damage prospects for economic recovery.

The programs to be initiated under title II will result in significant energy savings—the energy equivalent of over 800,000 barrels per day of crude oil within a year and a million barrels per day by 1977 according to the estimates of the Federal Energy Administration's Comprehensive Energy Plan and the Project Independence Blueprint. These programs will begin the process which will substantially improve efficiency in energy use and build it into the fabric of the U.S. economy. Most important, the achievement of these goals does not depend on the imposition of the indiscriminate and ruinous increase in the price of energy which is the heart of the administration's energy program. In contrast to the administration program, this is a real conservation program which will not force the poor to conserve while the rich are exempted; it is a program in which the burdens will be lighter because everyone will share them.

The legislation would require the Administrator of the Federal Energy Administration, in cooperation with the relevant centers of expertise in the Federal Government, to promulgate regulations which specify standards and establish model Federal programs for a broad range of areas where the opportunities for energy conservation are significant.

Each State would submit to the Administrator a State energy conservation program which selects an appropriate set of conservation measures from among the Federal model programs and adapts them to the economic, climatological, geographic, and other unique charac-

teristics and conditions prevailing in the State. Reasonable and attainable targets and objectives for each State energy program would be determined by the Administrator to guide States in the selection of conservation measures to be applied in each State. The authority to manage these State programs, which would be supported by Federal grants, would be delegated to State government.

The list of opportunity areas for energy conservation is based on the results of the Federal Energy Administration's detailed efforts, represented by the comprehensive energy plan mandated by the Federal Energy Administration Act and the Project Independence Blueprint. These assessments of energy options, prepared by the FEA at the cost of several million dollars, have been all but forgotten by an administration which seems as hypnotized by the illusion of price elasticities which are totally unsupported by any real historical data as it is blind to the clear and substantial evidence that its energy price policies promise certain economic disaster in 1975.

The conservation programs embodied in title II of S. 622 recognize the very real impediments to new investment in energy efficiency by the very large number of consumers who have already been hard hit by inflation and recession. These Americans have taken what steps they can to conserve in response to the price increases initiated during the 1973 oil embargo. They are looking to the Federal Government for leadership. I find it incredible that all this administration has to offer to them is another round of energy price increases as substantial as the increases of 1973–74. In opposition to this uncritical reliance on price rationing of energy, S. 622 offers realistic and equitable programs based on real analysis.

The provisions of title II offer consumers, not higher prices, but real, concrete programs designed to assist them in reducing both their energy consumption and their fuel bills. The energy savings estimated for these conservation measures are not based on price elasticities invented to achieve a "good round number." They are based on substantial FEA analytical effort to investigate the potential for energy savings in specific subsectors of the economy.

The central question to be faced in analyzing the administration's energy proposals is the choice between which a conservation policy implemented gradually over the long term, during which the important sectors of the economy—businesses, industry, individual consumers—are given time to adjust and a sledge-hammer price increase delivered at a time when the economy is in the throes of a severe recession. A prisoner of its own ideological rigidity, the administration has painted itself into a dangerous corner. S. 622 offers a way out which is based on the administration's own analysis. I urge them to take it.

RECESS FOR 1 HOUR

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate stand in recess for 1 hour.

The motion was agreed to, and at 1:14 p.m. the Senate recessed until 2:14 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. GARN).

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

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

Mr. BUMPERS. Mr. President, I yield 15 minutes to the distinguished Senator from Nebraska, wtih the understanding that the floor will be yielded back at the completion of his remarks.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. JOHNSTON. Mr. President, will the Senator yield for a unanimous-consent request?

The PRESIDING OFFICER. Does the Senator yield?

Mr. HRUSKA. Yes, indeed.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that my staff man, Paul Haygood, be accorded the privilege of the floor during the consideration of S. 622.

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

(Remarks made by Mr. HRUSKA at this point in the proceedings are printed under Introduction of Bills and Joint Resolutions.)

STANDBY ENERGY AUTHORITIES ACT

The Senate continued with the consideration of the bill (S. 622) to provide standby authority to assure that the essential energy needs of the United States are met, to reduce reliance on oil imported from insecure sources at high prices, and to implement U.S. obligations under international agreements to deal with shortage conditions.

Mr. BUMPERS. Mr. President, we are ready to consider amendments to S. 622. The distinguished Senator from Ohio has an amendment that he would like to present at this time, and I would like to ask unanimous consent for not more than a 30-minute time limitation to the amendment.

Mr. HANSEN. I object, Mr. President.

The PRESIDING OFFICER. Objection is heard.

Mr. MANSFIELD. Mr. President, will the Senator withhold briefly?

This is not on the bill or on all amendments but just on this particular amendment, and I would hope it would be possible, in the interest of advancing the work of the Senate, to be able to arrive at some consideration of amendments and legislation in general because we have a pretty heavy schedule ahead of us.

For example, we have health bills, a bill affecting the Trust Territory, a decontrol moratorium on energy, and we have appropriations for foreign operations—probably to be reported next week on Cambodia; appropriations for emergency jobs, hopefully to be reported next week; a health bill to be taken up next week, additional authority for a wage-price commission to be reported this week; a monetary policy resolution to be reported early tomorrow morning, and a tax rebate bill which will take some time; and I would hope that it would be possible to give consideration to a time limitation on these amendments as they come along so that it would be possible thereby to expedite the work of the Senate, especially if it goes out on a vacation a week from this coming Monday.

Furthermore, I would like to get to the tax bill when it is reported, but I think as long as we are with this bill at the present time we will have to stay with it until it is disposed of one way or the other.

So would the Senator consider it on an amendment-by-amendment basis?

Mr. HANSEN. Mr. President, let me say first to the distinguished majority leader that no one has been more gracious and more considerate than he has been, nor has anyone been fairer and more considerate than has been the majority whip.

I do not propose to take any time at all. I am not going to debate it. I will not hold up the vote at all, but I want to make the point that the Committee on Finance, despite the fact that it was precluded from meeting officially while the Senate was in session, has been meeting unofficially, and only when word came over there that we had gone into recess was it able then officially to meet, which it is continuing or I presume—well, it may be, I think it would be fair to say, that it is continuing now in meeting on an unofficial basis.

I am not criticizing the chairman of the Finance Committee. He has my full sympathy, but I must point out to Senators that there are those of us who are members both of the Interior Committee and the Finance Committee, and for whatever may be the reasons—and I am not criticizing those who are scheduling legislation before the Senate—the fact is that there are a number of important bills being considered, and certainly this is one that I think demands my presence on the floor.

Now, as quickly as I finish I will be ready to vote, but I will object to any time limitation. I do not have any speeches to make, but I just want to make clear what the situation is, and the fact that despite our best efforts, those of us who are members of both committees, to try to attend and to be as conscientious as we can be, and to try to be as knowledgeable as we can be, we have been placed in an impossible situation. So I do object.

Mr. MANSFIELD. Mr. President, I seek recognition.

I can appreciate what the distinguished Senator from Wyoming has said vis-a-vis the position in which he finds himself.

But I would point out that it is not unusual that every Senator at some time or other finds himself in exactly the same position, and the leadership is charged by the Senate with seeing that

the legislation is considered on an expeditious basis, and the only reason why I joined with the distinguished Senator from Arkansas was to try to bring about consideration on an expedited basis because of the way the schedule is piling up.

Mr. HANSEN. If the distinguished majority leader will yield, Mr. President, let me observe, as I said earlier, I would be glad to vote right away. I do not intend to participate in the argument, but I do object to any time limitation.

Mr. McINTYRE. I call up my second amendment, which is at the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

On page 77, after line 22, insert the following new subsection:

"(b) Any rule, regulation or order and any other action taken pursuant to subsection (a) of this section which involves the allocation of petroleum within the domestic jurisdiction of the United States shall conform to the objectives and limitations specified in the Emergency Petroleum Allocation Act of 1973 and the Federal Energy Administration Act of 1974 and be subject in its promulgation and operation to the administrative and judicial review procedures established for orders or regulations issued pursuant thereto."

SEC. 2. On page 77, line 23, strike "(b)" and insert in lieu thereof "(c)".

Mr. McINTYRE. Mr. President, it was not long ago that Congress passed and sent to the President the Emergency Petroleum Allocation Act of 1973. Later we passed a standby authorities bill that was designed to deal with problems created by an oil embargo against the United States, but President Nixon vetoed that bill.

Now, with this new bill, S. 622, we are going to give the power to the President to protect, as much as possible, the United States from an embargo and aid our allies and friends. I think we need this act, but I want to be sure that the President cannot use these new powers to circumvent the Emergency Petroleum Allocation Act or the Federal Energy Administration Act.

So this amendment would add a new subsection to section 113 of the bill, and it would be an amendment to the International Allocation Authority clause. It would make certain, it would make sure, that the intent of the Emergency Petroleum Allocation Act be followed whenever we join in an international allocation scheme or plan.

Now, Mr. President, I have two amendments to this bill. The first, an amendment to the International Allocation Authority clause, would make sure that the intent of the Emergency Petroleum Allocation Act be followed whenever we join in an international allocation scheme.

This is a clarifying amendment to insure that actions taken by the President are consistent with the goals we previously set for him under the Allocation and FEA acts.

We went to a lot of trouble and took a lot of time detailing our priorities under the two acts and we should make sure that S. 622 follows the goals we laid out.

Section 113 of the bill provides that the President of the United States is authorized, and I quote, "by rule, regulation or order" such action "as may be necessary" to perform the obligations the United States assumed under the IEP, the international energy program.

Necessarily, this will involve reallocation of substantial quantities of crude petroleum and petroleum products otherwise available within the United States for allocation under the Emergency Petroleum Allocation Act of 1973.

Indeed, section 113 is explicit in relating the President's authority to petroleum supplies "destined directly or indirectly" for import into the United States or which are "produced in the United States."

It provides that "rule, regulation, or order" issued to implement the IEP can control the international allocation of such domestic supplies, and I emphasize domestic supplies, "in such amounts and at such prices as he may specify."

So, to sum it up, to sum up the intent and the purpose of this amendment, Mr. President, this provides an overriding Presidential authority to impose on the complex domestic allocation scheme under the EPAA, a wholly new scheme of allocation and of pricing which need not conform to the same objectives. There is not, but there should be, in the opinion of this Senator, the requirement that the "international" allocation program subscribe to the same objectives or be subject to the same limitations as the existing domestic program.

This requires amendment of section 113 to conform it to the continuing programs of the EPAA.

I strongly recommend to the manager of the bill that this amendment be accepted in amplification of the present spirit of those two acts I have mentioned in my opening remarks.

Mr. BUMPERS. Mr. President, the committee has reviewed and considered the amendment of the distinguished gentleman from New Hampshire to be a very appropriate one. It clears up that section of the bill. I think it clarifies it, and I think in a meaningful and helpful way, and it is acceptable to us.

Mr. MORGAN. Mr. President, I ask unanimous consent that my assistant, Mr. Dennis Whitley, be allowed privilege of the floor during consideration of Senate bill 622.

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

Mr. BUMPERS. Mr. President, I ask unanimous consent that the amendment be considered by voice vote.

Mr. FANNIN. Mr. President, may I be heard?

Mr. President, although I do not have objections to the amendment of the distinguished Senator from New Hampshire, I will say that the language in section 113 is objectionable to the Senator from Arizona. Since this change affects in no way the objection I do have, I do not have an objection to the amendment. We must make changes in section 113 and will have amendments to it. So if our proposals affect the distinguished Senator from New Hampshire, we will have to take that into consideration at that time.

Mr. McINTYRE. Mr. President, did I understand the distinguished Senator to say amendments may be offered to the bill, may impinge on the amendment now to be accepted?

Mr. FANNIN. That is the information I did want to give to the distinguished Senator from New Hampshire.

Mr. McINTYRE. I move the adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New Hampshire.

The amendment was agreed to.

Mr. McINTYRE. Mr. President, I call up my first amendment.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk read as follows:

On page 97, after line 3, insert the following new subsection:

"(n) No provision of this Title is intended to, nor shall it be construed to grant any defense, create any immunity, or affect in any way the rights of any person suffering legal wrong because of any act or practice relating to the subject matter of this section which took place prior to the enactment of this Act."

Mr. McINTYRE. Mr. President, this amendment that I propose would amend section 121 of the bill by inserting a new subsection. The point of this new subsection is this: To make certain that the actions that have already been taken by various government agencies together with the international oil companies that may have been in violation of the Federal Energy Administration Act do not receive a ratification or an OK from this Congress.

This section provides that the government and the industry may set up agreements to carry out the planning and allocation plans of the international energy program. Whenever we have had agreements such as these in the past, they have meant establishing an oil industry committee with antitrust immunity, to plan and carry out action for common sharing of supplies, facilities, and customers.

And, it should be added, for consideration of prices.

There were quasi-governmental groups set up during the Iranian crisis of 1951–53 and the Middle East crisis in 1957.

While the strict provisions of this part of the bill should provide possibly strong enough safeguards to make sure that we do not see rapid price escalations from possible misuse of the contemplated voluntary agreements, I believe that further safeguards may be necessary.

This bill provides that the Defense Production Act of 1950, as amended, will be available for 60 days after the enactment of this bill for voluntary programs.

The IEP has already been working under this act's section 708 for some time. In December 1974, for instance, a consultation took place under the auspices of the State Department and the FEA with a group of oil companies that

resulted in a voluntary agreement. Those meetings were closed—were closed.

This bill, if we pass it without this new subsection "n", could result in our putting a seal of approval on that meeting and subsequent meetings that were held without public knowledge.

Therefore, rather than commit the Senate of the United States and the Congress to approving what has already taken place, I suggest that we add this subsection clarifying our intent.

I know that the Judiciary Committee, the Interior Committee and others have worked on this section, and agree with it, and it is my understanding that the administration does not oppose this, so I ask that it be incorporated in this bill.

I urge the Senate to agree to the amendment.

Mr. BUMPERS. Mr. President, again, this is an amendment which provides that the antitrust exemptions as set out in the bill shall operate prospectively and not retroactively.

The committee is in full accord with the distinguished Senator's amendment and I think it will serve to maybe alleviate some of the apprehensions people had about that particular section.

It is acceptable to the committee.

Mr. FANNIN. Mr. President, on the minority side, we have no objections, and I have no objection to the amendment. I feel that there are many other matters involved in the final determination of how this section will fit in, which will make a difference, but we will be glad to cooperate.

Mr. McINTYRE. I thank the distinguished Senator from Arizona.

I move the adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New Hampshire.

The amendment was agreed to.

The PRESIDING OFFICER. Are there further amendments?

AMENDMENT NO. 85

Mr. GLENN. Mr. President, I call up amendment No. 85 which is cosponsored by Senator BAYH, Senator FORD, and Senator MAGNUSON.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk read as follows:

Strike all from page 65, line 15, down through page 67, line 2.

On page 67, line 3, strike "(d)" and insert in lieu thereof "(c)".

Mr. GLENN. Mr. President, I ask unanimous consent that Terry Freundlich, of my staff, be permitted the privilege of the floor through the consideration of this bill.

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

Mr. GLENN. Mr. President, the amendment that I propose would strike the provision, section 107(c), of the bill which relates to State-owned and State royalty oil.

It has been offered as an amendment and was adopted by the full committee.

Briefly, it provides that so long as a two-tier price system is maintained for crude oil, States would not be permitted to charge unregulated "new oil" prices for crude in which they have an interest.

Without this amendment the price would rise from $5.25 on the current pricing up to about $11 a barrel, the international cartel price.

The volume of old oil to which the provision applies would be limited to 20,000 barrels per day in any one State. Even so, the Interior Committee staff estimates that the provision would cost American consumers about $200 million a year.

We can verify $177 million from 1973 production figures. Other States have smaller amounts of production and these increases would automatically be passed on to the American consumers. The ultimate price increase would be between $210 and $215 million.

In support of the existing provision, it was argued in committee that the revenues generated for the few oil-producing States are much needed by those States and I do not dispute that contention.

Indeed, all States need money these days and that is the reason we have a revenue-sharing program. However, I can see no reason why such revenues should not be raised through the normal mechanism of State taxes and loans as is customarily the practice.

To require consumers to absorb yet another increase in their fuel bills for the benefit of these producing States seems to me to be entirely unfair. The effect is to give those States the benefit of the oil cartel's price at the expense of the general public.

This line of argument last year persuaded the former Federal Energy Office to remove the State and local governments' exemption from price controls. In issuing regulations revoking the exemption, the office stated:

The FEO believes that the . . . revenues obtainable through the sale of crude oil at uncontrolled prices would represent, in effect, windfall revenues for those state and local governments having crude oil interests at the expense of the adverse impact on the overall objectives of the Emergency Petroleum Allocation Act.

Section 107(c) of S. 622 would restore that exemption with its accompanying windfall to a maximum of 20,000 barrels per day per State.

If there are any questions, I will be glad to yield.

Mr. BUMPERS. Will the Senator yield?

Mr. GLENN. Yes.

Mr. BUMPERS. How many States will be affected by the bill as presently written without the Senator's amendment? How many States would derive benefit from 20,000 barrels per day?

Mr. GLENN. From the best figures we have, I believe there would be 10 States affected, the five major producing States alone accounting for $177 million in additional costs based on 1973 production.

Mr. BUMPERS. Does the Senator have a list of those States?

Mr. GLENN. I do. Alaska, California, Louisiana, New Mexico, and Texas are those on which we based the $177 million figure. That is from a staff study. I believe copies of that were included with the statements which are on all the desks now. There are an additional five States which would have lesser amounts than the 20,000 barrels, and those would be Oklahoma, Colorado, Wyoming, Mississippi, and Montana, all with smaller amounts.

Mr. BUMPERS. Has the distinguished Senator made a computation of what the total cost will be in the increased price of oil in all of the participating States?

Mr. GLENN. We can verify from the five States an absolute $177 million increase in price. With the smaller amounts from the other five States that I mentioned—Oklahoma, Colorado, Wyoming, Mississippi, and Montana—added in, the total cost would come out somewhere in the range of $210 million or maybe $215 million a year, but not over $225 million. This would be added directly to the cost of the consumers of this country at a time when they already are hard hit with fuel prices.

Mr. BUMPERS. To be sure that the Senators are fully aware of how the bill reads and what the amendment proposes to do, we have two-tier oil pricing in the country, one for old and one for new. Is that correct?

Mr. GLENN. That is correct.

Mr. BUMPERS. The bill as it is presently written will allow any State which owns oil to get the higher price of something over $10 a barrel as opposed to the $5.25 price of old oil. So each State which is entitled to participate would receive an additional $5 and something for 20,000 barrels of production a day. Is that correct?

Mr. GLENN. The Senator from Arkansas is correct. Perhaps I should have gone into the two-tier price system in more depth. However, with the idea of moving the debate along, I omitted that discussion. So-called old oil, domestically produced, is regulated at $5.25 a barrel. As the bill now stands State or municipally owned oil would be considered as new oil to a maximum of 20,000 barrels per day. This provision would escalate the price of such oil immediately to the cartel price, which is about $11 a barrel right now.

Mr. BUMPERS. That would be in addition to the royalties that any State is now receiving on State-owned oil?

Mr. GLENN. The Senator is correct.

Mr. BUMPERS. I thank the Senator.

Mr. JOHNSTON. Mr. President, the Committee on Interior and Insular Affairs considered this matter on three separate days, and I might say in some detail. Some members of the committee might even say ad nauseam. The point is the matter got a full and complete hearing. The issue here, Mr. President, is one of those delicate questions of Federal-State relationships, one where it is not easy to draw the line between the interest of one and the other. It is an argument that goes back as far as McCulloch against Maryland, an old Supreme Court case close to the birth of this Nation, when the law was first being formed.

The question is what is the interest of a State? Is a State ripping off the Federal Government, as my colleague

from Ohio says, when it charges what it will according to the market interest for something that it owns? Contrariwise, is the Federal Government ripping off the State when it regulates that which is owned by the State?

It is not an easy argument to resolve clearly one way or the other.

Indeed, Mr. President, when we first passed the Petroleum Allocation Act back in 1973, I believe, authorizing the FEA to control these prices, the FEA initially did not control one single barrel of State-owned oil. The FEA resolved that question initially. Not 20,000 barrels in favor of the State but 100 percent of a State's production was left to the State to be resolved.

Some 90 days later, the FEA saw it differently and went 100 percent the other way.

When the matter came up for extension of this act in the Interior and Insular Affairs Committee 1 year ago, as I recall, this matter was brought to the committee for consideration at that time, pointing out that the initial position of the FEA not to regulate any State-owned oil had been changed, and that that matter should be considered by the committee before we extended the act.

At that time the committee said, "Let us defer the matter" because there was an overriding interest in extending the act on that first consideration.

It is only at this time that the committee has first had the chance to consider this matter of where is the proper dividing point between the State and Federal interest.

I might say, Mr. President, the State of California has over 120,000 barrels a day of State-owned oil. They wanted to exempt the whole thing. As a matter of fact, they brought one suit against the FEA to do so. My State has over 52,000 barrels. The State of Montana has a large amount, and several other States have oil which they would like to charge the market value for.

The committee sought on three different days, and, as I say, with argument in some depth and at some length, to strike a balance. That balance was not struck at the point that I would like it struck, but at a point that the committee chose—20,000 barrels a day.

Mr. President, I think that that balance, in the judgment of the committee, deserves to be maintained by this Senate.

Mr. TOWER. Will the Senator from Louisiana yield?

Mr. JOHNSTON. Yes.

Mr. TOWER. Let me go into another aspect of this. What does the revenue derived by the State of Louisiana for the sale of these petroleum resources go for, primarily?

Mr. JOHNSTON. It goes for education. It goes for all of the State matters. In my particular State, with the per capita income, they need the help a great deal. I might say the amount we would recoup from this would not even pay for the cost of the services we provide for offshore oil for which we get no recompense. It would be used for the people, in effect.

Mr. TOWER. I was glad to hear the Senator's comment on that because in Texas the money derived from the sale of oil, from land sales, rentals and royalties, goes into the fund that supports higher education in my State. Of course, the cost of higher education has escalated considerably. This source of revenue is very badly needed.

We have several State governments, including some of those that are oil producers, that find themselves in financial straits now and unable to meet some of their commitments, and with great requirements for expanding the expenditure on education.

In effect, what this bill would do so far as my State is concerned would be to draw money from the support of higher education in my State. The ultimate result is that we come to Washington and ask for more aid for higher education. So I do not see any useful purpose in doing it this way.

Mr. JOHNSTON. The Senator is correct.

Mr. GLENN. Mr. President, will the Senator yield for a comment?

Mr. JOHNSTON. In a moment. I want to reply to something the distinguished Senator from Ohio said.

The thrust of my distinguished colleague's objection to this is that it is a ripoff to the consumers, that we are putting great cost on their backs.

The fact is that, in my judgment, not 1 cent of additional cost will go to the consumers of this country. Why? Because the cost per gallon of gasoline, according to our calculations, is seven-hundredths of 1 cent. We have a glut on the market right now of gasoline, and I cannot conceive of how a gas company would raise its price of gasoline by a full cent because its costs are increased seven-hundredths of 1 cent.

Roughly 100,000 barrels of oil would be exempt under this, according to the Library of Congress—some 107,000. The increased cost that the Library of Congress estimated at $5 a barrel would be approximately $500,000 per day. Forty percent of that average barrel goes into gasoline, and that figures out to seven-hundredths of 1 cent per gallon.

I ask my distinguished colleague, first, is that not approximately correct, in his judgment?

Mr. GLENN. Seven-hundredths of 1 cent? Is that what the Senator is referring to?

Mr. JOHNSTON. Yes.

Mr. GLENN. I do not have figures on the seven-hundredths of 1 cent per gallon, but I do know that when we take the figure of somewhat more than $200 million per year, which would be the cost to the American people, that figure comes out in the neighborhood of $1 per year for every man, woman, and child in this country.

In answer to the comment of the Senator from Texas a moment ago——

Mr. JOHNSTON. If I may interrupt my distinguished colleague, gasoline is not charged by the year by the person but by the gallon. If it is seven-hundredths of 1 cent per gallon, how much is the oil company going to increase that cost?

Mr. GLENN. The Senator from Louisiana may be correct as to the seven-hundredths of a cent per gallon. I do not know. But I do know that when you compute the cost of fuel at some $6 per barrel, with the amount coming out of the affected States, it comes to somewhere around $200 million. This can be broken down as to what part comes out of gasoline, to which the Senator is referring, what part goes into other distillates—heating oils, and so forth—but, I emphasize, those figures should all be totaled in order to give a clear picture. I do not see how the Senator from Louisiana can separate this down into those component parts to have it look small. The provision must be considered in its entirety, as to the cost to the people of the United States. I have attempted to do that by taking the $6 increase per barrel across the board. I do not have the breakdown figures. We could get them, but I think they would be inconsequential and nonmeaning.

Mr. JOHNSTON. I think they are, as a matter of fact, inconsequential on a per-gallon basis, and that is what we are talking about here. What is the consumer going to have to pay? Is the consumer really going to have to pay anything for this? The fact is, no. It is spread over such a large base that I think there will be some slight diminution of profits of Exxon, Gulf, Texaco, and so forth, on down the line. But it even will be inconsequential to them; even inconsequential to the oil companies which will have to absorb it. But where is the proper balance between what the interest of the State is? Is it 100 percent exempt, as the FEA has said, or is it zero exempt, as they said 90 days later?

The Committee on Interior and Insular Affairs said, after 3 days' debate, "Let's draw that line at 20,000 barrels a day"—not the whole loaf to either the interests of the State or the interests of the National Government, but I think a proper interest for federalism and for the federal system on which this country is founded.

I hope that the Senate will reject the amendment.

Mr. BUMPERS. Mr. President, I have discussed this amendment both in the committee and with the distinguished Senator from Ohio and my distinguished colleague from my neighboring State to the south, and I must confess that at this moment I do not know how I am going to vote on this amendment.

I come from a State that has a very small amount of oil production, about 45,000 barrels a day. But I come from a State which has had difficulty in its educational system, for example, because we have not always had the amount of money we would like to have to educate our children. As Governor of my State for 4 years, I can tell the Senate that I intend very strongly to be sympathetic to the Senator from Louisiana's point of view, because I know that States have a difficult time balancing their budgets, providing their children with the kind of education they want them to have.

Last year, I appointed an educational task force in my State to study the whole broad spectrum of the kind of education

our children were getting. One of the things they reported—and I think it is incontrovertible—was that the amount of money spent for a child's education determines pretty much the quality of his education.

In one school district in our State which happens to be blessed with virtually all the bauxite in America—from which aluminum is made—and where all aluminum mills in Arkansas are located, we spend about five times more on each student than we do in some of the small rural school districts of north Arkansas. As I say, there is a difference.

We are talking here about a precedent, which is what troubles me. Some States have indeed been blessed with a tremendous amount of natural resources. Are we going to decontrol natural gas and allow so many cubic feet of natural gas to go to the State from which it is produced, if they own the gas?

How about my distinguished friends in the West—Montana, Wyoming, Colorado, Utah? All those States have great quantities of shale oil, which will soon be developed in this country—coal which will soon be mined.

Mr. JOHNSTON. Will the Senator yield?

Mr. BUMPERS. I yield.

Mr. JOHNSTON. Is the Senator aware that in those great States of the West, with all these mineral resources produced on federally owned land, they get 37½ percent of the revenues from that production? Most of them are on federally owned land. So that in the lease of shale oil in Colorado, for example, which just took place, with some $200 million paid, the State of Colorado got 37 percent of that, or about $75 million. If we are going to have precedents, I say that is a good one.

Mr. BUMPERS. I might add that we are also going to share the fees that we collect on coal in those States, to go back to those States and help reclaim that land, or for any other use to which they want to put it.

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

Mr. BUMPERS. I yield.

Mr. JOHNSTON. Is a depletion allowance granted on bauxite?

Mr. BUMPERS. I believe there is a small depletion allowance, substantially less than the 22.5 percent on oil. I believe it is 5.5 percent.

Mr. President, I am not standing here to debate. I suppose I am standing here to try to resolve this in my own mind by making these observations.

It troubles me to take issue with my distinguished colleague, for whom I have such great respect. I say this: The State of Louisiana has borne the brunt of all offshore drilling that has taken place in this country, and I think that that particular State and one or two others are entitled——

Mr. TOWER. Not quite all of it. There is a lot off Texas. [Laughter.]

Mr. BUMPERS. Those States which have borne the brunt of that offshore drilling are entitled to some consideration for the impact on the communities onshore that go with the offshore drilling.

Had this bill been confined, I would have no difficulty whatever, I think, in supporting it. I may support it anyway. But I simply say that there is a precedent here, and I have trouble with it simply because I do not know where it is going to lead us.

Mr. GLENN. Mr. President, I yield to the Senator from Washington.

Mr. JACKSON. Mr. President, I voted "present" when this matter came up in the committee, because I wanted to check the precedents regarding the sale of State-owned property during World War II and the Korean war—when we had price controls. I have been advised that in the sale of our school timberlands, owned by the State, in each instance—World War II and the Korean war—they did cover those sales under the overall Price Control Act.

I think that is the problem we face, and I am concerned about the precedent in making an exception, in trying to regulate prices, the economy as a whole.

I share completely the comments of the able Senator from Arkansas, the problem of the abutting States. It involves the Gulf States and California primarily, and it will involve Alaska. In our Outer Continental Shelf bill, we did provide special impact aid and assistance to the States involved, as a result of the fine work of the distinguished Senator from Louisiana. I think he made a very good case, and we will be taking up that bill again. It was passed in the Senate, and I will give him full support in providing for a proper sharing of the burden on the part of the Federal Government in connection with its offshore operations.

My only concern here is the question of how we are going to handle property that is sold, disposed of, placed into the economy, which is owned by the States. Should it be exempted from price controls? As I say, the precedent we checked this morning makes it clear that we made no exceptions in the past in connection with those sales. So I shall support the amendment.

Mr. GLENN. Mr. President, I appreciate the comments of the Senator from Washington.

The only other point that I think has not been replied to is the statement of the Senator from Texas about the dependence of the Texas educational system.

I have lived some years in Texas. I am fully aware of the situation there with regard to funding for the educational system, which is an excellent system. I can only say that the dollar per person per year costs imposed upon the public by this bill is inequitable. In the State of Ohio, for example, there are almost 11 million people and we would like to have that $11 million for our educational system. Because of the windfall profits for a few States, we feel the present provision is unfair.

Unless there are further comments from the other side, I would ask for the yeas and nays.

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

Mr. JOHNSTON addressed the Chair.

The PRESIDING OFFICER. The Senator from Louisiana is recognized.

Mr. JOHNSTON. Mr. President, on this question of precedent, if we could have the same precedents that we have, for example, on 37.5 percent from the oil and gas produced on interior States and the coastal States, the oil producers would be delighted. But the fact of the matter is there is a whole patchwork of precedents out there and one can pick the one he wants and if one can graft it onto his State, he is in very good shape for his State. Mr. President, this is not a question of precedent, this is a question of drawing a line and striking a compromise, striking it, frankly, on the side of the National Government, the Federal Government, and not on the side of the States.

I have repeatedly asked my friend from Ohio how it is that he is going to pass along a seven-hundredths of 1-cent-per-gallon cost to the people of Ohio. I suggest that that cost would be passed along to the Exxons and the Gulfs and the oil companies in this country.

Mr. BUMPERS. Will the Senator yield for an observation?

Mr. JOHNSTON. Certainly.

Mr. BUMPERS. I point out that in my candid opinion, seven-hundredths of 1 cent, based on their past conduct, is more than ample excuse for them to raise the price of gas 1 cent in this country.

Mr. JOHNSTON. I am not going to defend the pricing policies of oil companies, except to say that it is a well-known fact that there is a glut of gasoline on the market right now and there is pressure to reduce the price of gasoline, rather than to increase it. I submit that seven-hundredths of 1 cent per gallon is not going to break the people of this Nation, is not going to be felt by the people of Ohio, and, indeed, is not going to be absorbed, not even 1 cent of it, by the consumers of this Nation.

Mr. GLENN. Will the Senator yield for a question?

Mr. JOHNSTON. Yes.

Mr. GLENN. The Senator has the figures of seven-hundredths of a cent per gallon on gasoline. Does he have the figures on home heating oil, on tractor oil, on diesel fuel, all these other figures that go into making this approximately a dollar per person increase a year? I do not think that we can yet separate out one tiny portion that will apply only to automobiles and use it as a basis for opposition to this amendment. Does the Senator from Louisiana have figures on other uses of crude oil?

Mr. JOHNSTON. That is a percentage applied to gasoline. We can have the same kind of percentage applied to home heating oil—I suppose seven-hundredths of 1 cent per gallon on home heating oil—an infinitesimal amount, I believe, and one that will not be passed along to the users of whatever it is—whether diesel oil, home heating oil, gasoline, lubricating oil, whatever it is. It simply is not that great.

I think the balance has been struck properly, Mr. President, and at the appropriate time, I intend, as soon as the Senator from Ohio has finished his comments, to move to table the amendment.

Mr. TOWER. Mr. President, I was delighted to hear my distinguished friend from the State of Washington say that we should not make any exceptions and that products sold by States during World War II and the Korean war were subject to price controls. I am sure that with that rationale, he will probably support the amendment. Should the question of the depletion allowance and the phasing out of the depletion allowance come up, I am sure that all people who have this view of no exceptions will want to support amendments that will remove the depletion allowance for timber, for antimony, for zinc, for lead, for ceramics, for everything else that carries a depletion allowance. So I shall remember this point when the depletion allowance comes up, because I think we should apply it to everything and not just to an item that is in short supply.

Of course we have a glut of gasoline now. We have inventories. But over the long pull, we foresee short supply from the standpoint of domestic self-sufficiency. It occurs to me that there could not be a worse time to impose narrow proscriptions on what limited incentives are available to the oil and gas industry for oil exploration and production than now.

I remember that I stood on this Chamber floor about 6 years ago and said to one of my good friends from New England that one day the Arabs are going to tell us, "You can have oil or Israel, but not both." That prophecy came to pass.

The fact of the matter is that if we take away incentives, if we keep proscribing the industry, if we maintain the two-tiered price structure and do not do away with it, we are going to deny ourselves expanded production.

Now, the domestic price does not inevitably surface to the world price or the OPEC price. As a matter of fact, I think slightly cheaper oil and gas would be produced in this country through domestic incentives than we import from abroad, if we maintain all of our incentives and if we consider that a thousand cubic feet of natural gas from Texas at $1 is probably a much better bargain than the same thing in the form of LNG from Algeria for $2. Every time we produce an additional domestic barrel of oil or million cubic feet of gas, we replace a comparable amount that is coming in from abroad.

I think the fundamental in the amendment offered by the Senator from Ohio—for whom I have towering respect, if I may use a little pun, and regard, and we gloried in his presence in our great State and wish he had stayed there and run for office there——

Mr. GLENN. I am happy I moved, I thank the Senator.

Mr. TOWER. But the fact of the matter is, the spirit of the amendment offered by the Senator from Ohio is, I think, pretty much consonant with the spirit of this entire bill, which is to proscribe incentives to the domestic exploration and production of oil and gas which we so badly need. At a time when we talk about Project Independence, at a time when we talk about reducing our dependence, we, in two successive days, pass two bills, one designed to inhibit the strip-mining of coal or place it on a noncompetitive basis with other fuels; and, on the next day, we consider legislation that would be a disaster—a disaster, Mr. President—to our efforts to expand domestic exploration and production of oil and gas in this country. I hope that not only will the amendment of the Senator from Ohio be defeated, I hope that this whole bill will go down the tube.

Mr. JOHNSTON and Mr. GLENN addressed the Chair.

Mr. JOHNSTON. Did the Senator have further remarks to make?

Mr. GLENN. Yes, I do.

Mr. President, with regard to the remarks of the Senator from Texas, I can only say that the current provision has nothing to do with exploration, it has nothing to do with the production of new oil. This refers to old oil, which, in this special instance, would be given a classification of new oil and thus hike the price from $5.25 to over $11 per barrel.

Any oil that a State or a municipality had, that would come under this 20,000-barrel-per-day classification, could be sold as new oil at the unregulated price. Thus this has nothing to do with exploration and discovery of new oil or the incentives to go out and produce new oil. This is only upgrading the old oil to the new oil cartel price, which would result in this over $200 million windfall profit.

Mr. TOWER. Mr. President, I was talking in somewhat general terms. I understand the thrust of what the Senator from Ohio has said. I do not even believe in price controls on old oil, and I think if they would remove it from tertiary and secondary recovery, we could add another 500,000 barrels in production daily. That is half of what we are trying to cut off in imports from the OPEC countries.

Mr. TUNNEY. Mr. President, I rise in support of Senator GLENN's amendment.

The cost of electricity to homeowners in my State has more than doubled and in some cases nearly tripled in the last few years, primarily because of increases in the price of oil used in generating electricity.

Many homeowners now face utility bills greater than their monthly mortgage payments. If we adopt the President's strategy of all at once allowing the price of our energy which is domestic in origin to be determined by the price of the energy which we import, millions of Americans may be forced to abandon the homes they obtained through years of hard work.

Deregulating the price of certain State-owned old oil is tantamount to allowing the camel to stick his nose under the tent. How long will it be before some other interest group successfully petitions Congress for further piecemeal decontrol?

Mr. President, I believe that our Government should not permanently interfere with the pricing mechanism as it affects oil, natural gas, or any other product or service. Over a period of years, planned, phased-in decontrol of energy pricing is desirable from the standpoint of both consumers and producers. I am persuaded that no public official, no matter how well intentioned, can over a long period of years substitute his or her judgment for that of the marketplace without causing substantial economic dislocations and reductions in personal freedom.

In the short run, however, decontrol of old oil in a piecemeal fashion or on an all-at-once basis would be extremely disruptive to our economy. It would touch off a new burst of inflation, increase the unemployment rate to ever-higher levels and dangerously delay the time when the economy can begin to recover.

I am pleased that the Senator from Ohio (Mr. GLENN) has chosen as his maiden effort this fight on behalf of the consumer interest. It is a good and important fight, and I am thankful for the opportunity to stand with him in defense of the consumer.

Mr. President, I urge the adoption of the Glenn amendment.

The PRESIDING OFFICER. If there is no further discussion, the question is on agreeing to the amendment.

Mr. JOHNSTON. I move to table the amendment.

Mr. GLENN. I call 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 on the motion to lay on the table the amendment of the Senator from Ohio.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Maine (Mr. MUSKIE) is necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Pennsylvania (Mr. SCOTT) is necessarily absent.

I further announce that the Senator from Ohio (Mr. TAFT) is absent due to illness.

I further announce that, if present and voting, the Senator from Pennsylvania (Mr. SCOTT) and the Senator from Ohio (Mr. TAFT) would each vote "nay."

The result was announced—yeas 33, nays 63, as follows:

[Rollcall Vote No. 63 Leg.]

YEAS—33

Allen	Dole	McGee
Baker	Domenici	Montoya
Bartlett	Eastland	Randolph
Bellmon	Fannin	Scott, William L.
Bentsen	Goldwater	Sparkman
Brock	Gravel	Stennis
Bumpers	Griffin	Stevens
Burdick	Hansen	Tower
Byrd, Robert C.	Helms	Young
Cannon	Johnston	
Cranston	Long	
Curtis	McClure	

NAYS—63

Abourezk	Hatfield	Nelson
Bayh	Hathaway	Nunn
Beall	Hollings	Packwood
Biden	Hruska	Pastore
Brooke	Huddleston	Pearson
Buckley	Humphrey	Pell
Byrd, Harry F., Jr.	Inouye	Percy
	Jackson	Proxmire
Case	Javits	Ribicoff
Chiles	Kennedy	Roth
Church	Laxalt	Schweiker
Clark	Leahy	Stafford
Culver	Magnuson	Stevenson
Eagleton	Mansfield	Stone
Fong	Mathias	Symington
Ford	McClellan	Talmadge
Garn	McGovern	Thurmond
Glenn	McIntyre	Tunney
Hart, Gary W.	Metcalf	Weicker
Hart, Philip A.	Mondale	Williams
Hartke	Morgan	
Haskell	Moss	

NOT VOTING—3

Muskie	Scott, Hugh	Taft

So the motion to lay on the table was rejected.

The PRESIDING OFFICER. The question recurs on agreeing to the amendment of the Senator from Ohio (Mr. GLENN.)

The amendment was agreed to.

Mr. ABOUREZK. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. GLENN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. JOHNSTON. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. JOHNSTON. I ask unanimous consent that further reading of the amendment be dispensed with, and that the amendment be printed in the RECORD.

The PRESIDING OFFICER (Mr. CASE). Is there objection? The Chair hears none, and it is so ordered.

Mr. BUMPERS. Mr. President, may we have order in the Chamber?

The PRESIDING OFFICER. The Senator is certainly entitled to order.

Let us have a little order; let us have a lot of order.

Without objection, the amendment will be printed in the RECORD.

The amendment is as follows:

On page 102, between lines 15 and 16, insert the following:

SEC. 130. (a) ENTITLEMENTS.—Section 4 of the Emergency Petroleum Allocation Act of 1973 is amended by adding at the end thereof the following new subsection:

"(i) Insofar as any regulation promulgated and made effective under subsection (a) of this section shall require the purchase of entitlement, or the payment of money through any other similar cash transfer arrangement aimed at equalizing the cost of crude oil domestic refiners, such regulation shall exempt those refiners whose total refining capacity (including the refining capacity of any person who controls, is controlled by, or is under common control with such refiner) did not exceed on January 1, 1975, one hundred thousand barrels per day from said requirement: *Provided*, That nothing herein shall be taken to restrict the right of any small refiner as defined in section 3(4) of this Act to receive payments for entitlements or through any other such cash transfer arrangement.".

(b) The amendment made by subsection (a) of this section shall be effective for payments due, pursuant to any regulation referred to in such section, with respect to crude oil receipts and runs to stills occurring on or after February 1, 1975.

Mr. JOHNSTON. Mr. President, the amendment that I have introduced is intended to preserve the competitive viability of small crude oil refiners, who, without this amendment, will be required to pay out enormous sums of money under the FEA so-called "entitlements program."

As the members of this body are well aware, section 4(b)(1)(D) of the Emergency Petroleum Allocation Act directs that oil allocation regulations preserve and enhance competition in the oil industry, particularly with regard to small refiners. However, under the entitlement program, most of the entitlement subsidies—some 65 percent in the last 2 months—have ended up going to some of the largest and most profitable oil refiners in the Nation. Meanwhile, some 50 small refiners, about half the small refiners in the country, are projected to pay out some $25,000,000 a month, $300,000,000 a year.

Representatives of the small refiners forced to purchase entitlements have attempted for months to obtain adequate relief from FEA. The Department of Justice formally recommended an exemption from the program for all small refiners. Forty-two Senators and over eighty Representatives contacted Secretary of the Interior Morton to urge him to provide such an exemption. Nevertheless, FEA has implemented only a temporary phase-in program and a case-by-case exceptions process. Yet of some 40 applications for exception relief in the past 3 months, only eight decisions providing relief for small refiners have been issued, and these offered only partial relief and for a limited time. The recipients must return to the FEA and start all over again shortly. No businessman can rationally plan his operations or capital investment in such an environment. Indeed one can hardly imagine a situation more likely to discourage refinery expansion, or to deter aggressive competition by small refiners.

To solve these problems, and to restore some stability to small refiner operations, 22 Senators introduced S. 861, which would amend the Emergency Petroleum Allocation Act by requiring any entitlement program to exempt those refiners with daily capacity, measured as of January 1, 1975, under 100,000 barrels per day from having to buy entitlements. The bill further provides that this exemption is not to restrict the right of small refiner sellers of entitlements to receive their full payments. Hence, it is the intent of the bill and of this amendment, which incorporates most of the substance of S. 861, to grant relief to small refiner purchasers, but not to reduce the amounts that small refiner sellers would otherwise receive under the program.

The exemption as originally offered sought to affect entitlement payments with respect to crude oil receipts on or after January 1, 1975. FEA has since indicated that this will create administrative problems in the operation of the program. The amendment I offer therefore, while incorporating most of the substance of S. 861, moves the effective date forward to February 1, 1975, which means relief will be provided with respect to entitlement payments due April 30, 1975. FEA officials have assured me that if this section is enacted by early April they can adjust their entitlement list for that month accordingly.

Hearings were held on S. 861 before the Senate Interior Committee last week, at which time we heard from both FEA and small refiners. Extensive comments were also filed at that time. It is my firm belief, based on these hearings, that buyers of entitlements with refinery capacity of 100,000 barrels per day or less as of January 1, 1975 desperately need this exemption. I therefore urge the adoption of this amendment to S. 622 to effect such relief.

Mr. CHURCH. Mr. President, I am pleased to join with my distinguished colleague from the State of Louisiana (Mr. JOHNSTON) in support of this amendment to exempt small refiners from the Federal Energy Administration's crude oil entitlement program. On February 26, 1973, I introduced legislation similar to the amendment which the Senator from Louisiana offers today. I am pleased to note that Senator JOHNSTON, along with 20 other Senate colleagues, joined with me in offering that proposal, S. 861, the Small Refiners Relief Act.

In passing the Emergency Petroleum Allocation Act, Congress granted to the President specific temporary authority to deal with the shortages initially precipitated by the Arab oil embargo. The President was further directed to promulgate a regulation providing for the mandatory allocation of crude oil, residual fuel oil, and refined petroleum products.

Congress, however, made its intent clear in section 4(b)(1)(D) of the Emergency Petroleum Allocation Act of 1973 that allocation and pricing regulations were to provide for "preservation of an economically sound and competitive petroleum industry, including the priority needs to restore and foster competition and to preserve the competitive viability of small refiners."

These small refiners provide the competitive edge in an otherwise highly concentrated industry, dominated by the large vertically integrated multinational oil corporations. Very often, it is the small refiner that provides jobbers and independent marketers their only source of products and often at a list price below those of the major brand name companies. Through the provisions of the mandatory allocation program, these savings are then passed along to the consumer.

To comply with the requirement of the Mandatory Allocation Act that crude oil costs be "equitable" and that competition be preserved, the President, acting through the Federal Energy Administration, created the entitlements system.

However, the entitlements program has not been altogether satisfactory.

Those small refiners who must purchase entitlement tickets, including as many as 40 to 50 percent of all small refiners, may end up paying as much as $25,000,000 per month for the right to refine controlled crude oil which many have been processing even before the allocation program came into being.

While the nature of the Federal Energy Administration's entitlement program is extremely complex and while its goal is laudable, the harsh fact remains that unless the impact of this program is somehow tempered, the additional costs to many small refiners will force these businesses to reduce or terminate their refining operations. Such an unfortunate circumstance will come at a time when the President has expressed the need for the Nation to establish new refineries.

The Justice Department recognized the importance of this competition when it filed formal comments on the entitlements program in September 1974. The Department, at that time, urged an exemption for small refiners as essential to preserve their competitive potential.

This amendment, like the bill which I earlier introduced, would not only exempt potential small refiner "buyers" of entitlements, but it would also allow those small refiners, who are able to sell entitlements, the right to do so. In this way, this amendment seeks to protect the entire small refiner industry and thereby to enhance their competitive position.

I urge adoption of this measure.

Mr. JOHNSTON. I yield to the Senator from Missouri.

Mr. EAGLETON. Mr. President, I have a perfecting amendment.

The PRESIDING OFFICER. Will the Senator send the amendment to the desk?

The clerk will state the amendment.

The assistant legislative clerk read as follows:

After the word "exempt" insert the words "the first 30,000 barrels per day of."

Mr. EAGLETON. Mr. President, while I sympathize with the purposes of the proposed amendment as offered by the distinguished Senator from Louisiana to exempt small refiners from the requirements of the entitlement program, I am concerned about the departure from the generally accepted definition of a small refiner. In the past, the criterion has been a capacity not in excess of 30,000 barrels a day. The proposed amendment would increase this to 100,000 barrels per day, not exactly my idea of a small refinery.

I am also troubled by the impact of this proposed amendment on the marketing sector of the industry. Oil jobbers and retailers already face serious problems in trying to compete with other marketers whose cost of product is lower. As a matter of fact, that is what the entitlement program was supposed to correct—to more or less equalize the cost of crude oil to domestic refiners. Many of the marketers with whom I have discussed this amendment are concerned that an exemption to the entitlement program of the magnitude proposed would greatly compound the marketers' problems.

Mr. President, I am proposing perfecting language to exempt only the first 30,000 barrels per day of refiners whose capacity does not exceed 100,000 barrels per day from the entitlement program, and I believe this will provide the kind of relief these refiners need and at the same time retain the accepted criterion of what is a small refinery. As I understand it, this position is consistent with the views of the Independent Refiners Association and it is consistent with the Federal Energy Administration's special rule 3 as it existed last November. That rule, since modified, exempted from the entitlement program any refinery with less than 30,000 barrels per day capacity and allowed larger refineries to exempt their first 30,000 barrels. It was the Federal Energy Administration's modification of that rule and its opposition to its reinstatement that really led to the offering of the amendment being proposed. My perfecting language, in essence, would return us to special rule 3, which had broad support in the industry and avoids entering a new area of exemptions, the impact of which is little understood.

I am persuaded that if perfected by the language I have proposed, this amendment would resolve the problems now being experienced by small refineries without creating new problems for the marketing sector of the industry. I hope the perfecting language will be acceptable to sponsors of the pending amendment.

Mr. JOHNSTON. Will the Senator yield?

Mr. EAGLETON. I am pleased to yield to the Senator.

Mr. JOHNSTON. As the Senator knows, we have had some conversations about where the line should be drawn and in the committee hearings the Independent Refiners Association thought that line should be drawn at 100,000 barrels a day.

I can understand the sentiment of the Senator's feeling that it ought to be drawn at 30,000 barrels a day rather than at 100,000, but I am wondering if we cannot strike a compromise here at 50,000 barrels and not make everyone happy but at least achieve some balance to take care of most refining capacity.

Mr. EAGLETON. That would be in the nature of balancing unhappiness.

Mr. JOHNSTON. That is correct.

Mr. EAGLETON. I think that is a rational proposal by the distinguished Senator from Louisiana.

So, Mr. President, if I may, I will withdraw the present perfecting amendment and send another perfecting amendment to the desk.

The PRESIDING OFFICER. The clerk will state the amendment.

The assistant legislative clerk read as follows:

After the word "exempt" insert the words "the first 50,000 barrels per day of."

Mr. JOHNSTON. Mr. President, with that amendment I have no objection and I will accept the perfecting amendment.

The PRESIDING OFFICER. The question is on agreeing to the perfecting amendment of the Senator from Missouri.

The perfecting amendment was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Louisiana, as amended.

The amendment, as amended, was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Without further amendment, the question is on a third reading.

Mr. HANSEN. 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. JOHNSTON. I ask unanimous consent that the order for the quorum call be rescinded.

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

AMENDMENT NO. 103

Mr. MATHIAS. Mr. President, I have an amendment at the desk.

The PRESIDING OFFICER. The clerk will state the amendment.

The assistant legislative clerk read as follows:

The Senator from Maryland (Mr. MATHIAS) proposes an amendment No. 103.

Mr. MATHIAS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered, and it will be printed in the RECORD in full.

The amendment is as follows:

AMENDMENT NO. 103

On page 74, beginning with line 12, delete the text of subsection 112(b), ending on page 76, line 3, and insert in lieu thereof the following new subsection:

"(b)(1) The district courts of the United States shall have exclusive original jurisdiction of cases or controversies arising under this title, or under regulations or orders issued thereunder, notwithstanding the amount in controversy; except that nothing in this subsection or in subsection (7) of this section affects the power of any court of competent jurisdiction to consider, hear, and determine any issue by way of defense (other than a defense based on the constitutionality of this title or the validity of action taken by any agency under this title) raised in any proceeding before such court. If in any such proceeding an issue by way of defense is raised based on the constitutionality of this title or the validity of agency action under this title, the cases shall be subject to removal by either party to a district court of the United States in accordance with the applicable provisions of chapter 89 of title 28, United States Code.

(2)(i) Except as otherwise provided in this section, exclusive appellate jurisdiction is vested in the Temporary Emergency Court of Appeals, a court which is currently in existence, but which is independently authorized by this section. The court, a court of the United States, shall consist of three or more judges to be designated by the Chief Judge of the United States from judges of the United States district courts and circuit courts of appeals. The Chief Justice of the United States shall designate one of such judges as chief judge of the Temporary Emergency Court of Appeals, and may, from time to time, designate addi-

tional judges for such court and revoke previous designations. The chief judge may, from time to time, divide the court into divisions of three or more members, and any such division may render judgment as the judgment of the court. Except as provided in subsection (d)(2) of this section, the court shall not have power to issue any interlocutory decree staying or restraining in whole or in part any provision of this title, or the effectiveness of any regulation or order issued thereunder. In all other respects, the court shall have the powers of a circuit court of appeals with respect to the jurisdiction conferred on it by this title. The court shall exercise its powers and prescribe rules governing its procedure in such manner as to expedite the determination of cases over which it has jurisdiction under this title. The court shall have a seal, hold sessions at such places as it may specify, and appoint a clerk and such other employees as it deems necessary or proper.

(ii) Appeals from the district courts of the United States in cases and controversies arising under regulations or orders issued thereunder shall be taken by the filing of a notice of appeal with the Temporary Emergency Court of Appeals within thirty days of the entry of judgment by the district court.

(3) In any action commenced under this title in any district court of the United States in which the court determines that a substantial constitutional issue exists, the court shall certify such issue to the Temporary Emergency Court of Appeals. Upon such certification, the Temporary Emergency Court of Appeals shall determine the appropriate manner of disposition which may include a determination that the entire action be sent to it for consideration or it may, on the issues certified, give binding instructions and remand the action to the certifying court for further disposition.

(4)(i) Subject to paragraph (ii), no regulation of any agency exercising authority under this title shall be enjoined or set aside, in whole or in part, unless a final judgment determines that the issuance of such regulation was in excess of the agency's authority, was arbitrary or capricious, or was otherwise unlawful under the criteria set forth in section 706(2) of title 5, United States Code, and no order of such agency shall be enjoined or set aside, in whole or in part unless a final judgment determines that such order is in excess of the agency's authority, or is based upon findings which are not supported by substantial evidence.

(ii) A district court of the United States or the Temporary Emergency Court of Appeals may enjoin temporarily or permanently the application of a particular regulation or order issued under this title to a person who is a party to litigation before it. Appeals from interlocutory decisions by a district court of the United States under this paragraph may be taken in accordance with the provisions of section 1292(b) of title 28, United States Code; except that reference in such section to the courts of appeals shall be deemed to refer to the Temporary Emergency Court of Appeals.

(5) The effectiveness of a final judgment of the Temporary Emergency Court of Appeals enjoining or setting aside in whole or in part any provision of this title, or any regulation or order issued thereunder, shall be postponed until the expiration for a writ of certiorari is filed with the Supreme Court under subsection (6) within such thirty days, the effectiveness of such judgment shall be postponed until an order of the Supreme Court denying such petition becomes final, or until other final disposition of the action by the Supreme Court.

(6) Within thirty days after entry of any judgment or order by the Temporary Emergency Court of Appeals, a petition for a writ of certiorari may be filed in the Supreme Court of the United States, and thereupon the judgment or order shall be subject to review by the Supreme Court in the same manner as a judgment of a United States court of appeals as provided in section 1254 of title 28, United States Code. The Temporary Emergency Court of Appeals, and the Supreme Court upon review of judgments and orders of the Temporary Emergency Court of Appeals, shall have exclusive jurisdiction to determine the constitutional validity of any provision of this title or of any regulation or order issued under this title. Except as provided in this section, no court, Federal or State, shall have jurisdiction or power to consider the constitutional validity of any provision of this title or of any such regulation or order, or to stay, restrain, enjoin, or set aside, in whole or in part, any provision of this title authorizing the issuance of such regulations or orders, or any provision of any such regulation or order; or to restrain or enjoin the enforcement of any such provision.

(7) The provisions of this section apply to any actions or suits pending in any court, Federal or State, on the date of enactment of this section in which no final order or judgment has been rendered. Any affected party seeking relief shall be required to follow the procedures of this title.

Mr. MATHIAS. Mr. President, from the very first day that the Senate began considering extending governmental power to deal with energy emergencies, whether of price or supply, I have taken an active part. These debates have been numerous and protracted but I believe they have been worthwhile.

Last year we held Cost of Living Council oversight hearings in the Separation of Powers Subcommittee of the Judiciary Committee and I came away from those hearings convinced of the need to tighten administrative and judicial procedures under what has been described as "emergency" legislation, and I believe that much was accomplished, and that a workable formula for review of administrative decisionmaking was, in fact, established.

On February 7, 1975, S. 622 was introduced in the Senate. Entitled the "Standby Energy Authorities Act," S. 622 provides for standby authority to ration crude oil, residual fuel oil, and any refined petroleum product, to impose certain energy conservation plans and to require allocation of materials to expand domestic production. Unfortunately, the judicial review section of the bill departs from the successful approach of the past in a way that does not well serve either the Federal Energy Administration or the public.

My amendment focuses on this departure and provides a system more appropriate for this standby authority. I am guided by considerations relating to the nature of S. 622's authority and the need for a prompt and efficient means of obtaining judicial review of action taken under this authority. These considerations argue persuasively in favor of a system comparable to that provided for in the Emergency Petroleum Allocation Act of 1973, as amended.

I might also add that I have been in touch with the FEA and that they support this amendment.

My amendment will serve both the public and those in Government who are charged with protecting the public interest. Mr. President, I hope that this amendment can be adopted by the Senate at this time.

By way of background, it is useful to recognize congressional action on judicial review provisions in the context of recent legislation which has sought to deal with this Nation's energy crisis. In the past 5 years, the Economic Stabilization Act of 1970, as amended—"Stabilization Act" (Public Law 92-210, December 22, 1971 and Public Law 93-28, April 30, 1973), the Emergency Petroleum Allocation Act of 1973, as amended—"Allocation Act" (Public Law 93-159, November 27, 1973), and the Federal Energy Administration Act of 1974—"FEA Act" (Public Law 93-275, May 7, 1974) have been passed and have granted authority to the President to take action in response to the energy supply and pricing problems facing this country.

The Stabilization Act and the Allocation Act are discussed together, since they are basically similar in purpose with respect to petroleum products and have identical judicial review provisions.

The Stabilization Act conferred on the President authority to deal with economic problems facing the Nation in late 1971, including inflation, unemployment, and deterioration of the Nation's competitive position in the world market. Price and wage control authority and authority to allocate petroleum products were given to the President with congressional recognition that such matters would require prompt action by the President—section 202.

The Allocation Act conferred on the President temporary authority "to deal with the shortages of crude oil, residual fuel oil, and refined petroleum products or dislocations in their national distribution system"—section 2(b). The broad allocation and pricing authority contained in section 4(a) of the act conferred substantive powers on the executive branch to deal promptly with an emergency situation.

Provisions for judicial review of such exercises of authority under both acts reflected congressional acknowledgment of the exigent conditions to which a response was required. In both acts, original jurisdiction is vested in the district courts of the United States, with appellate jurisdiction in a Temporary Emergency Court of Appeals—"TECA"—created by the Stabilization Act and continued under the Allocation Act. The TECA is comprised of judges designated from the Federal court system—that is, Federal district court and court of appeals judges—by the chief judge of the TECA.

Under the Stabilization and Allocation Acts, district courts have latitude in granting relief to persons seeking relief from a regulatory program. Section 211 of the Stabilization Act contains the circumstances under which the district courts and the TECA may grant relief. I believe that this judicial review mechanism has provided a fair, prompt, and efficient means for reviewing regulatory action taken pursuant to the Stabilization and Allocation Acts. As to this particular point, I can speak with some personal experience, having appeared on behalf of the State of Maryland in both

the district court in Maryland and in the TECA.

In contrast to the Stabilization Act and the Allocation Act, the passage of the Federal Energy Administration Act responded not to the need for emergency authority to deal with existing or anticipated energy shortages, but instead, to the need to create an Administration from which the executive branch functions authorized by various energy-related laws could be administered. Stated another way, the FEA Act is a procedural vehicle intended to consolidate previously existing substantive authority in one agency and does not, in itself, contain substantive regulatory authority.

In keeping with this difference in purpose, the FEA Act employed a different mechanism for providing judicial review of rulemakings and controversies arising under the FEA Act. Section 7(i)(2)(A) provides:

(2)(A) Judicial review of administrative rulemaking of general and national applicability done under this Act, *except that done pursuant to the Emergency Petroleum Allocation Act of 1973*, may be obtained only by filing a petition for review in the United States Court of Appeals for the District of Columbia within thirty days from the date of promulgation of any such rule, regulation, or order, and judicial review of administrative rulemaking of general, but less than national, applicability done under this Act, *except that done pursuant to the Emergency Petroleum Allocation Act of 1973*, may be obtained only by filing a petition for review in the United States Court of Appeals for the appropriate circuit within thirty days from the date of promulgation of any such rule, regulation, or order, the appropriate circuit being defined as the circuit which contains the area or the greater part of the area within which the rule, regulation, or order is to have effect. (Emphasis added.)

In addition, the district courts of the United States have exclusive original jurisdiction in all other cases and controversies arising under the FEA Act—section 7(i)(2)(B). However, as is apparent from section 7(i)(2)(A), any rulemaking done pursuant to the Allocation Act is exempted from the judicial provisions of this section and is governed by the above-mentioned judicial review provisions of the Allocation Act.

As proposed in S. 622, the Standby Energy Authorities Act will vest substantive authority in the executive branch to ration petroleum products, to impose mandatory energy conservation programs and to allocate materials needed to expand domestic production. It will constitute, then, another piece of legislation granting substantive authority to the President, who will be acting through his Federal Energy Administrator. As proposed, S. 622 will, in essence, merely incorporate the judicial review mechanism embodied in the FEA Act; that is, the U.S. Court of Appeals for the District of Columbia circuit will be called upon to review rulemakings of national applicability, the other courts of appeal will hear cases challenging "regional" rulemakings and the district courts will hear the remaining cases.

I believe that the system of judicial review contained in the Allocation Act is most appropriate for review of executive actions taken under the proposed Standby Energy Authorities Act.

It is clear that S. 622 is comparable to the Allocation Act and Stabilization Act in that it confers substantive authority on the executive branch to respond to "acute energy shortage conditions" which threaten the United States—Section 101(c)—as contrasted with the procedural nature of the FEA Act. Exercise of such authority as would be conferred by S. 622 would necessarily require quick and efficient implementation, in many instances, in order to respond effectively to the problems at hand. Thus, it appears especially inappropriate to adopt in toto provisions of the one energy-related legislation not granting substantive regulatory authority; that is, the FEA Act. A far more preferable solution would be to adopt the approach the Congress has twice turned to in formulating legislation to respond to our energy problems—the judicial review provisions found in the Allocation and Stabilization Acts.

The success of the judicial review mechanism created by the Allocation and Stabilization Acts is well illustrated by the prompt and efficient review available in the district courts and, in particular, the TECA.

Unlike the various circuit courts of appeals, the TECA has built up a considerable expertise by virtue of its review of Cost of Living Council actions under the Stabilization Act and FEA actions under the Allocation Act. The TECA is familiar with the complexities of the oil industry and FEA's regulatory system and thus is able to handle efficiently FEA-related litigation.

It is of considerable importance to an emergency program to have a prompt judicial determination on the legality of a program, since the uncertainty that accompanies protracted litigation on a program can substantially inhibit the effectiveness of its operation. Additionally, if a program is determined to be in excess of agency authority, prompt resolution of the program's invalidity will allow the agency to restructure its response to the emergency condition which prompted the original program.

In this respect, the TECA holds a substantial advantage over the circuit courts of appeals, especially the District of Columbia circuit, where the majority of rulemaking review cases would fall under S. 622 as presently drafted. Since the TECA is a court of limited jurisdiction, the number of appeals processed is substantially less than that of the circuit courts of appeals. The average time for disposition of a case by a circuit court of appeals is 8 months. The average time for the TECA is 100 days. A good example of the TECA's promptness in reviewing an FEA program is the recent attack on the FEA's crude cost equalization program. A complaint was filed on January 23, 1975, in the U.S. District Court in Toledo, Ohio. On March 4, 1975, the TECA will hear oral argument on a refiner's appeal on the failure of the district court to enjoin the application of the crude cost equalization program to it. A decision anytime before the end of March would represent a complete disposition of the suit in approximately 60 days.

FEA programs are by necessity extremely complex and potentially could result in inconsistent adjudications if subject to review by the various circuit courts. In that event, the Supreme Court, itself overworked, would be required to reconcile these differences on an expedited basis, thereby displacing other matters requiring the Court's review. The TECA, on the other hand, reduces the need for such reconciliation by providing one body of consistent law under which both the agency and the public can operate with some sense of certainty and provides a prompt and consistent resolution of the validity of agency programs, with resort to the Supreme Court only in cases of exceptional importance.

Under the FEA Act's scheme for judicial review, one who seeks review of a rulemaking of national applicability is required to file a petition for review in Washington, D.C.—the District of Columbia circuit—regardless of where that person lives or works or in what manner he is affected by the rulemaking in question. This could prove a substantial burden on a small business or private individual. Under the Allocation Act scheme for judicial review, a case may be brought in a local district court and the appellate review by TECA may be held in the area where the suit was initiated. So, for example, in *Condor Operating Company* v. *FEA*, Nos. 5–10, 5–11 (TECA 1975), the suit was brought in the western district of Texas, San Antonio, Tex., and the appeal was heard by the TECA in Dallas, Tex.

If Senators examine this amendment, I am sure that its merits will be clear. Use of the Allocation Act's judicial review mechanism for S. 622 is the best method of achieving a prompt and efficient means for review of regulatory programs issued pursuant to the Standby Energy Authorities Act. Furthermore, because these regulatory programs are likely to arise under exigent circumstances, they cannot be inhibited by the uncertainty of protracted litigation, a possibility which can only be avoided by insuring that the matter of judicial review, while allowing for full and fair consideration of the issues, also makes possible a resolution of the issues in a prompt and efficient manner. In this respect, the mechanism for judicial review found in the Allocation Act is infinitely superior to that presently incorporated in S. 622.

Mr. BUMPERS. Mr. President, this amendment was not considered by the committee and I must confess that I am not in a position to speak for the committee.

The natural tendency, as a former attorney, to shorten the judicial procedures from decisions of the administrator in this case are normally laudable and I personally, again, am a little ambivalent on it.

It is personally acceptable to me to shorten the procedures, and if I understand from the distinguished Senator's remarks, it is to simply negate the necessity of going through the normal judicial

procedures to go as quickly as possible to an emergency court, would that be correct?

Mr. MATHIAS. I would say to the Senator that he is correct in that we provide some relief speed and orderliness to the judicial review process.

Mr. BUMPERS. Well, as I understand it the decisions of the administrator will be governed by the Administrative Procedure Act as modified by section 112(a).

Mr. MATHIAS. Yes, what we are doing is really going back to the work of the Senate last year when we provided by statute for efficient administrative proceedings and the recourse we had to those administrative proceedings provided in the law last year rather than to the more lengthy procedures, general procedures, under the Administrative Procedure Act.

Mr. BUMPERS. As I say, I cannot speak for the full committee, but it is my personal thought that I probably would support the distinguished Senator's amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Maryland.

The Senator from Arizona.

Mr. FANNIN. Mr. President, I am not going to oppose the amendment, because I do think it has some virtues as far as procedure is concerned.

I just asked the distinguished Senator from Maryland why it is necessary to have line 4 on the first page, notwithstanding the amendment in controversy.

This is a procedure that is followed often on legislation. I am just questioning the advisability of including it, because we do have by law the limitations that are involved in order that every case will not be carried to a Federal court.

I would just like to have the Senator's thoughts on why this is necessary.

Mr. MATHIAS. The Senator raises a very valid point, but the language is necessary from this point of view: If the Energy Administrator is involved in a controversy of any amount, perhaps insignificant in dollars, nonetheless a precedent might be established which would affect the entire energy program. This is a national program and, therefore, the administration would like to have the ability to litigate each one of these cases in Federal court.

Mr. FANNIN. Does the Senator think that because a smaller amount is involved, it would not merit the particular individual or firm in controversy to go to the extent and be subjected to all the court procedures necessary in the provisions of this bill?

Mr. MATHIAS. The administration takes the view that, in the old phrase, it is not the money, it is the principle of the thing.

Mr. FANNIN. How many cases is this going to add? Does the Senator have any idea as to what cases will now be brought into Federal court?

Mr. BUMPERS. Mr. President, if I may intervene, I might be able to resolve this small problem between my distinguished colleagues.

Section 28 of the United States Code, 1337, provides that all cases arising under statutes which regulate commerce are not subject to the jurisdictional amounts. So this amendment is really a restatement of the law as it is now.

Mr. MATHIAS. I thank the Senator from Arkansas. He is, of course, correct. So this restates it.

Mr. FANNIN. I do not question the conclusion of the distinguished Senator from Arkansas. I know this matter has been considered previously, and if this is the present law, why is it repeated?

Mr. MATHIAS. We felt that it was for clarity here, to make it perfectly clear that under these administrative procedures, they would deal with any amount and that there would be no limitations.

Mr. FANNIN. As I stated, I am not going to object to the amendment, but I did want a clarification as to why that language had been inserted. I appreciate the statement made by the distinguished Senator from Arkansas.

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

Mr. FANNIN. I yield.

Mr. BUMPERS. One additional observation I might make, or one question, perhaps: If there were a jurisdictional amount that any aggrieved person had to allege as damages in order to get into Federal court, where would he go if his damages were less than that amount? I do not know where he would go, if he did not go to Federal court, to redress his grievance.

Mr. FANNIN. I would think he might have other means of redressing his grievance.

Let us look at it from the standpoint of the necessity to go to court to redress a grievance: When we talk about dealing with a Federal agency, I do not think that with a smaller amount, the Federal agency, if there happened to be a controversy, would want to take a person or a company into Federal court. I could see many ways in which a controversy could be settled without going into Federal court.

Mr. BUMPERS. As I understand the Senator from Maryland's amendment, it is to provide that anybody who feels aggrieved by a decision of the administrator can go immediately into the Federal courts rather than through the administrative procedures. Up to that point, if he disagrees with the administrator, it is my opinion that he has no place to go except Federal court. He cannot haul the administrator into State court.

Mr. FANNIN. I am not disagreeing with what might happen in that regard. We are not attempting to load down the Federal courts or any other courts. If this would be an encouragement for individuals to go to court and for the administrator not to consider their lack of alternatives without going to tremendous expense, I would think that would be involved.

I am not going to oppose the amendment, but if it is present law, I do not see the necessity for it being here.

Does this mean that the person does not have to exhaust his administrative remedies first? That is the question I was trying to get answered.

Mr. BUMPERS. I think the Senator from Maryland should answer the question, but it is my opinion that that is precisely what it does.

Mr. FANNIN. I have no objection to the amendment, other than I feel that the language is superfluous and unnecessary.

Mr. HANSEN. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. MATHIAS. I yield.

Mr. HANSEN. Mr. President, I ask unanimous consent that Rick Harrid, a member of Senator BAKER'S staff, may have the privilege of the floor during the debate and any votes on this measure.

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

The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. BARTLETT. Mr. President, I ask unanimous consent that a member of my staff, Thomas Deery, have the privilege of the floor during the votes and consideration of this bill.

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

Mr. TALMADGE. Mr. President, I wish to engage in a colloquy with the distinguished floor manager of the bill or the distinguished chairman of the full committee, whoever desires to respond.

As I see our Nation's energy situation, we have both a long-range problem and a short-range problem. In the long run, it is imperative that our country develop alternative and subsequent sources of energy. Then we will not be subject to economic blackmail by any nation or any group of nations, friend or foe. In the short run, we must conserve energy in order to cut down on the tremendous imbalance of payments that has accompanied our increasing importation of foreign oil. We must conserve energy now, we must do it drastically. We cannot postpone the issue.

It is my understanding that we use approximately 17 million barrels of petroleum daily in this country. About 7 million barrels of that is imported, and about 10 million barrels is of domestic origin. I ask the distinguished floor manager of the bill if that is not approximately correct.

Mr. BUMPERS. That is correct.

Mr. TALMADGE. Of the 17 million barrels daily that we use in this country, how much is used to produce gasoline?

Mr. BUMPERS. As of right now, about 6.3 million barrels per day.

Mr. TALMADGE. In other words, a little more than a third—something less than 40 percent?

Mr. BUMPERS. That is correct.

Mr. TALMADGE. Does the Senator have accurate statistics as to how much of that gasoline is used for pleasure, or joyriding, and not used for business?

Mr. BUMPERS. I do not know whether it could be broken down between joyriding and business, but 42 percent of that is work-related, which means that 58 percent of the gasoline in this country could be worked on for conservation purposes.

Mr. TALMADGE. In other words, about 58 percent of all the gasoline consumed in this country is nonwork-related and nonjob-related?

Mr. BUMPERS. That is correct.

Mr. TALMADGE. It seems to the Senator from Georgia that one of the most important things we need to do is to zero in on the utilization of that 58 percent of all the gasoline consumed in the United States of America that is not job-related. Does the Senator from Arkansas agree with that?

Mr. BUMPERS. Wholeheartedly.

Mr. TALMADGE. Would it not be a good idea if in this legislation we mandated drastic conservation measures? The best starting point I can think of would be to require rigid enforcement of the 55-mile-per-hour speed limit law. When I get on the highways in my State or anywhere else and am driving along at 55 miles an hour I find automobiles passing me as though I were stopped on the highway. I have found, from the operation of my own automobile, that I can get anywhere from a 10- to a 20-percent decrease in gasoline consumption by slowing down to 55 miles an hour. What provision of the bill mandates rigid enforcement of the 55-mile-an-hour speed limit?

Mr. BUMPERS. I would not presume to read the act to the distinguished Senator from Georgia, but, touching on his question, subsection (2) of section 202, page 105 of the bill, reads:

For purposes of this section, the term "energy conservation plan" includes but is not limited to plans to establish:

Then there is a whole host of things that come under the energy conservation plan.

Subsection (F) under that subsection reads:

Programs to insure better enforcement of the fifty-five-mile-per-hour speed limit.

Under subsection (H):

Standards for reasonable controls and restrictions on discretionary transportation activities upon which the basic economic vitality of the country does not depend.

Mr. TALMADGE. To whom is that authority delegated?

Mr. BUMPERS. This is given to the President.

Mr. TALMADGE. To the President of the United States. And what is the penalty if the States refuse to enforce and refrain from enforcing that 55-mile-an-hour law?

Mr. BUMPERS. They are then preempted by the Federal Energy Administration, and the energy conservation plan for any State which does not come into compliance will be administered by the Federal Energy Administration.

Mr. TALMADGE. Preempted from what? Suppose the Governor of Georgia arbitrarily and capriciously refuses to enforce the 55-mile speed law. What is the penalty on the State of Georgia or any of the other 49 States?

Mr. BUMPERS. We did not provide in this bill for a penalty or impose a mandate on the President to put a penalty on States which did not enforce the 55-mile-an-hour speed law, but we did call for a 6-month study of how we might force the enforcement of that speed limit.

Mr. TALMADGE. Does not the Senator from Arkansas think some penalty should be provided? The Governors are not going to enforce an unpopular law unless there is some penalty for refraining from doing so.

Mr. BUMPERS. It is provided that the highway trust fund or the share that any State would normally receive could be withheld in some amount if the highway speed limit is not enforced.

Mr. TALMADGE. Is that in the bill?

Mr. BUMPERS. Yes, it is.

Mr. TALMADGE. Is it made mandatory in the bill?

Mr. BUMPERS. No.

Mr. TALMADGE. It is left discretionary with the President of the United States?

Mr. BUMPERS. Yes.

Mr. TALMADGE. During the embargo, filling stations were closed on Sundays. This reduced some of the pleasure riding on weekends. Would it not be a good idea to have a similar provision in this bill or some other authority as may be necessary to close service stations?

In my State, many people ride around the State and go up in the mountains on weekends. It is desirable and pleasurable, but they are using a lot of fuel that could be conserved.

As a matter of fact, 2 weeks from last Sunday, I returned from Georgia and arrived at National Airport at 5 p.m., then I drove to the Kennedy Center, arriving there at 5:30 p.m. I ran into the worst traffic jam I have seen in Washington in my 18 years in the Senate.

If service stations were closed on Sunday, it would conserve fuel and would eliminate all joyriding. In addition, it would create a badly needed sense of emergency in this country whereby the people themselves would conserve gasoline. What is in the bill along that line?

Mr. BUMPERS. It might improve our religious habits, even.

Mr. TALMADGE. I think it would.

[Laughter.]

Mr. BUMPERS. The same section I was reading a moment ago provides, under subsection (C), "reasonable restrictions on hours for public buildings."

At first blush, that would appear to mean buildings that are owned by the States and by the United States. That is what we normally think of as public buildings. But under the commerce clause, that would extend to any building that is used for the public. Presumably, under this language, the President would have the right to set up criteria which would include closing service stations on Sunday.

Mr. TALMADGE. Is that mandatory or permissive?

Mr. BUMPERS. It is permissive with the President, at this point.

Mr. TALMADGE. In other words, he could do it or fail to do it, in his discretion?

Mr. BUMPERS. I believe that is correct.

Mr. TALMADGE. It seems to me that we should also give some thought to the proliferation of credit cards with which people buy gasoline now and pay later. In World War II, the use of credit cards was restricted in order to conserve energy. I have noticed that whenever people have a charge account in stores, they tend to buy a great deal more than they would if they had to pay for it out of their pockets.

That is particularly true on our college campuses and high school campuses today. The Senator can go to any one of them and see countless acres of automobiles there. Most of the drivers of those automobiles have gasoline courtesy cards with which they charge purchases to their families, and their parents get the bill at the end of the month. If those credit cards were canceled and they had to pay for that gasoline out of their allowance, and if individuals had to pay for gasoline with cash at the time they bought it, it seems to me it would conserve a great deal of energy. Did the committee give any thought to that?

Mr. BUMPERS. That was not discussed. I wish to say from a personal standpoint that the Senator's suggestion would save the Senator from Arkansas $200 or $300 a month.

Mr. TALMADGE. I have no doubt about it.

Mr. BUMPERS. If we could get the President to accept that.

Mr. TALMADGE. Is that authorized in the bill?

Mr. BUMPERS. It is not, but this is not an all-inclusive or an exclusive list.

Mr. TALMADGE. Does the bill delegate to the President power to act if he sees fit to act in that direction?

Mr. BUMPERS. Yes, it does.

Mr. TALMADGE. In other words, the Senator's bill is all inclusive, so that the President can take such action as may be necessary to conserve energy by the means I have outlined and ultimately, if it were necessary, as a last resort and a last resort only, to allocate fuels or even ration fuels. Is that correct?

Mr. BUMPERS. That is correct.

Mr. TALMADGE. I hope that the President of the United States and others that he may appoint who would be his subordinates would give some thought to a few simple things which would conserve tremendous amounts of fuel under present conditions. We simply cannot afford to spend $25 billion a year for imported energy in this country. This figure will rise every year. There is no way on Earth that we can earn the foreign exchange to pay for it.

Unfortunately, in Washington, simple ideas often get short shrift. If it is not complex, no one seems to listen. But it seems to the Senator from Georgia that the simplest way to conserve energy, and conserve energy now—beginning tomorrow or as soon as this act becomes law—is to enforce the 55-mile-per-hour speed limit, to close the service stations on weekends, and possibly cancel the use of gasoline courtesy cards until we can develop alternative sources of energy. In my view, those three simple things alone would do far more to conserve energy than the complicated mechanism of trying to price gasoline so high that people cannot afford it, as the President has proposed.

I hope that the Senator, as a distinguished member of the committee having jurisdiction, will urge those simple ideas on the executive branch of Government. Hopefully, they will be adopted and acted upon.

I thank the Senator for yielding in this colloquy.

Mr. BUMPERS. If I may, Mr. President, I should like to comment, with just one final thought, on the comments of the distinguished Senator from Georgia.

The Senator from Georgia and I both served on the so-called Pastore committee, the committee that the majority leadership of the Senate, appointed to study the very problems he has so eloquently articulated here. Virtually all of those things which he has just mentioned—Sunday closings, enforcement of the 55-mile-an-hour speed limit—were considered as suitable alternatives, once a determination could be made as to where savings ought to occur first, to make sure that we do not reduce our consumption in the wrong place and further exacerbate unemployment and inflation. It is my thought that the Committee on Interior and Insular Affairs, of course, intended to give the most serious consideration to these things in the President's program, which he is going to submit back to the Congress for approval. I thought the energy report of the Pastore committee was an excellent one, because it did not come up with any arbitrary or capricious figure that we should start conserving imported oil overnight.

The Senator's points, I think, are all well taken and I hope that this body will move in those areas that he mentioned that are not specifically covered in this act.

Mr. TALMADGE. I thank the distinguished Senator. What I have suggested, to my mind, would not cost a single job in the United States of America. At the same time, it would conserve enormous amounts of fuel.

Mr. WILLIAM L. SCOTT. Will the Senator yield at that point?

Mr. TALMADGE. I yield.

Mr. WILLIAM L. SCOTT. Mr. President, I am in general sympathy and in general agreement with what the distinguished Senator from Georgia is attempting to do to conserve energy. I agree with the 55-mile speed limit concept that was attached as a part of our highway act last year, and to deny funds to States that did not enforce the 55-mile-an-hour limit or did not pass a State law to that effect.

However, when the Senator talks about Sunday closing, I believe it goes further than the distinguished Senator indicated in his remarks. Tourism in Virginia is our second most-important industry and I feel sure that it is an important industry in the State of Georgia.

Mr. TALMADGE. It is, to be sure, but it is not absolutely necessary, in my judgment.

Mr. WILLIAM L. SCOTT. Well, it gives employment to a great number of people in my State.

Mr. TALMADGE. I know it does. We cannot conserve precious fuel, however, if everyone can fill his tank any time he wants to and ride around the country endlessly.

Mr. WILLIAM L. SCOTT. I believe there are alternatives. I believe the answer to this is to obtain more energy as well as to conserve what we have.

Mr. TALMADGE. I agree, but that is in the long range. I am talking about the short range.

Mr. WILLIAM L. SCOTT. Yesterday we passed a bill which will deny us energy which we would otherwise have. I am speaking of the strip-mining coal bill. Coal is our most abundant source of energy, and I am told that it will put thousands of people out of work in my State.

Mr. TALMADGE. I agree with the Senator from Virginia, that coal is our most abundant source of energy, but he cannot burn coal in his gas tank today.

Mr. WILLIAM L. SCOTT. The Senator is correct, and we cannot burn the natural beauty and esthetic values that yesterday's bill was addressed to. I am saying there is room for a difference of opinion.

Mr. TALMADGE. The Senator from Virginia and I do not have a difference of opinion. I share his view that coal must be used in abundance in future years. But the problem now is to conserve energy today. For example, we cannot gasify coal today in abundance. We cannot liquefy coal today in abundance. Hopefully, the time will come when we can.

I agree that coal is the greatest natural energy resource we have. We are extremely fortunate in that the United States of America possesses about a third of the known reserves of coal in the world. I think we have to get on with a program of coal liquefication and gasification as an alternative to imported energy.

Mr. WILLIAM L. SCOTT. I think we can use coal today to generate electricity.

Mr. TALMADGE. We can indeed. I concur in that. There is no difference between the Senator from Virginia and the Senator from Georgia.

Mr. WILLIAM L. SCOTT. The bill we passed yesterday would deny us the right even to mine much of the coal we have. It will throw a lot of people out of work, I am told.

Mr. TALMADGE. That is a bill that was passed yesterday. I am talking about one that is pending on the Senate floor today.

Mr. WILLIAM L. SCOTT. Mr. President, if the Senator will yield further.

Mr. TALMADGE. I yield.

Mr. WILLIAM L. SCOTT. I am saying that the two are connected.

Mr. TALMADGE. I agree.

Mr. WILLIAM L. SCOTT. I am saying we should conserve our existing supply of energy, but we should not curtail our mining of energy that we now have available to use.

Mr. TALMADGE. The Senator from Georgia shares completely the view of the Senator from Virginia in that regard.

Mr. WILLIAM L. SCOTT. I thank the Senator for yielding.

Mr. TALMADGE. I thank the Senator from Virginia.

Mr. FANNIN. Mr. President, I wish to commend the distinguished Senator from Georgia for the statement he has made. I share his great concern over what is going to happen in this country, and I know that he is very interested, being a member of the Committee on Finance. With the much greater imbalance of payments that we have because we are importing a vast amount, as he stated—7 million barrels of petroleum product a day—we have a very serious situation. I feel that we should even go beyond what the distinguished Senator has advocated. I have an amendment that I am going to call up at this time.

The amendment was proposed in the President's energy package. It is title XII of the National Appliance and Motor Vehicle Energy Act. I think the public is entitled to know, and I think the Senator would agree with that.

Mr. TALMADGE. I thank the distinguished Senator for his comment, and I know how long and how diligently the distinguished Senator from Arizona, both as a member of the Committee on Finance and as a member of the Senate Committee on Interior and Insular Affairs, has worked in this field.

He is not a Johnny-come-lately in this matter, because he has understood for many, many years the problem that has confronted our Nation. He is one of the Senate's best-informed Members on the natural resources of America. I applaud him for the efforts he has made and I thank him.

Mr. FANNIN. I thank the distinguished Senator from Georgia, who has worked for many, many years on these problems. This is not something that is new to him, either. He has worked on the Committee on Finance and the Committee on Agriculture, and has been a leader, not only here in Washington but around the Nation. Many times, he has spoken to different groups and brought to their attention very forcefully the problems that we face. He has done that with a straightforward position, recognizing exactly what we are to contend with if we do not take the action that he advocates. I certainly appreciate the fact that he is continuing his efforts in this regard.

Mr. TALMADGE. I thank the distinguished Senator.

I yield the floor, Mr. President.

AMENDMENT NO. 116

Mr. FANNIN. Mr. President, I call up amendment No. 116.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. FANNIN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

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

The amendment is as follows:

At the conclusion of the bill, add the following new title:

TITLE XIV

SHORT TITLE

SEC. 1401. This title may be cited as the "National Appliance and Motor Vehicle Energy Labeling Act of 1975."

FINDINGS AND PURPOSE

SEC. 1402. (a) The Congress finds—

(1) that the fuel resources of the Nation used in the production of energy are not inexhaustible;

(2) that significant environmental degradation often accompanies production of energy, presenting a danger to the health and welfare of the Nation's population;

(3) that avoidable inefficiencies exist in the production and consumption of energy;

(4) that increased efficiency in energy production and use can result in resource conservation and improved environmental quality; and

(5) that, while primary responsibility for the efficient utilization of energy rests with the manufacturers of energy-consuming major appliances and motor vehicles and the purchaser and users of these products, Federal action is essential to encourage the manufacture, purchase, and use of major appliances and motor vehicles all of which are either manufactured, sold, or used in interstate commerce or affect such commerce, that promote the efficient utilization of energy and minimize the waste of energy.

(b) The Congress declares that it is the policy of the United States to promote the efficient utilization of energy. To that end, it is the purpose of this title to provide information to the public on the energy consumption characteristics of major appliances and motor vehicles so that consumers by comparing such characteristics when purchasing such major appliances and motor vehicles may select those that can effect savings in energy consumption.

DEFINITIONS

SEC. 1403. (a) The term "manufacturing" means (1) any person engaged in the manufacturing or assembling of new products, as defined in subsection (d) of this section, in the United States or in the importing of such new products, for sale or resale, and (2) any person whose brand or trademark appears on the product who owns such brand or trademark and has authorized its use on such product, if the brand or trademark of the person actually manufacturing or assembling the product does not appear on the product.

(b) The term "appliance" means any item of equipment which provides heating, cooling, cleaning, washing, drying, entertainment, or other services by converting energy in the form of fossil fuels or electricity into thermal energy or work and is generally used in or around a permanent or temporary household or residence, or in a commercial establishment.

(c) The term "motor vehicle" means any self-propelled vehicle designed for transporting persons or property on a street or highway but excludes military vehicles designed for combat use or other vehicles designed for use in experimental work.

(d) The term "product" means any appliance or motor vehicle.

(e) The term "energy efficiency" means the energy use of a product relative to its output of services, as determined through test procedures contained or identified in a Specification.

(f) The term "energy use" means the energy resources used by a product under conditions of use approximating actual operating conditions insofar as practical, as determined through test procedures contained or identified in a Specification.

(g) The term "consumer" means the first person who purchases a new product for purposes other than resale.

(h) The term "class of product" means a group of products whose functions or features are similar, and whose range of energy use and/or energy efficiency may be of interest to consumers.

(i) The term "Specification" means a final Energy Conservation Specification or amendment thereto promulgated under section 1406 of this Title.

(j) The term "Label" means an article of printed matter accompanying a product or printed material appearing in a catalog from which a product may be purchased by order.

(k) The term "commerce" means commerce (1) between a State and any other place outside thereof or (2) which affects commerce between a State and any place outside thereof.

(l) The term "State" means a State, the District of Columbia, the Commonwealth of Puerto Rico, the Canal Zone, territories and possessions of the United States, or the Trust Territory of the Pacific Islands.

(m) The term "United States" when used in the geographic sense means all of the States as defined in subsection (l).

FUNCTIONS

SEC. 1404. (a) The President is authorized to develop and promulgate Energy Conservation Specifications for the following classes of products: motor vehicles, room and central air conditioners, refrigerators, freezers, clothes washers, dishwashers, clothes dryers, kitchen ranges and ovens, water heaters, and comfort heating equipment. Additional classes of appliances which use a significant amount of energy and which have an actual or potential range of energy efficiency from which consumers can choose may be added to the products enumerated in this subsection by the President pursuant to rulemaking procedures as set out in section 553 of title 5 of the United States Code.

(b) In carrying out the functions authorized under this Title the President may consult with appropriate Federal agencies, affected manufacturers, distributors, retailers, consumer and environmental organizations and other interested parties.

SEC. 1405. (a) Each Specification promulgated under this Title shall include but need not be limited to:

(1) A description of the class of product covered by the Specification.

(2) The range of energy efficiency and energy use data for that class of product as provided in section 1206 of this Title.

(3) Listings or descriptions of test methods to be used in measuring the energy efficiency and/or energy use characteristics of the class of product. Such test methods shall be methods the President determines are reasonable, technologically practicable, and appropriate.

(4) A prototype Label and directions for displaying the Label. The Specification shall require that the Label be prominent and readable, and be visible to the consumer at time of purchase. The Specification shall specify the information that shall be included on the Label to assist the consumer in comparing, by cost or amount of energy used or otherwise, the energy efficiency and/or energy use characteristics of a particular product with all others in its class. The Label shall also include the Energy Conservation Mark specified in section 1409.

(5) A statement covering the information on the energy use and/or efficiency characteristics of the product which is to be included in any product advertisement pursuant to section 1408 of this Title.

(b) Wherever feasible the test methods listed or described in the Specification pursuant to subsection (a)(3) of this section shall be those described in existing nationally recognized voluntary standards or international standards.

PROCEDURE FOR PROMULGATION AND AMENDMENT SPECIFICATIONS

SEC. 1406. (a) Specifications shall be promulgated and amended pursuant to the provisions of section 553 of title 5 of the United States Code. Interested persons shall be given thirty days after publication in the Federal Register of the notice of intent to promulgate or amend a Specification to submit written comments on such Specification or such other time as the President determines is in the public interest.

(b) A Specification or amended Specification shall be effective sixty days after publication in the Federal Register, unless the President finds that an earlier or later effective date is in the public interest, or unless the range of energy efficiency and/or energy use for the product group which is the subject of the Specification is not known at the time of publication.

(c) If the range of energy efficiency and/or energy use for a product group is not known at the time of publication of the applicable specification, the specification shall direct each manufacturer of a product in the product group to forward to the President within forty-five days after publication, or within such other period as the President determines is in the public interest, test data obtained through the test methods prescribed in the specification for each such product. On the basis of the information received from such manufacturers and without further opportunity for public comment, the President shall publish a range of energy efficiency and/or energy use values as an adjunct to the specification. A specification for which ranges are established pursuant to this subsection shall become effective sixty days after publication of the adjunct unless the President finds that an earlier or later date is in the public interest.

(d) Specifications and amendments to specifications shall not apply to individual products, the manufacture of which was completed prior to the effective date of the specification or amendment.

(e) Any final voluntary energy conservation specification promulgated under the Department of Commerce voluntary labeling program prior to the effective date of this title and in accordance with the procedural requirements of this section shall be deemed to be a specification promulgated and effective under this title.

REQUIREMENTS OF MANUFACTURERS

SEC. 1407 (a) Each manufacturer of a product or products for which a specification and effective date has been promulgated under this title shall provide a label that meets and is displayed in accordance with the requirements of that specification.

(b) Each manufacturer of a product or products for which a specification has been promulgated under this title shall notify the President, not later than sixty days after the date of such specification becomes effective, of the models in current production and starting serial numbers of those models, covered by the specification.

(c) If requested by the President the manufacturers shall provide within thirty days of the request the data from which the information included on the label and required by the specification was derived. Data shall be kept on file by the manufacturer for two years after that product is no longer manufactured unless otherwise provided in the specification. Pursuant to regulations issued by the President the use of independent test laboratories or national certification programs available to any manufacturer is authorized for obtaining required information for the purposes of this title.

(d) When requested by the President, the manufacturer shall supply at his expense a reasonable number of products to any laboratory designated by the President for the purpose of ascertaining whether the information set out on the Label, as called for by an applicable Specification, is accurate. Any reasonable charge levied by the laboratory for such testing will be borne by the United States.

(e) A Specification may require the manufacturer or his agent to permit a representative designated by the President to observe and inspect tests performed on products under the terms of this Title.

(f) Each manufacturer of a product for which an applicable Specification has been promulgated by the President shall annually at a time specified by the President supply to the President relevant energy efficiency and/or energy use data on each currently manufactured product covered by a Specification.

(g) Manufacturers shall use Labels reflecting revised energy efficiency and/or energy use ranges on all affected products manufactured after the expiration of sixty days following the publication of a revised table of ranges. Such ranges may be revised by the President only on an annual basis.

ADVERTISING

SEC. 1408. Any manufacturer, distributor, wholesaler, importer, or retailer of products for which a Specification has been promulgated and is effective who advertises or causes to be advertised the energy characteristics of any such product through any communications medium must include in such advertisement all information on the product required by the Specification applicable to such product. This section shall not apply to printed material appearing in a catalog from which a product may be purchased by order.

ENERGY CONSERVATION MARK

SEC. 1409. There shall be developed an Energy Conservation Mark which shall be registered in the United States Patent Office under section 4 of the Act of July 5, 1946 (60 Stat. 429; 15 U.S.C. 1054) for use on each Label described in a Specification.

CONSUMER EDUCATION

SEC. 1410. Governmental agencies as directed by the President shall in close cooperation and coordination with appropriate industry trade associations and industry members including retailers, and interested consumer and environmental organizations carry out a program to educate consumers relative to the significance of the labeling program.

PREEMPTION

SEC. 1411. It is hereby declared to be the express intent of Congress that this title supersedes any and all laws and regulations promulgated thereunder of the States or political subdivisions thereof insofar as they may now or hereafter provide for the disclosure of energy use or consumption, energy efficiency, efficiency ratio, or annual operating cost of any product if there is in effect and applicable any specification with respect to such product.

GENERAL PROVISIONS

SEC. 1412. (a) The President is authorized to issue such regulations, including record-keeping, reporting requirements, and the use of foreign laboratories or programs in other countries for testing required under the title on a reciprocal basis or otherwise, as he deems necessary to carry out the provisions of this title.

(b) The President may delegate any authority conferred upon him by this title to any officer, employee, agency, or instrumentality of the United States.

(c) Trade secrets or other matter referred to in section 1905 of title 18 of the United States Code obtained under the provisions of this title shall be considered confidential for the purposes of that section, except that such information may be disclosed to other officers or employees concerned with carrying out this title when relevant in any proceeding under this title.

SUBPENA

SEC. 1413. The President may sign and issue subpenas for the attendance and testimony of witnesses and the production of relevant books, records, papers, and other documents and may administer oaths. Witnesses summoned under the provisions of this section shall be paid the same fees and mileage as are paid to witnesses in the courts of the United States. In case of contumacy by, or refusal to obey a subpena served upon any person subject to this title, the President may request the Attorney General to seek an order from the district court of the United States for any district in which such person is found or resides or transacts business requiring such person to appear and give testimony, or to appear and produce documents.

ANNUAL REPORT

SEC. 1414. The President shall prepare and submit an annual report to the Congress on April 1 of each year concerning the administration of this title.

EXPORTS

SEC. 1415. This title shall not apply to any product if (1) it can be shown that such product is manufactured, sold, or held for sale for export from the United States (or that such product was imported for export), unless such product is in fact distributed in commerce for use in the United States, and (2) such product when distributed in commerce, or any container in which it is enclosed when so distributed, bears a stamp or label stating that such product is intended for export.

IMPORTS

SEC. 1416. Any product offered for importation in violation of section 1417 shall be refused admission into the United States under regulations issued by the President except that the President may, by such regulations, authorize the importation of such product upon such terms and conditions (including the furnishing of a bond) as may appear to him appropriate to ensure that such product will be properly labelled as required by this Title, or will be exported or abandoned to the United States.

PROHIBITED ACTS

SEC. 1417. It shall be unlawful for any person to:

(a) Offer for sale in, sell in, introduce into or deliver for introduction into commerce, or import for sale or resale, any new product manufactured after the effective date of a Specification applicable to such product unless there is provided with such product a Label meeting the requirements of the applicable Specification, including any requirements as to manner of display;

(b) Offer for sale in, sell in, introduce into or deliver for introduction into commerce, or import for sale or resale, any new product manufactured after the effective date of a Specification applicable to such product if the label required to be provided with such a new product contains misleading or inaccurate information concerning energy use and/or efficiency;

(c) Remove any label required to be provided with a new product pursuant to a Specification promulgated under this Title before sale to the consumer;

(d) Advertise any product in violation of the provisions of section 1408;

(e) Fail to or refuse to permit access to, or copying of, records or fail to or refuse to make reports or provide information required to be supplied under section 1406(c) or 1407 or any other provision of this Title within the time limits provided, if any; or

(f) Fail to or refuse to comply with requirements of section 1407(d) or (e) of this Title.

ENFORCEMENT

SEC. 1418. Whoever violates any provision of section 1417 shall be subject to a civil penalty of not more than $10,000 for each violation. Civil penalties assessed under this Title may be compromised by the President, taking into account the nature and degree of the violation and the impact of the penalty upon a particular respondent.

INJUNCTIVE ENFORCEMENT AND SEIZURE

SEC. 1419. (a) The United States district courts shall have jurisdiction to restrain any violation of section 1417. Such actions may be brought by the Attorney General in any United States district court for a district wherein any act, omission, or transaction constituting the violation occurred, or in such court for the district wherein the defendant is found or transacts business. In any action under this section process may be served on a defendant in any other district in which the defendant resides or may be found.

(b) Any product which is not labeled as prescribed by an applicable Specification promulgated under this Title when introduced into or while in commerce or while held for sale after shipment into commerce shall be liable to be proceeded against on libel of information and condemned in any United States district court within the jurisdiction of which such product is found. Proceedings in cases instituted under the authority of this subsection shall conform as nearly as possible to proceedings *in rem* in admiralty. Whenever such proceedings involving substantially similar products are pending in courts of two or more judicial districts, they shall be consolidated for trial by order of any such court upon application seasonably made by any party in interest upon notice to all other parties in interest.

JUDICIAL REVIEW

SEC. 1420. (a) Any person who will be adversely affected by a Specification or amendment thereto promulgated under this Title when it is effective may at any time prior to the sixtieth day after such Specification or amendment thereto is issued 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 President or other officer designated by him for that purpose. The President thereupon shall file in the court the record of the proceedings on which the standard or regulation was based as provided in section 2112 of title 28 of the United States Code.

(b) Upon the filing of the petition referred to in subsection (a) of this section, the court shall have jurisdiction to review the Specification in accordance with chapter 7 of title 5 of the United States Code and to grant appropriate relief as provided in such chapter.

(c) The judgment of the court affirming or setting aside, in whole or in part, any such Specification 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 of the United States Code.

(d) The remedies provided for in this subsection shall be in addition to and not in substitution for any other remedies provided by law.

SEPARABILITY

SEC. 1421. If any provision of this Title or the applicability thereof is held invalid the remainder of this Title shall not be affected thereby.

AUTHORIZATION OF APPROPRIATIONS

SEC. 1422. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Title. Appropriations to carry out the provisions of this Title may remain available for obligation and expenditure for such period or periods as may be specified in the Acts making such appropriations.

Mr. FANNIN. Mr. President, I wish to explain the amendment.

As I stated, this language was proposed in the President's energy package as title XII, the National Appliance and Motor Vehicle Energy Labeling Act. It addresses the problem of energy wasted by inefficient appliances.

Statisticians tell us that cars, trucks, and other motor vehicles consume roughly 45 percent of all the petroleum used in this country. Major home appliances—such as air conditioners, water heaters, refrigerators, dishwashers, and stoves—account for one-third of residential energy use. Of course, not all brands and

models use energy with equal efficiency. With these modern conveniences contributing in such large measure to our national energy consumption, there should be a basis for comparison. It is high time the American consumer was given the opportunity to make an informed choice between similar products based on how much they will add to his electric bill, or cost him at the gas pump.

My amendment would make that kind of choice possible by authorizing the President to promulgate conservation specifications for these products and require labeling to show how each product measures up to specifications. Virtually every class of motor vehicle and major home appliance sold in this country would be displayed on every item, plainly visible to the customer. Americans could buy not only on the basis of how much an item costs at the cash register, but on the basis of how much it will cost to operate as well.

Americans are more than ever aware of the need for conservation, and are willing to do their part to conserve energy. Failure by the Congress to enact measures such as this one, which would enable people to conserve, is irresponsible and plainly anticonsumer.

Mr. President, we have many sources of energy and we only yesterday were discussing the coal situation in this country. I certainly share in the statement made by the distinguished Senator from Virginia, that we did take a move backward yesterday. But we took that move. We are facing now a conference and I hope we can do something about the legislation that was passed. I feel it was disastrous legislation, but I am offering, today, something that is just in the opposite direction.

Additionally, Mr. President, in the areas of energy research we have great hopes for coal gasification and coal liquefaction, as was stated by the distinguished Senator from Virginia and as acknowledged and further elaborated on by the Senator from Georgia. But we have not, as yet, perfected an economical way of carrying through the processing of this coal to provide either the liquid or the gaseous products. So we will continue that research. I certainly am very proud that Congress has provided a means of doing so.

We have great hopes for geothermal sources of energy. We have successful geothermal operations in some parts of the country, especially at Geyserville in northern California.

To give an idea as to what that means, the city of San Francisco uses a few thousand megawatts a day, and soon they will be furnishing from this one operation, the amount of electricity that is being utilized in San Francisco. So it is a great step forward.

But still, what are we doing about the great number of appliances that we have in operation throughout this Nation, and what are we doing about letting the public know whether or not they are buying an efficient appliance?

They are all conscious, now, talking about the mileage on cars, talking about what is being done as far as pollution is concerned, and how this is costing additional money. All I am doing in this proposal, Mr. President, is define what is involved and get the definition of what would be covered.

The term "appliance" means any item of equipment which provides heating, cooling, cleaning, washing, drying, entertainment, or other services by converting energy in the form of fossil fuels or electricity into thermal energy or work and is generally used in or around a permanent or temporary household or residence, or in a commercial establishment.

In other words, we are trying to cover almost all of the appliances, whether commercial or domestic, that are utilized by the people of this country.

The term "motor vehicle" means any self-propelled vehicle designed for transporting persons or property on a street or highway but excludes military vehicles designed for combat use or other vehicles designed for use in experimental work.

The term "product" means any appliance or motor vehicle.

So I feel that we have a clear classification and a clear understanding of the legislation, as to what would be involved specifically.

The President, in this bill, is authorized to develop and promulgate energy conservation specifications for the following classifications of products: motor vehicles, room and central air conditioners, refrigerators, freezers, clothes washers, dishwashers, clothes dryers, kitchen ranges and ovens, water heaters, and comfort heating equipment. Additional classes of appliances which use a significant amount of energy and which have an actual or potential range of energy efficiency from which consumers can choose may be added to the products enumerated in this subsection by the President pursuant to rulemaking procedures as set out in section 553 of title 5 of the United States Code.

Mr. President, what we are talking about is making it possible to conserve the different products being utilized by people throughout this Nation, the fossil fuel products, the products that have a great connection with the economy of our country and with the comfort and pleasure of the people of our country. Here we have an opportunity to conserve, for instance, natural gas and electricity.

When we talk about conservation of natural gas, we hope to get in this bill, though not in this particular amendment, a provision that would deregulate natural gas, because we are running out of natural gas, Mr. President. That is something that we must recognize. Many of the people of this country cannot utilize their appliances which may be gas now. If they move into an area where there is not natural gas, in many instances, they cannot get that service. This is something of great magnitude, if we consider that billions of dollars' worth of appliances could be made obsolete and not usable if we run out of natural gas in a certain area of the country.

People may think that is a wild statement, but it could be a reality, unfortunately, someday, because we are overutilizing our products, especially those which use natural gas because of its low price. A mistake was made many years ago when the Federal Power Commission took over the regulation of natural gas, and as a result of it we stopped utilizing coal. In many instances, we have stopped utilizing oil and have replaced it with natural gas. Many conversions have been made.

What my amendment does is encourage changing around. We will have other amendments that further encourage this changeover back to coal, where, in many instances, they were years ago.

In carrying out the functions authorized under this title the President may consult with appropriate Federal agencies, affected manufacturers, distributors, retailers, consumer and environmental organizations, and other interested parties.

In other words, what we are trying to do is bring everyone into this picture, and get the cooperation of everyone and coordinate this effort so that we can do something about the utilization of these vital fuels that many times are in very short supply, and getting into shorter supply.

I feel that we can specify exactly what an appliance will do; it is very easy to place upon a range, for instance, the energy efficiency in use of that product. This is all provided for in the legislation, with provision for listings or descriptions of test methods to be used in measuring the energy efficiency and/or energy use characteristics of the class of product. Such test methods shall be methods the President determines are reasonable, technologically practicable, and appropriate for all of this class of merchandise.

The label is supposed to include information to assist the consumer in comparing, by cost or amount of energy used or otherwise, the energy efficiency and/or energy use characteristics of a particular product with all others in its class. The label shall also include the energy conservation mark specified elsewhere in the amendment.

Mr. President, we see many advertisements each day, and hear them on the radio, that say "This car will get so many miles per gallon," but then you get another number of miles per gallon in use. This label requirement would be absolute, with the manufacturer being held responsible for the statements that are made.

A statement covering the information on the energy use and/or efficiency characteristics of the product which is to be included in any product advertisement is required.

Wherever feasible the test methods listed or described in the specification shall be those described in existing nationally recognized voluntary standards or international standards.

Mr. President, the reason why I am going into detail on this is that I do feel it is highly essential that everyone understand it. In other words, all the Members of our body will understand that this is a procedure that can be policed without a great deal of difficulty. It is not going to require additional cost of any great magnitude. Certainly there will be tests which should be made, and those testing operations will result in savings to the customer, because if an

appliance is tagged, it will create a competitive condition.

In other words, I do not say that they should utilize this in their advertising. In fact, we cover that in the amendment.

If the range of energy efficiency and/or energy use for a product group is not known at the time of publication of the applicable specification, those specifications will be made available to the public, and they will also be available to other manufacturers that would be involved, in competition or otherwise. The specification shall direct each manufacturer of a product in the product group to forward to the President within 45 days after publication, or within such other period as the President determines is in the public interest, test data obtained through the test methods prescribed in the specification for each such product.

These requirements of the manufacturers are detailed. I do not think I should take the time to read every detail. We hope that the Members of the Senate will understand that this has been very thoughtfully carried through. There has been a great deal of effort put forth in the wording of this particular amendment, so that it will be something that can be lived with for a great number of years.

Mr. President, there is latitude, but still there are very specific requirements. It is not the desire to in any way favor one article or another, or one manufacturer or another, but any manufacturer involved in advertising.

I would just like to elaborate on that for a moment.

Any manufacturer, distributor, wholesaler, importer, or retailer of products for which a specification has been promulgated and is effective who advertises or causes to be advertised the energy characteristics of any such product through any communications medium must include in such advertisement all information on the product required by the specification applicable to such product. This section shall not apply to printed material appearing in a catalog from which a product may be purchased by order.

This is a safety measure, to be sure that the manufacturer has met the requirement of making clear to the buying public exactly the performance of his particular item of sales; that is, the appliance or automobile, whatever might be involved.

There is to be developed, too, an energy conservation mark which shall be registered in the U.S. Patent Office for use on each label described in a specification.

Then, too, Mr. President, in order that this will work more beneficially and advantageously, there will be a consumer education program provided for in the legislation. Governmental agencies as directed by the President shall, in close cooperation and coordination with appropriate industry trade associations and industry members including retailers, and interested consumer and environmental organizations, carry out a program to educate consumers relative to the significance of the labeling program.

Mr. President, I do feel that the amendment is all-encompassing, covering many of the requests that have been made by Members of this body, and would be extremely helpful to this legislation.

The President shall prepare and submit an annual report to Congress on April 1 of each year concerning the administration of this measure. So we do have control over what is being done. And something that is very important, in order that we can be competitive on the world market.

This title shall not apply to any product if: first, it can be shown that such product is manufactured, sold, or held for sale for export from the United States—or that such product was imported for export—unless such product is in fact distributed in commerce for use in the United States; and second, such product when distributed in commerce, or any container in which it is enclosed when so distributed, bears a stamp or label stating that such product is intended for export.

The reason for that, Mr. President, is that we are in competition with other countries of the world that do not require certain specifications that are required here in this country. Many times, in order to be competitive, perhaps products that are less costly are going to be needed to meet the competition. So that is very important.

But when imports are coming in, any product offered for importation in violation of section 1417 shall be refused admission into the United States under regulations issued by the President except that the President may, by such regulations, authorize the importation of such product upon such terms and conditions—including the furnishing of a bond—as may appear to him appropriate to ensure that such product will be properly labeled as required by this title, or will be exported or abandoned to the United States.

The reason for this is that certainly manufacturers in this country are entitled to protection. We do not want low cost imports, inferior in quality, to be sold in this country to establish competition to the products that are being made in accordance with the provisions of this amendment.

So, Mr. President, I feel that we have an amendment that would be extremely helpful, and would add considerably to the importance of this legislation. I trust that the distinguished manager of the bill will be willing to accept the amendment. I realize it is a very long amendment, but I would appreciate any comments that he may have.

Mr. BUMPERS. Mr. President, the amendment offered by the distinguished Senator from Arizona, designated as title 12 of the so-called energy omnibus bill, has been introduced here and referred to the Committee on Commerce, where hearings have been held. Our distinguished colleague from California (Mr. TUNNEY), who is chairman of the subcommittee that is considering this legislation, has held hearings and will soon be ready to report it out. He is here, and I would like to yield to him.

Mr. TUNNEY. I thank my colleague, the floor manager of the bill.

I would hope that the Senator from Arizona would be prepared to withdraw this amendment.

I understand full well why he is moving it at this time—because of the great concern that he has that we develop a national energy program as soon as possible to meet our national needs—and the President's bill which relates to appliance and motor vehicle labeling is a very worthy suggestion, a legislative proposition that deserves the closest scrutiny by the Senate.

However, the Commerce Committee is at the present time holding hearings on this legislation. We have already conducted 3 days of hearings, as I recall, that I chaired.

We have had witnesses from the Environmental Protection Agency, from the Council of Environmental Quality Administration, we have had witnesses from industry testifying as to what they think is needed and the modifications that have to be made in the various proposals that have been suggested.

I can assure the Senator from Arizona that I, for one, am very interested in seeing an energy labeling proposal come out of the Commerce Committee within the next 2 or 3 weeks.

I introduced a bill on energy labeling 2 years ago and had the interesting situation develop where the administration opposed the legislation for mandatory labeling and the very same administration witnesses came before our committee this year and supported the legislation.

So we are working on it and I can assure the Senator we will get this bill to the floor within the next month. At that point if the very distinguished senior Senator from Arizona has any problems with it and he feels that the approach the Commerce Committee has taken is not consistent with the approach he feels ought to be adopted, if the administration feels that there ought to be amendments offered to legislation that the Commerce Committee passes out, it would seem to me that would be the appropriate time to offer those amendments rather than using what I would call rather violent surgery at this particular point in time and using a transplant method of surgery to accomplish a result which I do not think is going to be in the best legislative interests of this body.

Mr. FANNIN. Mr. President, may I respond?

Mr. TUNNEY. I yield to the Senator.

Mr. FANNIN. I wish to express my appreciation to the distinguished Senator from California.

I understand that some of the provisions in this amendment are being considered by the Commerce Committee. As the Senator from California well knows, many times we have provisions in approved legislation that are later considered in other legislation. I do feel that this is germane.

When the Senator speaks of surgery and what is involved in this bill, I know that this particular amendment is one that has been considered by the Commerce Committee before. We certainly realize that it is very important. We are talking about a time problem and I am very hopeful that this amendment can

be included in this particular piece of legislation. But also, if there is additional coverage, then it might be in the bill the Senator is referring to coming out of the Commerce Committee.

But we have been discussing this particular subject and I know the Commerce Committee has had legislation concerning it for many months. In fact, I think when we first started discussing this, when we were on Senate Resolution 45 about 4 years ago, we talked about coming out with this type of legislation. We discussed it in other legislation even last year.

But we have waited since the spring of 1971 and still we do not have the legislation.

So rather than take a chance, though I certainly realize that the Senator is assuring us to the greatest of his ability, and I trust the Senator implicitly, I feel that we have an obligation to include in this bill what we think would be most beneficial and helpful in solving the energy problem facing us today.

Mr. TUNNEY. Will the Senator yield?

Mr. FANNIN. I am glad to yield.

Mr. TUNNEY. Do I have the time or does the Senator from Arizona have the time?

The PRESIDING OFFICER. The Senator from California has the floor.

Mr. TUNNEY. I would like to say to my distinguished colleague that I can understand the spirit in which he offers this amendment.

I would point out two things as a prelude to a tabling motion that I am going to make if the Senator from Arizona feels that he cannot withdraw the amendment.

First, this legislation, or a bill on energy labeling, it was appliance labeling actually, passed the Senate last year and it was not considered by the House of Representatives because of a problem that they had in their Commerce Committee and Interstate and Foreign Commerce Committee in scheduling dates for hearings. As a result of that, no action was taken on the appliance labeling section of the amendment that the Senator from Arizona has introduced.

But we do have in the Senate a track record for moving this kind of legislation and we want to move it and we want to move it quickly.

Secondly, I would point out that on February 5, 1975, Senator SCOTT, when he introduced the administration's energy package, asked for a unanimous-consent agreement, which was granted, to refer various elements of the program to various committees and the energy labeling component of the administration's package was sent exclusively to the Commerce Committee, not to the Interior Committee and the Commerce Committee, but to the Commerce Committee, and we have moved expeditiously.

I have chaired the hearings. We intend to move this legislation out, as I said, within a month's time, and I would just hope that the Senator, on the basis of the undertakings I am making on the floor of the Senate today, would find his way clear to withdraw the amendment.

If the Senator feels he cannot, I will be required to move to table.

Mr. FANNIN. Will the Senator yield?

Mr. TUNNEY. Yes, I yield.

Mr. FANNIN. I think if the Senator will refer to page 45, the table of contents of S. 622, the bill we have before us now, the Senator will see that we have included items that could be challenged by several committees. As the Senator is very well aware, there is seldom a piece of legislation that comes on this floor that does not pose a question of jurisdiction of whether or not it should be in this committee or that committee.

I think the importance of this particular amendment, and what it covers is what must be considered.

In other words, if we say that we are going to table any amendment that comes up, which might be under consideration in some other committee, I think we could probably table a third of the table of contents that we have in this bill.

So I hope that the Senator will reconsider what he has said, because I know that in his great State of California this would be very important.

The Senator from Arizona happens to have been in the appliance business, purchased many carloads of appliances from manufacturers in California and is very familiar with what is involved as far as the manufacturer is concerned in his State, and the importance that this bill has to his particular State.

So I would hope that the Senator might permit an up and down vote on the amendment. This is all that I think would be necessary. Then at the time that the legislation he is referring to comes on the floor, I would certainly support any additions or any changes that would be beneficial.

As was brought out by Senator SCOTT some time ago, this was lifted from that particular legislation referred to.

But we could just take any number of these items in the table of contents and have the same argument as the Senator from California is making.

Mr. TUNNEY. Well, I see that I cannot get my distinguished friend to change his mind.

I understand why the Senator feels that he has to do what he is doing. I just say that I think it is a poor way to legislate.

We have the administration's bill before our committee. Testimony indicated that there are going to have to be significant changes not only in the administration's proposal, but the proposal I introduced as a separate bill.

We are at the present time working with the administration, we are working with the industries that are involved, we are working with other Senators, attempting to come up with a legislative package which will be most beneficial to consumers and industry alike.

It does seem to me that with that kind of work and the many hours of hearings we have under our belt, with the many hundreds of hours of negotiations that are ongoing now with the administration and with industry and consumer groups, it just does not make sense to attempt to short-circuit this procedure by having the administration's proposal accepted on the floor as it was introduced.

Therefore, Mr. President——

Mr. FANNIN. Mr. President——

Mr. TUNNEY. Yes.

Mr. FANNIN. I would just like to say to the distinguished Senator from California, I certainly applaud his efforts on the legislation and the additional stipulations that will be involved in the bill that he is referring to.

But I just cannot agree that the jurisdiction of the content of this particular amendment is the sole propriety of the Commerce Committee.

The Finance Committee, as far as that is concerned, and the Interior Committee, both have been involved in the different subjects of this particular amendment.

So I think we will always have this argument to contend with. I think the Senator will agree. If we could simply have an up or down vote on this amendment——

Mr. TUNNEY. Fine.

Mr. FANNIN. We will be moving along.

Mr. TUNNEY. Fine.

Mr. FANNIN. On that basis.

Mr. TUNNEY. I understand.

Mr. President, I would like to ask first a unanimous consent for floor privileges for Michael Pertschuk, Barry Hyman, Lynn Sutcliffe, Art Pankopf, Mal Sterrett, and Dan Jaffe of the Commerce Committee during consideration of this legislation.

The PRESIDING OFFICER. Are they staff members?

Mr. TUNNEY. Members of the Committee on Commerce.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. TUNNEY. Mr. President, I move to table the amendment of the distinguished Senator from Arizona.

The PRESIDING OFFICER. The question is on the motion to table——

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

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

Mr. FANNIN. Mr. President, I withdraw amendment No. 116.

The PRESIDING OFFICER. The amendment is withdrawn.

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

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

UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I am authorized to propound the following unanimous-consent request, after

having discussed the unanimous-consent request with various Senators on this side of the aisle and with various Senators on the other side of the aisle, including the leadership on the other side of the aisle. I shall make it all in a package before the Chair puts the request.

Mr. President, based on the understanding that if the consent request is agreed to, there will be no session of the Senate tomorrow so as to allow the Committee on Finance to work on the tax bill without interruption by rollcalls, quorum calls, votes, et cetera; with the further understanding that the tax bill will be taken up in the Senate on Monday, if it is reported prior to that time and if it is ready for floor action by Monday; if, in the alternative, it is not, that it be taken up no later than Tuesday of next week; with the understanding also that if the requests are agreed to, further action on S. 622 will be postponed until after the Senate returns following Easter; and with the further understanding that S. 622 will be the pending business when the Senate returns; I ask unanimous consent that further debate on S. 622 be limited to 8 hours, to be equally divided between and controlled by Mr. JACKSON and Mr. FANNIN; that time on any amendment in the first degree be limited to 1 hour; that time on any amendment in the second degree be limited to 30 minutes; that time on any debatable motion or appeal or point of order be limited to 20 minutes; all of which are to be equally divided and controlled in accordance with the usual form; that no nongermane amendment be in order; that the agreement be in the usual form; that S. 622 be laid aside upon the agreement to these requests; and that it be made the pending order of business upon the convening of the Senate following Easter.

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

The text of the unanimous-consent agreement is as follows:

Ordered, That when the Senate reconvenes following Easter, it shall resume the consideration of S. 622, the so-called "Standby Energy Authorities Act," and that debate on any amendment in the first degree shall be limited to 1 hour, to be equally divided and controlled by the mover of such and the manager of the bill, and that debate on any amendment in the second degree shall be limited to 30 minutes, to be equally divided and controlled by the mover of such and the author of the amendment in the first degree, and that debate on any debatable motion or appeal shall be limited to 20 minutes, to be equally divided and controlled by the mover of such and the manager of the bill: Provided, That in the event the manager of the bill is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the Minority Leader or his designee: Provided further, That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of the final passage of the said bill, debate shall be limited to 8 hours, to be equally divided and controlled, respectively, by the Senator from Washington (Mr. JACKSON) and the Senator from Arizona (Mr. FANNIN): Provided, That the said Senators, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion or appeal.

Mr. ROBERT C. BYRD. Mr. President, I thank all Senators for their cooperation. I ask that S. 622 now be laid aside in accordance with the understanding.

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

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. ROBERT C. BYRD. Mr. President, I think I should state that there may be further rollcall votes today—not on S. 622, but on one or two other matters. Therefore, I ask the Senators simply to keep that in mind until they hear further.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

ORDER FOR RECESS UNTIL 11 A.M. MONDAY

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 11 a.m. on Monday next.

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

AUTHORITY FOR THE COMMITTEE ON BANKING, HOUSING AND URBAN AFFAIRS TO FILE REPORTS ON TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Banking, Housing and Urban Affairs have authority to file reports on tomorrow.

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

AUTHORITY FOR COMMITTEES TO FILE REPORTS DURING RECESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that during the recess over until Monday, all committees may be authorized to file reports.

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

AUTHORIZATION FOR THE SECRETARY OF THE SENATE TO TAKE CERTAIN ACTION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that during the recess over until Monday, the Secretary of the Senate be authorized to receive messages from the other body and from the President of the United States, and that they may be appropriately referred.

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

AUTHORIZATION FOR THE VICE PRESIDENT, THE PRESIDENT PRO TEMPORE OR THE ACTING PRESIDENT PRO TEMPORE TO TAKE ACTION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that during the recess over until Monday, the Vice President of the United States, the President pro tempore, and the Acting President pro tempore be authorized to sign all duly enrolled bills and joint resolutions.

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

ORDER FOR RECOGNITION OF SENATORS GRIFFIN AND ROBERT C. BYRD, DESIGNATING PERIOD FOR ROUTINE MORNING BUSINESS, AND CONSIDERATION OF SENATE RESOLUTION 111

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday, after the two leaders or their designees have been recognized under the standing order, Mr. GRIFFIN be recognized for not to exceed 15 minutes, to be followed by the junior Senator from West Virginia for not to exceed 15 minutes, after which there be a period for the transaction of routine morning business of not to exceed 10 minutes, with statements limited therein to 2 minutes each, at the conclusion of which the Senate will proceed to the consideration of Senate Resolution 111, which is the continuing resolution dealing with moneys for committees.

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

ORDER FOR CONSIDERATION OF S. 66

Mr. ROBERT C. BYRD. Mr. President, upon the disposition of Senate Resolution 111, I ask unanimous consent that the Senate proceed to the consideration of S. 66, a bill to amend title 8 of the Public Health Service Act to revise and extend the programs of assistance under that title for nurse training, and that this program for Monday will be in effect, provided the tax bill has not been reported and ready for Senate floor action on Monday; further provided that, in any event, as was stated earlier, and which I believe is already a part of the earlier consent request, the tax bill will be taken up no later than Tuesday, if it is reported and ready for floor action by that time.

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

REDESIGNATION OF NOVEMBER 11 AS VETERANS DAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Sen-

ate now proceed to the consideration of calendar No. 34, S. 331.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 331) to redesignate November 11 of each year as Veterans Day and to make such day a legal public holiday.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary with an amendment in line 3, strike out "1977" and insert "1978" in lieu thereof, 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, effective January 1, 1978, section 6103(a) of title 5, United States Code, is amended by striking out—

"Veterans Day, the fourth Monday in October."

and inserting in lieu thereof—

"Veterans Day, November 11.".

Mr. ROBERT C. BYRD. Mr. President, I would like the RECORD to show that I support this bill and I am voting in favor of it.

The PRESIDING OFFICER. The RECORD will so show.

Mr. HRUSKA. Mr. President, the Senate now moves to consider S. 331, a bill which has as its purpose the restoration of November 11 of each year as Veterans Day. This matter was favorably reported by the Judiciary Committee on March 12.

A nearly identical measure passed the Senate on October 11 of last year. Unfortunately, the other body was unable to act on the earlier bill before adjournment of the 93d Congress.

The desire for this bill has resulted from the confusion and resentment caused by passage of the Monday holiday law in 1968, Public Law 90–363. That legislation established a uniform holiday schedule and, among other things, moved the Federal celebration of Veterans Day from November 11 of each year to the fourth Monday in October.

Since enactment of the Monday holiday law, 42 States have moved to restore the observance of Veterans Day to its traditional date. Two States had never changed to conform with Federal law.

Last year, the Judiciary Committee determined, on balance, that the overwhelming majority of Americans want November 11 to be the recognized date for this important event. Although a Monday observance of Veterans Day provides American families with a 3-day weekend, the committee was convinced that a departure from the traditional commemoration has resulted in an unfortunate lessening of participation in Veterans Day events throughout the Nation. The committee concluded, therefore, that passage of this bill, bringing Federal law again into conformity with a vast majority of our States, would aid substantially in the preservation and furtherance of this event which is important to so many of our citizens.

This bill has the full support of the major veterans organizations: The American Legion, Veterans of Foreign Wars, Veterans of World War I, Non-Commissioned Officers Association, Disabled American Veterans, and American Veterans of World War II, Korea and Vietnam.

S. 331 was amended in the Judiciary Committee to extend by 1 year—to January 1, 1978—the effective date of this legislation. Thus, Veterans Day would be celebrated as a Monday holiday for the last time in 1977. A delay of an additional year was considered advisable by the committee in order to accommodate those who arrange Veterans Day events, as well as the calendar industry, whose printing schedule does not permit a high degree of flexibility. The committee believes this will promote convenience and reduce the confusion that may result from this important change.

It is my hope that favorable action can be taken on this important legislation to a point of early enactment.

Mr. HATHAWAY. Mr. President, let me say at the outset that I do not want my opposition to this bill to be construed as being unpatriotic in any way in view of the laundry list of veterans organizations that backed this change in the holiday schedule.

I am a veteran of World War II and a member of the American Legion and the Veterans of Foreign Wars, which I understand support this bill.

Although I can be very sympathetic with their plea, this is the same plea at the time we originally changed over to the Monday holiday law.

The same plea was made not only with respect to the November 11 so-called Armistice Day, but with respect to Memorial Day, as well.

Actually, there is nothing really magic about November 11 in terms of honoring the veterans of our wars, and I presume that Armistice Day is for that purpose. It marks the armistice of World War I. But there are other American veterans, both living and dead, who fought in wars that ended on many different dates:

The American Revolution on January 20, 1783; the War of 1812 on February 17, 1815; the War Between the States, May 29, 1865; the Spanish-American War on December 10, 1898; World War II, which ended on September 2, 1945; the Korean war, which ended July 27, 1953; and the end of the war in Vietnam on January 27, 1973.

So, of eight major wars we have had in our history, one did end with the armistice signed November 11, but all of the others on different dates.

The major concern I have with this bill is the fact that we do not need this date to be celebrated on November 11. It can just as easily be celebrated on Monday as well as all other holidays, save with the exception of Christmas and New Year's.

As I mentioned at the outset of my remarks, veterans organizations are also concerned about changing Memorial Day from a Monday holiday back to the May 30 date which we had before.

I am afraid that once we enact this legislation, the veterans organizations will be back again saying, "Well, you did it for us for Armistice Day, how about Memorial Day"; and after that the DAR, or some other organization will be saying, "What about George Washington's Birthday, let us change that back to February 22"; and all of the interest groups that were putting pressure on us years ago when we changed over to the Monday holiday law will be back in again pointing to this as an example, "If the Senate changed Veterans Day to November 11, why do they not do it for us with respect to our holidays?" Then we are going to destroy the entire Monday holiday law altogether.

I think that Monday holiday law really makes a lot of sense. People enjoy the long weekends. I would think that the vast majority of workers throughout this country would be opposed to this in view of the fact that they are going to lose another long weekend that they have enjoyed in the past.

There are fewer work interruptions. There are fewer traffic deaths. Certainly, in this time when we are considering our energy shortages, I think it is important to note the energy waste that we are going to have by having a startup and a closing in the middle of the week, which we will have if we change this from a Monday holiday law.

There are statistics which conclusively indicate that midweek holidays present the greatest threat to the Nation's motorists.

A report by the Department of Commerce shows that taking the danger rating for a typical nonholiday as 1, the danger rating of a midweek holiday is 1.83 as compared with a danger rating of only 1.18 for a 3-day holiday weekend.

We are killing in excess of 50,000 people a year on our highways. I think this is a significant factor to be considered with respect to the bill that is now pending before us.

Finally, let me say that all of the pros and cons of Monday holidays were thoroughly debated and considered during a very extensive hearing prior to the enactment of the law in 1966.

Just to rebut the point that some 40 States have already indicated that they want this changed back to November 11, I think we have seen time and time again where State legislatures have been pressured into doing things that we would not have been pressured into doing. The fact that we have an occupational health and safety law is a result of the fact that State legislatures never could pass such a law because of the undue pressures put upon them.

I think it is obvious to us at this stage of our history that it is much easier to put pressure on a State legislature than the National Legislature. The fact that some 40 States have adopted this I do not think is significant. The National Legislature took the lead with respect to the Monday holiday law. I think we should retain that lead and keep the law intact without any exceptions.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

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 and third reading of the bill.

The bill (S. 331) was ordered to be engrossed for a third reading, read the third time, and passed.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

[Disturbance in the galleries.]

The PRESIDING OFFICER. The galleries will be in order. Visitors in the galleries are guests of the Senate. The clerk will suspend until the Sergeant at Arms restores order in the galleries.

The clerk may proceed.

The call of the roll was continued.

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

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

ORDER VACATING ORDER FOR ROUTINE MORNING BUSINESS ON MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to vacate the order for routine morning business on Monday.

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

ORDER THAT THERE BE NO ROLLCALL VOTES ON MONDAY PRIOR TO THE HOUR OF 3:30 P.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be no rollcall votes on Monday prior to the hour of 3:30 p.m.

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

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at 11 a.m. on Monday following a recess. After the two leaders or their designees have been recognized under the standing order, Mr. GRIFFIN will be recognized for not to exceed 15 minutes, after which Mr. ROBERT C. BYRD will be recognized for not to exceed 15 minutes, at the conclusion of which the Senate will proceed to the consideration of the continuing resolution providing funds for committees.

On the disposition of that resolution, the Senate will take up S. 66, the Public Health Service bill. Other matters that have been cleared for action on the Calendar by Monday may come up, some of which or all of which may be by unanimous consent.

Action on the tax cut bill, if reported and ready for Senate floor action on Monday, would supersede action on either of the two measures that I have already outlined.

In any event, there will be rollcall votes on Monday. The tax cut bill will be taken up no later than Tuesday provided it has been reported by the Finance Committee and is ready for floor action on Tuesday.

The Senate will not be in session tomorrow, thus giving the Committee on Finance, especially the Committee on Finance, an opportunity to work on the tax cut bill without interruption by rollcalls, quorum calls, and votes, and also giving other committees an opportunity to work on legislation for floor action at the earliest opportunity.

Under the circumstances, there is little else the Senate could accomplish by coming in tomorrow. It also happens that some of the Members on both sides of the aisle who are actively interested in the energy bills, are, additionally, members of the Finance Committee, which is working to report the tax bill. They cannot be in both places—on the floor and in Finance Committee—at the same time. So, the Senate will recess until Monday.

RECESS UNTIL 11 A.M. MONDAY, MARCH 17, 1975

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until the hour of 11 a.m. on Monday next.

The motion was agreed to; and at 5:51 p.m., the Senate recessed until Monday, March 17, 1975, at 11 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 13, 1975:

DEPARTMENT OF JUSTICE

Ralph B. Guy, Jr., of Michigan, to be U.S. attorney for the eastern district of Michigan for the term of 4 years.

William B. Cummings, of Virginia, to be U.S. attorney for the eastern district of Virginia for the term of 4 years.

John E. Clark, of Texas, to be U.S. attorney for the western district of Texas for the term of 4 years.

Donald W. Wyatt, of Rhode Island, to be U.S. marshal for the district of Rhode Island for the term of 4 years.

(The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

THE JUDICIARY

J. Smith Henley, of Arkansas, to be U.S. circuit judge for the eighth circuit.

Stanley S. Brotman, of New Jersey, to be U.S. district judge for the district of New Jersey.

HOUSE OF REPRESENTATIVES—*Thursday, March 13, 1975*

The House met at 12 o'clock noon.

Rev. Walter C. Karaveckas, St. Casimir Church, Pittsburgh, Pa., offered the following prayer:

Almighty God, who art all good, holy, and just, look upon this assembly of men who come here to represent the people of this Nation. Bless and guide them in their work. Moreover, we humbly beg Thee, Almighty God, to look upon the small nation of Lithuania and her great people who have been deprived of their independence. Help them not to lose hope and courage in their continuous struggle for freedom. Please, God, may the Lithuanian people be strengthened in their faith in Thee, in their love for their country, and hope to live once again as a free people. Continue to bless them in their current suffering and anxiety. 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 a concurrent resolution of the following title, in which the concurrence of the House is requested:

S. Con. Res. 23. Concurrent resolution to authorize the printing of additional copies of "The Congressional Program of Economic Recovery and Energy Sufficiency."

PERMISSION FOR COMMITTEE ON ARMED SERVICES AND THREE SUBCOMMITTEES TO SIT DURING 5-MINUTE RULE TODAY

Mr. PRICE. Mr. Speaker, I ask unanimous consent that the Committee on Armed Services, and three of its subcommittees: The Research and Development Subcommittee; the Seapower Subcommittee; and the Military Personnel Subcommittee be permitted to proceed this afternoon with their hearings on H.R. 3689, the fiscal year 1976 Department of Defense appropriation authorization request, during the 5-minute rule.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

PERMISSION FOR COMMITTEE ON RULES TO FILE CERTAIN PRIVILEGED REPORTS

Mr. PEPPER. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged reports.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

WITHDRAWING REQUEST TO EXTEND REMARKS NOTWITHSTANDING EXCESS COST

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent to withdraw a re-